



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

**INDIVIDUAL ANNUAL FINANCIAL STATEMENTS**

**on and for financial year ended on December  
31, 2018**

**drawn up in accordance with Regulation  
FSA 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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**TRANSILVANIA BROKER DE ASIGURARE S.A.****Balance sheet****For fiscal year ended on December 31, 2018***(all amounts are expressed in Lei (RON) unless otherwise stated)***Balance sheet on December 31, 2018**

Item name	No .	Balance on:	
		01.01.2018	31.12.2018
<b>A. FIXED ASSETS</b>			
<b>I. INTANGIBLE ASSETS</b>			
1. Formation expenses	1	0	0
2. Development costs	2	0	0
3. Concessions, patents, licenses, trademarks, rights and similar assets, if they have been purchased for consideration	3	15.954	18.045
4. Goodwill	4	0	0
5. Advances for intangible assets	5	0	0
<b>TOTAL (rd. 01 la 05)</b>	<b>6</b>	<b>15.954</b>	<b>18.045</b>
<b>II. TANGIBLE ASSETS</b>			
1. Land and buildings	7	0	1.698.272
2. Technical installations and machines	8	63.188	94.435
3. Other installations, machinery and furniture	9	35.661	23.373
4. Advances and tangible assets in progress	10	0	0
<b>TOTAL (rd. 07 la 10)</b>	<b>11</b>	<b>98.849</b>	<b>1.816.080</b>
<b>III. FINANCIAL FIXED ASSETS</b>			
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 held in affiliated entities and jointly controlled entities	15	0	0
5. Investments held as fixed assets	16	0	0
6. Other loans and bonds	17	15.075	22.662
<b>TOTAL (rd. 12 la 17)</b>	<b>18</b>	<b>15.075</b>	<b>22.662</b>
<b>FIXED ASSETS - TOTAL (rd.06 + 11 + 18)</b>	<b>19</b>	<b>129.878</b>	<b>1.856.788</b>
<b>B. CURRENT ASSETS</b>			
<b>I. STOCKS</b>			
1. Consumables and other current assets such as stocks	20	0	0
2. Advance payments for stock purchases	21	942	0
<b>TOTAL (rd. 20 + 21)</b>	<b>22</b>	<b>942</b>	<b>0</b>
<b>II. RECEIVABLES</b>			
1. Receivables related to brokerage activity	23	372.013	836.446
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 receivables	26	4.182.897	3.275.283
5. Receivables on subscribed and unpaid capital	27	0	0
<b>TOTAL (rd. 23 la 27)</b>	<b>28</b>	<b>4.554.909</b>	<b>4.111.729</b>
<b>III. SHORT-TERM INVESTMENTS</b>			
1. Shares held in affiliated entities	29	0	0
2. Other short-term investments	30	0	0
<b>TOTAL (rd. 29 la 30)</b>	<b>31</b>	<b>0</b>	<b>0</b>
<b>IV. CASH AND BANK ACCOUNT</b>	<b>32</b>	<b>7.265.864</b>	<b>3.891.649</b>

**TRANSILVANIA BROKER DE ASIGURARE S.A.****Balance sheet****For fiscal year ended on December 31, 2018***(all amounts are expressed in Lei (RON) unless otherwise stated)*

<b>CURRENT ACTIVITIES - TOTAL (rd.22 + 28 + 31 + 32)</b>	<b>33</b>	<b>11.821.715</b>	<b>8.003.379</b>
<b>C. PREPAYMENTS</b>	<b>34</b>	<b>6.656</b>	<b>11.117</b>
<b>D. DEBTS: AMOUNTS TO BE PAID UP TO AN YEAR</b>			
1. Debenture loans, showing convertible loans separately	35	0	0
2. Amounts owed to credit institutions	36	0	200.400
3. Debts related to brokerage activity	37	5.044.351	3.315.470
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 and social security debts	40	3.679.499	562.887
<b>TOTAL (rd. 35 la 40)</b>	<b>41</b>	<b>8.723.850</b>	<b>4.078.757</b>
<b>E. NET CURRENT ACCOUNTS/NET CURRENT DEBTS (rd. 33 + 34-41-56)</b>	<b>42</b>	<b>3.104.521</b>	<b>3.935.738</b>
<b>F. TOTAL ASSETS MINUS CURRENT DEBTS (rd. 19 + 42-55)</b>	<b>43</b>	<b>3.234.398</b>	<b>5.792.525</b>
<b>G. DEBTS: AMOUNTS TO BE PAID DURING A PERIOD MORE THAN AN YEAR</b>			
1. Debenture loans, showing convertible loans separately	44	0	0
2. Amounts owed to credit institutions	45	0	1.199.600
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 and social security debts	49	0	0
<b>TOTAL (rd. 44 la 49)</b>	<b>50</b>	<b>0</b>	<b>1.199.600</b>
<b>H. PROVISIONS</b>			
1. Provisions for pensions and similar obligations	51	0	0
2. Provisions for taxation	52	0	0
3. Other provisions	53	0	0
<b>TOTAL (rd. 51 la 53)</b>	<b>54</b>	<b>0</b>	<b>0</b>
<b>I. INCOME IN ADVANCE</b>			
1. Subsidies	55	0	0
2. Income collected in advance	56	0	0
3. Negative goodwill	57	0	0
<b>TOTAL (rd. 55 + 56 + 57)</b>	<b>58</b>	<b>0</b>	<b>0</b>
<b>J. CAPITAL AND RESERVES</b>			
<b>I. CAPITAL (rd. 60 + 61 + 62 + 63)</b>	<b>59</b>	<b>500.000</b>	<b>500.000</b>
1. Paid subscribed capital	60	500.000	500.000
2. Unpaid subscribed capital	61	0	0
3. Items similar to social capital	62	0	0
4. Other items of equity	63	0	0
<b>II. SHARE PREMIUMS</b>	<b>64</b>	<b>0</b>	<b>0</b>
<b>III. REVALUATION RESERVES</b>	<b>65</b>	<b>0</b>	<b>0</b>
<b>IV. RESERVES (rd. 67 + 68 + 69)</b>	<b>66</b>	<b>100.000</b>	<b>100.000</b>
1. Legal reserves	67	100.000	100.000
2. Statutory or contractual reserves	68	0	0

**TRANSILVANIA BROKER DE ASIGURARE S.A.****Balance sheet****For fiscal year ended on December 31, 2018***(all amounts are expressed in Lei (RON) unless otherwise stated)*

3. Other reserves		69	0	0
<b>Own shares</b>		70	0	0
<b>Earnings related to equity instruments</b>		71	0	0
<b>Losses related to equity instruments</b>		72	0	0
<b>V. PROFIT OR LOSS</b>	<b>SOLD C</b>	<b>73</b>	<b>0</b>	<b>34.399</b>
<b>REPORTED</b>	<b>SOLD D</b>	<b>74</b>	<b>701.223</b>	<b>0</b>
<b>VI. PROFIT OR LOSS</b>	<b>SOLD C</b>	<b>75</b>	<b>3.405.622</b>	<b>3.958.526</b>
<b>FINANCIAL EXERCISE</b>	<b>SOLD D</b>	<b>76</b>	<b>0</b>	<b>0</b>
<b>Distribution of profit</b>		<b>77</b>	<b>70.000</b>	<b>0</b>
<b>EQUITIES - TOTAL (rd. 59 + 64 + 65 + 66 - 70 + 71 - 72 + 73 - 74 + 75 - 76 - 77)</b>		<b>78</b>	<b>3.234.399</b>	<b>4.592.925</b>

The financial statements were authorized by the Board of Directors on March 20, 2019 for the approval of the GMS.

Chairman of the Board of Directors,  
Mr. Niculae Dan  
Signature \_\_\_\_\_

Drafted,  
Mrs. Pârțiu Vasilichi Oana  
Head of accounting service  
Signature \_\_\_\_\_

**TRANSILVANIA BROKER DE ASIGURARE S.A.**  
**PROFIT AND LOSS ACCOUNT**  
**for the financial year ended December 31, 2018**  
*(all amounts are expressed in Lei (RON) unless otherwise stated)*

**PROFIT AND LOSS ACCOUNT**  
**on December 31, 2018**

Indicator name	No.	Achievements related to the period	
		previous 31.12.2017	current 31.12.2018
1. Income from brokerage activity (rd. 02+05+06+07+08):	1	<b>53.835.203</b>	<b>62.121.897</b>
a) negotiation of insurance and reinsurance contracts (03 + 04) of which:	2	53.726.933	62.064.257
a.1) negotiating insurance contracts	3	53.726.933	62.064.257
a.2) negotiating reinsurance contracts	4	0	0
b) performing risk inspections	5	0	0
c) settlement in case of damages	6	0	0
d) damages commission	7	0	0
e) other activities related to the object of activity	8	108.270	57.640
2. Commercial discounts granted	9	0	0
3. Incomes from subsidies for operating activities	10	1.000	0
4. Other operating incomes	11	70.083	22.924
of which: incomes from negative goodwill	12	0	0
5. Income from the revaluation of intangible assets	13	0	0
<b>OPERATING INCOMES - TOTAL</b> (rd.1 - 9 + 10 + 11 + 13)	<b>14</b>	<b>53.906.286</b>	<b>62.144.821</b>
6. a) Expenditure on services provided by third parties of which:	15	1.273.723	2.183.280
Expenses with collaborators	16	0	0
b) Expenditure on consumables and inventory items	17	131.427	135.666
7. Trade discounts received	18	0	0
8. Expenses with other taxes, duties and similar charges, of which, the operating fee	19	173.037	80.113
	20	121.007	62.120
9. Staff costs (rd. 22+23)	<b>21</b>	<b>2.270.043</b>	<b>2.327.041</b>
a) Salaries and allowances	22	1.828.079	2.260.883
b) Social security and social protection expenditures	23	441.964	66.158
10. Expenditure on environmental protection	24	0	0
11. Expenditures with the revaluation of intangible assets	25	0	0
12. Expenditure on calamities and other similar events	26	0	0
13. Expenditure on fees due to brokerage assistants	27	45.544.380	51.905.798
14. Value adjustments on tangible assets and intangible assets (rd. 29-30)	<b>28</b>	<b>135.930</b>	<b>76.591</b>
a) Expenditures	29	135.930	76.591
b) Incomes	30	0	0
15. Value adjustments for current assets (rd. 32-33)	<b>31</b>	<b>126.675</b>	<b>569.039</b>
a) Expenditures	32	126.675	604.524
b) Incomes	33	0	35.485
16. Other operating expenses (rd. 35 + 36)	<b>34</b>	<b>275.915</b>	<b>207.386</b>
a) Expenditures with indemnities, donations and assets ceded	35	264.148	118.955
b) Other operating expenditures	36	11.767	88.431
17. Adjustments on provisions (rd. 38-39)	<b>37</b>	<b>0</b>	<b>0</b>
a) Expenditures	38	0	0
b) Incomes	39	0	0

**TRANSILVANIA BROKER DE ASIGURARE S.A.**  
**PROFIT AND LOSS ACCOUNT**  
**for the financial year ended December 31, 2018**  
*(all amounts are expressed in Lei (RON) unless otherwise stated)*

<b>OPERATING COSTS - TOTAL</b>	<b>40</b>	<b>49.931.129</b>	<b>57.484.914</b>
(rd.15+17-18+19+21+24+25+26+27+28+31+34+37)			
<b>OPERATING LOSS OR PROFIT</b>			
Profit (rd. 14-40)	<b>41</b>	3.975.157	4.659.907
Loss (rd. 40-14)	<b>42</b>	0	0
18. Incomes from investments of which: incomes from affiliated entities	43	0	0
	44	0	0
	45	2.613	17.753
19. Interest income of which: incomes from affiliated entities	46	0	0
20. Other financial income of which: income from other financial assets	47	79	0
	48	0	0
<b>FINANCIAL INCOME - TOTAL (rd.43+45+47)</b>	<b>49</b>	<b>2.692</b>	<b>17.753</b>
21. Value adjustments for financial assets (rd. 51-52)	<b>50</b>	<b>0</b>	<b>0</b>
a) Expenditures	51	0	0
b) Incomes	52	0	0
22. Interest charges	53	1.295	0
Of which: expenditures in relation to affiliated entities	54	0	0
23. Other financial expenditures	55	1.244	0
<b>FINANCIAL EXPENDITURE - TOTAL (rd.50+53+55)</b>	<b>56</b>	<b>2.539</b>	<b>0</b>
<b>PROFIT OR FINANCIAL LOSS</b>			
Profit (rd. 49-56)	<b>57</b>	153	17.753
Loss (rd. 56-49)	<b>58</b>	0	0
<b>CURRENT PROFIT OR FINANCIAL LOSS</b>			
Profit (rd. 14+49-40-56)	<b>59</b>	<b>3.975.310</b>	<b>4.677.660</b>
Loss (rd. 40+56-14-49)	<b>60</b>	0	0
<b>TOTAL INCOMES (rd.14+49)</b>	<b>61</b>	<b>53.908.978</b>	<b>62.162.574</b>
<b>TOTAL EXPEDITURES (rd.40+56)</b>	<b>62</b>	<b>49.933.668</b>	<b>57.484.914</b>
<b>GROSS PROFIT OR LOSS</b>			
Profit (rd. 61-62)	<b>63</b>	3.975.310	4.677.660
Loss (rd. 62-61)	<b>64</b>	0	0
<b>Corporate tax</b>	<b>65</b>	569.688	719.134
Other taxes not shown in the above items	66	0	0
<b>CORRESPONDING NET PROFIT OR LOSS</b>			
<b>FINANCIAL EXERCISE</b>			
Profit (rd. 61-62-65-66)	<b>67</b>	<b>3.405.622</b>	<b>3.958.526</b>
Loss (rd. 62-61+65+66)	<b>68</b>	0	0

The financial statements were authorized by the Board of Directors on March 20, 2019 for the approval of the GMS.

Chairman of the Board of Directors,  
Mr. Niculae Dan  
Signature \_\_\_\_\_

Drafted,  
Mrs. Pârțiu Vasilichi Oana  
Head of accounting service  
Signature \_\_\_\_\_

**TRANSILVANIA BROKER DE ASIGURARE S.A.**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the financial year ended December 31, 2018**  
*(all amounts are expressed in Lei (RON) unless otherwise stated)*

2017

Item name	Balance on January 1, 2017	Increases		Reductions		Balance on December 31, 2017	
		Total, of which	By transfer	Total, of which:	By transfer		
Subscribed capital	500.000	0	0	0	0	500.000	
Share premiums	0	0	0	0	0	0	
Revaluation reserves	0	0	0	0	0	0	
Legal reserves	30.000	70.000	0	0	0	100.000	
Reserves representing surplus from revaluation reserves	0	0	0	0	0	0	
Other reserves	0	0	0	0	0	0	
The retained earnings represent the undistributed profit or the uncovered loss	<b>Balance C</b>	25.000	3.051.681	3.051.681	3.051.681	0	25.000
	<b>Balance D</b>	0	0	0	0	0	0
The retained earnings from the correction of accounting errors	<b>Balance C</b>	0	0	0	0	0	0
	<b>Balance D</b>	87.131	639.092	0	0	0	726.223
Outcome of the financial exercise	<b>Balance C</b>	3.051.681	3.405.622	0	3.051.681	3.051.681	3.405.622
	<b>Balance D</b>	0	0	0	0	0	0
Distribution of profit	25.000	70.000	70.000	25.000	25.000	70.000	
<b>Total equities</b>	<b>3.494.550</b>	<b>5.818.211</b>		<b>6.078.362</b>		<b>3.234.399</b>	

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Chairman of the Board of Directors,  
 Mr. Niculae Dan  
 Signature \_\_\_\_\_

Drafted,  
 Mrs. Pârțiu Vasilichi Oana  
 Head of accounting service  
 Signature \_\_\_\_\_



**TRANSILVANIA BROKER DE ASIGURARE S.A.**  
**STATEMENT OF CHANGES IN EQUITY**  
**for the financial year ended December 31, 2018**  
*(all amounts are expressed in Lei (RON) unless otherwise stated)*

**2018**

Item name		Sold la January1, 2018	Increases		Reductions		Balance on December 31, 2018
			Total, of which:	By transfer	Total, of which:	By transfer	
Paid capital		500.000			0		500.000
Share premiums		0	0		0		0
Revaluation reserves		0	0		0		0
Legal reserves		100.000	0	0	0		100.000
Reserves representing surplus from revaluation reserves		0	0		0		0
Other reserves		0	0		0		0
The retained earnings represent the undistributed profit or the uncovered loss	Balance C	25.000	3.335.622	3.335.622	3.326.223		34.399
	Balance D	0					0
The retained earnings from the correction of accounting errors	Balance C	0					0
	Balance D	726.223			726.223	726.223	0
Outcome of the financial exercise	Balance C	3.405.622	3.958.526		3.405.622	3.405.622	3.958.526
	Balance D	0					0
Distribution of profit		70.000	0	0	70.000	70.000	0
<b>Total equities</b>		<b>3.234.399</b>	<b>7.294.148</b>		<b>5.935.622</b>		<b>4.592.925</b>

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Chairman of the Board of Directors,  
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Signature \_\_\_\_\_

Drafted,  
Mrs. Pârțiu Vasilichi Oana  
Head of accounting service  
Signature \_\_\_\_\_

**TRANSILVANIA BROKER DE ASIGURARE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL ANNUAL FINANCIAL STATEMENTS**  
**for the financial year ended December 31, 2018**  
*(all amounts are expressed in Lei (RON) unless otherwise stated)*

Indicator name	Nr. rd.	Achievements related to the period	
		previous 31.12.2017	current 31.12.2018
<b>CASH FLOWS FROM THE OPERATION ACTIVITY</b>			
1. Cash receipts from brokerage activity	1	311.146.764	324.935.178
2. Cash payments from brokerage activity	2	302.868.441	316.650.639
3. Other payments from various borrowers	3	58.542	2.219
4. Cash payments to suppliers and other various creditors	4	1.283.561	2.106.844
5. Cash payments to and on behalf of employees	5	2.169.311	2.417.726
6. Payments related to special funds from intermediation	6	107.358	58.701
7. Other cash payments related to operating activities	7	459.599	763.077
8. Cash payments representing dividends distributed to shareholders	8	0	5.341.195
9. Paid corporate tax	9	497.887	683.823
<b>NET CASH FROM (USED IN)</b>	<b>10</b>	<b>3.819.149</b>	<b>-3.084.608</b>
<b>OPERATING ACTIVITY (rd.01-02+03-04-05-06-07-08-09)</b>			
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>			
1. Cash payments for the acquisition of tangible and intangible assets	11	48.833	1.698.272
2. Receipts from the sale of tangible and intangible assets	12	0	0
3. Cash proceeds for acquisition of equity instruments or the debt of other entities	13	0	0
4. Proceeds from sale of equity instruments or debt of other entities	14	0	0
5. Cash payments for acquiring interests in joint ventures	15	0	0
6. Proceeds from sale of interests in joint ventures	16	0	0
7. Payments as loans to third parties	17	0	9.087
8. Proceeds from repayment of loans granted to third parties	18	0	0
9. Proceeds from dividends generated by the equities	19	0	0
10. Proceeds from interest income on debt instruments	20	0	0
11. Proceeds from bank interest	21	2.613	17.753
<b>NET CASH FROM (USED IN)</b>	<b>22</b>	<b>-46.220</b>	<b>-1.689.606</b>
<b>INVESTMENT ACTIVITIES (rd.12-11-13+14-15+16-17+18+19+20+21)</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
1. Cash proceeds from bonds or other equity instruments	23	0	0
2. Cash payments made to owners to redeem the entity's shares	24	0	0

**TRANSILVANIA BROKER DE ASIGURARE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL ANNUAL FINANCIAL STATEMENTS**  
**for the financial year ended December 31, 2018**

*(all amounts are expressed in Lei (RON) unless otherwise stated)*

3. Cash proceeds from the issuance of debt instruments, Bonds or other loans	25	0	1.400.000
4. Cash payments made to repay borrowed funds	26	0	0
5. Cash proceeds from funds borrowed from shareholders	27	0	1.550
6. Payments representing repayments of funds borrowed by shareholders	28	43.000	1.550
7. Cash payments related to financial leasing contracts	29	52.127	0
<b>NET CASH FROM (USED IN)</b>	<b>30</b>	<b>-95.127</b>	<b>1.400.000</b>
<b>FINANCING (rd.23-24+25-26+27-28-29)</b>			
<b>CASH AND CASH EQUIVALENTS ON 1<sup>ST</sup> OF JANUARY</b>	<b>31</b>	<b>3.588.062</b>	<b>7.265.864</b>
<b>NET INCREASE OF DECREASE OF CASH AND</b>	<b>32</b>	<b>3.677.802</b>	<b>-3.374.215</b>
<b>CASH EQUIVALENTS (rd.10+22+30)</b>			
<b>ECHIVALENTELOR DE NUMERAR 31 DECEMBRIE</b>	<b>33</b>	<b>7.265.864</b>	<b>3.891.649</b>
(rd. 31+32)			

The financial statements were authorized by the Board of Directors on March 20, 2019 for the approval of the GMS.

Chairman of the Board of Directors,  
 Mr. Nicolae Dan  
 Signature \_\_\_\_\_

Drafted,  
 Mrs. Pârțiu Vasilichi Oana  
 Head of accounting service  
 Signature \_\_\_\_\_

## 1. GENERAL INFORMATION

### 1.1 *Company presentation*

**TRANSILVANIA BROKER de ASIGURARE S.A.** is an insurance brokerage 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 Distribution of Insurance no. 236/2018. The company is authorized by the FSA to provide brokerage services in business insurance, holds authorization 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 the regulations issued by the Financial Supervisory Authority with regard to commercial intermediation. The company is listed on the Bucharest Stock Exchange starting with November 2, 2017. The company has its registered office in Bistrita, str. Zorilor nr. 5, cod poștal 540014, jud. Bistrita-Nasaud, is registered at the Trade Register Office under no. J06/674/2006, fiscal code 19044296. On December 31, 2018, the Company has the following locations:

- Municipiul Sibiu, jud. Sibiu, str. Justiției, nr. 10;
- București Sectorul 1, str. Buzești, nr. 59, bloc A5, scara 4, ataj 1, ap. 66;
- Municipiul Pitești, jud. Argeș, Intrarea ROZELOR, nr. 3;
- Municipiul Cluj-Napoca, jud. Cluj, srt. Sarmisegetuza, nr. 22, etaj 1.

The shareholding structure on December 31, 2018 is as follows:

<b>Shareholder</b>	<b>No. shares</b>	<b>Nominal value (lei)</b>	<b>Percentage of ownership (%)</b>
LOGIN GABRIEL	1.145.031	229.006,20	45,8012
NICULAE DAN	764.732	152.946,40	30,5893
Individuals	424.395	84.879,00	16,9758
Corporate entities	165.842	33.168,40	6,6337
<b>TOTAL</b>	<b>2.500.000</b>	<b>500.000,00</b>	<b>100,0000</b>

## *1.2. Corporate Governance Structures*

Members of the Board of Directors of Transilvania Broker de Asigurare S.A.:

- during 01.01.2018 – 24.07.2018:
  - NICULAE Dan – Chairman of the Board of Directors;
  - DENEȘ Daniela Tasia – Member of Board of Directors;
  - ȚUICĂ Gabriel Alexandru – Member of Board of Directors;
  
- during 25.07.2018 – 31.12.2018, under a new mandate:
  - NICULAE Dan – Chairman of the Board of Directors;
  - DENEȘ Daniela Tasia – Member of Board of Directors;
  - ȚUICĂ Gabriel Alexandru – Member of Board of Directors;

On December 31, 2018, the company's management team was formed by the following persons:

- NICULAE Dan – General Manager;
- COTIAC Ioan – Executive Manager;
- LOGIN Camelia-Mariana – Financial and Accounting Department Manager;
- PÂRȚIU VASILICHI Oana – Chief Accountant Service.

The members of the executive management have the competencies and responsibilities according to the job description.

All persons belonging to the Company's executive management are committed to permanent contract.

The persons who are part of the executive management or the Board of Directors of the company have not been involved in litigation or administrative proceedings in connection with their activity.

## **2. ACCOUNTING POLICIES**

The individual annual financial statements were prepared by the Company in accordance with the Accounting Law no. 82/1991, republished, as subsequently amended and supplemented and with the provisions of the FSA Regulation 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 ("Norm. 36/2015"). The Company's management expressly and unconditionally declares that the individual annual financial statements comply with all the applicable provisions under Regulation 36/2015.

The individual annual financial statements were approved by the Board of Directors during the meeting from March 22, 2019.

The main accounting policies applied in the preparation of the financial statements are set out below. The policies have been applied consistently to all the years presented, unless otherwise stated.

### ***2.1. Basics of assessment***

The individual annual financial statements are prepared under the historical cost convention, unless otherwise stated.

### ***2.2. Currency***

The accounting is kept in Romanian language and in national currency ("RON" or "LEI"). The items included in these financial statements are presented in Romanian LEI.

### ***2.3. Assessments and accounting estimates***

The preparation of financial statements in accordance with "Regulation 36/2015" requires the management to make estimates that affect 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. The actual results may differ from what you expected. Estimates are reviewed periodically.

Below are examples of assessments methods, estimates, assumptions applied within the Company:

(a) Adjustments for impairment of receivables

The assessment for the impairment receivables is performed individually and is based on the management's best estimate of the present value of cash flows expected to be received. For estimating these flows, management makes some estimates about the financial condition of the partners.

(b) Corporate entities

The Company reviews unsettled legal cases, following developments in court proceedings and the statements existing at each reporting date, in order to assess the provisions and disclosures in its financial statements. Among the factors considered when making decisions related to provisions are the nature of the litigation or the potential damage claim, the progress of the case (including progress after the date of the financial statements, but before those statements are issued).

(c) Taxation

The tax system in Romania is in a phase of consolidation and harmonization with the European legislation. However, there are still different interpretations of tax legislation. In certain situations, the tax authorities may treat certain aspects differently by calculating additional taxes and fees and related late payment penalties. The Company's management believes that the tax liabilities included in the financial statements are appropriate.

#### ***2.4. General principles of significant financial reporting***

The financial statements for the year ended on December 31, 2018 were prepared in accordance with the following general principles of financial reporting:

##### Continuity principle

These financial statements have been prepared under continuity principle, which implies that the Company will continue to operate normally in the foreseeable future without going into the impossibility of continuing its activity or significantly reducing it. To assess the applicability of this assumption, the management examines the projections of future cash inflows. Based on these analyses, the management believes that the Company will be able to continue its activity in the foreseeable future, and therefore the application of the continuity principle to the preparation of individual annual financial statements is justified.

On December 31, 2018, the Company recorded a profit of 3,958,526 lei with net current assets in the amount to 3,935,738 lei

##### Consistency principle

The Company applies the same rules, methods, and rules for the assessment, recording and presenting the assets accounting, liabilities and equities ensuring the accounting information comparability.

### Prudence principle

When preparing the financial statements, it has been taken into account:

- all value adjustments due to impairment in asset valuation;
- within the profit and loss account included only profit at the balance sheet date;
- the debts incurred in the current financial year or previous financial year were acknowledged, even if they became apparent only between the balance sheet date and the date of its preparation.

### Accrual principle

The effects of transactions and other events are acknowledged when transactions and events occur (and not as cash or cash equivalents are received 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 expenditures and related income, with a distinct highlighting of these incomes and expenditures.

### Intangibility principle

The opening balance sheet for the current financial year corresponds to the closing balance sheet of the previous financial year.

### Principle of separate valuation of components of asset and liability items

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

### Offsetting principle

The values of asset items were not offset by the values of the debt/equity items, meaning there was no offset between the items of income and expense.

### The principle of valuation at acquisition cost or production cost

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



### Materiality principle

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

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

The events and the economic and financial operations were recorded 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 shall account for those operations, with due regard to their economic substance.

### *2.5 Currency conversions*

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

The LEU / EUR exchange rates on December 31, 2017 and December 31, 2018 were as follows:

<b>Currency</b>	<b>December 31, 2017</b>	<b>December 31, 2018</b>
LEU/EUR	4,6597	4,6639

### *2.6 Intangible assets*

Intangible assets that comply with the criteria of Regulation 36/2015 are stated at cost, less the cumulative depreciation. Costs related to software acquisition are capitalized and depreciated using the straight-line method over the useful life.

Concessions, patents, licenses, trademarks, rights and similar assets are recorded in the intangible asset accounts at the cost of acquisition.

Licenses and other intangible assets are depreciated using the straight-line method for an estimated 3-year period.

### *2.7 Tangible assets*

#### Cost / Assessment

Tangible assets acknowledged as assets are initially measured at cost by the Company and subsequently at cost, less the cumulative depreciation and accumulated impairment losses. The cost of an item of tangible assets consists of the purchase price, including irrecoverable charges and any costs that can be directly

attributable to bringing the asset to the location and in the necessary condition for it to be used for the intended purpose by the management; initial delivery and handling costs, installation and packaging costs, professional fees, after deduction of any price reductions of a commercial nature.

The expenses for the maintenance and repair of tangible assets are recorded by the Company to the profit account when incurred and significant improvements in tangible assets that increase value or significantly increase the ability to generate economic benefits by the Company are capitalized.

Tangible fixed assets in progress fall into the category of completed assets after reception, commissioning them as appropriate, as the case may be.

### Depreciation

Depreciation is calculated for the depreciable amount, which is the cost of the asset, or another value that replaces the cost. Depreciation is recognized in profit or loss using the straight-line method over the useful life estimated for each component of a tangible asset. The useful lives for the reporting period are as follows:

- Buildings 40 years;
- Technical installation 3 - 6 years;
- Means of transportation 5 years;
- Office furniture and equipment 3 - 5 years.

The depreciation periods in the accounting are not different from the depreciation periods used by the Company for tax purposes.

### Tangible fixed assets held in finance leases or purchased in instalments.

As of December 31, 2018, the Company does not have any tangible fixed assets held under finance leases or purchased with instalments.

### Derecognition

The tangible assets that have been ceded or cancelled are removed from the Balance Sheet together with the appropriate cumulative depreciation.

Any gain or loss on the disposal of an asset is determined by comparing the disposal proceeds with the carrying amount of the tangible assets and is recognized at the net amount in profit or loss for the period.

### *2.8 Financial assets*

The financial assets are initially recorded at the acquisition cost or the amount determined in the purchase contract. The financial assets are subsequently recorded at the input value less the cumulative value adjustments for impairment.

### *2.9 Impairment of fixed assets*

The book value of the Company's assets, other than inventories, is reviewed at the balance sheet date to determine whether there are any decreases in value. 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 making or adding impairment adjustments, if a reversible depreciation is found.

### Resumption of depreciation adjustments

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

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

### *2.10 Trade receivables*

The trade receivables are recognized and recorded at the original amount receivable minus the impairment 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 original agreed maturity. Receivables that cannot be cashed as expenses when they are identified.

### *2.11 Cash and cash equivalents*

Cash availability consists of cash in cash and bank accounts. For Cash Flow Statement, cash and cash equivalents comprise cash in cash and bank accounts.

### ***2.12 Financial debts***

The commercial liabilities are stated at cost, which is the amount of the liability that will be payable in the future for the goods and services received, whether or not they have been invoiced to the Company. For liabilities denominated in lei, which are settled on a currency basis, any favourable or unfavourable differences that result from their valuation are recorded as income or expenses, as appropriate.

### ***2.13 Provisions***

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

### ***2.14 Share capital***

The share capital, made up of common shares, is registered at the value determined on the basis of the Incorporation Acts. The Company recognizes the changes in the share capital only after they have been approved by the General Meeting of Shareholders.

### ***2.15 Legal reserves***

It constitutes 5% of the gross profit reported at the end of the financial year until the total legal reserves reach 20% of the paid share capital in accordance with the legal provisions. On December 31, 2018, the Company has set a legal, i.e. 20% of the share capital.

### ***2.16 Dividends***

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

### ***2.17 Reported result***

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

The bookkeeping of the accounts is made in the following year after the general meeting of shareholders approves the distribution of the profit, by registering the amounts representing dividends due to shareholders, reserves and other destinations, according to the law. It cannot be retrieved on the record of the distribution of profit.

### *2.18 Financial instruments*

The financial instruments used by the Company consists mainly in cash, receivables, debts. Instruments of this type are evaluated in accordance with the specific accounting policies presented above in Note 2.

### *2.19 Income recognition*

#### Operating income

Income category includes both sums or values paid or due to payment from current activities as well as earnings from any other sources. Operating incomes include incomes from the negotiation of insurance and reinsurance contracts.

The Company's turnover consists of income from the negotiation of insurance and reinsurance contracts and income from other activities related to the object of activity.

Company's incomes are 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

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

#### Income from royalties, rents and interest:

Such as:

- The interests are recognized periodically, proportionally, to the extent of generating that income, on the basis of accrual accounting;
- The royalties and rents are recognized on the basis of accrual accounting under the contract.

## **2.20 Taxes and fees**

The Company records current income tax in accordance with the Romanian legislation in force at the date of the financial statements. Debts related to taxes and fees are recorded in the period to which it relates.

## **2.21 Accounting errors**

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

Correction of errors for the current financial year is made on the account of the profit and loss account. Correction of significant errors in previous years is carried out on the basis of the reported result.

## **3. RISK MANAGEMENT**

### **Interest rate risk**

The interest rate risk for the Company comes from the long-term borrowed loan in 2018 with variable interest. The exposure of the Company to the risk of changes in the interest rate on cash flows is partly offset by cash placed in "over night" deposits, for which the interest rate is also variable.

### **Currency risk**

The Company is not exposed to this risk because the company's activities are carried out on the domestic market and, at the date of the financial statements, it does not record balances denominated in a currency other than the national currency (RON).

### **Credit risk**

The company carries out business relationships only with recognized third parties, which justifies the credit financing. The receivable balances are monitored on a permanent basis, resulting in an insignificant exposure of the Company to the risk of non-renewable receivables.

#### 4. INTANGIBLE ASSETS

Gross value / intangible items	Initial balance on January 1, 2018	Increases	Discounts		Final balance on December 31, 2018
			Total	Of which: Dismantling and Cassation	
Licenses and other intangible assets	59.898	13.675	840	840	72.733
<b>TOTAL</b>	<b>59.898</b>	<b>13.675</b>	<b>840</b>	<b>840</b>	<b>72.733</b>

DEPRECIATION / intangible items	Initial balance on January 1, 2018	Depreciation during the year	Depreciation related to intangible assets disposed of	Final balance on December 31, 2018
Licenses and other intangible assets	43.944	11.585	840	54.689
<b>TOTAL</b>	<b>43.944</b>	<b>11.585</b>	<b>840</b>	<b>54.689</b>

<b>Book value</b>	<b>15.954</b>			<b>18.045</b>
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During 2018, the book value of intangible assets (licenses and software) recorded an increase of 13.10%, mainly due to the acquisition of licenses. The total value of purchases of intangible assets in 2018 was 13,675 lei. The depreciation of intangible assets recognized by the Company in 2018 is 11,595 lei.

#### 5. TANGIBLE ASSETS

Gross value / intangible items	Initial balance on January 1, 2018	Increases	Discounts		Final balance on December 31, 2018
			Total	of which: Dismantling and Cassation	
Land and constructions	0	1.698.272	0	0	1.698.272
Technical installations and machines	866.045	83.965	0	0	950.010
Other installations, machinery and furniture	85.357	0	0	0	85.357
Advances and tangible assets in progress	0	0	0	0	0
<b>TOTAL</b>	<b>951.402</b>	<b>1.782.237</b>	<b>0</b>	<b>0</b>	<b>2.733.639</b>

AMORTIZATION / intangible items	Initial balance on January 1, 2018	Depreciation during the year	Depreciation related to intangible assets disposed of	Final balance on December 31, 2018
Constructions		0	0	0

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Technical installations and machines	802.857	52.718	0	855.575
Other installations, machinery and furniture	49.696	12.288	0	61.984
<b>TOTAL</b>	<b>852.553</b>	<b>65.006</b>	<b>0</b>	<b>917.559</b>
<b>Book value</b>	<b>98.849</b>			<b>1.816.080</b>

Significant increases in tangible assets appeared during 2018; in December, the Company acquired 2 terrains in a total amount of 302,432 lei and a construction in the amount of 1,395,840 lei. Also in 2018 a car was purchased in the amount of 51,275 lei and computers in the amount of 32,690 lei. There were no tangible assets outflows in 2018.

The amount of amortization acknowledged by the Company in 2018 for tangible assets is 65,006 lei.

As of December 31, 2018, the Company does not have any adjustments for the amortization of tangible assets.

## 6. FINANCIAL ASSETS

The financial assets presented in the balance sheet refer to guarantees paid for lease contracts of offices, including guarantees for utility contracts.

<b>GROSS VALUE</b>	<b>Initial balance on January 1, 2018</b>	<b>Increases</b>	<b>Discounts</b>	<b>Final balance on December 31, 2018</b>
Guarantees and fixed receivables	15.075	9.087	1.500	22.662
<b>TOTAL</b>	<b>15.075</b>	<b>9.087</b>	<b>1.500</b>	<b>22.662</b>

<b>IMPAIRMENT ADJUSTEMENTE</b>	<b>Initial balance on January 1, 2018</b>	<b>Increases</b>	<b>Discounts</b>	<b>Final balance on December 31, 2018</b>
Guarantees and fixed receivables	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Book value</b>	<b>15.075</b>			<b>22.662</b>



## 7. TRADE RECEIVABLES AND OTHER RECEIVABLES

Receivable items	No	Balance on January 1, 2018	Balance on December 31, 2018	Liquidity		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
<b>TOTAL RECEIVABLES (rd.1 la 8 - rd.9+rd.10+rd.11), of which:</b>		<b>4.569.984</b>	<b>4.134.391</b>	<b>4.111.729</b>	<b>22.662</b>	<b>0</b>
Receivables related to brokerage activity	1	372.012	836.446	836.446	0	0
Amounts to be collected from affiliated entities	2	0	0	0	0	0
Advance payments for services	3	386.892	574.500	574.500	0	0
Advances payments to staff and assimilated receivables	4	0	0	0	0	0
Receivables due to state budget	5	0	0	0	0	0
Receivables due to the social security budget	6	0	81.506	81.506	0	0
Receivables related to paid and unpaid capital	7	0	0	0	0	0
Receivables to various debtors	8	3.831.490	2.750.284	2.750.284	0	0
Adjustments for impairment of various debtor receivable	9	-35.485	-131.007	-131.007	0	0
Clearance from operations under clarification	10	0	0	0	0	0
Tangible receivables (guarantees)	11	15.075	22.662	0	22.662	0

The receivables related to brokerage activity do not have interest and in general they have a collection time of less than 30 days.

The uncertain receivables are recorded separately in accounting. When it is estimated that a receivable will not be fully recovered, adjustments for impairment are recorded in the bookkeeping at the level of the amount that cannot be recovered.

Receivables representing advances for services in value of 574,500 are amounts paid as prepayments to brokerage partners, amounts that settle with the amounts due to them for the intermediate policies.

Receivables from various borrowers mostly refer to amounts to be cleared by the brokerage agencies in January 2019, namely 2,575,242 lei, and from this amount, 175,042 lei refers to various debtors' receivables, and some of which relate to receivables with court actions. The Company makes estimates for the risk of non-collection of receivables evidenced on December 31, 2018. According to these estimates, the Company recorded adjustments for impairment of receivables from various debtors in the amount of 131,007 lei.

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Adjustments for impairment of receivables	December 31, 2017	December 31, 2018
<b>At the beginning</b>	<b>0</b>	<b>35.485</b>
Set during the year	35.485	131.007
Cancelled during the year	0	35.485
<b>At the end</b>	<b>35.485</b>	<b>131.007</b>

## 8. CASH AND CASH EQUIVALENTS

Indicator	December 31, 2017	December 31, 2018
Current banks accounts (lei)	2.343.142	1.422.535
Deposit accounts (lei)	4.913.785	2.465.302
Cash in cashier (lei)	8.937	3.812
Other values (lei)	0	0
Cash advances (lei)	0	0
<b>TOTAL</b>	<b>7.265.864</b>	<b>3.891.649</b>

## 9. COMMERCIAL LIABILITIES AND OTHER LIABILITIES

Liability items	Nr. rd.	Balance on January 1, 2018	Balance on December 31, 2018	Maturity date		
				Under 1 year	1 - 5 years	Over 5 years
0	1	2	3 = 4 + 5 + 6	4	5	6
<b>TOTAL liabilities (rd.1 la 8 - rd.9+rd.10+rd.11), din care:</b>		<b>8.723.850</b>	<b>5.278.357</b>	<b>4.078.757</b>	<b>801.600</b>	<b>398.000</b>
Loans from bond issue	1	0	0	0	0	0
Sums owed to credit institutions	2	0	1.400.000	200.400	801.600	398.000
Debts on premiums	3	5.044.351	3.315.470	3.315.470	0	0
Amounts due to affiliated entities	4	0	0	0	0	0
Debt arising from leasing contracts	5	0	0	0	0	0
Debt to other vendors and various creditors	6	146.475	19.213	19.213	0	0
Debt to staff	7	132.826	129.560	129.560	0	0
Amounts due to brokerage assistants	8	56.627	56.117	56.117	0	0
Debts to the social security budget	9	96.066	105.402	105.402	0	0
Debts to the state budget	10	207.174	227.756	227.756	0	0
Debts to special funds in brokering	11	13.649	17.068	17.068	0	0
Debts on other taxes, taxes and similar charges	12	150.819	0	0	0	0
Debts on the amounts to be returned to shareholders	13	0	0	0	0	0

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Dividends due to shareholders	14	2.875.861	5.092	5.092	0	0
Clearance from operations undergoing clarification	15	0	2.679	2.679	0	0

The debts of the Company as of for December 31, 2018 refer mainly to debts relate to debts towards the insurance companies, amounts settled in January 2019, namely the amount of 3,315,470 lei (5,044,351 lei in 2017).

The debts to the financial-banking institutions are represented by the long-term loan of 1,400,000 lei contracted by the Company in 2018. The loan is repaid in equal instalments for a duration of 84 months, the final maturity being on 01.12.2025. The interest rate is set according to the ROBOR index at 6 months and the margin applied by the bank. This loan was contracted in order to finance the acquisition of a building and 2 terrains, totalling in 1,698,272 lei. The company provided the following guarantees for the loan received: security for bank accounts; mortgage on the construction and the two lands.

The debts to the state budget, representing taxes and fees, refer to amounts paid at the due dates for these obligations.

Obligations on staff and social security are set appropriately to their destination.

## 10. PROVISIONS

The company did not consider it necessary to set up provisions in the year 2018.

## 11. EQUITY

Indicator	December 31, 2017	December 31, 2018
Subscribed capital Value (lei)	500.000	500.000
Number of ordinary shares	2.500.000	2.500.000
Nominal value (lei/share)	0,20	0,20

## 12. RESERVES

Reserves	December 31, 2017	December 31, 2018
Legal reserves	100.000	100.000

### 13. DISTRIBUTION OF PROFIT

Indicator	Financial year ended 31 December 2017	Financial year ended 31 December 2018
<b>Net profit to be allocated</b>	<b>3.405.622</b>	<b>3.958.526</b>
Legal reserve	70.000	0
Other reservations	0	0
Covering the carry forward	726.223	0
Dividends Payment	2.600.000	3.200.000
<b>Non-distributed profit</b>	<b>9.399</b>	<b>758.526</b>

The Board of Directors will decide on the proposed net profit targets. The non-distributed profit, in value of 758,526 lei will be transferred to the reported result and will be subsequently distributed, according to the GMS resolution.

Highlighting the accounting profit targets will be made after approval granted by the GMS of the distribution of profit.

### 14. INCOME FROM BROKERAGE ACTIVITIES

Nature of the earned incomes	December 31, 2017	December 31, 2018
<b>Income from brokerage activity</b>	<b>53.835.203</b>	<b>62.121.897</b>
Income from negotiating insurance contracts	53.726.933	62.064.257
Income from negotiating reinsurance contracts	0	0
Other income related to the object of activity	108.270	57.640

### 15. STAFF COSTS

- a) Payroll and related contributions, other employee expenses

Indicator	Value on December 31, 2017	Value on December 31, 2018
Expenditure on staff remuneration	1.770.860	2.199.224
Expenditure on meal vouchers granted to employees	57.219	61.660
Expenditure on insurance and social protection	441.964	16.068
Work safety contribution		50.090
Expenditure on staff training	2.211	1.857
<b>TOTAL, din care:</b>	<b>2.272.254</b>	<b>2.328.899</b>
Expenditure on executive management personnel	138.861	163.415

b) Board of Directors:

<b>Name and first name</b>	<b>Position</b>	<b>Value of paid indemnities in 2018</b>
NICULAE DAN	Chairman of the Board of Directors	80.145,00
TUICA GABRIEL ALEXANDRU	Member	8.504,00
DENES DANIELA TASIA	Independent member	21.257,00
<b>TOTAL</b>		<b>235.238,00</b>

**16. ANALYSIS OF OTHER EXPENDITURE AND RESULTS**

**a) RESULTS FROM OPERATION**

<b>Indicator</b>	<b>Financial year ended December 31, 2017</b>	<b>Financial year ended December 31, 2018</b>
1. Net turnover	<b>53.835.203</b>	<b>62.121.897</b>
2. Cost of goods sold and services (3 + 4)	48.069.068	54.432.482
3. Expenditure on basic activity	47.937.641	54.296.816
4. Expenditure on supplementary activities	131.427	135.666
5. Gross profit on net turnover (1-2)	<b>5.766.135</b>	<b>7.689.415</b>
6. Expenses	801.846	2.042.361
7. General administration expenses	1.060.216	1.045.555
8. Other operating income	71.084	58.409
9. Operating result (5-6-7 + 8)	<b>3.975.157</b>	<b>4.659.908</b>

**b) ALTE CHELTUIELI DE EXPLOATARE**

<b>Indicators</b>	<b>Value for 2017</b>	<b>Value for 2018</b>
Expenditure on energy and water	27.610	36.514
Maintenance costs and repairs	1.643	10.584
Expenses with royalties, management locations and rents	198.030	213.988
Expenditure on insurance premiums	20.837	71.896
Expenditure on staff training	2.211	1.857
Expenditure on commissions and fees	952	25.366
Protocol, advertising and advertising expenses	228.062	389.862
Expenditure on goods and personnel transport	0	2.009
Expenditure on travel, business trips and transfers	17.742	14.125
Postage and telecommunication charges	212.674	172.800
Expenditure on banking and similar service	100.062	106.796
Other expenditure on services rendered by third parties	463.900	1.137.483
<b>TOTAL</b>	<b>1.273.723</b>	<b>2.183.280</b>

## 17. PROFIT TAX

Indicator	Value for 2017	Value for 2018
1. Profit or loss for the financial year	4.107.973	4.677.660
2. Items similar to incomes	0	0
3. Legal reserve	70.000	0
4. Non-taxable incomes	0	0
5. Non-deductible expenses	1.071.605	931.455
6. Non-deductible tax amortization difference	43.457	9.118
<b>7. Taxable profit/Tax loss for the reporting year (rd. 1+2-3-4+5+6)</b>	<b>5.153.035</b>	<b>5.618.233</b>
8. Tax loss for previous years	0	0
<b>9. Taxable profit/ Fiscal loss to be recovered in the future years (rd. 7-8)</b>	<b>5.153.035</b>	<b>5.618.233</b>
<b>10. Current income tax (rd. 9*16%)</b>	<b>824.486</b>	<b>898.917</b>
11. Income tax on reinvested profit	0	0
<b>12. Profit tax due (rd. 10-11)</b>	<b>824.486</b>	<b>898.917</b>
13. Profit tax due for the quarter I + II + III	395.304	510.061
14. Expenses for sponsorships	142.422	179.783
<b>15. Profit tax due at the end of the period (rd. 12-13-14)</b>	<b>286.760</b>	<b>209.073</b>

## 18. OTHER INFORMATION

### Information on relations with affiliated entities and other related parties

The company does not hold shares in other subsidiaries.

### Further events

Events after the balance sheet are those events, either favourable or unfavourable, occurring between the balance sheet date and the date on which the annual financial statements are authorized for issue. Until the financial statements were authorized, there were no further major events that would damage the Company's presented image.

### Rental and leasing costs

The Company does not have financial leasing contracts in progress. The rent expenses are in value of 213,998 lei (up from 2017, when they were in value of

198,030 lei) and relates to the rents paid by the Company for the locations in which it operates as a registered office and work point.

### Contingencies

#### **Taxation**

All amounts due to the State for taxes have been paid or recorded at the balance sheet date. The Romanian tax system is undergoing consolidation, with different interpretations by the authorities in relation to tax legislation, which may rise additional taxes, duties and penalties. If the state authorities discover breaches of Romanian legal provisions, they may, as the case may be, confiscate the amounts in question, impose additional tax obligations, apply fines, apply late payments (applied to the amounts actually paid). Therefore, the fiscal sanctions resulting from breaches of the legal provisions may reach significant amounts to be paid to the State. In Romania, the fiscal year remains open for verification for a period of 5 years.

The Company considers that it paid in due time all penalties, fees, taxes, penalties and their interests.

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

#### **Claims of a legal nature (contingencies)**

The Company's management considers that the disputes in which it is involved at the date of the financial statements will not have a material impact on the Company's operations and financial position. However, a contingent liability must be presented at the level of the amount requested by Asiom Vienna Insurance Group S.A. at the level of the claims in value of 2,117,833 lei and the related interests, which are not specified. Transilvania Broker de Asigurare S.A. won first instance at the Bistrita-Nasaud Court, but Asiom Vienna Insurance Group S.A. appealed.

#### **Aspects related to environment**

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 environmental liabilities.

#### **Commitments - Guarantees granted to third parties**

For the long-term loan contracted, the Company provided the following guarantees in favour of the bank:

- Movable security on bank accounts;
- Real estate guarantee for a terrain with an area of 100 sqm, cadastral no. 8452 recorded in the real Estate Register with no. 61938 from Bistrița;

**TRANSILVANIA BROKER DE ASIGURARE S.A.**  
**EXPLANATORY NOTES TO INDIVIDUAL ANNUAL FINANCIAL STATEMENTS**  
**for the financial year ended December 31, 2018**

*(all amounts are expressed in Lei (RON) unless otherwise stated)*

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- Real estate guarantee for a land with an area of 500 sqm, within city limits, cadastral no. 56884 and the construction built on it, cadastral no. 56884-C1, a building registered in the Real Estate Register with no. 56884 from Bistrița.

The financial statements were authorized by the Board of Directors on March 20, 2019 for the approval of the GMS.

Chairman of the Board of Directors,  
Dl. Nicolae Dan  
Signature \_\_\_\_\_

Drafted,  
Dna. Pârțiu Vasilichi Oana  
Head of accounting service  
Signature \_\_\_\_\_