



PANNÓNIA
ÉLETBIZTOSÍTÓ

**REPORT OF THE BOARD OF DIRECTORS OF CIG PANNÓNIA
LIFE INSURANCE PLC. ON THE COMPANY'S ANNUAL REPORT
IN ACCORDANCE WITH THE HUNGARIAN ACT OF
ACCOUNTING, AND THE COMPANY'S CONSOLIDATED
FINANCIAL STATEMENTS IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS (EU
IFRS) FOR 2014 BUSINESS YEAR**

CIG PANNÓNIA LIFE INSURANCE PLC.

Date: 12 March 2015.

In compliance with the legal obligations the Board of Directors examined the relevant parts within its competence of the 2014 business year's annual report prepared according to the Hungarian Accounting Act, and the consolidated financial statements prepared according to the international financial reporting standards (EU IFRS) of CIG Pannónia Life Insurance Plc. (registered seat: 1033 Budapest, Flórián tér 1., hereinafter: the Company). The most important experiences and conclusions are the followings:

The most important task of the Company in 2014 business year was to continue the profitable operation and to build up a long term profitable and stable growing portfolio. In order to stabilize its income the Company diversified further its sales channels and reviewed its brokerage contracts, reviewed and analysed its product line and continued the product development focusing on the profitable products. The Company started to sell the new pension insurance products on 2 January 2014 by seizing the tax allowance potentials of the pension insurance segment fastly and flexible.

The Company made a strict cost management: it streamlined its organizational structure and renegotiated the supplier contracts. This resulted that the administration costs stabilized at a significantly – 26% - lower lever than in the previous year (after a 40% decrease in 2013.)

These measures impacted that the regular premium insurance portfolio of the Company has a significant cost-bearing capacity, so it was not only able to cover the operating expenses and other technical items, but also resulted profit.

The Board of Directors submitted the annual reports of the Company to the Supervisory Board, the key figures are the followings:

- The Company's annual report in accordance with the Hungarian Accounting Act, according to which the matching grand total of assets and liabilities are THUF 63,860,868 the profit after tax is a THUF 81,868 profit.
- The Company's consolidated financial statements in accordance with international financial reporting standards (EU IFRS) for 2014 business year according to which the matching grand total of assets and liabilities are THUF 65,410,544 and total comprehensive income is a THUF 206,007 loss.

12 March 2015, Budapest

in the name of the Board of Directors

Dr. Mária Király
Chairman of the Board of Directors

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