



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 2015 BUSINESS YEAR**

CIG PANNÓNIA LIFE INSURANCE PLC.

Date: 16 March 2016

In compliance with the legal obligations the Board of Directors prepared the annual report for 2015 business year 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:

2015 was the first complete year, when the Company accomplished the new strategy approved formerly, that set three major goals: profitable operation, restructuring in sales and the determining presence in the niche markets.

As the quarterly published reports declared: the change in strategy was successful and fulfilled the expectations.

The diversification of sales channels was prosperous, the tied agent network strengthened further, the loss caused by the termination of broker agreements could be compensated.

The share of traditional life insurance products did not change significantly compared to the end of 2014, but the share of pension insurance products in the portfolio was growing.

Both insurance companies of the Group finished successfully the project of preparation for Solvency II, fulfilled the pilot data supply requirements and prepared the ORSA report.

The Group applied a strict cost management: the other operation costs were decreased by further 8% (HUF 171 million) compared to the end of the previous year.

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 for 2015 business year prepared according to the Hungarian Act on Accounting, according to which the matching grand total of assets and liabilities are THUF 66,429,786 the retained profit for the year is a THUF 568,850 profit.
- The Company's consolidated financial statements for 2015 business year prepared according to international financial reporting standards (EU IFRS) according to which the matching grand total of assets and liabilities are THUF 69,359,229 and the profit after tax is a THUF 927,945 profit in 2015 business year.

16 March 2016, Budapest

on behalf of the Board of Directors

Dr. Mária Király
Chairman of the Board of Directors

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