



**PANNÓNIA**  
ÉLETBIZTOSÍTÓ

**REPORT OF THE AUDIT COMMITTEE OF CIG PANNÓNIA LIFE  
INSURANCE PLC. ON THE COMPANY'S ANNUAL REPORT IN  
ACCORDANCE WITH THE HUNGARIAN ACCOUNTING ACT,  
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: 17 March 2016.

The Audit Committee of CIG Pannónia Life Insurance Plc. (registered seat: 1033 Budapest, Flórián tér 1., hereinafter: the „Company”) currently consists of three members. The Audit Committee - in compliance with the legal obligations - examined the 2015 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) for 2015 business year. The most important experiences and conclusions are the followings:

The Audit Committee set up its evaluation according to the report of the Board of Directors, the auditor’s report and experiences on the reporting system gained during the business year. The Audit Committee monitored the services provided by the auditor and the audit of the annual report, reviewed and found the validation of the professional requirements and conflict of interest against the auditor adequate.

In order to support the work of the Supervisory Board it ensured the appropriate monitoring of the internal control system with particular reference to the assessment of the internal audit and risk management systems’ efficiency.

The professional contact with the management of the Company, the periodically provided information on the sessions and the regular interim control related to the quarterly reporting requirements of the Company helped the Audit Committee to form its opinion. The allocation of the tasks with the Supervisory Board – as a part of the operation of the management system – helped to carry out the tasks.

The main task of the Company in 2015 business year was to increase sales, to reduce the decrease in the existing portfolio and to sustain the profitable operation.

The moderately increasing gross written premium, improving performance of the tied agent network, significant extent of the pension insurance, still strict cost management, healthier portfolio, utilization of the possibilities on the niche markets primarily in non-life segment resulted in a growing profit for the Group compared to the previous year. This was the first time when both the Company and its subsidiary, CIG Pannónia First Hungarian General Insurance Ltd. (EMABIT) closed the business year with positive results, moreover the Company’s annual report prepared according to the Hungarian Accounting Act does not contain the amount of the HUF 250 million dividend from Pannónia CIG Fund Manager Ltd, the jointly controlled company of the Insurer. Thanks to the favourable tendency, the Company did not have to recognized impairment loss on EMABIT.

The Audit Committee reviewed and accurately discussed the annual report and the consolidated annual report of the Company and having regard to the content of the report the Audit Committee recommends to the Annual General Meeting to accept them as follows:

- 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.

17 March 2016, Budapest

on behalf of the Audit Committee

Mrs. Imre Fekete  
Chairman of the Audit Committee

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