



PANNÓNIA
ÉLETBIZTOSÍTÓ

**REPORT OF THE SUPERVISORY BOARD 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 2014
BUSINESS YEAR**

CIG PANNÓNIA LIFE INSURANCE PLC.

Date: 13 March 2015

In compliance with the legal obligations the Supervisory Board examined the relevant parts within its competence of the 2014 annual report and profit and loss account prepared according to the Hungarian Accounting Act, and of 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 Supervisory Board set up its evaluation based on the report of the Board of Directors, the auditor’s report and experiences on the reporting system gained during the business year, and the opinion of the Audit Committee. The cooperation between the Supervisory Board and the Board of Directors of the Company was adequate.

The most important task of the Company in 2014 business year was to continue the profitable operation. The Supervisory Board determined that the goal was achieved despite that the Company settled a significant impairment on the investment in it’s non-life insurance subsidiary, and despite the significant changes in the sales channels. The reduction of administration costs continued and the efficiency of the operation improved. The Supervisory Board acknowledged that the Company restated and published the data of the 2013 EU IFRS financial reports according to the modification of accounting policy due to calculation of pending charges.

The financial results reported in the consolidated financial statements in accordance with international financial reporting standards are also influenced by the accounting and presentation principles that differ from the hungarian accounting.

The Chairman of the Supervisory Board had not received any employee notification during the operation of the Board.

The Supervisory Board continuously monitored the activity of the internal auditor, who reported quarterly on the examinations and the results of the follow-up. The Board discussed and accepted the reports.

The Supervisory Board reviewed and discussed the annual report and the consolidated annual report of the Company in details and having regard to the content of the report the Supervisory Board recommends to the Annual General Meeting to accept them as follows:

- The Company's annual report for 2014 business year prepared according to 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 for 2014 business year prepared according to the international financial reporting standards (EU IFRS) according to which the matching grand total of assets and liabilities are THUF 65,410,544 and the total comprehensive income is a THUF 206,007 loss.

13 March 2015, Budapest

in the name of the Supervisory Board

Dr. József Bayer
Chairman of the Supervisory Board

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