



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 2015
BUSINESS YEAR**

CIG PANNÓNIA LIFE INSURANCE PLC.

Date: 17 March 2016

In compliance with the legal obligations the Supervisory Board examined the relevant parts within its competence of the 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 and that helped the Supervisory Board in delivering its opinion. The Insurer’s and the Group’s business strategy was a recurring agenda of the sessions of the Supervisory Board, the Chairman of the Board of Directors, the CEO and the Deputy CEO was regularly invited to the sessions and held presentations. Their involvement contributed that the management of the Company get information immediately on the resolutions of the Supervisory Board and start the implementation. So the control function of the Board predominated completely.

Furthermore, members of the Supervisory Board conducted consultations in more cases with the members of the management, and the head of internal control in order to follow up the processes and to identify the certain problems and risks.

The most important tasks of the Company in 2015 was the maintenance and continuation of the profitable operation. The Supervisory Board considers the change of the strategy, which resulted in profit both at the Company and at the Group, successful.

The Supervisory Board continuously monitored the activity of the internal audit, discussed the reports and continuously supervised the follow-up of the statements. It considered as its task to continuously got a line on the compliance with Solveny II requirements that will be introduced in 2016.

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 2015 business year prepared according to the Hungarian Accounting Act, 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 the 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.

17 March 2016, Budapest

on behalf of the Supervisory Board

Dr. József Bayer
Chairman of the Supervisory Board

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