

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of
CIG Pannónia Életbiztosító Nyrt.

Opinion

We have audited the accompanying balance sheet of CIG Pannónia Életbiztosító Nyrt. ("the Company"), as at 30 June 2017 - showing a balance sheet total of HUF 73,212,503 thousand and owners' equity of HUF 6,998,656 thousand - and the related profit and loss account for the period from 1 January 2017 to 30 June 2017 and (together "interim financial statements").

In our opinion the accompanying interim financial statements of CIG Pannónia Életbiztosító Nyrt. as at 30 June 2017 are prepared, in all material respects, in accordance with the provisions of act C of 2000 on accounting („accounting act”) relevant to the preparation of such interim financial statements.

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the interim financial statements" section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of interim financial statements in Hungary, and we have fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter: restriction on distribution and use

These interim financial statements have been prepared to comply with Act V of 2013 on the Civil Code section, which requires preparation of interim balance sheet to support the decision on certain transactions concerning the Company's equity. Our auditors' report is intended solely for the information and use by the shareholders of CIG Pannónia Életbiztosító Nyrt. for the above-described purpose, and should not be distributed to or used by any parties other than the shareholders of CIG Pannónia Életbiztosító Nyrt. or for any other purpose, except that this report is also intended for the information of the Company's management in respect to the preparation of the Company's final transformation balance sheet as at 30 June 2017 and may not be distributed to or used by any parties other than the Company's management and the auditors of the final transformation balance sheet as at 30 June 2017.

Responsibilities of management and those charged with governance for the interim financial statements

Management is responsible for the preparation of the interim financial statements in accordance with the accounting act and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to discontinue operations, or has no other realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the interim financial statements

The purpose of our audit is to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with Hungarian National Auditing Standards will always detect a material misstatement that may exist. Misstatements can arise from fraud or error and are considered material if these, individually or in the aggregate, could be reasonably expected to influence the economic decisions of users made on the basis of these interim financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the interim financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to discontinue operating as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Budapest, 14 August 2017

(The original Hungarian language version has been signed.)

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