



11 March 2019, Budapest

Proposal for the reduction of the share capital through the decrease of the nominal value of shares and for the use of the profit after tax

CIG Pannonia Life Insurance Plc. (registered seat: H-1033 Budapest, Flórián tér 1.; company registry number: Cg.01-10-045857; hereinafter: the "Company") hereby notifies its shareholders and other capital market participants that the Board of Directors of the Company has decided today as follows.

The Board of Directors proposes the reduction of the share capital of the Company for the Annual General Meeting of 2019. The reduction of the share capital shall be realised through the decrease of the nominal value of the shares in order to the distribution of capital. Due to the reduction of the share capital the share capital of the Company shall decrease from 3.777.130.400 HUF to 3.116.132.580 HUF and the nominal value of the shares from 40 to 33 HUF. The proposed transaction would affect 17,5 per cent of the Company's equity thus the expected amount of the total payment would be approximately three billion Hungarian Forints, which is 31,96 forints per share.

The reduction of the share capital shall serve the purpose of providing remuneration to the shareholders in a more favourable way than dividend payment. According to the relevant accounting laws and regulations dividend can be paid only from the retained earnings while in case of the reduction of the share capital payment can be fulfilled both from the retained earnings and as well as the capital reserve to the shareholders. Regarding these reasons the Board of Directors has submitted the proposal for the use of the profit after tax that the Company shall not pay dividend instead shareholders shall be paid capital contribution at the time of the decrease of the nominal value of the shares.

CIG Pannonia Life Insurance Plc.

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