

# CIG PANNONIA LIFE INSURANCE PLC.

## Quarterly report

On the basis of the consolidated financial statements prepared according to the International Financial Reporting Standards adopted by the EU

Q2 2024



**CIG PANNÓNIA**  
INSURANCE

28 August 2024, Budapest



**dr. Fedák István**  
Chief Executive Officer

## PREAMBLE

The Issuer would like to draw the attention of Shareholders and other capital market actors to the fact that this report was prepared in accordance with IFRS17 as expected by regulation, which remains unique in the domestic market. The interpretation of the results according to the new accounting principles and presenting them in a broader context - as in 2023 - remains a goal of our Company, in order to facilitate the assessment of the Issuer from the investors' perspective.

In our quarterly flash reports, the analyses focus on growth and the causes of any changes. To remove one-off effects within the year from the year-on-year business comparison of performance, we have revalued our results for the first half of 2023 in line with our accounting policy. This fact does not affect our audited results for the full year 2023. Overall, the comparative data for the first half of 2023 in the current report changed slightly to what we reported a year ago. The detailed reasons for this are explained in Chapter 5.

# 1. SUMMARY

## 1.1. Economic summary

**CIG Pannónia Life Insurance Public Limited Company** (registered office: 1097 Budapest Könyves Kálmán krt. 11, building „B”; company registration number: 01 10 045857; court of registration: Registry Court of the Metropolitan Court (hereinafter: **Issuer** or **Company**) publishes on this day its report for the first half of the year (hereinafter: **Report**) for 2024. The Issuer publishes in this Report for the first half of 2024, as required by the legislation, its consolidated, unaudited data in accordance with the International Financial Reporting Standards adopted by the EU (hereinafter: **EU IFRS**). The Report has been prepared in accordance with the provisions of IAS 34.

### 1.1.1. Significant results of H1 2024:

- **Our consolidated after-tax profit increased in one year by HUF 1,147 million** – by 84% – compared to last year's result according to IFRS 17 – **reaching HUF 2,505 million** – when we strip off the one-time HUF 475 million corporate tax effect of the capital increase due to the transition to IFRS 17 and the tax effect of the extra profit tax introduced from 1 July 2022<sup>1</sup>, which amounted to HUF 321 million last year and HUF 457 million this year.
- **Our premium income grew by 25%, i.e. more than HUF 5.3 billion** – Life Insurance premiums by 27%, while EMABIT premiums by 21% – **in one year** compared to H1 2023, **reaching HUF 26.6 billion**. All our channels contributed to the growth in sales. **The banking**

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<sup>1</sup> The effects of the extra profit tax are estimates

# 1. SUMMARY

## (continuation)

**channel** increased its premium income from sold policies by **40% year-on-year, the independent channel by 16% and our alternative channel by 21%**.

- **Premium growth was driven by unit-linked life insurance** (HUF 2,664 million growth), **corporate property insurance** (HUF 986 million growth), **group accident- and health insurance products** (HUF 676 million growth) and risk life insurance (HUF 575 million growth).
- **Our insurer's capital position is stable**, our capital adequacy ratio is **237%**.



**Consolidated profit  
after tax**  
**HUF 2,505 million (+84%)**

without one-off effects

**Our sales channels have grown**

**+40%** bank network

**+21%** alternative network

**+16%** independent broker channel

**Increase in insurance revenue (28%)  
exceeding premium growth**

(IFRS 17)

**HUF 9 555 million ► HUF 12 189 million**

**The key feature of the increase in GWP**

by the banking channel and independent broker channel

**UL insurance of HUF 2 664 million**

by the independent broker channel

**Corporate property insurance of HUF 986 million**

**Our GWP on record level reached  
nearly HUF 27 billion (+25%)**

**in 2024H1**

LIFE premiums +27%

EMABIT premiums +21%

**237% Consolidated Capital Adequacy**

(required rate by the supervisor is **150%**)

**Our new life, accident and health insurance product  
CIG360 since the introduction in June 2024:**

**80% increase in sales**

### 1.1.2. IFRS 17 valuation methodologies and portfolio groups of the Company

An important feature of IFRS 17 is the use of three different valuation methodologies. We categorize the types of contracts offered by our company according to the following valuation methodologies for each segment:

Segment / valuation methodology	GMM (typically long-term, multi-annual contracts)	VFA (typically long-term, multi-annual contracts)	PAA (typically short-term, one-year, annually renewable contracts)
<b>Life insurance segment</b>	<ul style="list-style-type: none"> <li>- traditional (risk) life and accident insurances</li> <li>- permanent group life and permanent accident insurances</li> <li>- group credit coverage insurance with life insurance services</li> </ul>	<ul style="list-style-type: none"> <li>- unit linked life and pension insurances</li> <li>- traditional savings (mixed) life, grace and pension insurances</li> </ul>	<ul style="list-style-type: none"> <li>- annually renewed individual and group life, accident and health insurances</li> </ul>
<b>Non-life insurance segment</b>	<ul style="list-style-type: none"> <li>- technical, suretyship insurances</li> <li>- group credit insurances, non-life insurances</li> <li>- asset insurance</li> </ul>		<ul style="list-style-type: none"> <li>- home insurance</li> <li>- travel insurance</li> <li>- student insurance</li> <li>- fleet casco and integrated casco</li> <li>- gap insurance</li> <li>- industrial property and liability insurance</li> <li>- group non-life insurances</li> </ul>

In order to provide our Shareholders with the most clear and transparent information on our Company's business performance as possible, we have introduced another categorization for our portfolio groups in addition to the assessment along valuation methodologies. The table below summarizes which of our services belong to which portfolio group. No change has occurred in this classification compared to the previous quarter.

Portfolio group/ segment	Life insurance segment	Non-life insurance segment
<b>Group life, accident and health insurance</b>	<ul style="list-style-type: none"> <li>- group life, accident and health insurance</li> <li>- group service financing insurance</li> <li>- MVM Accident and Health Insurance packages</li> </ul>	
<b>Individual accident and health insurance</b>	<ul style="list-style-type: none"> <li>- traditional, accident and health insurance</li> </ul>	
<b>Single premium UL</b>	<ul style="list-style-type: none"> <li>- life insurance linked to single-premium investment units in Euro and Forint</li> </ul>	
<b>Regular premium UL</b>	<ul style="list-style-type: none"> <li>- life insurance linked to regular-premium investment units in euro and forint</li> </ul>	
<b>Traditional regular premium life savings insurance</b>	<ul style="list-style-type: none"> <li>- traditional regular-premium grace, savings and pension insurance</li> </ul>	
<b>Risk life insurance</b>	<ul style="list-style-type: none"> <li>- traditional regular-premium risk life insurance</li> </ul>	
<b>Credit coverage insurance</b>	<ul style="list-style-type: none"> <li>- credit coverage insurance</li> <li>- MVM account protection insurance</li> </ul>	
<b>Fleet CASCO</b>		<ul style="list-style-type: none"> <li>- fleet casco</li> <li>- integrated casco</li> <li>- gap insurance</li> </ul>

Portfolio group/ segment	Life insurance segment	Non-life insurance segment
<b>Corporate property insurance</b>		- industrial property insurance - liability insurance - technical insurance - D&O - drone insurance
<b>Suretyship insurance</b>		- Hungarian suretyship insurance - Italian suretyship insurance (run-off portfolio)
<b>Retail property insurance</b>		- travel insurance - home insurance - asset insurance - student insurance

### 1.1.3. Interpretation of the results for H1 2024

Our consolidated accounting result after tax in the first half of 2024 was a **profit of HUF 2,048 million**<sup>2</sup>. As we have highlighted last year, we note that there are two significant items affecting the accounting result that need to be taken into account when assessing the Company's performance:

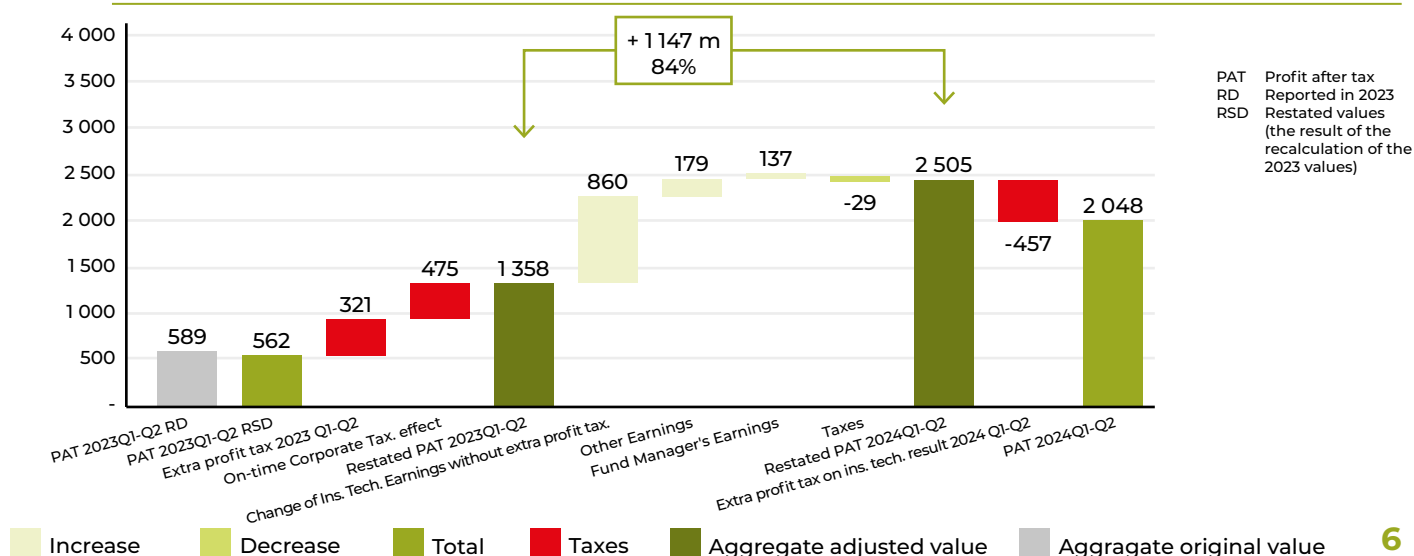
- a non-recurring corporate tax liability incurred as a result of the HUF 7 billion increase in equity due to the transition to IFRS 17, which decreased our profit after tax by HUF 475 million in 2023, furthermore
- we also need to separate the effect of the extra profit tax when assessing the result of the ordinary course of business. The exact mathematic calculation of the extra profit tax is limited by the IFRS 17 framework - as the difference between the changes in the terms and conditions of each contract at their issuance and

at the preparation of the financial statements would make the analysis too complex – thus according to our best estimate, as also shown in the below table, the amount of the extra profit tax was set for H1 2023 at HUF 321 million, for H1 2024 at HUF 457 million.

The HUF 1,486 million increase in our consolidated accounting profit after tax means that the - recalculated - profit of HUF 562 million in H1 2023 has turned into a profit of HUF 2,048 million for H1 2024. Our profit after excluding the one-off items mentioned above increased from HUF 1,358 million to HUF 2,505 million. **Our technical result increased significantly compared to a year ago: by HUF 860 million**, excluding the impact of the surtax. **The increase in profit was also positively impacted by the income of HUF 250 million from our investments purchased in recent years taking advantage of the high yield environment.**

**Graph 1**

Change of profit after tax 2023 Q1-Q2 vs 2024 Q1-Q2 - (data in million HUF)

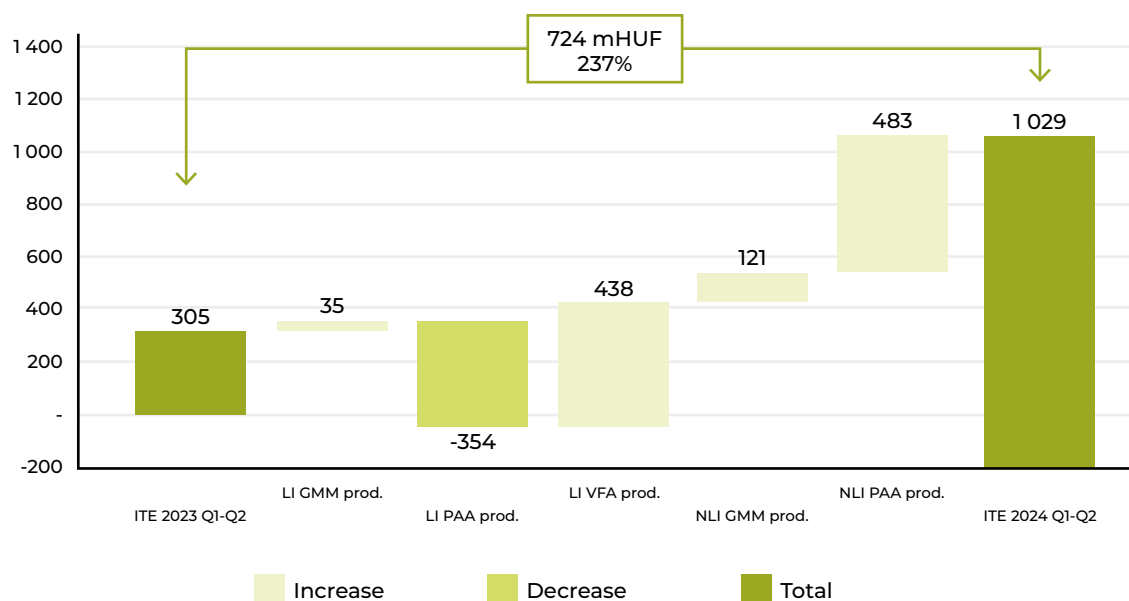


<sup>2</sup> Result including the one-off items mentioned above

If we look at the change in the technical result by valuation methodologies, we see the following:

## Graph 2

Yearly change of Insurance Technical Earnings 2024 Q1-Q2 vs 2023 Q1-Q2 - (data in million HUF)



LI GMM prod.	Technical result of life insurance products valued with the GMM method
LI PAA prod.	Technical result of life insurance products valued with the PAA method
LI VFA prod.	Technical result of life insurance products valued with the VFA method
NLI GMM prod.	Technical result of non-life insurance products valued with the GMM method
NLI PAA prod.	Technical result of non-life insurance products valued with the PAA method
ITE	Insurance technical result

In the life insurance segment, our technical result decreased by a total of HUF 120 million compared to the same period of 2023, which is the result of two opposing effects. Our result was significantly improved compared to last year by the performance of savings (unit-linked and regular savings) products (these are the products valued using the VFA methodology). The increase in performance was driven by the relative stability of the forint yield curve, with yields in 2024 not falling as much as a year ago. The decrease in the yield curve in 2023 led to an increase in the Insurer's claims reserves, which worsened the financial result of the portfolio in 2023. The decrease in performance was mainly due to an increase in claims ratios for group life products, which are assessed in both methodologies.

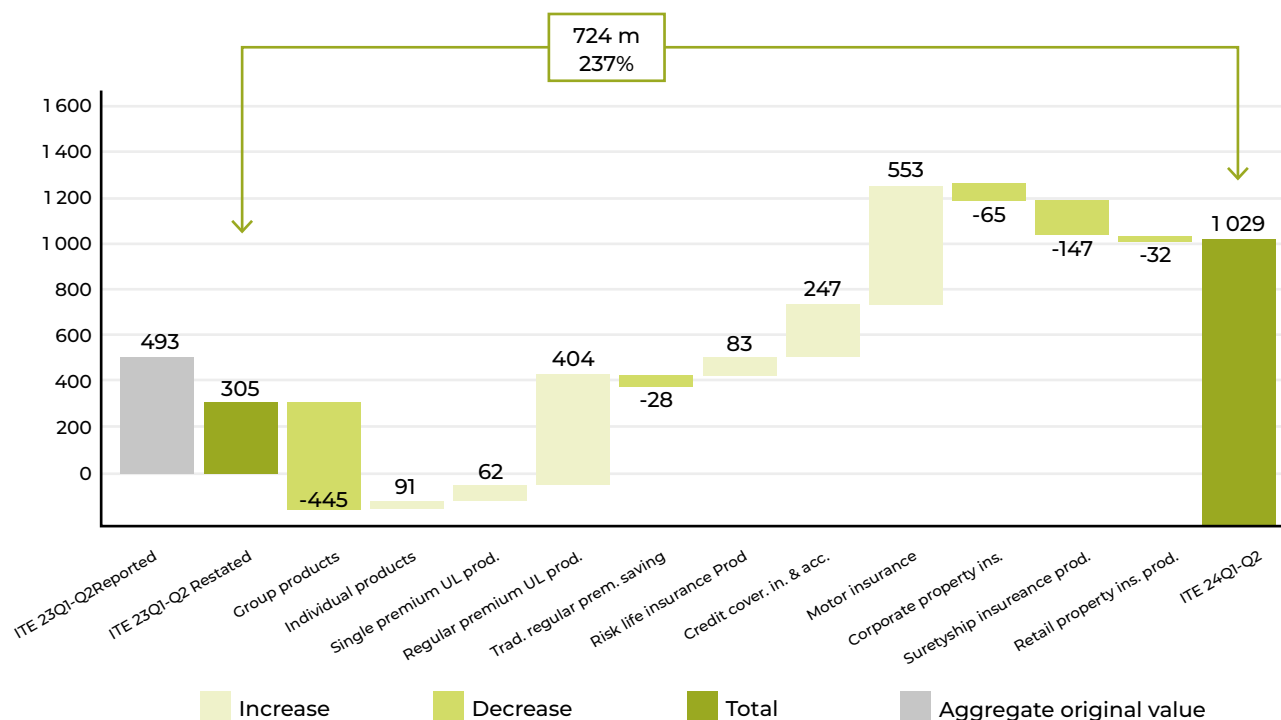
In the non-life insurance segment our technical result increased by HUF 604 million, which is due to two effects:

- i. For typically short-term contracts (PAA valuation method): the improvement in the result of corporate property contracts and fleet casco contracts are both quite significant compared to the reference period.
- ii. The increase in the result on the portfolio of contracts valued using the GMM methodology is primarily due to the improved profits of the group credit coverage insurance, which was slightly reduced by the loss on the Italian suretyship product.

The increase of our technical result by HUF 724 million distributes along the portfolio groups as follows:

### Graph 3

Change of Insurance Technical Earnings by Portfolio-groups 2024 Q1-Q2 vs 2023 Q1-Q2 - (data in million HUF)



**Group life, accident and health products** (annual profit decline: HUF 445 million)

The claims ratio of the group service financing insurance portfolio deteriorated compared to the same period of last year. Due to the high claims ratios in the portfolio, the Insurer also recognised a loss component in the first half of this year. The increase in claims ratios and the recognition of a loss component this year reduced the portfolio group result in a year-to-year comparison. The Company has already taken the necessary steps to restore the profitability of the product group in the first quarter, with respect to the new policies.

**Individual life, accident and health insurance products** (annual profit improvement: HUF 91 million)

The Insurance Company's profitable individual accident insurance portfolio (which includes the Company's 'Bajtárs' products) has grown significantly, and so has the Insurer's result.

**Single premium UL products** (annual profit improvement: HUF 62 million)

The portfolio group's result for the first half of last year was adversely affected by the fact that the insurance company – in line with the requirements of IFRS17 – recognised one-off losses, so-called loss components, due to differences between expected and actual cash flows and yields. In addition, in the first half of 2023, the amount of the so-called risk adjustment related to the increase in claims reserves increased, which also worsened the result for the comparative period. There was no need to recognise similar losses this year, therefore, our result increased in the year-on-year comparison.

**Regular premium UL products** (annual profit improvement: HUF 404 million)

The portfolio group's contract service margin (CSM, which is the sum of the positive results expected for the future periods of the contracts) increased compared to the same period last year, typically due to an improvement in our assumptions about premiums. As a result, both the impact of the CSM recognised in this half-year - its release - and the result increased compared to last year.

In addition, this portfolio group is also affected by the effect already mentioned for the single premium group: the

result for the first half of last year was adversely affected by the fact that the Insurer recognised one-off losses, so-called loss components, due to differences between expected and actual cash flow assumptions for the period. There was no loss component recognition of a similar extent this year, which increased our result in the year-on-year comparison.

In addition, the Insurer released claims reserves related to the portfolio group in the first half of this year, and the actual costs and actual renewal commissions for the portfolio group were lower at the beginning of the period compared to the assumptions (at the end of 2023), which effects did not occur in the comparison period, thus the portfolio group's result also improved year-on-year.

For all these reasons, the portfolio group's result increased compared to the comparative period.

**Traditional regular premium savings products** (annual profit decrease: HUF 28 million)

Due to the so-called experience variances (differences between expected cash flows based on assumptions and the actual cash flows) related to the portfolio group, the Insurer recognised a loss component, which reduced the portfolio group's result compared to the same period of the previous year.

**Risk life insurance products** (annual profit improvement: HUF 83 million)

The portfolio group's result increased compared to the same period last year due to an increase in the portfolio of risk life insurance policies. The portfolio group includes the Insurer's new product CIG360 Life-, Accident- and Health Insurance as well.

**Credit coverage insurance and account protection products** (annual profit improvement: HUF 247 million)

The main driver of the profit improvement is the increase in the contract portfolio and the Insurer's own retention. Furthermore, there were two major, partially offsetting effects on the performance of the portfolio group. One of the effects was that in the first half of 2023, significant premiums received for prior periods increased the result, which was not the case this year, negatively affecting the change in result. The other impact was that due to the changed regulatory environment - the progressive insurance tax's thresholds have changed and increased - the expected result (CSM) increased, and this had a positive impact on the current half-year. Altogether these improved the result by HUF 247 million.

**Vehicle insurance products** (annual profit improvement: HUF 553 million)

The reason behind the improvement in profit is basically due to the decrease in costs and expenses – i.e. the claims ratio. The reduction in the claims ratio was facilitated by the streamlining of the insurance portfolio, changing premiums in line with claims cost increases. In addition, the change in insurance tax legislation also had a positive impact on profit. As a result of the significant reduction in the combined ratio, most of the loss component recognised at the end of the previous year was released by the Insurer.

**Corporate property insurance products** (annual profit decline: HUF 65 million)

The decrease in profit for the year is due to the slightly different timing of revenue recognition for the direct portfolio - written with the policyholder - and reinsurance contracts written for risk reduction, in accordance with the standard revenue recognition rules. Slightly different valuation assumptions for direct and reinsurance policies lead to different revenue recognition and volatility in portfolio results, especially at the beginning of the financial year. In the remainder of the year, methodological features should allow this volatility to become more balanced.

**Suretyship insurance products** (annual profit decline: HUF 147 million)

On the Italian suretyship products - which are already a run-off portfolio - in 2023 we recorded an improvement in the result on the reserves held in foreign currency due to the change in exchange rates, which effect is a loss this year, so our technical result deteriorated year-on-year. However, the Insurer offset this effect by entering into foreign exchange forward contracts, the positive impact of which is reflected in the investment result. The result of the product group is also negatively affected by the claims settlement costs of the Italian suretyship product, offset by the growing profitable portfolio of Hungarian suretyship products.

**Retail property insurance products** (annual profit decline: HUF 32 million)

The decrease in the result was mainly due to the loss component recognised for the product group in 2022 and released in 2023, which improved our result last year on a one-off basis.

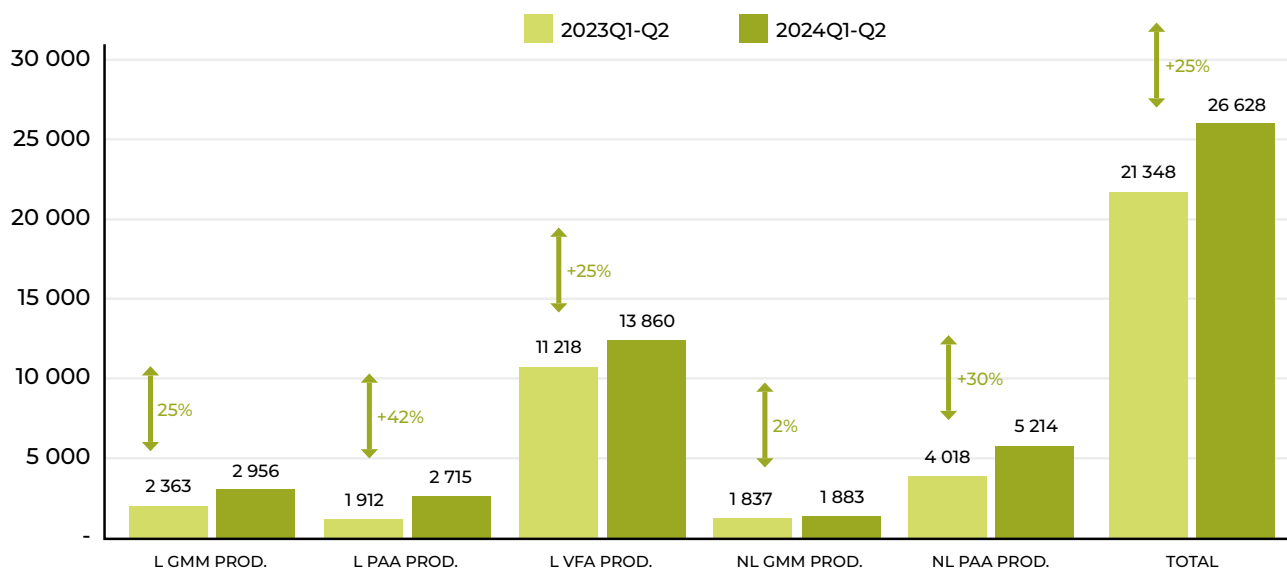
**Volume of sales**

We also analyze the year-on-year change in written

premium by segment and valuation type in IFRS 17. The following figure shows our growth along this division:

**Graph 4**

Change of Written Premium 2024 Q1-Q2 vs 2023 Q1-Q2 - (data in million HUF)



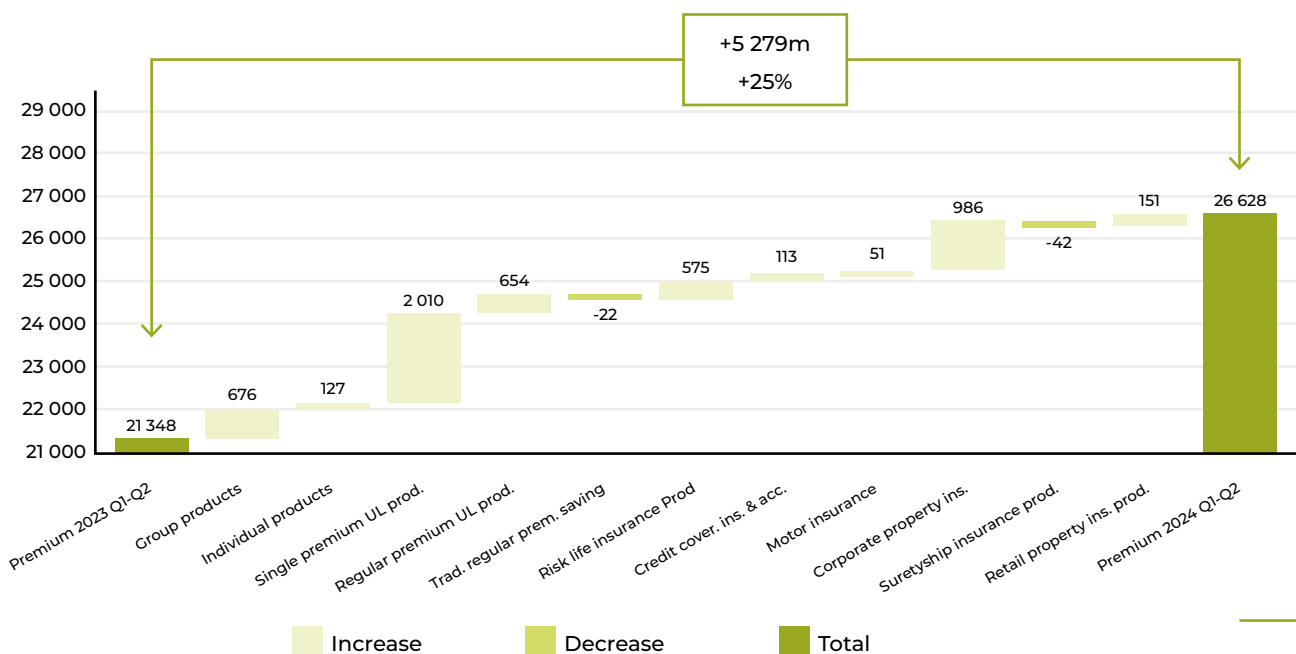
Our premium income increased by 25% year-on-year. Our premiums have increased under all valuation methodologies. Contracts included in the GMM methodology, which is used to assess long-term contracts, include credit coverage insurance policies taken over from BNP Paribas Cardif insurers, whose premiums in last year included significant premiums for previous (2022) periods. This one-off positive

effect was attained this year by the continuous increase of the portfolio.

Our fees can be analysed not only by valuation methodology, but also by portfolio group, as shown in the graph below.

**Graph 5**

Change of Premium by portfolio-group 2024 Q1-Q2 vs 2023 Q1-Q2 - (data in million HUF)



Our unit-linked (UL) premium income increased by nearly HUF 2.7 billion, driven by a lower and less volatile return environment compared to 2023.

The increase in corporate property insurance premiums is the result of the expansion of our portfolio with its value of almost HUF 1 billion. Our fleet casco premiums have increased slightly as a result of a portfolio clean-up and a change in our pricing policy, the positive impact of which was reflected in the above-mentioned improvement in results.

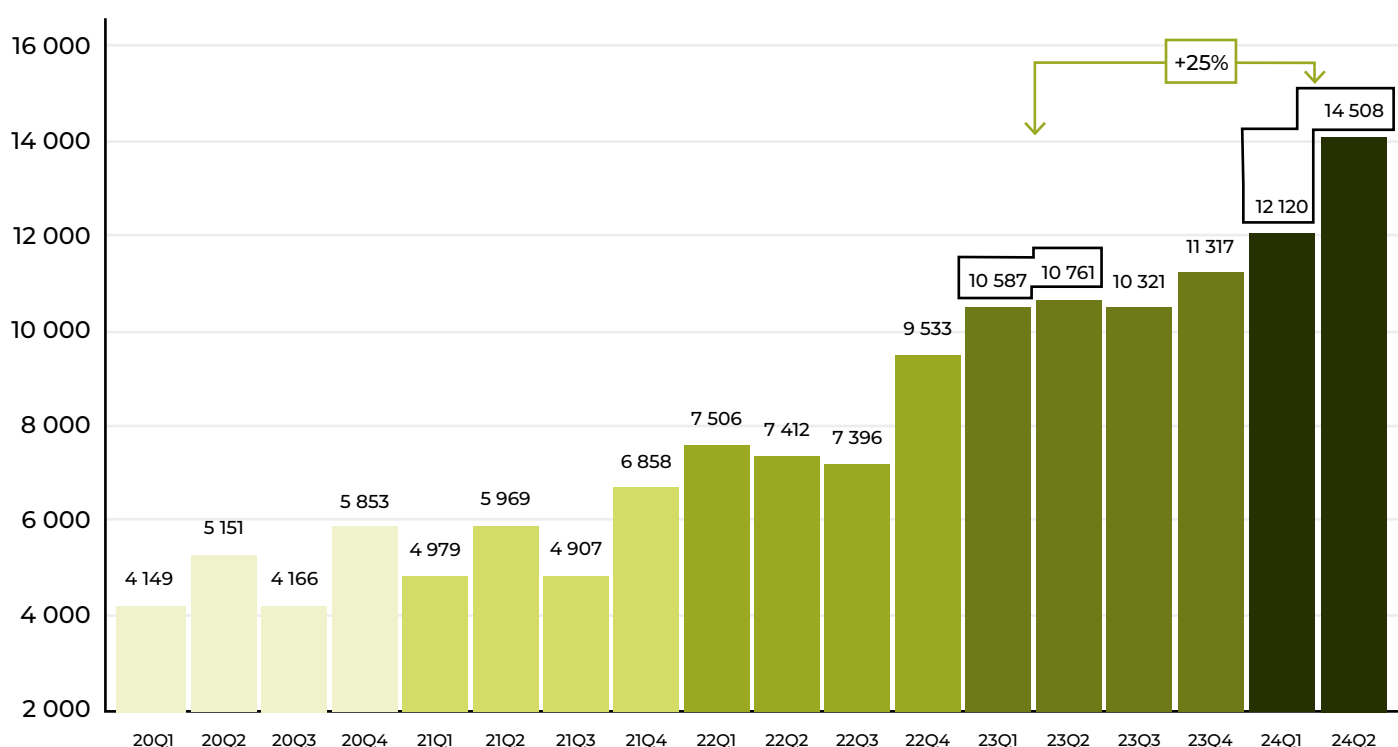
A more significant premium growth is visible in the area of group life-, accident- and health insurance - with an annual increase of HUF 676 million - which is also the result of the portfolio growth.

The premium growth in risk life insurance (HUF 575 million) is primarily due to the launch of our new product, CIG360 Life-, Accident- and Health Insurance.

If we analyse our premiums in the first half of 2024, broken down by the sales channel where the policies were signed, we see that the banking channel increased the premiums from its acquired customers by 40%, the independent channel by 16% and the alternative channel by 21% in one year.

### Graph 6

Premiums in each quarter - (data in million HUF)



## 1.2. MAIN EVENTS AND RESULTS OF THE REPORTING PERIOD (REFERENCE PERIOD, Q2) IN THE TIMELINE OF CAPITAL DISCLOSURES AND PREVIOUS EVENTS

### 1.2.1. Company and group level events in the period covered by the Report – closure of the 2023 financial year

Our Company held its Annual General Meeting (General Meeting) on 18 April 2024 at 2:00 p.m., as set out in the Company's calendar of events, the agenda of which was set out in the notice of the General Meeting published within the statutory time limit and in the manner as set out in Chapter VIII, paragraph 8 of the Company's Articles of Association. The notice of the invitation to the General Meeting and the proposals<sup>3</sup> related to the items on the agenda of the General Meeting have been published on the Company's website ([www.cigpannonia.hu](http://www.cigpannonia.hu)), on the website of the Magyar Nemzeti Bank ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and on the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)) in accordance with the statutory provisions. For determining the contents of the share register, the Company requested an ownership reconciliation, the record date of which was 11 April 2024. The General Meeting had a quorum pursuant to Article VIII. paragraph 14 of the Articles of Association and was convened legally and held in accordance with the applicable regulations; of the 94,428,260 shares entitled to vote, 65,351,313 shares (69.21% of the shareholders) were represented.

There were twelve items on the agenda of the General Meeting, which were discussed and approved by shareholders within the framework and content previously announced, with the support of virtually all shareholders present<sup>4</sup>. Among the items on the agenda, it needs to be highlighted, that the adoptions of the individual and consolidated financial statements of the Company for the year 2023, prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU, were discussed and approved in the context of the closing of the 2023 financial year. The financial statements were based on the proposal of the Board of Directors, the opinion of the Audit Committee and the Supervisory Board, and the statement of the Auditor.

The General Meeting approved the annual report with all its annexes on an individual basis with a balance sheet total of HUF 135,496,607 thousand, a profit after tax of HUF 2,937,350 thousand and a total comprehensive income of HUF 6,099,051 thousand, and on a consolidated basis with a

balance sheet total of HUF 144,253,185 thousand, a profit after tax of HUF 2,873,539 thousand and a total comprehensive income of HUF 6,215,541 thousand, with the support of 100% of the shareholders present, while supporting the Board of Directors' proposal for the use of the profit after tax.

On the basis of this proposal and its approval by the General Meeting, a dividend of HUF 33 per share was paid after the General Meeting, HUF 3,116,132,580 in total, taking into account the profit after tax and the partial retained earnings. A shareholder was entitled to the dividend if he/she/it was the owner of the share on the record date of the ownership correspondence carried out in accordance with the Articles of Association in force, i.e. on 16 May 2024. The planned dividend payment date was 24 May 2024. The dividend was paid by KELER Zrt. following the order of the Company in accordance with the Company's disclosure describing the details of the dividend payment process<sup>5</sup>.

The General Meeting of our Company also adopted the Corporate Governance Report for 2023 - which was intended to provide full transparency of our operations to our Shareholders -, decided on the evaluation of the Board of Directors' performance, the remuneration of the independent members of the Board of Directors and the members of the Supervisory Board, the amendment of certain points of the Articles of Association, the approval of the Supervisory Board's Rules of Procedure, the adoption of the 2023 Remuneration Report – just as in the previous years of 2021 and 2022 -, and authorised the Company to acquire treasury shares pursuant to § 3:223 (1) of the Civil Code, with the content and within the limits set out in the relevant resolution.

Another important decision of the General Meeting was the election of MAZARS Könyvszakértő és Tanácsadói Korlátolt Felelősségű Társaság (registered office: 1139 Budapest, Fiastyúk utca 4-8.; company registration number: 01-09-078412; tax number: 10618684-2-41; registration number with the Chamber of Auditors: 000220) as the Company's permanent auditor until the closure of the financial year 2026 (but no later than 31 May 2027), and has appointed the auditors personally responsible for the performance of the task and has determined the essential elements of the audit, in addition to the remuneration.

<sup>3</sup> the provisions were published on 28/03/2024

<sup>4</sup> [https://www.bet.hu/site/newkib/en/2024.04./Annual\\_General\\_Meeting\\_-\\_Resolutions\\_129049265](https://www.bet.hu/site/newkib/en/2024.04./Annual_General_Meeting_-_Resolutions_129049265)

<sup>5</sup> [https://www.bet.hu/site/newkib/en/2024.05./Announcement\\_of\\_CIG\\_Pannonia\\_Life\\_Insurance\\_Plc\\_on\\_the\\_procedure\\_for\\_the\\_payment\\_of\\_dividends\\_due\\_for\\_the\\_result\\_of\\_the\\_2023\\_business\\_year\\_129065811](https://www.bet.hu/site/newkib/en/2024.05./Announcement_of_CIG_Pannonia_Life_Insurance_Plc_on_the_procedure_for_the_payment_of_dividends_due_for_the_result_of_the_2023_business_year_129065811)

### 1.2.2. Publication of the first quarterly report for 2024

Our Company published its report on its consolidated financial statements for the first quarter of 2024 on 30 May 2024 in accordance with the Company's Calendar of Events for 2024.

### 1.2.3. Publication of the CIG Pannónia Group's Sustainability report for 2023

Already in its consolidated annual report adopted on 19 April 2022, our Company highlighted that, as a listed company, it has recognised and intends to build on the benefits of a regulated market presence at group level in the context of the ESG<sup>6</sup> approach. Thus, partly to achieve this goal and partly to fully comply with the standards and framework setting out the expectations, our Company and its consolidated subsidiary CIG Pannónia Első Magyar Általános Biztosító Zrt. (EMABIT) manage the progressive steps along the ESG framework in a unified manner at a project level. Following the stand-alone report for the financial year 2022, these steps were likewise reflected in an annual Sustainability Report for 2023, with the same date as the annual report and referring to the same period in its content. Our non-financial Sustainability Report for the financial year 2023 was published on 18 April 2024<sup>7</sup>, presenting the ESG position of the CIG Pannónia Group, its key sustainability ambitions and identified strategic elements through a set of information publicly available with content in line with international GRI Standards. In relation to our ESG compliance, we emphasise that our activities in this area are carried out at the pace and with the content required by the Budapest Stock Exchange's schedule and the Magyar Nemzeti Bank's Bank (headquarters: 1013 Budapest, Krisztina krt. 55., premises: 1122 Budapest, Krisztina krt. 6., hereinafter referred to as "the Supervisory Authority") expectations for insurers.

### 1.2.4. Other events

Due to our further statutory disclosure obligation and in order to fully inform the public, the decision closing the ex officio targeted investigation conducted by the Supervisory Authority was published on 29 April 2024, according to which the Supervisory Authority provided information on the operative part of its decision H-FH-II-B-2/2024 dated 26 April 2024, received by the Company on the same date. According to this decision, the Supervisory Authority, simultaneously with the conclusion of its targeted investigation launched on 30 October 2023, imposed a consumer protection fine of HUF 22,500,000, i.e. twenty-two million five hundred thousand Forints on the Company<sup>8</sup>. In connection with the above, the Company would like to state that it has promptly started to comply with the obligations imposed by the MNB and to remedy the deficiencies, and that the facts underlying the measures to ensure full compliance with the decision's contents were revealed and presented to the Supervisory Authority after the reporting period, thus establishing the prudential compliance required by the Supervisory Authority.

### CIG Pannónia Life Insurance Plc.

<sup>6</sup> Environmental Social Governance

<sup>7</sup> [https://www.bet.hu/site/newkib/en/2024.04./publication\\_of\\_the\\_Sustainability\\_Report\\_of\\_CIG\\_Pannonia\\_Group\\_for\\_the\\_year\\_2023\\_129049134](https://www.bet.hu/site/newkib/en/2024.04./publication_of_the_Sustainability_Report_of_CIG_Pannonia_Group_for_the_year_2023_129049134)

<sup>8</sup> [https://www.bet.hu/site/newkib/en/2024.04./On\\_the\\_decision\\_concluding\\_an\\_ex\\_officio\\_target\\_investigation\\_conducted\\_by\\_the\\_MNB\\_on\\_its\\_own\\_initiative\\_129058090](https://www.bet.hu/site/newkib/en/2024.04./On_the_decision_concluding_an_ex_officio_target_investigation_conducted_by_the_MNB_on_its_own_initiative_129058090)

## 2. FINANCIAL STATEMENTS

**Graph 1** Consolidated Statement of Comprehensive Income – cumulated data

(data in million HUF)

	2024 Q1-Q2 (A)	2023 Q1-Q4 (B)	2023 Q1-Q2 (C) restated	Change (A)-(C)
Insurance Revenue	11 997	21 349	9 555	2 442
Insurance service expenses	-10 460	-17 856	-8 050	-2 410
Reinsurance expense – allocation of premium	-2 463	-3 516	-1 684	-779
Amount of recoverables from reinsurance	1 892	1 890	547	1 345
<b>Insurance service result</b>	<b>966</b>	<b>1 867</b>	<b>368</b>	<b>598</b>
Interest income calculated using the effective interest method	991	1 917	817	174
Investment income	12 593	8 514	1 830	10 763
Impairment and impairment reversal of financial assets	2	2	-4	6
Investment expenses	-711	-1 126	-807	96
Yield on investment accounted for using equity method (profit)	333	571	240	93
<b>Investment income</b>	<b>13 208</b>	<b>9 878</b>	<b>2 076</b>	<b>11 132</b>
Insurance financial result	-11 457	-7 589	-1 071	-10 386
Reinsurance financial result	82	15	-25	107
Change in the fair value of liabilities relating to investment contracts	-482	-403	-98	-384
<b>Financial result</b>	<b>-11 857</b>	<b>-7 977</b>	<b>-1 194</b>	<b>-10 663</b>
Premium and commission income from investment contracts	91	77	30	61
Other operating costs	-156	-233	-129	-27
Other (non-financial) income	26	197	48	-22
Other (non-financial) expenses	-93	-172	-54	-39
<b>Profit/Loss before taxation</b>	<b>2 185</b>	<b>3 637</b>	<b>1 145</b>	<b>1 040</b>
Tax income/expenses	-91	-778	-583	492
Deferred tax income/expenses	-46	15	-	-46
<b>Profit/Loss after taxation</b>	<b>2 048</b>	<b>2 874</b>	<b>562</b>	<b>1 486</b>
OCI from change in fair value of other financial assets at fair value	-907	3 464	1 890	-2 797
OCI from insurance contracts	313	-1 672	-988	1 301
OCI from reinsurance contracts	134	-257	-104	238
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>-460</b>	<b>1 535</b>	<b>798</b>	<b>-1 258</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>352</b>	<b>1 806</b>	<b>289</b>	<b>63</b>
<b>Other comprehensive income</b>	<b>-108</b>	<b>3 341</b>	<b>1 087</b>	<b>-1 195</b>
<b>Total comprehensive income</b>	<b>1 940</b>	<b>6 215</b>	<b>1 649</b>	<b>291</b>

Consolidated Statement of Comprehensive Income – cumulated data continuation

(data in million HUF)

	2024 Q1-Q2 (A)	2023 Q1-Q4 (B)	2023 Q1-Q2 (C) restated	Change (A)-(C)
Profit/loss after taxation attributable to the Company's shareholders	2 048	2 874	562	
Weighted average number of shares	93 954 254	93 954 254	93 954 254	
<b>EPS (basic)</b>	<b>21,8</b>	<b>30,6</b>	<b>6,0</b>	<b>15,8</b>
Profit/loss after taxation attributable to the Company's shareholders	2 048	2 874	562	
Weighted average number of shares	94 428 260	94 428 260	94 428 260	
<b>EPS (diluted)</b>	<b>21,7</b>	<b>30,4</b>	<b>6,0</b>	<b>15,7</b>

**Graph 2** Number of average shares used to calculate earnings per share:

Date	Issued ordinary shares (no.)	Treasury shares (no.)	Days	Weighted average number of shares
31.12.2023	94 428 260	474 006	182	93 954 254
<b>30.06.2024</b>	<b>94 428 260</b>	<b>474 006</b>	<b>182</b>	<b>93 954 254</b>

The treasury shares transferred to the Company's Employee Shareholder Program (hereinafter: **MRP**) do not legally qualify as treasury shares, however, the MRP is included in the consolidation, therefore the transferred shares reduce the number of ordinary shares outstanding when calculating earnings per share.

**Graph 3** Consolidated Statement of Comprehensive Income – individual quarterly data (data in million HUF)

	2024 Q2 (A)	2024 Q1 (B)	2023 Q2 (C) restated	Change (A)-(C)
Insurance Revenue	6 670	5 327	5 052	1 618
Insurance service expenses	-5 336	-5 124	-4 474	-862
Reinsurance expense – allocation of premium	-1 099	-1 364	-991	-108
Amount of recoverables from reinsurance	838	1 054	629	209
<b>Insurance service result</b>	<b>1 073</b>	<b>-107</b>	<b>216</b>	<b>857</b>
Interest income calculated using the effective interest method	433	558	420	13
Investment income	2 604	9 989	1 504	1 100
Impairment and impairment reversal of financial assets	2	-	-5	7
Investment expenses	-341	-370	1 748	-2 089
Yield on investment accounted for using equity method (profit)	200	133	125	75
<b>Investment income</b>	<b>2 898</b>	<b>10 310</b>	<b>3 792</b>	<b>-894</b>
Insurance financial result	-2 143	-9 314	-3 065	922
Reinsurance financial result	29	53	-7	36
Change in the fair value of liabilities relating to investment contracts	-109	-373	-153	44
<b>Financial result</b>	<b>-2 223</b>	<b>-9 634</b>	<b>-3 225</b>	<b>1 002</b>
Premium and commission income from investment contracts	67	24	18	49
Other operating costs	-96	-60	-81	-15
Other (non-financial) income	32	-6	37	-5
Other (non-financial) expenses	-76	-17	29	-105
<b>Profit/Loss before taxation</b>	<b>1 675</b>	<b>510</b>	<b>786</b>	<b>889</b>
Tax income/expenses	-81	-10	-47	-34
Deferred tax income/expenses	-18	-28	-	-18
<b>Profit/Loss after taxation</b>	<b>1 576</b>	<b>472</b>	<b>739</b>	<b>837</b>
OCI from change in fair value of other financial assets at fair value	-60	-847	1 330	-1 390
OCI from insurance contracts	-20	333	-742	722
OCI from reinsurance contracts	52	82	-79	131
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>-28</b>	<b>-432</b>	<b>509</b>	<b>-537</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>209</b>	<b>143</b>	<b>296</b>	<b>-87</b>
<b>Other comprehensive income</b>	<b>181</b>	<b>-289</b>	<b>805</b>	<b>-624</b>
<b>Total comprehensive income</b>	<b>1 757</b>	<b>183</b>	<b>1 544</b>	<b>213</b>

Graph 4 Consolidated Statement of Financial Position

(data in million HUF)

ASSETS	30 June 2024 (A)	31 December 2023 (B)	30 June 2023 restated (C)	Change (A)-(C)
Intangible Assets	926	934	970	-44
Property, plant and equipment	107	117	128	-21
Right-of use assets	207	271	350	-143
Deferred tax asset	249	337	591	-342
Investment in associates	555	777	410	145
Insurance contract assets	1 088	1 242	1 244	-156
Reinsurance contract assets	3 219	2 558	1 592	1 627
Investments for policyholders of unit-linked life insurance policies	109 425	94 424	87 924	21 501
Financial asset - Investment contracts	5 285	4 763	4 636	649
Financial asset - derivatives	-	130	213	-213
Other financial assets at fair value	36 428	35 979	29 140	7 288
Other assets and prepayments	79	80	102	-23
Other receivables	297	149	389	-92
Cash and cash equivalents	1 683	2 492	2 768	-1 085
<b>Total Assets</b>	<b>159 548</b>	<b>144 253</b>	<b>130 457</b>	<b>29 091</b>
<b>LIABILITIES</b>				
Insurance contract liabilities	127 078	110 220	101 931	25 147
Reinsurance contract liabilities	148	376	565	-417
Financial liabilities -Investment contracts	5 285	4 763	4 636	649
Financial liabilities-derivatives	99	-	-	99
Lease liabilities	247	314	392	-145
Provisions	120	262	391	-271
Other liabilities	4 431	5 021	3 810	621
Liabilities to shareholders	37	33	34	3
<b>Total Liabilities</b>	<b>137 445</b>	<b>120 989</b>	<b>111 759</b>	<b>25 686</b>
<b>Net Assets</b>	<b>22 103</b>	<b>23 264</b>	<b>18 698</b>	<b>3 405</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	3 116	3 116	3 116	-
Capital reserve	1 153	1 153	1 153	-
Treasury shares	-32	-32	-32	-
Other reserves	-1 048	-940	-3 194	2 146
Retained earnings	18 914	19 967	17 655	1 259
<b>Total Shareholder's Equity</b>	<b>22 103</b>	<b>23 264</b>	<b>18 698</b>	<b>3 405</b>

**Graph 5** Consolidated Changes in Equity Q1-Q2 2024

(data in million HUF)

	Share capital	Capital Reserve	Treasury shares	Other reserves	Retained earnings	Total shareholders' equity
<b>Balance on 31 December 2023 (restated)</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-940</b>	<b>19 967</b>	<b>23 264</b>
<b>Total Comprehensive income</b>						
Other comprehensive income	-	-	-	-108	-	-108
Profit in reporting year	-	-	-	-	2 048	2 048
<b>Transactions with equity holders recognized directly in Equity</b>						
Dividend payments	-	-	-	-	-3 101	-3 101
<b>Balance on 30 June 2024</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-1 048</b>	<b>18 914</b>	<b>22 103</b>

**Graph 6** Consolidated Changes in Equity Q1-Q2 2023 (restated)

(data in million HUF)

	Share capital	Capital Reserve	Treasury shares	Other reserves	Retained earnings	Total shareholders' equity
<b>Balance on 31 December 2022 (restated)</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-4 281</b>	<b>18 784</b>	<b>18 740</b>
<b>Total Comprehensive income</b>						
Other comprehensive income	-	-	-	1 087	-	1 087
Profit in reporting year	-	-	-	-	562	562
<b>Transactions with equity holders recognized directly in Equity</b>						
Dividend payments	-	-	-	-	-1 691	-1 691
<b>Balance on 30 June 2023</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-3 194</b>	<b>17 655</b>	<b>18 698</b>

**Graph 7** Consolidated Statement of Cash Flows

(data in million HUF)

	2024 Q1-Q2	2023 Q1-Q4	2023 Q1-Q2 (restated)
<b>Profit/loss after taxation</b>	<b>2 048</b>	<b>2 874</b>	<b>562</b>
<b>Modifying items</b>			
Depreciation and amortization	237	489	252
Booked/reversed impairment, debt cancelled	-2	-2	4
Result of assets sales	-132	122	-53
Exchange rate changes	-389	241	402
Share of the profit or loss of associates accounted for using the equity method	-370	-607	-240
Deferred tax	46	-15	-
Income taxes	98	765	587
Income on interest	-991	-1 917	-817
Result of derivatives	156	-678	-555
Provisions	-142	-258	-129
Dividend received	-88	-	-
Termination of leasing assets	-6	5	-1
Interest cost	1	20	-
<b>Change of active capital items:</b>			
Increase / decrease of investments for policyholders of unit-linked life insurance policies (-/+)	-15 001	-8 219	-1 719
Increase / decrease of financial assets – investment contracts (-/+)	-522	404	531
Increase / decrease assets resultant of reinsurance (-/+)	-527	-1 465	-346
Increase / decrease of other assets and active accrued and deferred items (-/+)	333	-387	-622
Increase / decrease of liabilities resultant of reinsurance (-/+)	-228	-177	12
Increase / decrease of insurance contract liabilities (+/-)	17 171	12 233	4 628
Increase / decrease of investment contracts (+/-)	522	-404	-531
Increase / decrease of insurance contracts assets (+/-)	154	-136	-138
Increase / decrease of other liabilities (+/-)	-581	2 305	1 084
Increase / decrease capital owner liability (+/-)	3	3	4
Paid income taxes	-579	-288	-137
<b>Cash flows from operating activities</b>	<b>1 212</b>	<b>4 909</b>	<b>2 779</b>

## Consolidated Statement of Cash Flows continuation

(data in million HUF)

<b>Cash flow from investing activities</b>	<b>2024 Q1-Q2</b>	<b>2023 Q1-Q4</b>	<b>2023 Q1-Q2 (restated)</b>
Purchase of debt instruments (-)	-28 622	-37 634	-21 726
Sales of debt instruments (+)	28 377	31 846	19 353
Purchase of tangible and intangible assets (-)	-138	-242	-128
Sales of tangible and intangible assets (+)	-	1	-1
Result of derivatives	73	606	400
Interest received	677	1 352	363
Dividend received	680	491	491
<b>Cash flow from investing activities</b>	<b>1 046</b>	<b>-3 579</b>	<b>-1 247</b>
<b>Cash flow from financing activities</b>	<b>2024 Q1-Q2</b>	<b>2023 Q1-Q4</b>	<b>2023 Q1-Q2 (restated)</b>
Interest paid	-1	-20	-
Lease instalments payment	-82	-166	-83
Lease interest payment	-2	-9	-6
Repayment of loans and their interests	-	-7	-7
Dividend payment	-3 100	-1 691	-1 691
<b>Cash flow from financing activities</b>	<b>-3 185</b>	<b>-1 894</b>	<b>-1 788</b>
Impacts of exchange rate changes and interests	118	-37	-69
<b>Net increase / decrease of cash and cash equivalents (+/-)</b>	<b>-810</b>	<b>-601</b>	<b>-325</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2 492</b>	<b>3 093</b>	<b>3 093</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1 683</b>	<b>2 492</b>	<b>2 768</b>

## 3. CHANGES OF ACCOUNTING POLICY

For financial years beginning on or after 2024, the following amended mandatory standards have become effective and are not expected to have a material impact on the financial statements:

- IAS 1 amendment to clarify the definition of long-term liabilities
- IFRS 16: Changes in the measurement of lease liabilities on sale and leaseback
- Changes to IAS 7 and IFRS 7: Cash Flow disclosure obligation and Financial Instruments disclosure obligation that bring supplier financing arrangements within the scope of presentation
- IAS 12: Temporary exemption from income tax disclosure requirements due to Pillar 2 Model Rule International Tax reform

## 4. RESTATEMENT

As described in the first chapter, to remove one-off effects within the year from the year-on-year business comparison of the Company's performance, we have revalued our results for the first half-year of 2023 in line with our accounting policy. This fact does not affect our audited results for the full year 2023.

During the closing of the quarters of 2023 and the year-end closing, the methodologies, developed systems and processes used were increasingly refined and subject to multiple internal and external evaluations and analyses. As a result, we have concluded that the 2023 quarterly accounts need to be restated to ensure methodological consistency with the annual audited accounts, so that they can provide a true comparison with the 2024 quarterly results.

The amendments affected the methods, parameters and system operation at several points. The most important differences were mainly caused by the following:

### 1. Methodological questions of accounting for PAA revenues (premium allocation approach)

When applying the PAA method, the Company recognises the amount of expected premiums allocated to the period as the insurance revenue for the period, whereby premiums are allocated based on the expected timing of insurance services incurred. The Company includes in the insurance services incurred the amount of claims and services and operating expenses. However, at the time of the 2023Q1 report, the insurance services incurred did not include the amount of operating costs, unlike subsequent reports.

### 2. clarification of the CSM (contractual service margin) derivation order used in the VFA (variable fee approach) accounting methodology

Insurance contracts valued in the VFA valuation model are considered by IFRS 17 primarily as contracts providing investment-related services. The main points in the derivation of the LRC (liability for residual coverage) for the VFA method are:

- a. There is no separate interest settlement on the CSM, as the model revaluates the CSM for the effects of changes in financial risks.

- b. Changes in performance cash flows resulting from the time value of money and financial risks, affecting the variable premium, are accounted for in the CSM (thereby allocated to profit or loss on a time-apportioned basis through the release of the CSM as part of the insurance revenue).
- c. When releasing CSM, the coverage units are discounted using the current discount rate.
- d. For VFA calculations, the Group uses the value of the underlying asset returns allocated to GICs.
- e. In the VFA model, the application of the yield curve used for the initial recognition as a locked-in yield curve is not interpreted. At the same time, for the initial recognition of GICs managed in the VFA model, the Group uses a weighted average yield curve produced in the same way.
- f. In the case of the VFA, the calculation to be followed in the case of the OCI option starts from the underlying assets.

The order of execution of the steps coded into the systems during the derivation of the LCR and the settlement of the CSM influenced which part of the total future result was accounted for within the profit and loss and the CSM. In the 2023Q1 and the 2023Q2 reports, the above settlement order resulted in a too low result and a higher-than-expected closing CSM. With the improvement of the methodology, which has been modified for the year-end closing, the accounting of the results between the income statement and the CSM has become more reasonable and more in line with expectations.

### 3. Changes in the application of the OCI option

In the case of choosing the OCI option for insurance contract groups valued with the GMM valuation model, the Insurer values the effect of the time value of money and its changes, as well as the effect of financial risk and its changes, with the discount rate at the time of initial recognition (at locked in rate) and also discounts it with the current discount rate.

The difference between the value discounted at the current rate and the value discounted at the locked-in rate is recognised in other comprehensive income as follows:

- for insurance contracts under "Financial result from insurance transactions"
- for reinsurance contracts under "Financial result from reinsurance"

For the portfolios of contracts valued using the GMM valuation model for which the Company chooses the OCI option, the foreign exchange difference is recognised in other comprehensive income. For insurance contracts under "Financial result from insurance transactions", for reinsurance contracts under "Financial result from reinsurance".

During the year, the Company improved its systems to allow the use of the OCI option not only per insurance portfolio, but also therein separately for LRC and LIC (liability for incurred claims). This was necessary in order to harmonise the valuation methods for insurance assets

and liabilities and the investments held as collateral (other financial assets at fair value) and thus facilitate their reconciliation in the financial statements. As this development has not yet taken place for our first quarterly report, the allocation of financial results recognised against profit or loss and equity has been different from the method currently applied.

The differences between the consolidated statement of comprehensive income and the consolidated statement of financial position originally presented in our first half-year report for 2023 and the comparative period presented in this half-year report are described below.

Graph 8 Consolidated statement of comprehensive income - cumulative figures

(data in million HUF)

ASSETS	2023 Q1-Q2 restated	2023 Q1-Q2 original	Change
Insurance Revenue	9 555	9 952	-397
Insurance service expenses	-8 050	-8 215	165
Reinsurance expense – allocation of premium	-1 684	-1 453	-231
Amount of recoverables from reinsurance	547	295	252
<b>Insurance service result</b>	<b>368</b>	<b>579</b>	<b>-211</b>
Interest income calculated using the effective interest method	817	817	-
Investment income	1 830	1 830	-
Impairment and impairment reversal of financial assets	-4	-4	-
Investment expenses	-807	-807	-
Yield on investment accounted for using equity method (profit)	240	240	-
<b>Investment income</b>	<b>2 076</b>	<b>2 076</b>	<b>-</b>
Insurance financial result	-1 071	-1 063	-8
Reinsurance financial result	-25	-24	-1
Change in the fair value of liabilities relating to investment contracts	-98	-98	-
<b>Financial result</b>	<b>-1 194</b>	<b>-1 185</b>	<b>-9</b>
Premium and commission income from investment contracts	30	30	-
Other operating costs	-129	-129	-
Other (non-financial) income	48	48	-
Other (non-financial) expenses	-54	-243	189
<b>Profit/Loss before taxation</b>	<b>1 145</b>	<b>1 176</b>	<b>- 31</b>
Tax income/expenses	-583	-587	4
Deferred tax income/expenses	-	-	-
<b>Profit/Loss after taxation</b>	<b>562</b>	<b>589</b>	<b>- 27</b>
OCI from change in fair value of other financial assets at fair value	1 890	1 890	-
OCI from insurance contracts	-988	-989	1
OCI from reinsurance contracts	-104	-96	-8
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>798</b>	<b>805</b>	<b>-7</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>289</b>	<b>289</b>	<b>-</b>
<b>Other comprehensive income</b>	<b>1 087</b>	<b>1 094</b>	<b>-7</b>
<b>Total comprehensive income</b>	<b>1 649</b>	<b>1 683</b>	<b>-34</b>
<b>Earnings per share to the Company's shareholders</b>			
EPS (basic)	6,0	6,3	-0,3
EPS (diluted)	6,0	6,2	-0,3

Consolidated statement of financial position

(data in million HUF)

ASSETS	2023 Q1-Q2 restated	2023 Q1-Q2 original	Change
Intangible Assets	970	970	-
Property, plant and equipment	128	128	-
Right-of use assets	350	350	-
Deferred tax asset	591	591	-
Investment in associates	410	410	-
Insurance contract assets	1 244	1 595	-351
Reinsurance contract assets	1 592	1 600	-8
Investments for policyholders of unit-linked life insurance policies	87 924	87 924	-
Financial asset - Investment contracts	4 636	4 636	-
Financial asset - derivatives	213	213	-
Other financial assets at fair value	29 140	29 140	-
Other assets and prepayments	102	102	-
Other receivables	389	321	68
Cash and cash equivalents	2 768	2 768	-
<b>Total Assets</b>	<b>130 457</b>	<b>130 748</b>	<b>-291</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	101 931	102 317	-386
Reinsurance contract liabilities	565	461	104
Financial liabilities -Investment contracts	4 636	4 636	-
Lease liabilities	392	392	-
Provisions	391	391	-
Other liabilities	3 810	3 791	19
Liabilities to shareholders	34	34	-
<b>Total Liabilities</b>	<b>111 759</b>	<b>112 022</b>	<b>-263</b>
<b>Net Assets</b>	<b>18 698</b>	<b>18 726</b>	<b>-28</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	3 116	3 116	-
Capital reserve	1 153	1 153	-
Treasury shares	-32	-32	-
Other reserves	-3 194	-3 581	387
Retained earnings	17 655	18 070	-415
<b>Total Shareholder's Equity</b>	<b>18 698</b>	<b>18 726</b>	<b>-28</b>

## 5. OPERATING SEGMENTS

Graph 9 Segment information Q1-Q2 2024

(data in million HUF)

ASSETS	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Intangible Assets	651	275	-	-	926
Property, plant and equipment	96	11	-	-	107
Right-of-use assets	126	81	-	-	207
Deferred tax assets	249	-	-	-	249
Subsidiaries	6 972	-	-	-6 972	-
Investment in associates	52	-	-	503	555
Insurance contract assets	1 077	11	-	-	1 088
Reinsurance contract assets	901	2 318	-	-	3 219
Investments for policyholders of unit-linked life insurance policies	109 425	-	-	-	109 425
Financial assets – investments contracts	5 285	-	-	-	5 285
Financial asset - Derivatives	-	-	-	-	-
Other financial assets at fair value	24 002	12 426	-	-	36 428
Other assets and prepayments	54	25	-	-	79
Other receivables	262	30	1	4	297
Treasury share	-	-	166	-166	-
Intercompany receivables	145	441	305	-891	-
Cash and cash equivalents	1 401	242	40	-	1 683
<b>Total Assets</b>	<b>150 698</b>	<b>15 860</b>	<b>512</b>	<b>-7 522</b>	<b>159 548</b>
<b>LIABILITIES</b>					
Insurance contract liabilities	122 001	5 077	-	-	127 078
Reinsurance contract liabilities	73	75	-	-	148
Financial liabilities – Investment contracts	5 285	-	-	-	5 285
Financial liabilities - Derivatives	83	16	-	-	99
Lease liabilities	149	98	-	-	247
Provisions	55	65	-	-	120
Other liabilities	995	3 434	2	-	4 431
Intercompany payables	441	127	17	-585	-
Liabilities to shareholders	37	-	-	-	37
<b>Total Liabilities</b>	<b>129 119</b>	<b>8 892</b>	<b>19</b>	<b>-585</b>	<b>137 445</b>
<b>NET ASSETS</b>	<b>21 579</b>	<b>6 968</b>	<b>493</b>	<b>-6 937</b>	<b>22 103</b>

Segment information Q1-Q2 2024

(data in million HUF)

Shareholder's Equity	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Registered capital	3 116	1 090	229	-1 319	3 116
Capital reserve	4 019	9 105	-	-11 971	1 153
Treasury shares	-32	-	-	-	-32
Other reserve	-947	-101	-	-	-1 048
Retained earnings	15 423	-3 126	264	6 353	18 914
<b>Total shareholder's equity</b>	<b>21 579</b>	<b>6 968</b>	<b>493</b>	<b>-6 937</b>	<b>22 103</b>

Consolidated statement of comprehensive income	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Insurance revenue	6 838	5 374	-	-215	11 997
Insurance service expenses	-5 878	-4 590	-	8	-10 460
Reinsurance expense- allocation of premium	-557	-2 004	-	98	-2 463
Amount recoverables from reinsurance	590	1 302	-	-	1 892
<b>Insurance service result</b>	<b>993</b>	<b>82</b>	<b>-</b>	<b>-109</b>	<b>966</b>
Interest income calculated using the effective interest method	657	334	-	-	991
Investment income	12 326	284	287	-304	12 593
Impairment and reversed impairment of Financial assets	2	-	-	-	2
Investment expenses	-340	-98	-384	111	-711
Yield on investment accounted for using equity method (profit)	554	-	16	-237	333
<b>Investment income</b>	<b>13 199</b>	<b>520</b>	<b>-81</b>	<b>-430</b>	<b>13 208</b>
Insurance financial result	-11 356	-101	-	-	-11 457
Reinsurance financial result	19	63	-	-	82
Change in the fair value of liabilities relating to investment contracts	-482	-	-	-	-482
<b>Financial results</b>	<b>-11 819</b>	<b>-38</b>	<b>-</b>	<b>-</b>	<b>-11 857</b>
Premium and commission income from investment contracts	91	-	-	-	91
Other operating costs	-114	-40	-7	5	-156
Other (non-financial) income	183	20	5	-182	26
Other (non-financial) expenses	-253	-17	-	177	-93
<b>Profit/loss before taxation</b>	<b>2 280</b>	<b>527</b>	<b>-83</b>	<b>-539</b>	<b>2 185</b>

Segment information Q1-Q2 2024

(data in million HUF)

Consolidated statement of comprehensive income	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Tax income / (expenses)	-63	-35	-	7	-91
Deferred tax income / (expenses)	-46	-	-	-	-46
<b>Total profit/loss after taxation</b>	<b>2 171</b>	<b>492</b>	<b>-83</b>	<b>-532</b>	<b>2 048</b>
OCI from change in fair value of other financial assets at fair value	-784	-123	-	-	-907
OCI from insurance contracts	381	-68	-	-	313
OCI from reinsurance contracts	60	74	-	-	134
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>-343</b>	<b>-117</b>	<b>-</b>	<b>-</b>	<b>-460</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>352</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>352</b>
<b>Other comprehensive income</b>	<b>9</b>	<b>-117</b>	<b>-</b>	<b>-</b>	<b>-108</b>
<b>Total comprehensive income</b>	<b>2 180</b>	<b>375</b>	<b>-83</b>	<b>-532</b>	<b>1 940</b>

**Graph 10** Segment information 2023 Q1-Q2 restated

(data in million HUF)

ASSETS	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Intangible Assets	696	274	-	-	970
Property, plant and equipment	114	14	-	-	128
Right-of-use assets	231	119	-	-	350
Deferred tax assets	591	-	-	-	591
Subsidiaries	4 041	-	-	-4 041	-
Investment in associates	52	-	-	358	410
Insurance contract assets	1 197	47	-	-	1 244
Reinsurance contract assets	268	1 324	-	-	1 592
Investments for policyholders of unit-linked life insurance policies	87 924	-	-	-	87 924
Financial assets – Investments contracts	4 636	-	-	-	4 636
Financial assets - Derivatives	24	189	-	-	213
Other financial assets at fair value	20 382	8 758	-	-	29 140
Other assets and prepayments	84	18	-	-	102
Other receivables	291	94	-	4	389
Treasury share	-	-	121	-121	-
Intercompany receivables	108	261	357	-726	-
Cash and cash equivalents	1 976	767	25	-	2 768
<b>Total Assets</b>	<b>122 615</b>	<b>11 865</b>	<b>503</b>	<b>-4 526</b>	<b>130 457</b>

**Graph 10** Segment information 2023 Q1-Q2 restated

(data in million HUF)

LIABILITIES	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Insurance contract liabilities	97 481	4 450	-	-	101 931
Reinsurance contract liabilities	322	243	-	-	565
Financial Liabilities – Investment contracts	4 636	-	-	-	4 636
Financial liabilities - Futures	-	-	-	-	-
Lease liabilities	258	134	-	-	392
Provisions	117	274	-	-	391
Other liabilities	1 188	2 620	2	-	3 810
Intercompany payables	261	107	-	-368	-
Liabilities to shareholders	34	-	-	-	34
<b>TOTAL LIABILITIES</b>	<b>104 297</b>	<b>7 828</b>	<b>2</b>	<b>-368</b>	<b>111 759</b>
<b>NET ASSETS</b>	<b>18 318</b>	<b>4 037</b>	<b>501</b>	<b>-4 158</b>	<b>18 698</b>

Shareholder's Equity					
Registered capital	3 116	1 075	243	-1 318	3 116
Capital reserve	4 019	7 620	-	-10 486	1 153
Treasury shares	-32	-	-	-	-32
Other reserve	-3 084	-110	-	-	-3 194
Retained earnings	14 299	-4 548	258	7 646	17 655
<b>Total shareholder's equity</b>	<b>18 318</b>	<b>4 037</b>	<b>501</b>	<b>-4 158</b>	<b>18 698</b>

Segment information 2023 Q1-Q2 restated

(data in million HUF)

Consolidated statement of comprehensive income	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Insurance revenue	5 655	3 900	-	-	9 555
Insurance service expenses	-4 596	-3 454	-	-	-8 050
Reinsurance expense- allocation of premium	-358	-1 326	-	-	-1 684
Amount recoverables from reinsurance	353	194	-	-	547
<b>Insurance service result</b>	<b>1 054</b>	<b>-686</b>	<b>-</b>	<b>-</b>	<b>368</b>
Interest income calculated using the effective interest method	573	244	-	-	817
Investment income	1 436	394	8	-8	1 830
Impairment and reversed impairment of Financial assets	-4	-	-	-	-4
Investment expenses	-696	-313	-4	206	-807
Yield on investment accounted for using equity method (profit)	490	-	9	-259	240
<b>Investment income</b>	<b>1 799</b>	<b>325</b>	<b>13</b>	<b>-61</b>	<b>2 076</b>
Insurance financial result	-1 173	102	-	-	-1 071
Reinsurance financial result	-50	25	-	-	-25
Change in the fair value of liabilities relating to investment contracts	-98	-	-	-	-98
<b>Financial results</b>	<b>-1 321</b>	<b>127</b>	<b>-</b>	<b>-</b>	<b>-1 194</b>
Premium and commission income from investment contracts	30	-	-	-	30
Other operating costs	-101	-25	-8	5	-129
Other (non-financial) income	151	9	5	-117	48
Other (non-financial) expenses	-163	-3	-	112	-54
<b>Profit/loss before taxation</b>	<b>1 449</b>	<b>-253</b>	<b>10</b>	<b>-61</b>	<b>1 145</b>
Tax income / (expenses)	-581	-2	-	-	-583
Deferred tax income / (expenses)	-	-	-	-	-
<b>Total profit/loss after taxation</b>	<b>868</b>	<b>-255</b>	<b>10</b>	<b>-61</b>	<b>562</b>
OCI from change in fair value of other financial assets at fair value	1 756	134	-	-	1 890
OCI from insurance contracts	-899	-89	-	-	-988
OCI from reinsurance contracts	-114	10	-	-	-104
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>743</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>798</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>289</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>289</b>
<b>Other comprehensive income</b>	<b>1 032</b>	<b>55</b>	<b>-</b>	<b>-</b>	<b>1 087</b>
<b>Total comprehensive income</b>	<b>1 900</b>	<b>-200</b>	<b>10</b>	<b>-61</b>	<b>1 649</b>

## 6. NUMBER OF EMPLOYEES, OWNERSHIP STRUCTURE

The number of employees at the members of the Group was 195 on 30 June 2024.

**Graph 11** Composition of the Issuer's share capital (30 June 2024)

Series of shares	Nominal value (HUF/each)	Issued number of shares	Total nominal value (HUF)
Series „A”	33	94 428 260	3 116 132 580
of this treasury share	-	-	-
<b>Amount of share capital</b>	-	-	<b>3 116 132 580</b>

**Graph 12** Number of voting rights connected to the shares (30 June 2024)

Series of shares	Number of shares issued	Number of voting shares	Voting rights per share	Total voting rights	Number of treasury shares
„A” series	94 428 260	94 428 260	1	94 428 260	-

**Graph 13** The Issuer's ownership structure (30 June 2024)

Owners	Number of shares	Ownership stake	Voting rights
Domestic private individual	28 205 968	29,87%	29,87%
Domestic institution	64 795 669	68,62%	68,62%
Foreign private individual	63 983	0,07%	0,07%
Foreign institution	22 533	0,02%	0,02%
Nominee, domestic private individual	1 158 518	1,23%	1,23%
Nominee, foreign private individual	18 000	0,02%	0,02%
Nominee, foreign institution	155 244	0,16%	0,16%
Unidentified item	8 345	0,01%	0,01%
<b>Total</b>	<b>94 428 260</b>	<b>100%</b>	<b>100%</b>

The Issuer engaged KELER Ltd. with keeping the shareholders' register. If, during the ownership verification, an account manager with clients holding CIGPANNONIA shares does not provide data regarding the shareholders, the owners of the unidentified shares are recorded as “unidentified item” in the shareholders' register.

**Graph 14** The Issuer's investments on 30 June 2023

Name	Registered seat	The Issuer's share
CIG Pannonia First Hungarian General Insurance Company cPlc.	1097 Budapest, Könyves Kálmán krt. 11.	100,0%
Pannonia PI-ETA Funeral Service Limited Liability Company	1097 Budapest, Könyves Kálmán krt. 11.	100,0%
MBH Investment Fund Manager cPlc.	1068, Budapest, Benczúr utca 11.	7,67%
OPUS GLOBAL Plc.	1062 Budapest, Andrássy út 59.	1%

## 7. INFORMATION PUBLISHED IN THE PERIOD

Date	Title, short content
02 April 2024	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 31/03/2024</a>
18 April 2024	<a href="#">OTHER INFORMATION publication of the Sustainability Report of CIG Pannónia Group for the year 2023</a>
18 April 2024	<a href="#">CIG Pannonia Life Insurance PLC. Resolutions of the general meeting on items on the agenda of the annual general meeting   2024</a>
30 April 2024	<a href="#">EXTRAORDINARY INFORMATION On the decision concluding an ex officio target investigation conducted by the MNB on its own initiative</a>
30 April 2024	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 30/04/2024</a>
10 May 2024	<a href="#">Announcement - Dividend payments 2023</a>
27 May 2024	<a href="#">EXTRAORDINARY INFORMATION publication of the current Articles of Association of the Company 05/2024</a>
5 June 2024	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 31/05/2024</a>
25 June 2024	<a href="#">Change in the distribution of asset funds in August 2024</a>
1 July 2024	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 30/06/2024</a>
1 August 2024	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 31. July 2024</a>

These announcements can be found on the websites of the ([www.cigpannonia.hu](http://www.cigpannonia.hu)) and the Budapest Stock Exchange Ltd. ([www.bet.hu](http://www.bet.hu)), as well as on the website of the Hungarian National Bank ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)).

## 8. DISCLAIMER

The Issuer declares that the report for the second quarter of 2024 was not reviewed by an auditor, the report for the second quarter of 2024 presents a true and fair view of the assets, liabilities and financial position, as well as the profit and loss of the Issuer and the enterprises consolidated in the financial statements. The consolidated management report provides a reliable presentation of the position, development and performance of the Issuer and the companies consolidated in its accounts.

**28 August 2024, Budapest**

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**Dr István Fedák**  
Chief Executive Officer

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**Alexandra Tóth**  
financial director and head of accounting

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### **Investor relations**

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