



Audit Committee report for the 2022. General Meeting of
CIG Pannónia Life Insurance Public Limited Company (Company)
(registered office: H-1097 Budapest, Könyves Kálmán krt. 11.B; company reg. nr: 01 10 045857)

The Audit Committee discussed the 2021 individual and consolidated accounts of CIG Pannónia Life Insurance Public Limited Company and its subsidiary CIG Pannónia First Hungarian General Insurance Ltd. prepared according to the International Financial Reporting Standards as adopted by the European Union, which it **recommends** to the General Meeting **for approval** in light of the audit reports, considering the following.

At the Group level (hereinafter collectively: the Group), CIG Pannónia Plc. fully consolidated CIG Pannónia First Hungarian General Insurance cPlc. (EMABIT) as a 100% owned subsidiary in the consolidated financial statements of the previous years.

Insurers are obliged to calculate their own funds and comply with supervisory reporting obligations regarding their solvency margin compliance in accordance with Solvency 2 requirements. In the Consolidated financial statements, Additional notes, Chapter 7. Capital adequacy the Group presents the position of the solvency margin according to Solvency 2 requirements, which complies with the regulatory requirements. It is clear that the Group places great emphasis on meeting the capital adequacy requirements of Solvency II and Act LXXXVIII of 2014 on Insurance Activities (Bit.) and it complies with them on an ongoing basis. The consolidated solvency margin of the Group as at 31 December 2021 is more than two and a half times the required solvency margin, thus significantly exceeding the 150% level required by the Supervisory Authority, including a volatility buffer of 50%.

It has been established that the balance sheet total of CIG Pannónia Life Insurance Plc. is HUF 127,785 million, its financial position is stable and it has fully met its obligations. The amount of equity as of December 31, 2021 is HUF 13,168 million.

The assessment of life and non-life technical provisions involves significant assumptions and complex decisions that determine the constitution of technical provisions. In the notes to the separate and consolidated financial statements, the valuation of insurance technical liabilities, technical provisions and reinsurers' shares of technical provisions, and unit-linked reserves are adequately disclosed.

Budapest, March 28, 2021.

Erika Vada
Chairwoman of the Audit Committee