



The report of the **Audit Committee** of **CIG Pannónia Life Insurance Plc.** (registered office: 1097 Budapest Könyves Kálmán krt. 11, „B” épület; company registry number: 01 10 045857; court of registration: Budapest - Capital Regional Court, referred to as company) for the **2025 Annual General Meeting**

The Audit Committee has discussed the 2025 **separate** and **consolidated** financial reports prepared by CIG Pannónia Életbiztosító Nyrt. (**the Company**) and its subsidiary CIG Pannónia Első Magyar Általános Biztosító Zrt. (**EMABIT**) in accordance with the International Financial Reporting Standards adopted by the European Union, which are **proposed for approval** by the Annual General Meeting and the founder CIG Pannónia Életbiztosító Nyrt., in view of the relevant auditor's reports, considering the following:

At Group level, CIG Pannónia Nyrt., has involved CIG Pannónia Első Magyar Általános Biztosító Zrt in consolidation in the previous years' consolidated financial reports, as its fully owned affiliate company (hereinafter jointly referred to as: the **Group**)¹.

The Audit Committee monitors the effectiveness of the internal control and risk management systems of the insurer, the effectiveness of its internal control over financial and sustainability reporting, and the audit of the financial reporting system, pursuant to Article 116 of Act LXXXVIII of 2014 on Insurance Activities. It shall give priority to the continuous monitoring of the solvency capital compliance and liquidity situation of CIG Pannónia Életbiztosító Nyrt. and EMABIT, which is part of its consolidation. The statutory audit of the annual and consolidated accounts, the assurance of the sustainability report and the consolidated sustainability report.

Reviewing and monitoring the independence of the statutory auditor or audit firm, in particular the compliance with Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for statutory audits of public-interest entities and repealing Commission Decision 2005/909/EC.

It shall inform the general meeting of the public interest insurer of the results of the statutory audit and assurance engagement, describe how the statutory audit and assurance engagement contributed to the integrity of the financial and sustainability reporting and the role of the audit committee in the reporting process.

In the work of the Audit Committee in 2025, all of these tasks were emphasised, primarily in support of the work of the Supervisory Board.

The Audit Committee has set the following as the focus of its tasks for 2025 – as set out in point V. of the Rules of Procedures:

¹ As from, 1 August 2016, the Committee also performs the tasks of the Audit Committee of CIG Pannónia Első Magyar Általános Biztosító Zrt.

- (i) the control of the financial reporting system, including in particular the continuous monitoring of the adequacy of the solvency capital and liquidity position of the Company and EMABIT, together as a group of companies,
- (ii) the increased monitoring of the so-called Italian cases and litigation within EMABIT's sphere of interest, the adequacy of EMABIT's provisioning in relation to this, and the preparedness of the CIG Pannónia Group to handle the situation at a consolidated level,
- (iii) in cooperation with the Supervisory Board, the strategic objectives, organizational structure, risk strategy, including the risk appetite and risk management system, of the Company and its subsidiaries and the reporting of independent managers with a focus on risk management,
- (iv) monitoring compliance with Regulation (EU) 2022/2554 of the European Parliament and of the Council on digital operational resilience in the financial sector (hereinafter referred to as the DORA Regulation),

which priorities received special attention during the Audit Committee Meetings and reports.

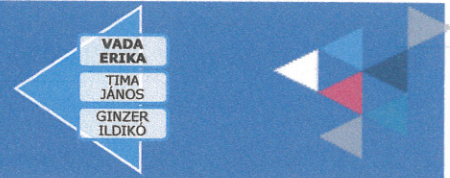
Monitoring of the auditor independence

The Audit Committee declares that the audit methodology and the independence criteria of FORVIS 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; Chamber of Auditors registration number: 000220; Auditor) have been examined, assessed and found to be in order. In the course of its work, it cooperated with the appointed auditor Andrea Kinga Molnár (mother's name: Dr. Mária Ibolya Kovács; address: 2096 Üröm, Kormorán u. 16/b.; Chamber of Auditors membership number: 007145).

Monitoring of SII capital adequacy

Insurers are required to calculate their solvency capital and comply with their solvency capital adequacy supervisory reporting obligations in accordance with Solvency II. In Note 7 Capital adequacy in the notes to the consolidated financial statements, the Group presents the Solvency II solvency capital position, which is in compliance with the legal requirements. On an ongoing basis, it can be seen that the Company places great emphasis on meeting the capital adequacy requirements under Solvency II and Act LXXXVIII of 2014 on Insurance Activities (Bit.) at the individual and consolidated level and continues to comply with them. As of 31 December 2025, the available solvency capital on an individual (220%) and consolidated (221%) basis exceeded the 150% level expected by the Supervisory Authority, including a 50% volatility buffer.

Solvency capital (mHUF)	Life Insurance	EMABIT	Consolidated
	29 159	8 893	28 992
SCR % (Capital adequacy compared to solvency capital requirement)			
	220%	198%	221%



It has been established that **CIG Pannónia Life Insurance Plc.** has a consolidated balance sheet total of HUF **192 936 million**, its financial position is stable, it has a profit after tax of HUF **3 958 million** and has fully met its obligations.

When assessing the Group's financial position in 2025, it is worth noting that the Company's consolidated net income is positive, amounting to a profit of HUF 3,958 million in 2025. The nearly HUF 4 billion in net income and the significant change are primarily driven by the increase in underwriting profit (BTE), which improved by HUF 4,709 million over the course of a year. When examining the individual periods of 2025, the differences between the various profit indicators can be attributed partly to external factors—e.g., changes in investment fund returns—and partly to internal factors—e.g., the final settlement of contractual obligations in certain periods or changes in insurance assumptions. It should also be noted, however, that the growth in premium income from previous years has stalled, and the rate of premium growth slowed in 2025. For all these reasons, it is warranted to take steps, an activity that the AB intends to monitor closely in 2026.

The effects reflected in other income are as follows:

- (i) hedging transactions offsetting foreign exchange risks on reserves, amounting to -300 million HUF
- (ii) a negative change in yields—particularly short-term yields
- (iii) the positive impact of excess returns resulting from outperformance of benchmark yields, as well as other items, which improved the result by HUF 250 million (including the annual return on investments reclassified at the beginning of the year due to the regulation on extra profit tax)
- (iv) changes in other costs and expenses, which reduced the result by a total of HUF 345 million.

Opinion on the proposal for the use of after-tax profit

The Audit Committee agrees with the Management Board's proposal regarding the use of after-tax profit. The results of the project launched under the topic of "Development of personalized insurance products using artificial intelligence" and the elements of the revised Growth Strategy of the CIG Pannónia Group were examined. The opinion of the Audit Committee is that the analysis of insurance market trends is moving in the direction of digitalization, which should determine the Group's strategic vision and challenges in the coming period. In order to achieve growth goals, special attention must be paid to significantly improving internal operational efficiency, continuously renewing the product offering, and exploiting the opportunities inherent in digital transformation. The implementation of this project and the resource requirements of the renewed Growth Strategy serve the Company's competitiveness and shareholder value creation, but all of this also works against the payment of dividends from the results of the 2025 business year.



It is important to emphasise that the valuation of life and non-life technical provisions involves a significant number of assumptions and complex decisions that determine the establishment of technical provisions. In the notes to both the individual and consolidated financial statements, the valuation of technical liabilities, the technical provisions and reinsurers' share of technical provisions, as well as unit-linked provisions are adequately disclosed.

Budapest, March 30. 2026.

Vada Erika

Chairperson of the Audit Committee