

Report by the Supervisory Board of CIG Pannonia Life Insurance Public Limited Company (Company) on the Company's financial statements and about the proposal of allocating the profit after tax

(prepared for the Annual General Meeting of the Company convened on 19 April 2021)

The Supervisory Board records that it has reviewed the Company's consolidated financial statements for the financial year 2020. In presenting the quarterly reports to the Board of Directors, the Supervisory Board was also made aware of the Company's consolidated interim financial statements.

The Supervisory Board found that the Company carried out the consolidation in accordance with the applicable regulations, as shown in the audited consolidated financial statements.

On the basis of the company's audited individual and consolidated financial statements detailing the activities of the CIG Pannonia Group in 2020, and the analysis and audit certificate prepared by Ernst & Young Audit Ltd., and the experience gained in discussing the statements, the Supervisory Board is in agreement with the Board's Presentation on the agenda items prepared for the Annual General Meeting, and therefore **highly recommends it** to the Honourable Assembly **for adoption** (in view of the exceptional situation in Hungary in the context of the pandemic causing mass infections, endangering the safety of life and property, Covid-19, the Board of Directors acting under the authority of the General Meeting)

1. (a) SEPARATE FINANCIAL STATEMENTS AND BUSINESS REPORTS FOR 2020 PREPARED ON THE BASIS OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED BY THE EUROPEAN UNION, together with all its annexes

- with HUF 108 773 584 000 balance sheet total,
- with HUF 718 268 000 profit after tax, and
- with HUF 384 976 000 total comprehensive income.

1.b) CONSOLIDATED FINANCIAL STATEMENTS AND CONSOLIDATED BUSINESS REPORTS FOR 2020 PREPARED ON THE BASIS OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED BY THE EUROPEAN UNION, together with all its annexes

- with **HUF 112 696 982 000 balance sheet total,**
- with **HUF 660 085 000 profit after tax, and**

- with **HUF 284 135 000 total comprehensive income.**

2. With regard to the intentions of the Company's management to implement transparent and dynamic growth plans, the Supervisory Board, instead of the payment of the profit in 2020 or of the available retained earnings as dividends does not propose to pay dividends this year, with the Company reassessing the issue of dividend payments after processing the experience gained in 2021.

3. The Supervisory Board also supports that the Board of Directors acting under the authority of the General Meeting select Zoltán Polányi as a member of the Board of Directors of the Company for a period of three years, subject to the granting of the relevant authorisation of the Hungarian National Bank, by the fact that Zoltán Polányi is not entitled to remuneration for holding the position.

Budapest, 07 April 2021

János Tima

Chairman of the Supervisory Board