



**PANNÓNIA**  
ÁLTALÁNOS BIZTOSÍTÓ

**CIG PANNÓNIA FIRST HUNGARIAN  
GENERAL INSURANCE COMPANY LTD.**

QUARTERLY INFORMATION

2012 FOURTH QUARTER

19 February 2013

## **I. Summary**

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CIG Pannónia First Hungarian General Insurance Company Ltd. (hereinafter: EMABIT) publishes this report, simultaneously with the quarterly report to the stock exchange of its parent company, CIG Pannónia Life Insurance Plc. with the data disclosed, on a voluntary basis, to the Association of Hungarian Insurance Companies (MABISZ). Data provided to MABISZ are in Annex I to the present information.

The main results and events of the year 2012 were the following:

- In 2012 EMABIT as a new insurance company generated a gross written premium of HUF 2,922 million, the majority thereof relating to motor insurance sector. Total costs of the insurance company amount to HUF 1,348 million, of which HUF 531 million are administration costs, HUF 699 million are acquisition costs and the remaining HUF 118 million are claim settlement costs. The amount of claim settlement expenditure was HUF 1,479 million of which actual claims paid amounted to HUF 945 million. The financial position of the Insurer is stable; its loss amounted to HUF 796 million, which is in line with the management's expectations; its equity was HUF 1,343 million, providing financing for the operations and meeting the statutory requirements.
- EMABIT has an increasing role in the operation of the CIG Group. In 2012, more than 900 fleets, or nearly 25,000 vehicles were covered by the automobile liability insurance. Of these fleets, 80% were of smaller-sized fleets from the premium target market. The others were larger-sized fleets, including numerous international corporate clients and large companies. As for Casco indemnity insurances, EMABIT insures almost 300 fleets, made up of more than 13,000 vehicles. In this case as well, policies are distributed similarly to the automobile insurance mentioned above. In addition to the motor insurance business line, EMABIT intensified its activities in the areas of property and liability insurance. The cumulative increase of portfolio this year represents HUF 3.4 billion.
- EMABIT's growth is in parallel with its product design and the development of the product range. EMABIT has commenced the sale of household insurance products in the retail business unit, while the corporate unit has been enlarged with freight insurance collateral and other carrier's liability coverage. The sale of our special liability insurance product within the framework of the Polish professional liability insurance project launched in May was a success; the total portfolio of new sales amounted to HUF 397 million, made up of nearly 4,000 policies.
- In the renewal period, EMABIT expanded its presence in the declining non-life insurance market. The net portfolio growth was HUF 700 million based on the insurance policies acquired in the fourth quarter of 2012 that technically run from 2013.
- The Court of Registration has registered the capital increase amounting to HUF 250 million adopted by the founder in Q4, thus the registered capital of EMABIT has risen by HUF 5 million to HUF 1,005 million. The remaining amount of HUF 245 million was included in EMABIT's capital reserve, which in turn grew to HUF 1,680 million. The registered capital was increased in accordance with the rapid growth of EMABIT.

Budapest, 19 February 2013

CIG Pannónia First Hungarian General Insurance Company Ltd.

## Annex I

### Presentation of the stock of the non-life business line of the Issuer at the end of the period

number

| Description  | Opening stock on 01.01.2012 | New business/Acquired stock | Closing stock on 31.12.2012 |
|--|-----------------------------|-----------------------------|-----------------------------|
| Accident   | 4                           | 21                          | 21                          |
| Total Casco  | 19                          | 16,102                      | 12,528                      |
| Freight  | 0                           | 130                         | 34                          |
| Damage through fire or disaster                          | 6                           | 302                         | 295                         |
| Other damage to property                                 | 3                           | 1,830                       | 1,219                       |
| Total automobile liability                               | 259                         | 34,713                      | 30,876                      |
| Of this compulsory motor third party liability insurance | 0                           | 34,598                      | 30,593                      |
| General liability  | 2,282                       | 4,221                       | 5,926                       |
| <b>Total regular-premium policies</b>                    | <b>2,573</b>                | <b>57,319</b>               | <b>50,899</b>               |
| Illness  | 0                           | 2,211                       | 102                         |
| <b>Total one-time premium policies</b>                   | <b>0</b>                    | <b>2,211</b>                | <b>102</b>                  |
| <b>Total</b>   | <b>2,573</b>                | <b>59,530</b>               | <b>51,001</b>               |

### Presentation of the stock of the non-life business line of the Issuer at the end of the period in question thousand HUF

| Description  | Opening stock on 01.01.2012 | New business/Acquired stock | Closing stock on 31.12.2012 |
|--|-----------------------------|-----------------------------|-----------------------------|
| Accident   | 17,928                      | 2,385                       | 20,060                      |
| Total Casco  | 2,226                       | 1,503,399                   | 1,181,756                   |
| Freight  | 0                           | 5,759                       | 2,511                       |
| Damage through fire or disaster                          | 2,286                       | 218,509                     | 203,895                     |
| Other damage to property                                 | 2,705                       | 117,946                     | 99,929                      |
| Total automobile liability                               | 47,002                      | 1,098,899                   | 992,341                     |
| Of this compulsory motor third party liability insurance | 0                           | 1,081,610                   | 940,500                     |
| General liability  | 86,241                      | 483,582                     | 536,188                     |
| <b>Total non-life business line</b>                      | <b>158,388</b>              | <b>3,430,479</b>            | <b>3,036,680</b>            |

**The Insurer's gross written premium at the end of the period in question, broken down by insurance sectors**

thousand HUF

| Description  | Total gross written premium | Gross written premium from single premium products | Premiums earned  |
|--|-----------------------------|--|------------------|
| Accident   | 25,988                      | 3,594  | 25,418           |
| Illness  | 17,798                      | 17,798   | 17,442           |
| Total Casco  | 1,191,641                   | 57141  | 1,017,622        |
| Freight  | 6,541                       | 5,612  | 3,035            |
| Damage through fire or disaster                          | 123,477                     | 7,280  | 44,478           |
| Other damage to property                                 | 92,214                      | 40,784   | 37,698           |
| Total automobile liability                               | 902,842                     | 0  | 444,143          |
| Of this compulsory motor third party liability insurance | 855,957                     | 0  | 422,074          |
| General liability  | 555,356                     | 19,652   | 236,926          |
| Assistance   | 6,666                       | 4,271  | 6,109            |
| <b>Subtotal non-life business line:</b>                  | <b>2,922,523</b>            | <b>156,132</b>                                     | <b>1,832,870</b> |

**The Insurer's claims paid and services at the end of the period in question, broken down by insurance sectors**

thousand

HUF

| Description                                   | Claims paid in relevant period | Expected amount of claims to be paid after the relevant period |  |         |
|---|--------------------------------|--|--|---------|
|   |                                | Opening total  | Closing total at the end of the relevant quarter | Change  |
| Accident                                      | 4,830                          | 1,210  | 550  | -660    |
| Illness                                       |                                | 0  |  | 0       |
| Total Casco                                   | 719,411                        | 0  | 154,579  | 154,579 |
| Land vehicle Casco                            | 719,411                        | 0  | 154,579  | 154,579 |
| Freight                                       | 0                              | 0  |  | 0       |
| Damage through fire or disaster               | 34,246                         | 0  | 10,406   | 10,406  |
| Other damage to property                      | 13,350                         | 36,208   | 7,131  | -29,077 |
| Total automobile liability                    | 364,121                        | 36,208   | 287,782  | 251,574 |
| Self-propelled land vehicle related liability | 364,121                        | 0  | 287,782  | 287,782 |

|  |                  |               |                |                |
|--|------------------|---------------|----------------|----------------|
| Of this compulsory motor third party liability insurance | 349,869          | 5,672         | 230,463        | 224,791        |
| General liability  | 17,943           | 0             | 24,840         | 24,840         |
| Assistance   | 10,575           |               | 5,576          | 5,576          |
| <b>Total non-life business line:</b>                     | <b>1,164,476</b> | <b>73,626</b> | <b>490,863</b> | <b>417,237</b> |

| Description  | Expected amount of claims to be paid after the relevant period for events that have already occurred but have not yet been reported |  |                | Claims in relevant year |                |                |
|--|---|--|----------------|-------------------------|----------------|----------------|
|  | Opening total   | Closing total at the end of the relevant quarter | Change         | Payments                | Claim reserve  | IBNR           |
| Accident   | 1,236   | 1,557  | 321            | 3,578                   | 550            | 1,557          |
| Illness  | 0   | 877  | 877            |                         |                | 877            |
| Total Casco  | 21  | 25,216   | 25,195         | 718,854                 | 154,579        | 25,216         |
| Land vehicle Casco                                       | 21  | 25,216   | 25,195         | 718,854                 | 154,579        | 25,216         |
| Freight  | 264   | 401  | 137            | 0                       | 0              | 401            |
| Damage through fire or disaster                          | 21  | 7,041  | 7,020          | 34,246                  | 10,406         | 7,041          |
| Other damage to property                                 | 4,009   | 4,277  | 268            | 13,350                  | 7,131          | 4,277          |
| Total automobile liability                               | 4,009   | 173,933  | 169,924        | 355,100                 | 238,902        | 173,933        |
| Self-propelled land vehicle related liability            | 0   | 173,933  | 173,933        | 355,100                 | 238,902        | 173,933        |
| Of this compulsory motor third party liability insurance | 2,682   | 170,931  | 168,249        | 349,869                 | 230,463        | 170,931        |
| General liability  | 0   | 10,672   | 10,672         | 16,343                  | 8,609          | 10,672         |
| Assistance   | 0   | 281  | 281            | 10,575                  | 5,576          | 281            |
| <b>Total non-life business line:</b>                     | <b>9,560</b>  | <b>224,255</b>                                   | <b>214,695</b> | <b>1,152,046</b>        | <b>425,752</b> | <b>224,255</b> |

*The Insurer's costs at the end of the period in question*

thousand HUF

| Description  | Acquisition costs | Administration costs | Claim settlement costs | Investment costs | Total     |
|--|-------------------|----------------------|------------------------|------------------|-----------|
| Total non-life business line                             | 698,850           | 531,123              | 117,695                | 0                | 1,347,668 |
| Of this compulsory motor third party liability insurance | 172,400           | 164,496              | 45,031                 | 0                | 381,927   |

*The insurer's staff at the end of the period in question*

| Description  | Centre (no. of staff) | Network (no. of staff) |
|--|-----------------------|------------------------|
| Senior management                                      | 1.0                   | 0                      |
| Administrators   | 19.5                  | 0                      |
| Risk assessors, damage experts and loss administrators | 1.2                   | 0                      |
| Employees not assigned to any staff category           | 0.3                   | 0                      |
| Tied insurance agent                                   | 0.0                   | 169                    |
| Multi insurance agent                                  | 0.0                   | 23                     |
| <b>Total non-life business line</b>                    | <b>22.0</b>           | <b>192.0</b>           |