



# **CIG PANNÓNIA 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

Q3 2015

17 November 2015

## I. Summary

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CIG Pannónia Life Insurance Plc. (hereinafter: Issuer) publishes its report for the third quarter of 2015 on this day. The Issuer publishes in this quarterly report for the third quarter of 2015, as required by the legislation, its consolidated, unaudited data in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. The quarterly report has been prepared in accordance with the provisions of IAS 34. Data compiled in accordance with the Hungarian Accounting Act, unaudited and unconsolidated, as well as data disclosed on a voluntary basis to the Association of Hungarian Insurance Companies (MABISZ), are published by the Issuer simultaneously with the present quarterly report, in a quarterly information paper concerning the Issuer and its subsidiary, CIG Pannónia First Hungarian General Insurance Company Ltd. (hereinafter referred to as EMABIT).

Main results and events of the third quarter of 2015:

- There were measurable results of the comprehensive strategic and organizational restructuring which aimed to stabilize income-generating ability and to create a fast reacting and healthy operating model for the rapidly changing markets in the first three quarters of the year. The after-tax result of the Group<sup>1</sup> is a HUF 786 million profit in the first three quarters of 2015 which is HUF 911 million higher profit than the restated<sup>2</sup> profit of the same period of the previous year (HUF 125 million loss). The total comprehensive income of the Group is a HUF 831 million profit in Q1-Q3 2015.
- The Group's gross written premium was HUF 12,372 million in the first three quarters of 2015 which means a 8% increase compared to the same period of the previous year. In accordance with the IFRS, the gross written premium of the life segment increased by 6% compared to the same period of 2014, while the increase of the non-life segment was 33%.
- In life-segment the increased sales activity of the tied agent network (47% increase compared to the same period of previous year) and the acquired new business through public procurement almost compensated the sales loss caused by the termination of the agreement with Quantis, so the annualized premium of new sales is 91% of the acquired portfolio compared to the first three quarters of 2014.
- In first three quarters of 2015 EMABIT –the non-life segment of the Group - generated an IFRS gross written premium of HUF 2,544 million, the majority thereof relating to the casco and liability. The amount of new acquisitions was HUF 1,501 million in the first three quarters, thus the Group has a non-life portfolio of HUF 2,642 million on 30 September 2015.
- In accordance with the Group's strategy the Insurer launched a new niche product in the first quarter. The Agro equipment insurance is a new coverage product for machinery breakdown and extended warranty of agricultural machines. The EMABIT appeared with a land vehicles comprehensive coverage (casco) with a partnership of a dominant partner in vehicle financing in Poland. The cross-border activity in Italy expanded, while the new acquisition also grew.
- After finishing the voluntary liquidation the Municipal Court of Budapest, as the Court of Registration ordered the cancellation of the Issuer's subsidiary, the CIG Pannónia Service Center Limited Liability Company, from the Company Register with the effect date of 14th July 2015.
- The Issuer's the extraordinary general meeting held on 20 July 2015 elected dr. Erzsébet Czakó and István Boros to Supervisory Board for 5 years. dr Erzsébet Czakó was also elected to Audit Committee.

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<sup>1</sup> Group" or "CIG Group" covers the Issuer and its consolidated companies.

<sup>2</sup> The data of the comparative period (2014 Q3) are restated, please refer to point 3. Accounting policy changes.

- On 14 August 2015, the Insurer's Supervisory Board elected Dr. József Bayer as Chairman of the Supervisory Board.
- The Issuer increased the share capital in its subsidiary Pannónia PI-ETA Kegyeleti Szolgáltató Ltd. by HUF 2 500 000. The capital increase was necessary to meet the regulations of the new Civil Code Law.
- EMABIT decided to take over the land vehicles comprehensive coverage (casco), accident and sickness portfolio of Széchenyi István Kölcsönös Biztosító Egyesület (SZIBE). The take over was approved by the MNB on 1 October 2015.

Events after the balance sheet date:

- At 1 October 2015 Pannónia CIG Fund Manager Ltd. won again the „Fund Manager of the Year” prize according to MoneyMoon Awards. Beside this two of our unit-linked funds won a prize emphasising our innovative products being among the best products in the market.

Budapest, 17 November 2015

CIG Pannónia Life Insurance Plc.

## 2. Financial Statements<sup>3</sup>

### Consolidated Statement of Comprehensive Income- cumulated data

data in million HUF

	2015Q1-Q3 (A)	2014Q1-Q4 (B)	2014Q1-Q3 restated <sup>3</sup> (C)	Change (A-C)
Gross written premium	12 372	16 468	11 420	952
Changes in unearned premiums reserve	-448	-187	-284	-164
<b>Earned premiums, gross</b>	<b>11 924</b>	<b>16 281</b>	<b>11 136</b>	<b>788</b>
Ceded reinsurance premiums	-920	-589	-359	-561
<b>Earned premiums, net</b>	<b>11 004</b>	<b>15 692</b>	<b>10 777</b>	<b>227</b>
Premium and commission income from investment contracts	102	130	68	34
Investment income	394	8 744	6 321	-5 927
Share of the profit of associates and joint ventures accounted for using the equity method	158	145	100	58
Other operating income <sup>3</sup>	703	896	696	7
<b>Other income</b>	<b>1 357</b>	<b>9 915</b>	<b>7 185</b>	<b>-5 828</b>
<b>Total income</b>	<b>12 361</b>	<b>25 607</b>	<b>17 962</b>	<b>-5 601</b>
Claim payments and benefits, and claim settlement costs	-6 154	-7 749	-5 463	-691
Net change in the value of life technical reserves and unit-linked life insurance reserves	-600	-10 926	-7 336	6 736
Investment expenditure	-1 055	-861	-764	-291
Change in the fair value of liabilities relating to investment contracts	38	-157	-117	155
Change in the fair value of assets and liabilities relating to embedded derivatives	111	156	40	71
<b>Investment expenses, changes in reserves and benefits, net</b>	<b>-7 660</b>	<b>-19 537</b>	<b>-13 640</b>	<b>5 980</b>
Fees, commissions and other acquisition costs	-2 570	-4 101	-3 013	443
Other operating costs	-1 322	-2 084	-1 409	87
<b>Operating costs</b>	<b>-3 892</b>	<b>-6 185</b>	<b>-4 422</b>	<b>530</b>
<b>Profit/loss before taxation</b>	<b>809</b>	<b>-115</b>	<b>-100</b>	<b>909</b>
Tax income / (expenses)	-23	0	-25	2
Deferred tax income / (expenses)	0	-55	0	0
<b>Profit/loss after taxation</b>	<b>786</b>	<b>-170</b>	<b>-125</b>	<b>911</b>
Comprehensive income, wouldn't be reclassified to profit or loss in the future	0	0	0	0
Comprehensive income, would be reclassified to profit or loss in the future	45	-36	15	30
<b>Other comprehensive income</b>	<b>45</b>	<b>-36</b>	<b>15</b>	<b>30</b>
<b>Total comprehensive income</b>	<b>831</b>	<b>-206</b>	<b>-110</b>	<b>941</b>

<sup>3</sup> The data of the comparative period (2014 H1) are restated, please refer to point 3. Accounting policy changes.

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

data in million HUF

	2015Q1-Q3 (A)	2014Q1-Q4 (B)	2014Q1-Q3 restated <sup>3</sup> (C)	Change (A-C)
Profit/loss after taxation attributable to the Company's shareholders	786	-170	-125	911
Total comprehensive income to NCI	0	0	0	0
<b>Profit/loss after taxation</b>	<b>786</b>	<b>-170</b>	<b>-125</b>	<b>911</b>
Profit/loss after taxation attributable to the Company's shareholders	831	-206	-110	941
Total comprehensive income to NCI	0	0	0	0
<b>Total comprehensive income</b>	<b>831</b>	<b>-206</b>	<b>-110</b>	<b>941</b>
<b>Earnings per share</b>				
Basic earnings per share (HUF)	12,7	-2,7	-2,0	14,7
Diluted earnings per share (HUF)	11,1	-2,7	-2,0	13,1

**Consolidated Statement of Comprehensive Income (separated quarterly data)**

data in million HUF

	2015Q3 (A)	2015Q2 (B)	2015Q1 (C)	2014Q3 (D)	Change (A-D)
Gross written premium	4 398	3 838	4 136	4 438	-40
Changes in unearned premiums reserve	-66	15	-397	33	-99
<b>Earned premiums, gross</b>	<b>4 332</b>	<b>3 853</b>	<b>3 739</b>	<b>4 471</b>	<b>-139</b>
Ceded reinsurance premiums	-341	-350	-229	-150	-191
<b>Earned premiums, net</b>	<b>3 991</b>	<b>3 503</b>	<b>3 510</b>	<b>4 321</b>	<b>-330</b>
					0
Premium and commission income from investment contracts	19	54	29	17	2
Investment income	-3 044	18	3 420	2 736	-5 780
Share of the profit of associates and joint ventures accounted for using the equity method	46	63	49	37	9
Other operating income <sup>3</sup>	223	240	240	324	-101
<b>Other income</b>	<b>-2 756</b>	<b>375</b>	<b>3 738</b>	<b>3 114</b>	<b>-5 870</b>
<b>Total income</b>	<b>1 235</b>	<b>3 878</b>	<b>7 248</b>	<b>7 435</b>	<b>-6 200</b>
Claim payments and benefits, and claim settlement costs	-1 787	-2 087	-2 280	-1 830	43
Net change in the value of life technical reserves and unit-linked life insurance reserves	2 762	-180	-3 182	-3 914	6 676
Investment expenditure	-809	-13	-233	-201	-608
Change in the fair value of liabilities relating to investment contracts	76	-3	-35	-55	131
Change in the fair value of assets and liabilities relating to embedded derivatives	25	89	-3	-52	77
<b>Investment expenses, changes in reserves and benefits, net</b>	<b>267</b>	<b>-2 194</b>	<b>-5 733</b>	<b>-6 052</b>	<b>6 319</b>
Fees, commissions and other acquisition costs	-902	-857	-811	-1 127	225
Other operating costs	-396	-449	-477	-499	103
<b>Operating costs</b>	<b>-1 298</b>	<b>-1 306</b>	<b>-1 288</b>	<b>-1 626</b>	<b>328</b>
<b>Profit/loss before taxation</b>	<b>204</b>	<b>378</b>	<b>227</b>	<b>-243</b>	<b>447</b>
Tax income / (expenses)	-7	-8	-8	-13	6
Deferred tax income / (expenses)	0	0	0	0	0
<b>Profit/loss after taxation</b>	<b>197</b>	<b>370</b>	<b>219</b>	<b>-256</b>	<b>453</b>
Comprehensive income, wouldn't be reclassified to profit or loss in the future	0	0	0	0	0
Comprehensive income, would be reclassified to profit or loss in the future	36	-13	22	3	33
<b>Other comprehensive income</b>	<b>36</b>	<b>-13</b>	<b>22</b>	<b>3</b>	<b>33</b>
<b>Total comprehensive income</b>	<b>233</b>	<b>357</b>	<b>241</b>	<b>-253</b>	<b>486</b>

**Consolidated Statement of Comprehensive Income (separated quarterly data)**  
(continuation)

data in million HUF

	2015Q3 (A)	2015Q2 (B)	2015Q1 (C)	2014Q3 (D)	Change (A-D)
Profit/loss after taxation attributable to the Company's shareholders	197	370	219	-256	453
Total comprehensive income to NCI	0	0	0	0	0
<b>Profit/loss after taxation</b>	<b>197</b>	<b>370</b>	<b>219</b>	<b>-256</b>	<b>453</b>
Profit/loss after taxation attributable to the Company's shareholders	233	357	241	-253	486
Total comprehensive income to NCI	0	0	0	0	0
<b>Total comprehensive income</b>	<b>233</b>	<b>357</b>	<b>241</b>	<b>-253</b>	<b>486</b>

**Consolidated Statement of Financial Position**

data in million HUF

ASSETS	30.09. 2015 (A)	31.12.2014 (B)	30.09.2014. restated <sup>3</sup> (C)	Change (A-B)
Intangible assets	811	931	1 024	-120
Property, plant and equipment	47	62	70	-15
Deferred tax assets	242	242	297	0
Deferred acquisition costs	1 026	958	839	68
Reinsurer's share of technical reserves	1 262	737	556	525
Investments in jointly controlled companies	235	299	253	-64
Available-for-sale financial assets	5 548	5 188	5 803	360
Investments for policyholders of unit-linked life insurance policies	51 888	51 057	47 397	831
Financial assets - investment contracts	1 082	840	712	242
Financial assets - embedded derivatives	649	538	422	111
Receivables from insurance policies and other receivables	2 729	2 949	3 338	-220
Other assets and prepayments	128	113	125	15
Cash and cash equivalents	1 251	1 497	772	-246
<b>Total assets</b>	<b>66 898</b>	<b>65 411</b>	<b>61 608</b>	<b>1 487</b>
<b>LIABILITIES</b>				
Technical reserves	5 093	4 544	4 723	549
Technical reserves for policyholders of unit-linked insurance	51 888	51 057	47 397	831
Investment contracts	1 082	840	712	242
Liabilities from the issue of interest-bearing shares	2 236	2 175	2 094	61
Loans and financial reinsurance	2 054	2 411	2 744	-357
Liabilities from insurance	936	881	712	55
Other liabilities and provisions	510	1 235	862	-725
<b>Total liabilities</b>	<b>63 799</b>	<b>63 143</b>	<b>59 244</b>	<b>656</b>
<b>NET ASSETS</b>	<b>3 099</b>	<b>2 268</b>	<b>2 364</b>	<b>831</b>
<b>SHAREHOLDERS' EQUITY</b>				
Registered capital	2 531	2 531	2 531	0
Capital reserve	15 937	15 937	15 937	0
Other reserves	67	22	74	45
Profit reserve	-15 436	-16 222	-16 178	786
<b>Equity attributable to the Company's shareholders</b>	<b>3 099</b>	<b>2 268</b>	<b>2 364</b>	<b>831</b>
Non-controlling interests	0	0	0	0
<b>Total shareholders' equity</b>	<b>3 099</b>	<b>2 268</b>	<b>2 364</b>	<b>831</b>



**Consolidated Changes in Equity Q3 2015**

data in million HUF

	Share capital	Capital reserve	Other reserves	Retained earnings	Equity of the shareholders of the Company	NCI	Total shareholders' equity
<b>Balance on 31.12.2014</b>	<b>2 531</b>	<b>15 937</b>	<b>22</b>	<b>-16 222</b>	<b>2 268</b>	<b>0</b>	<b>2 268</b>
<b>Total comprehensive income</b>							
Other comprehensive income	0	0	45	0	45	0	45
Profit in reporting year	0	0	0	786	786	0	786
<b>Balance on 30.09.2015</b>	<b>2 531</b>	<b>15 937</b>	<b>67</b>	<b>-15 436</b>	<b>3 099</b>	<b>0</b>	<b>3 099</b>

**Consolidated Changes in Equity Q3 2014**

data in million HUF

	Share capital	Capital reserve	Other reserves	Retained earnings	Equity of the shareholders of the Company	NCI	Total shareholders' equity
<b>Restated Balance on 31.12.2013</b>	<b>2 531</b>	<b>15 937</b>	<b>56</b>	<b>-16 051</b>	<b>2 473</b>	<b>0</b>	<b>2 473</b>
<b>Total comprehensive income</b>							
Other comprehensive income	0	0	16	0	16	0	16
Profit in reporting year-restated	0	0	0	-125	-125	0	-125
Settlement of reserves due to subsidiary liquidation	0	0	2	-2	0	0	0
<b>Restated Balance on 30.09.2014</b>	<b>2 531</b>	<b>15 937</b>	<b>74</b>	<b>-16 178</b>	<b>2 364</b>	<b>0</b>	<b>2 364</b>

**Consolidated Statement of Cash Flows**

data in million HUF

	2015Q3	2014Q3 restated <sup>3</sup>
Profit/loss after taxation	786	-125
Modifying items		
Depreciation and amortization	203	238
Extraordinary depreciation	33	0
Booked impairment	62	89
Result of investment sales	-36	-108
Exchange rate changes	-46	73
Share of the profit or loss of associates and joint ventures	-158	-100
Changes of assets and liabilities relating to embedded derivatives, net	-111	-40
Interest cost	269	353
Change of active capital items:		
Increase / decrease of deferred acquisition costs (-/+)	-68	-163
Increase / decrease of investments for policyholders of unit-linked life insurance policies (-/+)	-832	-7 769
Increase / decrease of financial assets – investment contracts (-/+)	-243	8
Increase / decrease of receivables from insurance contracts and other receivables (-/+)	188	-202
Increase / decrease of reinsurer's share from technical reserves (-/+)	-525	-5
Increase / decrease of other assets and active accrued and deferred items (-/+)	-14	-48
Increase / decrease of technical reserves (+/-)	549	-216
Increase / decrease of liabilities from insurance (-/+)	55	207
Increase / decrease of investment contracts (+/-)	243	-8
Increase / decrease of technical reserves due to unit-linked life insurance (+/-)	832	7 769
Increase / decrease of other liabilities (+/-)	-725	24
<b>Net cash flow from operating activities</b>	<b>462</b>	<b>-23</b>

**Consolidated Statement of Cash Flows**

data in million HUF

Cash flow from investing activities	2015Q3	2014Q3 restated <sup>3</sup>
Purchase of debt instruments(-)	-3 547	-5 858
Sales of debt intruments(+)	3 245	6 092
Purchase of tangible and intangible assets (-)	-1 117	-143
Sales of tangible and intangible asset (+)	14	17
Purchase of shares (-)	-11	0
Obtained dividend	233	42
<b>Cash flow from investing activities</b>	<b>-183</b>	<b>150</b>
<b>Cash flow from financing activities</b>		
Securing loans	608	367
Repayment of loans	-1 024	-944
Interest payed on interest bearing shares	-109	-119
<b>Cash flow from financing activities</b>	<b>-525</b>	<b>-696</b>
Impacts of exchange rate changes	0	12
<b>Net increase / decrease of cash and cash equivalents (+/-)</b>	<b>-246</b>	<b>-557</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1 497</b>	<b>1 329</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1 251</b>	<b>772</b>

### **3. Changes in accounting policies**

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For financial year beginning on 1 January 2015, the Group does not have new mandatory used standard which has significant influence the structure of the Group's Financial Statements.

The effect of the change in accounting policy in 2014 on the results of Q3 2014 – Pending charge:

In case of regular premium unit-linked life insurance policies pending charge occurs, when the Insurer is entitled to deduct costs, but the policyholder does not have sufficient accumulation units for the deduction. The date of cost deduction is the date of emergence. In the previous practice, the Group accounted for the positive gain to profit and loss when the policyholder had sufficient accumulation units for deduction, at the time of distraction. However, based on the accounting concept of matching, whether expenditure occurs (risk exists, administration, service occurs), in parallel income should have been accounted for.

Therefore, in 2014 the Group modified its accounting policy; pending charge income is booked as other operating income and accrued income when they emerge (and due), in line with the recognition of pending charge. The new accounting policy reflects the real substance of transaction and gives a true and fair view on the results, and also matches to the options provided to the clients by the product; and meets the requirements of 4.22 IFRS. According to IFRS rules the accounting policy change of pending charge should be applied retrospectively. The opening and closing balance of the comparative period has to be adjusted as the same accounting policy had been always applied, and the previously published data should be restated. The effect of the change in accounting policy on the results of the first three quarters of 2014 is HUF 89 million profit.

#### **4. Presentation of the Issuer's financial position – consolidated and unaudited data for the third quarter of 2015, on the basis of the financial reporting standards (IAS 34) adopted by the EU**

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The Issuer and its consolidated companies, representing together the CIG Group, deal with the sale of unit-linked life insurance, term life insurance, endowment insurance, health insurance, pension insurance, rider and general insurance, within that mainly casco and general liability insurance and also deal with portfolio management and fund management.

The company with a decisive impact on the Group's operations remains CIG Pannónia Life Insurance Plc., as a parent company; however, the performance of EMABIT and Pannónia CIG Fund Manager Ltd. is also significant in the results of the Group.

In the first three quarters of 2015, the Group's gross written premium was HUF 12,372 million, which is 108 percent of the revenues generated in the same period of previous year. Of this HUF 9,340 million are the gross written premium of unit-linked life insurance (of this HUF 1,308 million of pension insurance policies), HUF 353 million are traditional life products, HUF 135 million are health insurance policies, and HUF 2,544 million are non-life insurance.

The non-life insurance segment generated a gross written premium of HUF 2,544 million in the first three quarters of 2015 according to IFRS, increased by 36% compared to the same period of previous year (HUF 1,870 million), which is due to the increased sales of casco portfolio. In the life segment the gross written premium from the first annual premiums of policies sold was HUF 1,585 million, which is a 26% increase compared to the same period of previous year (HUF 1,261 million), which is primarily due to the new group policy of the Ministry of Interior and the sales of the pension insurances. The gross written premium income from renewals was 6,675 million in the first three quarters of 2015 in contrast to HUF 7,349 million in the same period of the previous year. The decrease of renewal premiums of policies in the previous years (22%) has slowed to 9% in the first three quarters of 2015 compared to the same period of the previous year. Approximately 30,3 percent of life insurance clients are using their premium holiday option granted by the Issuer from the third year of the insurance policies, which is the main reason for the fall in renewals. The effect of this on the Issuer's profit is less significant, because the premium holiday option can only be used at a later, less profitable phase of the term of the contract. Top-up/single premiums (HUF 1,567 million) were 167% of the same period of the previous year's top-up/single revenue, mainly relating to unit-linked life insurance policies. Within the total life insurance premium income- according to IFRS - of HUF 9,828 million, the rate of top-up/single premiums is 16 percent, which is significantly increased compared to the same period of previous year (10%). The increase is mostly due to the new Gravis single premium life insurance, that was introduced at the end of last year.

The change in unearned premium reserve in the first three quarters of 2015 was HUF 448 million, while the amount of ceded reinsurance premiums was HUF 920 million. The increase of these items is mainly due to the growth of the non-life portfolio and the modification of reinsurance's structure in non-life segment.

Unit-linked life insurance policies sold by the Issuer that do not qualify as insurance policies under IFRS are classified by the Issuer as investment contracts. In connection with the investment contracts, the Issuer generated a premium and commission income of HUF 102 million in total during the reporting period.

The other operating income (HUF 703 million) mainly includes the Issuer's income from fund management (HUF 596 million) and the income from reactivated policies (HUF 19 million) is also recognized and accounted for as part of this item, however, the income from the reactivated policies decreased compared with the previous year (HUF 63 million). Furthermore, significant item is the income from pending charge (HUF 39 million), which was decreased compared to the HUF 89 million restated income booked for the previous year.

The most important item among expenses are claim payments and benefits and claim settlement costs (together 6,154 million HUF), including HUF 5,645 million related to partial or full surrender of unit-linked life insurance policies, and the claim settlement expenditure paid on general insurance is HUF 294 million.

Also an important item among expenses is the amount of net change in reserves (HUF 600 million), which is made up the following items. The unit-linked life insurance reserve amount increased by HUF 831 million. Concurrently with the decrease in receivables, the cancellation reserves also decreased by HUF 245 million, while the actuarial reserves decreased by HUF 2 million. The outstanding claim reserves decreased by HUF 148 million in the first three quarters of the year, mainly because of the non-life segment. The other technical reserves increased by HUF 94 million, while reserves for premium refunds independent on profit increased by HUF 72 million, mostly related to life policies.

The total operating cost of the Issuer was HUF 3,892 million during the first three quarters of 2015, from which HUF 2,570 million is related to the fees, commissions and other acquisition costs, and HUF 1,322 million is related to other operating costs. First year commissions have declined simultaneously with the new acquisitions, and because of the changes in the non-life product mix toward to products with smaller acquisition cost ratios. The other operating cost decreased by HUF 87 million (6%) compared to the same period of the previous year (HUF 1,409 million).

The investment result is a loss of HUF 661 million, which is due to the aggregated effect of the following issues. After a very significant rise in yields in the first quarter of 2015, and a stagnation of the unit-linked investment results in the second quarter, there was a significant decrease in the yields of unit-linked investment results in the third quarter. So the investment result returns a loss - due to the global market situation - , of which HUF 639 million is unrealized losses on unit-linked investments. In the third quarter of 2015 investors have to face with a further growing global risks and –consequently- raising volatility. In the third quarter the main MSCI global stock

market indices (World, Emerging Markets, EU) – performed significant losses, because of the fear of the effects of the growth forecasts of emerging markets. The best performance was shown again by the domestic stock market index. The events of the capital market had a significant effect on the unit-linked portfolio, the Navigátor service initiated to disinvest from almost all of the stock- and commodity market asset funds. The capital was transferred into the liquidity portfolios. There was a further increase in the popularity of the funds of absolute yield and actively managed portfolios, this resulted a significant capital inflow in the third quarter.

The investment results were negatively influenced also by the interest costs of financial reinsurance, which amounted to HUF 99 million. The Issuer had HUF 137 million yield profit of its own investments in the first three quarters. The interest expenditure for interest-bearing shares were HUF 61 million in the first three quarters which is shown in investment expenditure, and there was HUF 111 million profit in change in fair value of assets and liabilities related to embedded derivatives, which is totally HUF 50 million profit.

The Issuer realized HUF 158 million profits from the result of the Pannónia CIG Fund Manager Ltd. at the end of first three quarters of 2015 which shown in the Share of the profit of associates and joint ventures accounted for using the equity method.

As a result of all of the above, the profit before taxes amounted to HUF 809 million profit (in the same period of 2014, the restated loss before taxation was HUF 100 million), that is reduced by the HUF 23 million tax liability. The other comprehensive income primarily contains a change in the fair value of available-for-sale financial assets amounting to HUF 45 million and, thus, the total comprehensive income represents a profit of HUF 831 million at the end of the third quarter of 2015.

The Issuer's balance sheet total was HUF 66,898 million; its financial position is stable; the company has met its liabilities in full. On 30 September 2015, the shareholders' equity was HUF 3,099 million, the available solvency capital of the Issuer, according to the Hungarian Accounting Law, was HUF 4,571 million, which covers 239% of the minimum solvency capital requirement.

## 5. Executive summary

The annualized premium of the new sales of regular premium life insurance policies was almost the same as in the previous year, HUF 2,845 million. HUF 1,165 million is from unit-linked life insurance, HUF 179 million is from traditional and group life insurance policies and HUF 1,501 million is from general insurance. In the same period of previous year the annualized premium of the new sales was HUF 2,850 million, of which HUF 1,388 million related to unit-linked life insurance, HUF 90 million was derived from traditional and group life insurance policies and HUF 1,372 million related to general insurance.

The increased sales activity of the tied agent network (47% increase compared to the same period of previous year), the acquired new business via public procurement, and the increased sales activity of casco and suretyship-related insurance compensated the sales loss caused by the termination of the agreement with Quantis, so the annualized premium of new sales is 100% of the acquired portfolio compared to the first three quarters of 2014.

### New sales<sup>4</sup>

Annualized premium of new sales (million HUF)	30.09.2015 (A)	31.12.2014 (B)	30.09.2014 (C)	Change (A - C)	Change % (A - C) / C
Unit-linked life insurances	1 165	2 013	1 388	-223	-16%
Traditional and group life insurances	179	115	90	89	99%
General insurances	1 501	1 663	1 372	129	9%
<b>Total annualized premium of new sales</b>	<b>2 845</b>	<b>3 791</b>	<b>2 850</b>	<b>-5</b>	<b>0%</b>

As for life insurance policies sold in the first three quarters of 2015, the share of the tied agent network is 50 percent, while the performance of other – constituted by independent brokers - sales channels was 48 percent in Hungary and 2 percent in Slovakia. Nearly the whole amount of the general insurances are related to independent brokers.

New sales data disclosed on a voluntary basis to the Association of Hungarian Insurance Companies (MABISZ) by the Issuer (see Annex I of Quarterly information papers) contains in life segment the increase from the reactivation of earlier cancelled policies. Contracts denominated not in Hungarian forint in the reporting of the new sales is calculated on the currency rate at the end of the period, therefore the fluctuation of euro rate can distort the comparability of the data. The management of the Issuer analyses the new sales without the effects of reactivations and exchange rate fluctuations.

<sup>4</sup> Management information data, data in accordance with the earlier reports can be found in the annexes I of quarterly information papers which is according to Hungarian Accounting Law.



### Market share indicators<sup>5</sup>

	2015 Q2		2014 Q2		2013 Q2	
	million HUF	Market share	million HUF	Market share	million HUF	Market share
On the basis of the gross written premium of life insurance policies	6 668	2,98%	5 794	2,53%	7 793	3,40%
On the basis of the adjusted gross written premium of life insurance policies	5 426	3,74%	5 450	3,90%	6 858	5,00%
On the basis of the gross written premium of non-life insurance policies	1 744	0,38%	1 358	0,31%	2 610	0,60%

After examining the adjusted gross written premium the Insurer, with a market share of 3.74 percent, it is the company with the 9. largest adjusted gross written premium on the basis of the second quarter of 2015' data. The EMABIT gained a 0,38 percent shares in non-life premium market in the first half year of 2015.

In the first three quarters of 2015 the non-life segment achieved a gross written premium of HUF 2,642 million. Within the gross written premium the composition of the portfolio was similar to the previous year; In the first three quarters of 2015 the land vehicles comprehensive coverage (casco) was the leading product (37%), while the general liability insurance is the second (26%) and the suretyship-related insurance is the third largest branch (8%). The fire and natural forces, other damage to property, goods in transit, self-propelled motor vehicles and accident shares are about 4-7% each. The rest is divided among compulsory motor third party and other smaller products. The most important item among expenses is the amount of claim settlement expenditure (HUF 141 million), which is made up of claim payments (HUF 233 million), the change of the outstanding claim reserve (HUF -152 million) and the costs of claim settlement (HUF 60 million). The net claim settlement expenditure increased in the last quarter, caused by the summer storms, which had a huge effect on Fire and natural forces branch. Despite the claim settlement expenditure of the first three quarters is favourable (it decreased by HUF 422 million compared to the same period of the previous year), caused by the change of the reinsurance structure and the positive run-off results of land vehicles comprehensive coverage (casco) and compulsory motor third party. The net claim settlement expenditure decreased by 76%, while the net claim ratio decreased by 24% compared to the previous year, same period. This led the gross claim ratio decrease from 46% to 40% and the net claim ratio fall from 43% to 14% as compared to the previous year. The change in Other Reserves is HUF -2 million. The gross operating costs of the Insurer amount to HUF 1,096 million, of which HUF 257 million are administration cost, HUF 778 million are earned acquisition cost, HUF 1 million is investment cost and HUF 60 million are claim settlement cost. Level of acquisition costs (including deferred acquisition costs) increased by HUF 99 million (with 15%) despite the fact that gross earned premium increased by HUF 505 million (with 30%), since products operating with lower

<sup>5</sup> At the time of preparing this quarterly report, the MABISZ market data on the third quarter of 2015 were not yet available, thus the table shows the data for the second quarter of 2015.

acquisition cost ratio (casco) predominate instead of the formerly dominating products with higher acquisition cost ratio (transportation, property, liability). The claim settlement costs decreased significantly by 40% compared to 2014, same period, and the administration costs decreased by 18% compared to the first three quarters of 2014. As a result of the written above, the retained profit is HUF 118 million, which is HUF 151 million better as the retained loss of the same period in the previous year.

The Insurer made a strategic repositioning in 2014, which determined the result of the first three quarters of 2015. On the product side the pension insurances play an important role in sales even further. To replace its former strategic partner with other sales channel and to build a good quality, stable, long-term portfolio is still an important mission to the Issuer. In non-life segment, this year is about to consolidate the profitability and benefit more from niche markets.

## 6. Operating segments

The life insurance segment is represented by CIG Pannónia Life Insurance Plc., the non-life insurance segment is represented by CIG Pannónia First Hungarian General Insurance Company Ltd., and the other segments are represented by the rest of the subsidiaries of the Group.

### Segment Information Q1-Q3 2015

(data in million HUF)						
ASSETS	Q1-Q3 2015			Q1-Q3 2015		Total
	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (IFRS - HAL)	Adjusting entries for calculations in the financial statements (consolidation)	
Intangible assets	640	83	0	88	0	810
Property, plant and equipment	44	3	0	0	0	47
Deferred tax assets	0	0	0	242	0	242
Deferred acquisition costs	478	561	0	-12	0	1 026
Reinsurer's share of technical reserves	188	1 074	0	0	0	1 262
Subsidiaries	2 806	0	0	0	-2 806	0
Investments in jointly controlled companies	78	0	0	156	0	235
Available-for-sale financial assets	3 470	1 977	0	102	0	5 548
Investments for policyholders of unit-linked life insurance policies	52 971	0	0	-1 082	0	51 888
Financial assets - investment contracts	0	0	0	1 082	0	1 082
Financial assets - embedded derivatives	0	0	0	649	0	649
Receivables from insurance policies and other receivables	2 219	545	7	-44	2	2 728
Other assets and prepayments	383	83	0	-338	0	128
Cash and cash equivalents	890	341	22	-2	0	1 251
Intercompany receivables	70	0	2	-2	-70	0
<b>Total assets</b>	<b>64 236</b>	<b>4 667</b>	<b>30</b>	<b>840</b>	<b>-2 874</b>	<b>66 898</b>

\*HAL – Hungarian Accounting Law

### Segment Information Q1-Q3 2015 (continuation)

LIABILITIES	Q1-Q3 2015					
	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (IFRS - HAL)	Adjusting entries for calculations in the financial statements (consolidation)	Total
Technical reserves	2 783	2 335	0	-25	0	5 093
Technical reserves for policyholders of unit-linked insurance	52 971	0	0	-1 082	0	51 888
Investment contracts	0	0	0	1 082	0	1 082
Liabilities from the issue of interest-bearing shares	0	0	0	2 236	0	2 236
Loans and financial reinsurance	2 054	0	0	0	0	2 054
Liabilities from insurance	405	531	0	0	0	936
Intercompany liabilities	0	51	0	17	-69	-0
Other liabilities and provisions	812	247	2	-576	25	510
<b>Total liabilities</b>	<b>59 025</b>	<b>3 163</b>	<b>2</b>	<b>1 653</b>	<b>-44</b>	<b>63 799</b>
<b>NET ASSETS</b>	<b>5 211</b>	<b>1 503</b>	<b>28</b>	<b>-813</b>	<b>-2 831</b>	<b>3 099</b>
<b>SHAREHOLDERS' EQUITY</b>						
Registered capital	2 607	1 030	13	-85	-1 033	2 531
Capital reserve	16 804	2 755	60	-927	-2 755	15 937
Other reserves	257	0	0	-190	0	67
Profit reserve	-14 457	-2 282	-45	389	957	-15 436
<b>Total shareholders' equity</b>	<b>5 211</b>	<b>1 503</b>	<b>28</b>	<b>-813</b>	<b>-2 831</b>	<b>3 099</b>

**Segment Information Q1-Q3 2015 (continuation)**

COMPREHENSIVE INCOME STATEMENT	Q1-Q3 2015					
	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (IFRS - HAL)	Adjusting entries for calculations in the financial statements (consolidation)	Total
(data in million HUF)						
Gross written premium	10 264	2 642	0	-436	-98	12 372
Changes in unearned premiums reserve	-26	-422	0	0	0	-448
<b>Earned premiums, gross</b>	<b>10 238</b>	<b>2 220</b>	<b>0</b>	<b>-436</b>	<b>-98</b>	<b>11 924</b>
Ceded reinsurance premiums	-177	-829	0	0	86	-920
<b>Earned premiums, net</b>	<b>10 061</b>	<b>1 391</b>	<b>0</b>	<b>-436</b>	<b>-12</b>	<b>11 004</b>
Premium and commission income from investment contracts	0	0	0	102	0	102
Investment income	307	86	0	2	0	395
Share of the profit of associates and joint ventures accounted for using the equity method	0	0	0	158	0	158
Other operating income	735	4	15	-17	-33	703
<b>Other income</b>	<b>1 041</b>	<b>90</b>	<b>15</b>	<b>244</b>	<b>-33</b>	<b>1 357</b>
<b>Total income</b>	<b>11 102</b>	<b>1 480</b>	<b>15</b>	<b>-192</b>	<b>-45</b>	<b>12 361</b>
Claim payments and benefits, and claim settlement costs	-5 913	-294	0	37	15	-6 154
Net change in the value of life technical reserves and unit-linked life insurance reserves	-1 014	150	0	263	0	-600
Investment expenditure	-1 065	-18	0	28	0	-1 055
Change in the fair value of liabilities relating to investment contracts	0	0	0	39	0	39
Change in the fair value of assets and liabilities relating to embedded derivatives	0	0	0	111	0	111
<b>Investment expenses, changes in reserves and benefits, net</b>	<b>-7 992</b>	<b>-162</b>	<b>0</b>	<b>478</b>	<b>15</b>	<b>-7 660</b>
Fees, commissions and other acquisition costs	-1 779	-802	0	0	12	-2 570
Other operating costs	-888	-399	-19	-35	18	-1 322
<b>Operating costs</b>	<b>-2 667</b>	<b>-1 201</b>	<b>-19</b>	<b>-35</b>	<b>30</b>	<b>-3 892</b>
<b>Profit/loss before taxation</b>	<b>443</b>	<b>118</b>	<b>-4</b>	<b>251</b>	<b>-0</b>	<b>808</b>
Tax income / (expenses)	-23	0	0	0	0	-23
<b>Profit/loss after taxation</b>	<b>420</b>	<b>118</b>	<b>-4</b>	<b>251</b>	<b>-0</b>	<b>785</b>
Other comprehensive income	0	0	0	45	0	45
<b>Comprehensive income</b>	<b>420</b>	<b>118</b>	<b>-4</b>	<b>297</b>	<b>-0</b>	<b>831</b>

**Comparative data to the segment information of Q1-Q3 2015 (Q1-Q3 2014)**

(data in million HUF)						
ASSETS	Life insurance segment	Non-life insurance segment	Other	Q1-Q3 2014		Total
				Adjusting entries for calculations in the financial statements (IFRS - HAL)	Adjusting entries for calculations in the financial statements (consolidation)	
Intangible assets	722	167	0	135	0	1 024
Property, plant and equipment	63	7	0	0	0	70
Deferred tax assets	0	0	0	297	0	297
Deferred acquisition costs	551	304	0	-16	0	839
Reinsurer's share of technical reserves	147	409	0	0	0	556
Subsidiaries	3 338	0	0	0	-3 338	0
Investments in jointly controlled companies	67	0	0	186	0	253
Available-for-sale financial assets	3 616	2 048	0	139	0	5 803
Investments for policyholders of unit-linked life insurance policies	48 108	0	0	-711	0	47 397
Financial assets - investment contracts	0	0	0	712	0	712
Financial assets - embedded derivatives	0	0	0	422	0	422
Receivables from insurance policies and other receivables	2 609	728	-1	2	0	3 338
Other assets and prepayments	364	82	0	-321	0	125
Cash and cash equivalents	617	134	21	0	0	772
Intercompany receivables	52	1	7	0	-60	0
<b>Total assets</b>	<b>60 254</b>	<b>3 880</b>	<b>27</b>	<b>845</b>	<b>-3 398</b>	<b>61 608</b>

\*HAL – Hungarian Accounting Law

**Comparative data to the segment information of Q1-Q3 2015 (Q1-Q3 2014) (continuation)**

(data in million HUF)						
LIABILITIES	Life insurance segment	Non-life insurance segment	Other	Q1-Q3 2014		Total
				Adjusting entries for calculations in the financial statements (IFRS - HAL)	Adjusting entries for calculations in the financial statements (consolidation)	
Technical reserves	2 831	1 895	0	-3	0	4 723
Technical reserves for policyholders of unit-linked insurance	48 108	0	0	-711	0	47 397
Investment contracts	0	0	0	712	0	712
Liabilities from the issue of interest-bearing shares	0	0	0	2 094	0	2 094
Loans and financial reinsurance	2 720	24	0	0	0	2 744
Liabilities from insurance	543	169	0	0	0	712
Intercompany liabilities	0	58	1	0	-59	0
Other liabilities and provisions	912	315	6	-394	23	862
<b>Total liabilities</b>	<b>55 114</b>	<b>2 461</b>	<b>7</b>	<b>1 698</b>	<b>-36</b>	<b>59 244</b>
<b>NET ASSETS</b>	<b>5 140</b>	<b>1 419</b>	<b>20</b>	<b>-853</b>	<b>-3 362</b>	<b>2 364</b>
<b>SHAREHOLDERS' EQUITY</b>						
Registered capital	2 607	1 025	11	-75	-1 037	2 531
Capital reserve	16 804	2 560	60	-867	-2 620	15 937
Other reserves	257	9	0	-192	0	74
Profit reserve	-14 528	-2 175	-51	281	295	-16 178
<b>Total shareholders' equity</b>	<b>5 140</b>	<b>1 419</b>	<b>20</b>	<b>-853</b>	<b>-3 362</b>	<b>2 364</b>



**Comparative data to the segment information of Q1-Q3 2015 (Q1-Q3 2014) (continuation)**

(data in million HUF)

COMPREHENSIVE INCOME STATEMENT	Q1-Q3 2014					
	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (IFRS - HAL)	Adjusting entries for calculations in the financial statements (consolidation)	Total
Gross written premium	9 675	1 980	0	-126	-109	11 420
Changes in unearned premiums reserve	-18	-266	0	0	0	-284
<b>Earned premiums, gross</b>	<b>9 657</b>	<b>1 714</b>	<b>0</b>	<b>-126</b>	<b>-109</b>	<b>11 136</b>
Ceded reinsurance premiums	-182	-276	0	0	99	-359
<b>Earned premiums, net</b>	<b>9 475</b>	<b>1 438</b>	<b>0</b>	<b>-126</b>	<b>-10</b>	<b>10 777</b>
Premium and commission income from investment contracts	0	0	0	68	0	68
Investment income	6 245	82	0	-7	1	6 321
Share of the profit of associates and joint ventures accounted for using the equity method	42	0	0	58	0	100
Other operating income	746	7	22	-24	-55	696
<b>Other income</b>	<b>7 033</b>	<b>89</b>	<b>22</b>	<b>95</b>	<b>-54</b>	<b>7 185</b>
<b>Total income</b>	<b>16 508</b>	<b>1 527</b>	<b>22</b>	<b>-31</b>	<b>-64</b>	<b>17 962</b>
Claim payments and benefits, and claim settlement costs	-4 649	-1 012	0	186	12	-5 463
Net change in the value of life technical reserves and unit-linked life insurance reserves	-7 854	528	0	-10	0	-7 336
Investment expenditure	-620	-12	0	-132	0	-764
Change in the fair value of liabilities relating to investment contracts	0	0	0	-117	0	-117
Change in the fair value of assets and liabilities relating to embedded derivatives	0	0	0	40	0	40
<b>Investment expenses, changes in reserves and benefits, net</b>	<b>-13 123</b>	<b>-496</b>	<b>0</b>	<b>-33</b>	<b>12</b>	<b>-13 640</b>
Fees, commissions and other acquisition costs	-2 343	-678	0	0	8	-3 013
Other operating costs	-967	-386	-38	-53	35	-1 409
<b>Operating costs</b>	<b>-3 310</b>	<b>-1 064</b>	<b>-38</b>	<b>-53</b>	<b>43</b>	<b>-4 422</b>
<b>Profit/loss before taxation</b>	<b>75</b>	<b>-33</b>	<b>-16</b>	<b>-117</b>	<b>-9</b>	<b>-100</b>
Tax income / (expenses)	-25	0	0	0	0	-25
<b>Profit/loss after taxation</b>	<b>50</b>	<b>-33</b>	<b>-16</b>	<b>-117</b>	<b>-9</b>	<b>-125</b>
Other comprehensive income	0	0	0	15	0	15
<b>Comprehensive income</b>	<b>50</b>	<b>-33</b>	<b>-16</b>	<b>-102</b>	<b>-9</b>	<b>-110</b>



## **7. Detailed explanation of IFRS – HAL adjustment items**

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### **A) Re-establishment of the foundation costs and useful life**

On the basis of the Hungarian Accounting Act, the Group capitalized its general, non-life insurance subsidiary foundation costs. The foundation costs do not meet the criteria of the recognition of intangible assets according to the IFRS's, therefore, they were recognized as costs as incurred in the IFRS. Previously, in the case of intangible assets, the Group used valuation rates which were different from those used in Hungarian accounting, the effect of which appears as a difference.

### **B) Reclassification of investment contracts**

On the basis of the IFRS accounting policies, the Group classifies its unit-linked policies which do not include significant insurance risk as investment contracts. It evaluates the receivables and liabilities related to investment contracts at fair value through profit or loss. In the case of investment contracts, the items of related premium, damage and commission items are recognized on the basis of IAS 39.

### **C) The recognition of the profit or loss of jointly controlled companies attributable to the Group**

According to the Hungarian Accounting Act, it is an adjustment item calculated as the difference between the book values and market values of investments in jointly controlled companies.

### **D) The recognition of available-for-sale financial assets**

In accordance with the IFRS accounting policy, the Group recognized the available-for-sale financial assets at fair value in other comprehensive income. The items of related exchange gain/exchange loss and prepayments are recognized on the basis of IAS 39.

### **E) Issue of interest-bearing shares**

According to the EU IFRS's, the issued interest-bearing shares are shown as a liability until they are converted into ordinary shares on the basis of the conditions. As a result of all this, the registered capital and the capital reserve shown by the Group differ from the registered capital and the capital reserve shown according to the Hungarian Accounting Act. Until the conversion, the value recognized among liabilities is divided into a basic instrument recorded at amortized cost and into interest. Any changes in the liability are accounted for on the Investment expenses line. Two related derivative elements are separated from the basic instrument and they are recognized at fair value through profit or loss.

### **F) The recognition of government grants won in an EU tender**

The amount of the aid payable in respect of the costs incurred will be included in the IFRS financial statements as income from the government grant related to tenders won by the company – in accordance with the principle of comparison. The income is divided between the various periods in proportion to the costs incurred.

### **G) Treasury shares**

According to IAS 32, point 33 and 34, the Company's treasury shares must be recognised as equity decreasing item. No profit or loss relating to purchase, sale, issue or termination of treasury shares is allowed to recognise in the consolidated statement of comprehensive income. Due to the fact that IFRS standards do not determine special disclosure criteria relating to treasury shares, the nominal value of treasury shares are recognised under separate equity line as equity decreasing item. In case of sale or reissuing of treasury shares, the equity line is decreased by the nominal value of these shares. Difference between the nominal value and countervalue modifies the capital reserve.

### **Differences of adjustment items of previous periods which resulted in a rearrangement within the capital**

#### **H) Recognition of the costs of capital increase**

#### **I) Share option program**

#### **J) Cost of employee share issue**

### **Explanation of consolidation adjustment items**

Shares, receivables and liabilities and income and expenses between the segments, as well as the interim profit or loss from a transaction between the segments have been eliminated during consolidation.

## 8. Number of employees, ownership structure

The number of employees at the Issuer was 92 on 30 September 2015.

### Composition of the Issuer's share capital (30 September 2015)\*

Share series	Nominal value (HUF/each)	Issued number of shares	Total nominal value (HUF)
Series „A”	40	63 283 203	2 531 328 120
of this treasury shares:	40	1 196 750	47 870 000
Series „B”	40	1 150 367	46 014 680
Series „C”	40	730 772	29 230 880
<b>Amount of share capital</b>	-	-	<b>2 606 573 680</b>

\* Data according to the Hungarian Accounting Law.

### Number of voting rights connected to the shares (30 September 2015)

Series of shares	Issued number of shares	Number of voting shares	Voting rights per share	Total voting rights	Number of treasury shares
Series „A”	63 283 203	62 086 453	1	62 086 453	1 196 750
Series „B”	1 150 367	1 150 367	1	1 150 367	-
Series „C”	730 772	730 772	1	730 772	-
<b>Total</b>	<b>65 164 342</b>	<b>63 967 592</b>		<b>63 967 592</b>	<b>1 196 750</b>

### The Issuer's ownership structure (30 September 2015)

	Number of shares	Ownership stake	Voting rights
Domestic private individual	31 909 767	48,97%	48,97%
Domestic institution	31 399 258	48,18%	48,18%
Foreign private individual	364 208	0,56%	0,56%
Foreign institution	1 177 133	1,81%	1,81%
Nominee, foreign institution	111 854	0,17%	0,17%
Unidentified item	202 122	0,31%	0,31%
<b>Total</b>	<b>65 164 342</b>	<b>100,00%</b>	<b>100,00%</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.

### The Issuer's investments on 30 September 2015

Name	Registered seat	The Issuer's share
CIG Pannónia First Hungarian General Insurance Company Ltd.	1033 Budapest, Flórián tér 1.	100%
Pannónia PI-ETA Funeral Service Limited Liability Company	1033 Budapest, Flórián tér 1.	100%
Pannónia CIG Fund Manager Ltd.	1072 Budapest, Nyár utca 12.	50%

## 9. Information published in the period

Date	Subject, short summary
07.07.2015.	Announcement on the Extraordinary General Meeting of CIG Pannónia Life Insurance Plc. convened for 10 a.m. on 7th July 2015
15.07.2015.	Extraordinary announcement on the subsidiary of CIG Pannónia Life Insurance Plc.
20.07.2015.	Resolutions of the repeated Extraordinary General Meeting of CIG Pannónia Life Insurance Plc. held on 20 July 2015
24.07.2015.	Extraordinary announcement on the new members of the Supervisory Board of CIG Pannónia Life Insurance Plc.
28.07.2015.	The amendment to the Articles of Association of CIG Pannónia Life Insurance Plc. was registered by the Court of Registration
31.07.2015.	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
14.08.2015.	The new Chairman of the Supervisory Board of CIG Pannónia Life Insurance Plc.
18.08.2015.	Quarterly report, Q2 2015
31.08.2015.	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
30.09.2015.	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
02.11.2015.	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.

These announcements can be found on the websites of the Issuer ([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)).

## 10. Disclaimer

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The Issuer declares that the report for the Q3 2015 was not reviewed by an auditor, the report for the Q3 2015 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.

17 November 2015, Budapest

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Gabriella Kádár dr.  
Chief Executive Officer

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Miklós Barta  
Chief Financial Officer

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