



# **CIG PANNÓNIA**

INSURANCE

## **CIG Pannonia 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

Q2 2021

17 August 2021, Budapest

## I. Summary

### 1.1. Economic summary

**CIG Pannónia Life Insurance Public Limited Company** (registered office: 1097 Budapest Könyves Kálmán krt. 11, building „B”; company registration number: 01 10 045857; court of registration: Registry Court of the Metropolitan Court (hereinafter: **Issuer or Company**) publishes on this day - at 17 August 2021, the date specified in the Calendar of Corporate Events published on the website of the Budapest Stock Exchange - its report (hereinafter: **Report**) for the first half of 2021. The Issuer publishes in this Report for the second quarter of 2021, as required by the legislation, its consolidated, unaudited data in accordance with the International Financial Reporting Standards adopted by the EU (hereinafter: **EU IFRS**). The Report has been prepared in accordance with the provisions of IAS 34.

The CIG Pannonia Group, as in a growth phase, significantly increased its insurance premium income in the first half of 2021 compared to the same period last year. According to the consolidated statement of comprehensive income, total income increased by 68% from HUF 10,951 million to HUF 18,424 million, while insurance premiums increased from HUF 9,300 million to HUF 10,830 million, resulting in a 16% increase. (For an interpretation of the semi-annual results, see the detailed explanation on page 23.)

**Overall the profit after tax of the CIG Pannónia Group (the Issuer and its consolidated companies; hereinafter: Group) is HUF 506 million gain. With respect to continuing operations only, profit after tax increased from HUF 406 million in the first half of 2020 to HUF 503 million (ie by almost 24%) in the first half of this year.**

The decrease in total after-tax profit (by HUF 668 million) compared to 2020 is due to several reasons. The loss of the non-life segment increased overall, its individual after-tax profit was a loss of HUF 319 million, compared to the gain of HUF 337 million in the comparison period. At the same time, if we examine the performance of **the non-life segment without the result of assets held for sale** (HUF 772 million profit), **the loss of HUF 435 million in the first half of 2020 decreased to a loss of HUF 321 million for the continuing operations by 2021.**

At the same time, the life segment (without its subsidiaries) decreased its profit after tax from HUF 919 million gain in 2020 to HUF 836 million gain in 2021. Loss of the other segments is HUF 11 million, which is HUF 70 million less than in the previous year, same period. The other comprehensive income is HUF 685 million loss, of which HUF 383 million is due to the unrealized loss on OPUS shares and HUF 302 million is the unrealized loss on government bonds owned by the Group.

The Issuer's equity decreased from HUF 13,894 million at the end of 2020 to HUF 13,683 million in the first half of 2021. The change in equity was caused by the settlement of total comprehensive income (- HUF 179 million) and the amount of repurchased treasury shares (- HUF 32 million).

CIG Pannónia Life Insurer is financially stable, its fundamentals are certain, the Solvency II capital adequacy is outstandingly high 351%. **The consolidated capital adequacy is 351%.**

**Insurance premium revenue was HUF 10 830 million, 16% higher than premium income for the comparative period. In the life segment, the new acquisition is HUF 1 935 million which is 25% higher compared to the new acquisition of 2020, first half.**

## 1.2. Steps of the Growth Strategy

The unified strategy (**Growth Strategy**) –was published by the Company on 19 July 2021 at the official places of publication<sup>1</sup> - is limited to organic growth goals including development directions and goals. It should be emphasized that the Company focuses in its current operation and in the medium term for the followings:

- an intensive growth in gross premium income and technical income
- in addition to growth, it focuses on efficiency, which it seeks to achieve through new insurance products and the fuller use of sales channels.

Tasks and results achieved in relation to growth (and in line with the strategy):

- (i) According to the Growth Strategy, in the second quarter of 2021, the Group already focused on developing a new organizational structure, especially for hiring professional employees for the soon-to-be-launched property and liability insurance business, and to review or if its needed to create new products. This work has been successfully completed for corporate products, so the final, marketing and PR tasks of preparing for the market launch are underway.
- (ii) the corporate property and liability insurance business mentioned in the previous section is expected to make a significant contribution to the Group's profitability (see the results of the operation in Hungary in previous years for comparative data)
- (iii) **the number of independent sales networks increased fivefold by the end of Q2**, providing a solid basis for sales of non-life products,
- (iv) the share of new sales in the field of “traditional” life insurance related to non-investment products has increased significantly, indicating the efforts of the Company's management to restructure the product mix (or the ratios within it).

## 1.3. Results of the main events of the reporting period (Q2) in the timeline of capital market disclosures and related history,

### 1.3.1. Company and group level events during the period covered by the Report

On 19 March 2021, the Group notified its shareholders that it will not hold its Annual General Meeting convened on 19 April 2021. According to the 502/2020. (XI. 16.) Gov. Decree (“Gov. Decree”) Section 9 (2), the management of a public limited company has the right to decide on all issues that are on the agenda of the previously published notice of the general meeting, including the approval of the annual report of the company. In accordance with the above, the Company held its Board of Directors meeting on 19 April 2021. Based on these proposals submitted to the General Meeting, the auditor's opinion and related reports published on 9 April 2021, the Board of Directors approved the individual and consolidated financial statements of the Company (like the draft decisions on the agenda items tabled) within the competence of the General Meeting on 19 April 2021<sup>2</sup>.

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<sup>1</sup> [bet.hu/site/newkib/en/2021.07./Creating\\_and\\_Adopting\\_a\\_Strategy\\_128587253](https://bet.hu/site/newkib/en/2021.07./Creating_and_Adopting_a_Strategy_128587253)

<sup>2</sup> [https://www.bet.hu/site/newkib/en/2021.04./DECISIONS\\_OF\\_THE\\_BOARD\\_OF\\_DIRECTORS\\_ON\\_THE\\_AGENDA\\_ITEMS\\_OF\\_I](https://www.bet.hu/site/newkib/en/2021.04./DECISIONS_OF_THE_BOARD_OF_DIRECTORS_ON_THE_AGENDA_ITEMS_OF_I)  
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The Board of Directors with the no. 10/2020. (IV.24.) authorized by a resolution of the Board of Directors within the competence of the General Meeting elected MAZARS Auditing and Consulting Limited Liability Company (registered office: 1123 Budapest, Nagyenyed utca 8-14.; company registration number: 01-09-078412) as the permanent auditor of the Company until the close of the 2023 business year (but no later than 30 April 2024) and the person personally responsible for the audit (Andrea Kinga Molnár (mn.: Dr. Mária Ibolya Kovács, H-2096 Üröm, Kormorán utca 16/B.))

The Board of Directors of the Company (with the no. 19/2020. (IV.24.) authorized by a resolution of the Board of Directors within the competence of the General Meeting) for the purpose of providing benefits to the MRP organization, with the help of MKB Bank Plc., on 29 March 2021, purchased 100,000 treasury shares at an average price of HUF 319. The shares provided will cover future payments subject to the terms and conditions of the MRP Organization, which are conditional and deferred, as well as maintenance obligations. As a result of the transaction the Company's treasury shares inventory has increased from 0 pieces to 100,000 pieces, which was 0,10 % of the amount of issued shares. The treasury shares were transferred to the MRP Organization on 6 May 2021, so the own shares of the Company decreased to zero<sup>3</sup>. This is the future provision of coverage for transparent benefits under the MRP program.

The zero step of the Growth Strategy is to ensure ongoing risk management at Group-level. In addition, in the fourth quarter of 2020, the Group provided an opportunity at the operational level to enable the **CIG Pannónia Első Magyar Általános Biztosító Ltd (EMABIT)** to contribute to the development of a dynamic growth model by restarting its operations - with the requirements of providing the required Group-level warranty elements.

To achieve this, the Company decided to increase the share capital of EMABIT by HUF 5,000,000 at 26 March 2021. As a result of the capital increase, the new share capital of EMABIT is HUF 1,065,000,000. The share capital is increased by 5 new dematerialized registered ordinary shares - embodying the same rights as previously issued shares - with a nominal value of HUF 1,000,000 and an issue value of HUF 300,000,000 each by paying a cash contribution. Simultaneously with the share capital increase, the Company placed the difference between the issue and the nominal value of the shares, i.e HUF 1,495,000,000 in the capital reserve of EMABIT.

The capital increase and the creation of the capital reserve took place in accordance with the new strategic ideas of the Company, with a view to financing the operation of the newly established domestic-focused property insurance business lines. An important element of the Company's direct intention and new strategy is to relaunch and operate EMABIT in a transparent manner with the need for growth - which includes setting sales targets, setting up internal lines of defense and strengthening the capital position. The share capital increase was registered by the Registry Court of the Metropolitan Court on 14 April 2021.

In a procedure initiated at the request of EMABIT, the Company's subsidiary, the HFSA authorized it by a decision no. H-EN-II-56/2021. dated on 23 April 2021 that EMABIT transfers the contractual portfolio of Hungarian "Defend GAP", "Defend Warranty" and Polish "Defend GAP", "Defend Warranty" products and casco and extended warranty insurance to Fortegra Europe Insurance Company Ltd. (registered office: Office 13, SOHO Office The Strand, Fawwara Building, Triq l-Imsida, Gzira, GZR 1401, Malta) with effect on 1 May 2021.

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<sup>3</sup> [https://www.bet.hu/site/newkib/en/2021.05./Extraordinary\\_Announcement\\_on\\_the\\_transfer\\_of\\_treasury\\_shares\\_of\\_CIG\\_Pannonia\\_Plc.\\_128560345](https://www.bet.hu/site/newkib/en/2021.05./Extraordinary_Announcement_on_the_transfer_of_treasury_shares_of_CIG_Pannonia_Plc._128560345)

The transfer has taken place and the financial aspects of the settlement have also been completed by 9 July 2021.

The Hungarian National Bank with the decision nr. H-EN-II-63/2021. authorized Zoltán Polányi as executive officer to hold the position of a member of the Board of Directors on 3 May 2021. The request was made on the basis of a request made within the competence of the General Meeting based on the decision of the General Meeting to expand the Board of Directors. Furthermore, by the request initiated by EMABIT, the Hungarian National Bank with the decision nr. H-EN-II-64/2021. authorized Zoltán Polányi as executive officer to hold the position of a member of the Board of Directors of EMABIT on 3 May 2021.

The Company has completely reworked and enacted its remuneration system, which supports its vision aligned with its strategy and renewal. The remuneration system thus redesigned was created as a unified remuneration system consisting of three pillars and published at the official website of the Company (Unified Remuneration System).

The Company implements the Unified Remuneration System, taking into account the connections between the individual regulatory regimes, within the personal scope of the regulators and, as a special element, along a consistent system of remuneration with independent rules, so as to support the implementation of growth plans.

This strategic goal is also supported by the change in the remuneration structure of the members of the Board of Directors made as part of the remuneration system adopted by the Board of Directors as a General Meeting and fixed in accordance with uniform principles. This pays special attention to the continuous activity of the board members, while also keeping in mind the aspects of cost optimization.

The Registry Court of the Metropolitan Court registered the membership of the Board of Directors of Zoltán Polányi on 3 June 2021, and the MAZARS Limited Liability Company as the auditor of EMABIT (1123 Budapest, Nagyenyed utca 8-14., Company registration number: 01-09-078412) and the person personally responsible for the audit (Andrea Kinga Molnár (mn.: Dr. Mária Ibolya Kovács, H-2096 Üröm, Kormorán utca 16/B.)) The date of the change is on 7 April 2021.

For the reason and in order to achieve the goal of gaining influence to the extent specified in Section 68 (1) (b) of the Capital Markets Act CXX of 2001 (Tpt.), HUNGARIKUM Biztosítási Alkusz Ltd. (registered office: H-8086 Felcsút, Fő utca 65., company registration nr.: 07 09 028910, tax ID nr.: 13010133-4-07, acting on its behalf: Erik Keszthelyi, managing director)(**Acquirer**) and MKB Bank Public Limited Company (registered office: H-1056 Budapest, Váci u. 38., company registration nr.: 01-10-040952, tax ID nr.: 10011922-4-44) as investment service provider entrusted pursuant to Section 68 (4) of Tpt. have submitted a mandatory public takeover bid for the purchase of registered ordinary shares issued by the Company (ISIN: HU0000180112) with a face value of HUF 33 (i.e. thirty-three forints) each. On June 18, 2021 the aforesaid takeover bid was submitted to the Magyar Nemzeti Bank (the Central Bank of Hungary) as Supervisory Authority for approval as well as to the Board of Directors of the Target Company, initiating its immediate publication. The takeover bid has not been approved by the Central Bank of Hungary by the publishing this report. The purchase of the shares requires the conduct of a competition supervision procedure, and - since the Acquirer intends to modify its qualified influence in the Target Company by means of a mandatory takeover bid so that its ownership share or voting rights reach or exceed 33 percent - pursuant to the relevant provisions of Act LXXXVIII of 2014 on insurance activities (Bit.) Acquirer has initiated having obtained the prior permission of the Supervisory Authority. The mandatory public takeover bid, as well as the operational plan and the report on the economic activity of the bidder were published by the Company on 18 June 2021. The

approval procedure of the mandatory public takeover bid submitted by the Acquirer and the as Conductor concerning the registered ordinary shares issued by the Company (ISIN: HU0000180112) was suspended by the Supervisory Authority with its Decision nr. N-KE-III-216/2021. The reason for suspension is that the procedures pending before the Supervisory Authority, initiated at the request of the Acquirer in connection with the authorization of the acquisition of qualified influence in the Target Company and in CIG Pannonia First Hungarian General Insurance Ltd. (registered office: H-1097 Budapest, Könyves Kálmán körút 11.B) (Bit.[1] procedures) are, in the Supervisory Authority's view, closely related to the Approval procedure.

The Acquirer itself has already fully informed the Shareholders of the Bit. procedures being one of the preconditions for the takeover bid in point 2.3.4. of its Bid[2] published on June 18, 2021.

On 21 June 2021, the Company won the tender with the most favorable bid for an insurance service fee of HUF 26,568,408 for 12 months in the public procurement procedure announced by the TLA Asset Management and Utilization Limited Liability Company as a contracting authority in the field of health insurance services.

### **1.3.2. Events after the balance sheet date**

The HUNGARIKUM Biztosítási Alkusz Ltd.'s (Acquirer) information dated on 14 July 2021, the Hungarian Competition Authority (GVH) certified by its official certificate that on the basis of the merger-notification there is no circumstance giving rise to an investigation (competition supervision procedure) regarding the acquisition of direct and sole of control by the Acquirer over the Company. In connection with the above GVH decision there is still an ongoing capital market approval procedure (Approval procedure) of the mandatory public takeover bid (Bid) submitted to the Magyar Nemzeti Bank as Supervisory Authority, which has been suspended. As stated in its Bid, in accordance with Section 258 (1) of the Act LXXXVIII of 2014 on Insurance Activities (Bit.), the Acquirer was obliged to submit and apply (in addition to the now closed procedure of the GVH) to the Supervisory Authority an application for authorization to acquire and increase qualified influence in the Company and its 100% subsidiary, the EMABIT. Thus, the Acquirer submitted a request to the Supervisory Authority for the approval of this qualified influence together with the Bid. In view of the fact that the procedure to be carried out under Bit. by the application of the Acquirer is closely related to the Approval procedure and since both procedures require authorization within the scope of the Authority's tasks and competences for different purposes, with different procedural rules (eg. different procedural deadlines), but still with the similarity of many authorization conditions (eg. proof of the legal origin of the financial resources needed to acquire control) the decisions made by the authorities in the Bit. proceedings substantially affect the Capital Market Approval Procedure. It follows that the Supervisory Authority treats the approval of the acquisition or increase of the Acquirer's qualified influence pursuant to Section 258 (1) of the Bit. as a precondition to the Capital Market Authorization Procedure, for what reason it decided to suspend one, namely the Capital Markets Approval Procedure. The Company, as Target Company, expressed its hope that in addition to communicating the GVH decision received, the above information can contribute to the equitable understanding of the Bid and certain conditions contained therein, at the same time it declares that, during the bidding process, it shall publish without delay all information which has a material effect on the Bid, whether received from the Supervision or the Acquirer.

On 19 July 2021, the Company's strategy for growth purposes (Growth Strategy)<sup>4</sup> was completed and approved by the Board of Directors. The strategy identifies both short-term

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<sup>4</sup> [CIG Pannonia Growth Strategy](#)

and long-term strategic focus areas. The Company believes that the published summary of the Growth Strategy presents important goals for investors. The Growth Strategy sets out the goals, directions and tools necessary for the future operation of the Company and its subsidiaries. In addition, according to the expectations of the Company's management, the Company's presence in the insurance and capital markets can also be modeled.

From 2021, in parallel with the change of management and strategy, the Company will place a strong emphasis on marketing and PR activities. In the first round, we focus on strengthening brand awareness, which is supported by various outdoor appearances, such as the July national billboard campaign or the stickering of the Kisfaludy ferry between Tihany and Szántód with the full CIG brand. The image campaign will appear on our social media platforms, and other online display campaigns will follow this communication. The promotion of our new accident insurance product BajTárs, which is unique in the market and has a claims settlement guarantee, is also in progress, in August we can meet the advertisement on 80 CLP surfaces in Budapest. In order to strengthen our marketing activities from a professional point of view, we also joined the Hungarian Marketing Association.

Focus on our customers: For our B2B partners, after a long time, we were able to hold our first successful events and will organize many more events. For our B2C customers, we provide such unique customer benefits free of charge as the BalatonHelp Pannónia packages, which provide assistance in Balaton emergencies; and Flightrefund Refundpass +, which provides support in the event of flight cancellations or delays; and our collaboration with Dr. András Farkas Retirement Guru, who runs an interactive online retirement forum for our clients. We also intend to play an important role in the future in the field of sustainability and we try to shape our activities accordingly. We have already started on the CSR line and are cooperating with the Water Rescue Service, we are organizing a joint roadshow on Lake Balaton, where we hold prevention programs and teach life-saving techniques. In the future, we would like to place even more emphasis on PR activities, and we plan a continuous marketing presence in support of our market strategy, for both life and property products.

The development of the Group's headcount was determined by the strategic challenges and the provision of the manpower required to perform the tasks. Therefore, 36 employees were hired in the first half of 2021. By 30 July 2021, the number of employees had reached 130. The reconstruction of EMABIT is expected to be accompanied by additional positions and staffing, especially in the next stages of the implementation of the strategy.

By developing the HR area, the Company supports the integration of new employees, the principle of fair treatment and equal pay. Learning from the pandemic operation, working from home was introduced, thus managing to meet the changed expectations of its employees in the long run.

In order to ensure the long-term health of our employees, we also provide them with suitable working conditions, fruit days and air purifiers. Through corporate communication, we strive to get the message to the employees through as many channels as possible (CEO breakfast, HR Dashboard, HR newsletter), to inform them about the Insurer's strategy, results and steps. This information helps employees make their decisions and to exchange views with each other. It is important that employees are aware of the values of the Insurer. We attach great importance to performance appraisal; the valuation system is still under development. We deal with organizational development, training, organizational values at the managerial and employee level.

17 August 2021, Budapest

**CIG Pannonia Life Insurance Plc.**



## 2. Financial statements

### Consolidated Statement of Comprehensive Income – cumulated data (data in HUF millions)

	2021 Q1-Q2 (A)	2020 Q1-Q4 (C)	2020 Q1-Q2 (B) restated	Change (A)-(B)
Gross written premium	10 830	19 319	9 300	1 530
Changes in unearned premiums reserve	23	611	424	- 401
Earned premiums, gross	10 853	19 930	9 724	1 129
Ceded reinsurance premiums	- 219	- 463	-231	12
<b>Earned premiums, net</b>	<b>10 634</b>	<b>19 467</b>	<b>9 493</b>	<b>1 141</b>
				-
Premium and commission income from investment contracts	95	159	73	22
Commission and profit sharing due from reinsurers	32	73	44	- 12
Investment income	7 063	4 637	474	6 589
Yield on investment accounted for using equity method (profit)	159	436	160	- 1
Other operating income	441	838	707	- 266
<b>Other income</b>	<b>7 790</b>	<b>6 143</b>	<b>1 458</b>	<b>6 332</b>
<b>Total income</b>	<b>18 424</b>	<b>25 610</b>	<b>10 951</b>	<b>7 473</b>
Claim payments and benefits, claim settlement costs	- 7 610	- 13 350	- 6 696	-914
Recoveries, reinsurer's share	72	49	28	44
Net changes in value of the life technical reserves and unit-linked life insurance reserves	- 6 629	- 5 046	4 072	-10 701
Investment expenses	- 77	- 350	- 4 817	4 740
Change in the fair value of liabilities relating to investment contracts	- 367	- 274	147	-514
<b>Investment expenses, changes in reserves and benefits, net</b>	<b>- 14 611</b>	<b>- 18 971</b>	<b>- 7 266</b>	<b>-7 345</b>
Fees, commissions and other acquisition costs	- 1 933	- 3 834	- 1 893	-40
Other operating costs	- 1 106	- 2 188	- 1 078	-28
Other expenses	- 152	- 499	-167	15
<b>Operating costs</b>	<b>- 3 191</b>	<b>- 6 521</b>	<b>- 3 138</b>	<b>-53</b>
<b>Result of assets held for sale</b>	<b>3</b>	<b>790</b>	<b>772</b>	<b>-769</b>
<b>Profit/Loss before taxation</b>	<b>625</b>	<b>908</b>	<b>1 319</b>	<b>-694</b>
Tax income/expenses	- 119	- 219	-145	26
Deferred tax income/expenses	-	- 29	-	0
<b>Profit/Loss after taxation</b>	<b>506</b>	<b>660</b>	<b>1 174</b>	<b>-668</b>
Comprehensive income, wouldn't be reclassified to profit or loss in the future	-	-	-	-
Comprehensive income, would be reclassified to profit or loss in the future	- 685	- 376	-682	- 3
<b>Other comprehensive income</b>	<b>-685</b>	<b>- 376</b>	<b>- 682</b>	<b>-3</b>
<b>Total comprehensive income</b>	<b>-179</b>	<b>284</b>	<b>492</b>	<b>-671</b>

**Consolidated Statement of Comprehensive Income- cumulated data continuation**  
 (data in HUF millions)

	2021 Q1-Q2 (A)	2020 Q1-Q4 (C)	2020 Q1- Q2 (B) restated	Change (A)-(B)
Profit/loss after taxation attributable to the Company's shareholders	507	668	1 178	- 671
Profit/loss after taxation attributable to NCI	- 1	- 8	- 4	3
<b>Profit/Loss after taxation</b>	<b>506</b>	<b>660</b>	<b>1 174</b>	<b>-668</b>
Total comprehensive income attributable to the Company's shareholders	- 178	292	496	-674
Total comprehensive income to NCI	- 1	- 8	- 4	3
<b>Total comprehensive income</b>	<b>-179</b>	<b>284</b>	<b>492</b>	<b>-671</b>
<b>Earnings per share of the Company's shareholders – continuing operations</b>				
Basic earnings per share (HUF)	5,4	7,1	12,5	-7,1
Diluted earnings per share (HUF)	5,4	7,1	12,5	-7,1

<b>Earnings per share of NCI's</b>				
Basic earnings per share (HUF)	-		-	-
Diluted earnings per share (HUF)	-		-	-

**Number of average shares used to calculate earnings per share:**

Date	Issued ordinary shares (db)	Treasury shares (db)	Ordinary shares in volume (db)	Days	Weighted average number of shares
2020.12.31	94 428 260	374 006	94 054 254	88	91 964 159
2021.03.29	94 428 260	474 006	93 954 254	93	2 087 872
<b>2021.06.30</b>	<b>94 428 260</b>	<b>474 006</b>	<b>93 954 254</b>	<b>181</b>	<b>94 002 873</b>

The treasury shares transferred to the Company's Employee Shareholder Program (hereinafter: MRP) do not legally qualify as treasury shares, however, the MRP is included in the consolidation, therefore the transferred shares reduce the number of ordinary shares outstanding when calculating earnings per share.

**Consolidated Statement of Comprehensive Income - quarterly data**

(data in HUF millions)

	2021Q2 (A)	2021Q1 (C)	2020Q2 restated (C)	Change (A)-(C)
Gross written premium	5 851	4 979	5 129	722
Changes in unearned premiums reserve	57	-34	126	-69
Earned premiums, gross	5 908	4 945	5 255	653
Ceded reinsurance premiums	-104	-115	-115	11
<b>Earned premiums, net</b>	<b>5 804</b>	<b>4 830</b>	<b>5 140</b>	<b>664</b>
Premium and commission income from investment contracts	48	47	31	17
Commission and profit sharing due from reinsurers	15	17	21	-6
Investment income	1 387	5 676	168	1 219
Yield on investment accounted for using equity method (profit)	78	81	86	-8
Other operating income	209	232	528	-319
<b>Other income</b>	<b>1 737</b>	<b>6 053</b>	<b>834</b>	<b>903</b>
<b>Total income</b>	<b>7 541</b>	<b>10 883</b>	<b>5 974</b>	<b>1 567</b>
Claim payments and benefits, claim settlement costs	-3 676	-3 934	-2 558	-1 118
Recoveries, reinsurer's share	35	37	11	24
Net changes in value of the life technical reserves and unit-linked life insurance reserves	-1 973	-4 656	-4 184	2 211
Investment expenses	-34	-43	3 014	-3 048
Change in the fair value of liabilities relating to investment contracts	-90	-277	-155	65
<b>Investment expenses, changes in reserves and benefits, net</b>	<b>-5 738</b>	<b>-8 873</b>	<b>-3 872</b>	<b>-1 866</b>
Fees, commissions and other acquisition costs	-997	-936	-925	-72
Other operating costs	-555	-551	-562	7
Other expenses	-43	-109	-132	89
<b>Other expenses</b>	<b>-1 595</b>	<b>-1 596</b>	<b>-1 619</b>	<b>24</b>
<b>Result of assets held for sale</b>	<b>-29</b>	<b>32</b>	<b>531</b>	<b>-560</b>
<b>Profit/Loss before taxation</b>	<b>179</b>	<b>446</b>	<b>1 014</b>	<b>- 835</b>
Tax income/expenses	-56	-63	-84	28
Deferred tax income/expenses	-	-	-	-
<b>Profit/Loss after taxation</b>	<b>123</b>	<b>383</b>	<b>930</b>	<b>- 807</b>
Comprehensive income, wouldn't be reclassified to profit or loss in the future	-	-	-	-
Comprehensive income, would be reclassified to profit or loss in the future	-235	-450	749	-984
<b>Other comprehensive income</b>	<b>- 235</b>	<b>- 450</b>	<b>749</b>	<b>- 984</b>
<b>Total comprehensive income</b>	<b>- 112</b>	<b>- 67</b>	<b>1 679</b>	<b>- 1 791</b>

**Consolidated Statement of Comprehensive Income- quarterly data continuation**

(data in HUF millions)

	2021Q2 (A)	2021Q1 (C)	2020Q2 restated (C)	Change (A)-(C)
Profit/loss after taxation attributable to the Company's shareholders	123	384	931	-808
Profit/loss after taxation attributable to NCI	-	-1	-1	1
<b>Profit/Loss after taxation</b>	<b>123</b>	<b>383</b>	<b>930</b>	<b>- 807</b>
Total comprehensive income attributable to the Company's shareholders	-112	-66	1 680	-1 792
Total comprehensive income to NCI	-	-1	-1	1
<b>Total comprehensive income</b>	<b>- 112</b>	<b>- 67</b>	<b>1 679</b>	<b>- 1 791</b>

**Consolidated Statement of Financial Position** (data in million HUF)

<b>Assets</b>	<b>30 June 2021 (A)</b>	<b>31 December 2020 (C)</b>	<b>30 June 2020 (B) restated</b>	<b>Change (A)-(B)</b>
Intangible Assets	533	570	598	-65
Property, plant and equipment	180	58	103	77
Right-of use assets	398	58	112	286
Deferred tax asset	386	386	415	-29
Deferred acquisition costs	1 189	1 215	1 323	-134
Reinsurer's share of technical reserves	313	622	539	-226
Investments accounted for using the equity method	364	641	365	-1
Available-for-sale financial assets	27 006	27 462	23 867	3 139
Investments for policyholders of unit-linked life insurance policies	80 369	74 122	65 936	14 433
Financial assets – investment contracts	5 139	4 230	3 684	1 455
Financial asset - derivatives	0	11	38	-38
Receivables from insurance policy holders	1 630	1 765	2 002	-372
Receivables from insurance intermediaries	63	78	122	-59
Receivables from reinsurance	68	56	59	9
Other assets and prepayments	32	26	57	-25
Other receivables	331	241	1 207	-876
Cash and cash equivalents	1 175	862	2 936	-1 761
Assets held for sale	87	294	957	-870
<b>Total Assets</b>	<b>119 263</b>	<b>112 697</b>	<b>104 320</b>	<b>14 943</b>
<b>LIABILITIES</b>				
Technical reserves	16 632	17 064	16 035	597
Technical reserves for policyholders of unit-linked life insurance policies	80 369	74 122	65 936	14 433
Investment contracts	5 139	4 230	3 684	1 455
Financial liabilities-derivatives	2	-	0	2
Loans and financial reinsurance	64	150	231	-167
Liabilities from reinsurance	106	162	198	-92
Liabilities to insurance policy holders	826	665	659	167
Liabilities to insurance intermediaries	223	245	290	-67
Lease liabilities	407	60	126	281
Other liabilities and provisions	1 768	1 886	2 266	-498
Liabilities to shareholders	20	20	20	0
Liabilities held for sale	24	199	777	-753
<b>Total Liabilities</b>	<b>105 580</b>	<b>98 803</b>	<b>90 222</b>	<b>15 358</b>
<b>Net Assets</b>	<b>13 683</b>	<b>13 894</b>	<b>14 098</b>	<b>- 415</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	3 116	3 116	9 443	-6 327
Capital reserve	1 153	1 153	1 153	-
Treasury shares	-32	-	-	-32
Share-based payment	9	9	21	-12
Other reserves	-1 456	-771	-1 077	-379
Retained earnings	10 901	10 394	4 561	6 340
<b>Equity attributable to the Company's Shareholders</b>	<b>13 691</b>	<b>13 901</b>	<b>14 101</b>	<b>-410</b>
Non-controlling interest	-8	-7	3	5
<b>Total Shareholder's Equity</b>	<b>13 683</b>	<b>13 894</b>	<b>14 098</b>	<b>-415</b>

**Consolidated Changes in Equity Q1-Q2 2021** (data in million HUF)

	Share capital	Capital reserve	Share based payment	Treasury shares	Other reserves	Retained earnings	Equity of the shareholders of the Company	NCI	Total shareholders' equity
<b>Balance on 31 December 2020</b>	<b>3 116</b>	<b>1 153</b>	<b>9</b>	<b>-</b>	<b>- 771</b>	<b>10 394</b>	<b>13 901</b>	<b>7</b>	<b>13 894</b>
<b>Total comprehensive income</b>									
Other comprehensive income	-	-	-	-	- 685		- 685	-	- 685
Profit in reporting year	-	-	-	-		507	507	- 1	506
<b>Transactions with equity holders recognized directly in Equity</b>									
Treasury share purchase	-	-	-	- 32	-	-	- 32	-	- 32
<b>Balance on 30 June 2021</b>	<b>3 116</b>	<b>1 153</b>	<b>9</b>	<b>- 32</b>	<b>- 1 465</b>	<b>10 901</b>	<b>13 691</b>	<b>- 8</b>	<b>13 683</b>

**Consolidated Changes in Equity Q1-Q2 2020 restated** (data in million HUF)

	Share capital	Capital reserve	Share based payments	Other reserves	Retained earnings	Equity of the shareholders of the Company	NCI	Total shareholders' equity
<b>Balance on 31 December 2019 restated</b>	<b>3 116</b>	<b>7 480</b>	<b>16</b>	<b>- 395</b>	<b>3 383</b>	<b>13 600</b>	<b>1</b>	<b>13 601</b>
<b>Total comprehensive income</b>								
Other comprehensive income	-	-	-	- 682	-	- 682	-	- 682
Profit in reporting year	-	-	-	-	1 178	1 178	- 4	1 174
<b>Transactions with equity holders recognized directly in Equity</b>								
Share based payments	-	-	5	-	-	5	-	5
Capital increase	6 327	-6 327	-	-	-	-	-	-
<b>Balance on 30 June 2020 restated</b>	<b>9 443</b>	<b>1 153</b>	<b>21</b>	<b>- 1 077</b>	<b>4 561</b>	<b>14 101</b>	<b>-3</b>	<b>14 098</b>

**Consolidated Statement of Cash Flows** (data in HUF millions)

	2021 Q1-Q2	2020 Q1-Q4	2020 Q1-Q2 restated
<b>Profit/loss after taxation</b>	<b>506</b>	<b>- 660</b>	<b>- 1 174</b>
<b>Modifying items</b>			
Depreciation and amortization	176	371	184
Extraordinary depreciation	-	-28	4
Booked/reversed impairment, debt cancelled	- 11	-73	-3
Result of assets sales	32	194	-6
Share based payments	-7	4	0
Exchange rate changes	-8	38	-44
Share of the profit or loss of associates accounted for using the equity method	-159	-436	-160
Deferred tax	-	29	-
Income taxes	119	219	115
Income on interests	-215	-608	-343
Result of derivatives	65	-74	-66
Provisions (-/+)	-137	293	-339
Termination of leasing assets	-	-8	-
Interest cost	4	9	6
<b>Change of active capital items:</b>			
Increase / decrease of deferred acquisition costs (-/+)	26	318	210
Increase / decrease of investments for policyholders of unit-linked life insurance policies (-/+)	-6 248	-3 574	4 612
Increase / decrease of financial assets – investment contracts (-/+)	-909	-246	301
Increase / decrease of receivables from insurance contracts and other receivables (-/+)	53	401	-957
Increase / decrease of reinsurer's share from technical reserves (-/+)	309	-159	-76
Increase /decrease of other assets and active accrued and deferred items (-/+)	-6	38	7
Increase / decrease of technical reserves (+/-)	79	1 130	277
Increase / decrease of liabilities from insurance (-/+)	83	-111	-37
Increase / decrease of investment contracts (+/-)	909	246	-301
Increase / decrease of technical reserves due to unit-linked life insurance (+/-)	6 248	3 574	-4 612
Increase / decrease of other liabilities (+/-)	27	-288	727
Paid income taxes	-106	-245	-90
Increase/ decrease in assets held for sale (-/+)	208	6 633	5 970
Increase/ decrease in liabilities held for sale (+/-)	- 175	-6 729	-6 151
Settlement of assets held for sale	-	-1 800	-1 256
IFRS 2 capital difference	-	9	5
<b>Cash flows from operating activities</b>	<b>863</b>	<b>- 215</b>	<b>-848</b>

**Consolidated Statement of Cash Flows continuation** (data in HUF millions)

<b>Cash flow from investing activities</b>	<b>2021 Q1-Q2</b>	<b>2020 Q1-Q4</b>	<b>2020 Q1-Q2 restated</b>
Purchase of debt instruments (-)	-9 908	-19 824	-7 214
Sales of debt instruments (+)	9 180	18 740	9 075
Purchase of tangible and intangible assets (-)	-241	-178	-97
Sales of tangible and intangible assets (-)	16	42	3
Result of derivatives	-52	58	-
Interest received/paid	171	527	85
Dividend received	436	361	361
<b>Cash flow from investing activities</b>	<b>- 398</b>	<b>- 274</b>	<b>2 212</b>
<b>Cash flow from financing activities</b>			
Lease instalments payment	-26	-40	-28
Lease interest payment	-4	-4	-2
Purchase of treasury shares	-32	0	0
Repayment of loans and their interests	-87	-320	-232
<b>Cash flow from financing activities</b>	<b>- 149</b>	<b>-364</b>	<b>- 261</b>
Impacts of exchange rate changes	-3	-59	60
<b>Net increase / decrease of cash and cash equivalents (+/-)</b>	<b>313</b>	<b>-911</b>	<b>1 163</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>862</b>	<b>1 774</b>	<b>1 774</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1 175</b>	<b>862</b>	<b>2 936</b>



### **3. Result from assets held for sale**

The Group classifies an investment asset (or disposal group) as held for sale if its book value is primarily recovered through a sale transaction, and not through continuing use. For this to apply, the asset (or disposal group) must be ready for immediate sale in its present condition, under terms customary during the sale of such assets (or disposal groups), and the sale must be highly probable. The Group values an investment asset (or disposal group) classified as held for sale at the lower of its book value and fair value less costs to sell. The book value of the disposal group's assets shall be reduced (or increased) by the amount of the impairment loss (or any subsequent gain) recognized for the disposal group.

According to IFRS 5, based on the Group's transfer decision in early 2020, the criteria held for sale related to EMABIT as the whole non-life segment existed. Therefore, it classified its entire non-life insurance portfolio as held for sale in both the 2019 consolidated financial statements and the 2020 quarterly financial statements. In the case of the entire non-life segment, the criterion that it was ready for sale at that time was met. The Group has commissioned an international consulting firm to sell its entire non-life portfolio, which has begun to identify potential buyers, and negotiations have begun between the parties. In accordance with the accounting policy described above, the portfolio held for sale was valued at its book value, because its fair value less costs to sell was expected to be higher, than the book value. The fair value less costs to sell is equal to the estimated purchase price less the legal, consulting, and data room service expenses.

In the consolidated financial statements for 2019 and the first quarter of 2020, the Group presented its non-life segment insurance portfolio as discontinued operations in accordance with IFRS 5. That is, the full result of the non-life segment appeared on a single row in the consolidated statement of comprehensive income. Similarly, all assets and liabilities of the non-life segment appeared in the consolidated statement of financial position as a 1-1 row.

In 2020, as a result of the remedial measures, the capital adequacy of EMABIT increased to 147% by 30 June 2020, including the imposition of the volatility extra capital requirement, its capital position recovered. At the end of 2020 the capital adequacy was 113%.

By the decision No. H-EN-II-15/2020 of the Hungarian National Bank lifted the ban on concluding new insurance contracts and extending existing contracts in the case of the Hungarian portfolio, which was ordered on 7 September 2020 with the goal to restore the coverage level of the Solvency Capital Requirement. In contrast, it maintained its ban for another year for its cross-border activities in Italy.

At the end of 2020 the Group took steps at the operational level to restart EMABIT, with providing the required Group-level warranty elements. Followed by EMABIT to implement the steps, that was taken place in the recovery plan by the HFSA and to stabilize its own funds, it is also necessary to adopt EMABIT's strategy, which includes setting sales targets, setting up internal lines of defense and strengthening the capital position. To achieve all these goals, the parent company undertook to carry out the necessary capital increases to enable EMABIT to continue operating in the long term. In addition to the remaining portfolio of the non-life segment, the operational planning also planned to sell new products from 2021. In addition

to the completed business plans and the support of the parent company, the operation was ensured for at least the next 12 months at the preparation of the 2020 annual report, therefore the going concern principle was maintained in the case of EMABIT as well.

As a result of the steps above, definition of IFRS 5 held for sale is no longer appropriate for the entire non-life segment for the annual reports of 2020 and the financial statements after that. The criteria for the Italian guarantee portfolio are no longer valid due to the unlikely scenario of the sale of the portfolio, despite the fact that the Insurer has not accepted new contracts for more than a year. After the sale of the Hungarian and Polish extended warranty and gap casco insurances on 1 May 2021, the Insurer has no more portfolio held for sale. Because of this, the currently active portfolios will appear as continuing operations in the individual and consolidated financial statements of 2020, just like in the consolidated financial statements of 2021, second quarter. According to the requirements of IFRS 5, the financial statements include data for the comparative period in such a way that only the portfolios that actually sold or those which currently held for sale are shown as result of assets held for sale, assets held for sale and liabilities held for sale and the result of assets held for sale.

The tables below show the effects of the reclassification in the consolidated financial statements for the first half of 2020 and the first half of 2021 and in the consolidated statement of comprehensive income.

**Consolidated Statement of Financial Position (data in million HUF) at 30 June 2021**

<b>ASSETS</b>	<b>Consolidated data before reclassification</b>	<b>Reclassification of assets held for sale</b>		<b>30.06.2021</b>
Intangible Assets	533	-	-	533
Property, plant and equipment	180	-	-	180
Right of use assets	398	-	-	398
Deferred tax asset	386	-	-	386
Deferred acquisition costs	1 287	-	98	1 189
Reinsurer's share of technical reserves	372	-	59	313
Investments accounted for using the equity method	364	-	-	364
Available-for-sale financial assets	27 029	-	23	27 006
Investments for policyholders of unit-linked life insurance policies	80 369	-	-	80 369
Financial assets – investment contracts	5 139	-	-	5 139
Financial asset – derivatives	-	-	-	-
Receivables from insurance policy holders	1 630	-	-	1 630
Receivables from insurance intermediaries	74	-	11	63
Receivables from reinsurance	70	-	-2	68
Other assets and prepayments	133	-	101	32
Other receivables	331	-	-	331
Cash and cash equivalents	1 175	-	-	1 175
Assets held for sale	-	207	294	87
<b>Total assets</b>	<b>119 263</b>	<b>-</b>	<b>-</b>	<b>119 263</b>
<b>LIABILITIES</b>				
Technical reserves	16 826	-	194	16 632
Technical reserves for policyholders of unit-linked life insurance policies	80 369	-	-	80 369
Investment contracts	5 139	-	-	5 139
Financial liabilities-derivatives	2	-	-	2
Loans and financial reinsurance	64	-	-	64
Liabilities from reinsurance	110	-	-4	106
Liabilities to insurance policy holders	826	-	-	826
Liabilities to insurance intermediaries	223	-	-	223
Lease liabilities	407	-	-	407
Other liabilities and provisions	1 768	-	-	1 768
Liabilities to shareholders	20	-	-	20
Liabilities held for sale	-	174	198	24
<b>Total liabilities</b>	<b>105 580</b>	<b>-</b>	<b>-</b>	<b>105 580</b>
<b>NET ASSETS</b>	<b>13 683</b>	<b>-</b>	<b>-</b>	<b>13 683</b>

Data in million HUF

Consolidated Statement of Comprehensive Income	Consolidated data before reclassification	Reclassification of assets held for sale	2021 Q1-Q2
Gross written premium	10 864	- 34	10 830
Changes in unearned premiums reserve	60	- 37	23
Earned premiums, gross	10 924	- 71	10 853
Ceded reinsurance premiums	- 240	21	- 219
<b>Earned premiums, net</b>	<b>10 684</b>	<b>- 50</b>	<b>10 634</b>
Premium and commission income from investment contracts	95	-	95
Commission and profit sharing due from reinsurers	33	-1	32
Investment income	7 063	-	7 063
Yield on investment accounted for using equity method(profit)	159	-	159
Other operating income	470	- 29	441
<b>Other income</b>	<b>7 820</b>	<b>- 30</b>	<b>7 790</b>
<b>Total income</b>	<b>18 504</b>	<b>- 80</b>	<b>18 424</b>
Claim payments and benefits, claim settlement costs	- 7 615	5	- 7 610
Recoveries, reinsurer's share	76	-4	72
Net changes in value of the life technical reserves and unit-linked life insurance reserves	- 6 625	-4	- 6 629
Investment expenses	- 77	-	- 77
Change in the fair value of liabilities relating to investment contracts	- 367	-	- 367
<b>Investment expenses, changes in reserves and benefits, net</b>	<b>- 14 608</b>	<b>- 3</b>	<b>- 14 611</b>
Fees, commissions and other acquisition costs	- 1 977	44	- 1 933
Other operating costs	- 1 106	-	- 1 106
Other expenses	- 188	36	- 152
<b>Operating costs</b>	<b>- 3 271</b>	<b>80</b>	<b>- 3 191</b>
<b>Result of assets held for sale</b>	<b>-</b>	<b>3</b>	<b>3</b>
<b>Profit/Loss before taxation</b>	<b>625</b>	<b>-</b>	<b>625</b>
Tax income/expenses	- 119	-	- 119
<b>Profit/Loss after taxation</b>	<b>506</b>	<b>-</b>	<b>506</b>
Comprehensive income, would be reclassified to profit or loss in the future	-685	-	-685
<b>Other comprehensive income</b>	<b>-685</b>	<b>-</b>	<b>-685</b>
<b>Total comprehensive income</b>	<b>-179</b>	<b>-</b>	<b>-179</b>

**Data for the comparative period**
**Consolidated statement of financial position**

(data in million HUF)

ASSETS	30.06.2020	Consolidated data before reclassification	Reclassification on of assets held for sale	31.12.2020 restated
Intangible Assets	584	14	-	598
Property, plant and equipment	95	8	-	103
Right of use assets	99	13	-	112
Deferred tax asset	415	-	-	415
Deferred acquisition costs	1 208	397	- 282	1 323
Reinsurer's share of technical reserves	384	253	- 98	539
Investments accounted for using the equity method	365	-	-	365
Available-for-sale financial assets	19 913	4 355	- 401	23 867
Investments for policyholders of unit-linked life insurance policies	65 936	-	-	65 936
Financial assets – investment contracts	3 684	-	-	3 684
Financial asset - forward	22	16	-	38
Receivables from insurance policy holders	1 992	11	- 1	2 002
Receivables from insurance intermediaries	93	55	- 26	122
Receivables from reinsurance	8	54	- 3	59
Other assets and prepayments	33	171	- 147	57
Other receivables	364	841	2	1 207
Cash and cash equivalents	2 199	738	- 1	2 936
Assets held for sale			957	957
Assets of discontinued operations	6 926	- 6 926		-
<b>Total assets</b>	<b>104 320</b>	<b>-</b>	<b>-</b>	<b>104 320</b>
<b>LIABILITIES</b>				
Technical reserves	13 597	2 958	- 520	16 035
Technical reserves for policyholders of unit-linked life insurance policies	65 934	-	2	65 936
Investment contracts	3 684	-	-	3 684
Financial liabilities-derivatives	-	-	-	-
Loans and financial reinsurance	231	-	-	231
Liabilities from reinsurance	63	150	- 15	198
Liabilities to insurance policy holders	637	31	- 9	659
Liabilities to insurance intermediaries	183	107	-	290
Lease liabilities	111	16	- 1	126
Other liabilities and provisions	1 172	1 328	- 234	2 266
Liabilities to shareholders	20	-	-	20
Liabilities held for sale			777	777
Liabilities of discontinued operations	4 590	- 4 590	-	-
<b>Total liabilities</b>	<b>90 222</b>	<b>-</b>	<b>-</b>	<b>90 222</b>
<b>NET ASSETS</b>	<b>14 098</b>	<b>-</b>	<b>-</b>	<b>14 098</b>

Data in million HUF

Consolidated total comprehensive income	2020 Q1-Q2	Consolidated data before reclassification	Reclassification of assets held for sale	2020 Q1-Q2 restated
Gross written premium	9 232	2 646	- 2 578	9 300
Changes in unearned premiums reserve	- 13	775	- 338	424
Earned premiums, gross	9 219	3 421	- 2 916	9 724
Ceded reinsurance premiums	- 125	- 2 077	1 971	- 231
<b>Earned premiums, net</b>	<b>9 094</b>	<b>1 344</b>	<b>- 945</b>	<b>9 493</b>
Premium and commission income from investment contracts	73	-	-	73
Commission and profit sharing due from reinsurers	-	539	- 495	44
Investment income	309	165	-	474
Yield on investment accounted for using equity method(profit)	160	-	-	160
Other operating income	492	525	- 310	707
<b>Other income</b>	<b>1 034</b>	<b>1 229</b>	<b>- 805</b>	<b>1 458</b>
<b>Total income</b>	<b>10 128</b>	<b>2 573</b>	<b>-1 750</b>	<b>10 951</b>
Claim payments and benefits, claim settlement costs	- 6 491	- 1 403	1 198	- 6 696
Recoveries, reinsurer's share	30	1 042	- 1 044	28
Net changes in value of the life technical reserves and unit-linked life insurance reserves	4 375	27	- 330	4 072
Investment expenses	- 4 719	- 98	-	- 4 817
Change in the fair value of liabilities relating to investment contracts	147	-	-	147
<b>Investment expenses, changes in reserves and benefits, net</b>	<b>- 6 658</b>	<b>- 432</b>	<b>- 176</b>	<b>- 7 266</b>
Fees, commissions and other acquisition costs	- 1 767	- 1 045	919	- 1 893
Other operating costs	- 707	- 462	91	- 1 078
Other expenses	- 44	- 267	144	- 167
<b>Operating costs</b>	<b>- 2 518</b>	<b>- 1 774</b>	<b>1 154</b>	<b>- 3 138</b>
<b>Result of assets held for sale</b>	<b>-</b>	<b>-</b>	<b>772</b>	<b>772</b>
<b>Profit/Loss before taxation</b>	<b>952</b>	<b>367</b>	<b>-</b>	<b>1 319</b>
Tax income/expenses	- 115	- 30	-	- 145
<b>Profit/Loss after taxation</b>	<b>837</b>	<b>337</b>	<b>-</b>	<b>1 174</b>
<b>Profit/Loss after taxation of discontinued operations</b>	<b>337</b>	<b>- 337</b>	<b>-</b>	<b>-</b>
<b>Total Profit/Loss after taxation</b>	<b>1 174</b>	<b>-</b>	<b>-</b>	<b>1 174</b>
Comprehensive income, would be reclassified to profit or loss in the future	- 633	- 49	-	- 682
<b>Other comprehensive income</b>	<b>- 633</b>	<b>- 49</b>	<b>-</b>	<b>- 682</b>
<b>Other comprehensive income of discontinued operations</b>	<b>- 49</b>	<b>49</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income</b>	<b>- 682</b>	<b>-</b>	<b>-</b>	<b>- 682</b>
<b>Total comprehensive income</b>	<b>492</b>	<b>-</b>	<b>-</b>	<b>492</b>

#### 4. Changes of accounting policy

For financial year beginning on 1 January 2021, the following new mandatory standards became effective, whose effect - except for IFRS 9 and IFRS 17 - are not expected to have a material impact on the financial statements:

- Amendments to IAS 1 and IAS 8: Revision of materiality's definition
- IFRS 3: amendments to the notes and amendments to the examples
- Changes in the Conceptual Framework: minor changes in the definitions of assets and liabilities
- Revisions to IFRS 9, IAS 39, IFRS 7: IBOR Reform
- IFRS 16: Exemption of Covid-19-related rental discounts from leasing change rules  
IFRS 9, IAS 39, IFRS 7, IFRS 4 Interest rate reference reform - Stage 2 - use of alternative interest rates

IFRS 17 Insurance Contract (expected application from 1 January 2023) – the Insurer made a gap analysis about the introduction of the IFRS 17 in 2018, then made a detailed IFRS 17 project plan in 2019 and the introduction project has started in 2020. During the second quarter of 2021, the Company's Board of Directors provided additional resources to provide the IT background for the introduction of IFRS 17.

At the end of 2020, after approval by the Board of Directors, by involving external experts the Company accelerated its preparation to comply with IFRS 17, which - similar to the expectations of other players in the sector - will result in a significant change in the Company's accounting results and comparisons with similar companies.

IFRS 17 will have a significant effect on the earnings of all product portfolios, and also the operating processes of the Insurer. The aim of IFRS 17 to harmonise the evaluation of insurance policies and insurance liabilities, as the insurance technical result among countries according to standardised principles instead of the own evaluation method of the different countries. The main component of the insurer's performance will be CSM, the not yet realised future contractual service margin, which can be realised against the profit or loss in parallel with the performed insurance services of the given product portfolio.

## **5. Presentation of the Issuer's financial position – consolidated and unaudited data for the second quarter of 2021, on the basis of the international financial reporting standards (IAS 34) adopted by the EU**

The Issuer and its consolidated companies, representing together the CIG Group, deal with unit-linked life insurance, term life insurance, endowment insurance, health insurance, pension insurance, rider accident insurance and general insurance (property and liability), within that mainly suretyship insurance.

In the first half of 2021, the Group's gross written premium was HUF 10 830 million, which is 116% of the gross written premium in 2020, same period. Of this HUF 8 038 million are the gross written premium of unit-linked life insurance (of this HUF 3 303 million of pension insurance policies), HUF 2 466 million are traditional life products (of this HUF 635 million from pension insurance policies), HUF 171 million are health insurance policies and HUF 155 million are the non-life products.

The non-life insurance generated premium income of HUF 155 million in the first half of 2021, which is a 128 percent increase compared to the same period previous year. In the life segment the gross written premium from the first annual premiums of policies sold was HUF 1 185 million, which is a 6% decrease compared to the same period of the previous year (HUF 1 264 million). The gross written premium income from renewals was HUF 6 642 million in the first half of 2021 in contrast to HUF 5 828 million in the same period of the previous year, so the renewal premiums increased by 14%. Top-up and single premiums (HUF 2 848 million) were 33% higher as the premiums in the same period of the previous year, mainly relating to unit-linked life insurance policies. Within the total life insurance premium income-according to IFRS - of HUF 10 675 million, the rate of top-up and single premiums is 28 percent.

The change in unearned premium reserve in the first half of 2021 was HUF 23 million gain (compared to the first half of 2020 HUF 424 million gain), while the amount of ceded reinsurance premiums was HUF 219 million loss (compared to first half of 2020 HUF 231 million loss). The change in the reserve of unearned premiums decreased mainly due to the non-life segment's suretyship portfolio.

Unit-linked life insurance policies sold by the Group that do not qualify as insurance policies under IFRS are classified by the Group as investment contracts. In connection with the investment contracts, the Issuer generated a premium and commission income of HUF 95 million in total during the reporting period. The change in the fair value of liabilities relating to investment contracts was HUF 367 million loss in the first half, due to the unit-linked yield.

The other operating income (HUF 441 million) is mainly the Issuer's income from fund management (HUF 284 million), which decreased with HUF 10 million compared to first half of 2020, as it is related to a previously sold, unit-linked product with a declining portfolio of the Group.

An important item among expenses are claim payments and benefits and claim settlement costs (together HUF 7 610 million), this expenditure is decreased by the recoveries from reinsurers (HUF 72 million). Claims expenditures increased by HUF



914 million compared to 2020, mainly due to life segment claims expenditures of the claims and surrenders of unit-linked products.

The amount of net change in reserves is HUF 6 629 million loss, which is made up mainly the following changes in reserves. The unit-linked life insurance reserve amount increased by HUF 6 248 million, which is due to significant positive unit-linked returns. The actuarial reserves increased by HUF 556 million, the technical reserves for the bonus payment of the life insurance clients increased by HUF 103 million, the result-independent premium refund reserves increased by HUF 14 million. The result-dependent premium refund reserves decreased by HUF 14 million. The outstanding net claim reserves decreased by HUF 153 million, while the cancellation reserves decreased by HUF 125 million concurrently with the decrease of the premium receivables.

The total operating cost of the Issuer was HUF 3 191 million in the first half of 2021, of which HUF 1 933 million is related to the fees, commissions and other acquisition costs, and HUF 1 106 million is related to other operating costs and HUF 152 million is other expenses. Acquisition costs show a slightly increasing trend overall (+2%), while gross earned premiums increased by 12%. This is primarily the result of a change in the product mix. In the life segment, the earned premium of group contracts and single premium contracts is increased significantly, but their commission rate is lower compared to the other products. The other operating costs increased by HUF 28 million compared to the previous year, same period (HUF 1 078 million in the first half of 2020), mainly due to the increase of personnel costs. The volume of other expenses (HUF 152 million) is lower with HUF 15 million compared to the 2020 same period (HUF 167 million).

The investment result in the first half of 2021 is HUF 6 986 million gain, which is due to the aggregated effect of the following issues.

The unit-linked yield in 2021 is a gain of HUF 6 888 million. As an investor, the highest returns were achieved in the second quarter of 2021 in Latin American, Russian and Eastern European emerging equity markets, but both the U.S. equity market and the domestic equity index performed excellently. Among the actively managed or following an investment strategy based on specific stock selection risk-bearing asset funds, the winners in the second quarter were the Pannonia Active Mixed and Warren Buffett Equity asset funds.

Trends in the second quarter of 2021 in financial markets were overall good, but some factors boosted while others reduced investor confidence. As vaccination programs progressed, the optimism about defeating the virus increased, and the gradual lifting of epidemic restrictions began. In contrast, however, the spread of various mutants has emerged as a risk factor, opening has still not been possible in some countries and restrictions have had to be reintroduced. This is not conducive to the rise of stock markets.

The optimistic mood in the market persisted during the second quarter. After growth in developed markets in the previous quarter, index performance declined in the second quarter of 2021 and only a small increase was observed.

The largest expansion was shown by the S&P 500 US stock index, which rose by almost 8.17%. European stock exchanges and European small-cap companies showed an increase of

around 5%. U.S. small-cap stocks rose 4%. In developed markets, the Japanese stock market performed the worst with a decline of 1.33%.

After the mixed performance of emerging equity markets in the previous quarter, we saw strong growth in the new quarter. The largest expansion was in the Latin American markets, with the index able to produce 13.83% growth by the end of the new cycle. Both the Russian stock market and Central and Eastern European stock markets rose above 10%. They were followed by the Indian and Hungarian stock exchanges with yields of around 7 and 6.6%, respectively. The weaker-performing Chinese markets closed the line, with the domestic index up 4.34% and international stocks up more than 1.4%.

After sideways in the first quarter of 2021, the BUX index began to rise strongly by the second quarter. Thanks to the good performance of the Hungarian blue chips, the Hungarian stock index closed the quarter almost 6.6% higher, reaching a historic high with the rally in June.

Inflation expectations for the previous quarter have been confirmed, with global inflation soaring due to the opening up of economies, stimulus measures and rising commodity and energy prices. Both the FED and the European Central Bank have addressed the issue of rising inflation, but have not yet intervened so they have continued to maintain their supportive policies so as not to slow down the recovery from the crisis with a possible tightening.

Domestic inflation reached 5.1% in April and May. At the same time, the Hungarian National Bank's inflation expectations also rose. The projected 4.1% is slightly above the tolerance band, forcing central bank decision-makers to take action: The key interest rate was raised by 30 basis points, from 0.60% to 0.90%. With this, the domestic central bank embarked on a path of tightening.

The price of domestic government securities indices (ZMAX: 2 weeks-6 months, RMAX: 3 months-1 year) rose by 0.15% and 0.19%, respectively. In contrast, the MAX and MAX Composite indices developed, performing -0.25% and -0.21%, respectively.

During the second quarter, the forint also strengthened against the euro and the dollar. In both cases, it peaked at the beginning of June, after which the domestic currency started to weaken, but it was still able to improve compared to the previous quarter. We saw an appreciation of 4% against the dollar and 2.87% against the euro during this period.

The Issuer had HUF 98 million yield profit on its own investments in 2021.

Earnings from the MKB-Pannónia Fund Management Company to the Company appear on "investments accounted for using the equity method", which is a profit of HUF 159 million gain in the first half of 2021, while it was HUF 160 million gain in the first half of 2020.

The result of assets held for sale was HUF 3 million in 2021, while it was HUF 772 million in 2020, same period. In the first half of 2020, the total non-life segment held for sale still contributed to the results. After the sale of the portfolio, in the first half of this year the profit of HUF 3 million has come only from the remaining portfolio held for sale, which was sold at 1 of May.

As a result of all of the above, the profit before tax amounted to HUF 625 million profit (in 2020 the profit before taxation was HUF 1 319 million gain), that was reduced by HUF 119 million tax liability. The overall profit after tax is HUF 506 million, that is HUF 668 million lower than the profit after tax in the first half of 2020. The other comprehensive income contains the decrease in the fair value of available-for-sale financial assets amounting to HUF 685 million, of which HUF 383 million is the unrealized loss on OPUS shares owned by the Group, while the remaining loss (HUF 302 million) arose from the unrealized loss on government bonds. The total comprehensive income represents a loss of HUF 179 million in the first half of 2021.

The Issuer's balance sheet total was HUF 119,263 million; its financial position is stable; the company has met its liabilities in full. On 30 June 2021 the shareholders' equity was HUF 13,683 million.

## 6. Executive summary

In 2021, the annualized premium of the new sales of insurance policies in life segment sold by the Company is HUF 1 935 million that is 25 percent higher than in the previous year, same period. Of this HUF 1 097 million is from unit-linked life insurance, HUF 838 million is from traditional and group life insurance policies. In the previous year the annualized premium of the new sales was HUF 1 554 million, of which HUF 959 million related to unit-linked life insurance, HUF 595 million was derived from traditional and group life insurance policies.

### New sales and portfolio development

Annualized premium of new sales - Life segment (million HUF)	30.06.2021 (A)	30.06.2020 (B)	Change (A - B)	Change % (A - B) / B
Unit-linked life insurances	1 097	959	138	14%
Traditional and group life insurances	838	595	243	41%
<b>Total annualized premium of new sales - Life</b>	<b>1 935</b>	<b>1 554</b>	<b>381</b>	<b>25%</b>

As for life insurance policies sold in 2021 the share of the tied agent network is 13 percent, the independent broker channel was 44 percent while the bank channel and the other business development combined was 43 percent.

## 7. Operating Segments

### Segment informations Q1-Q2 2021 (data in HUF millions)

ASSETS	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Intangible assets	513	20	-	-	533
Property, plant and equipment	164	16	-	-	180
Right of use assets	304	94	-	-	398
Deferred tax assets	386	-	-	-	386
Deferred acquisition costs	1 140	49	-	-	1 189
Reinsurer's share of technical reserves	205	108	-	-	313
Subsidiaries	2 956	-	-	-2 956	-
Investments by equity method	52	-	-	312	364
Available-for-sale financial assets	21 814	5 192	-	-	27 006
Investments for policyholders of unit-linked life insurance policies	80 369	-	-	-	80 369
Financial assets - investment contracts	5 139	-	-	-	5 139
Financial asset - derivatives	-	-	-	-	-
Receivables from insurance policyholders	1 630	-	-	-	1 630
Receivables from intermediaries	39	24	-	-	63
Receivables from reinsurances	23	45	-	-	68
Treasury shares	-	-	149	-149	-
Other assets and prepayments	19	13	-	-	32
Other receivables	209	118	1	3	331
Cash and cash equivalents	874	278	23	-	1 175
Intercompany receivables	699	-	489	-1 188	-
Assets held for sale	-	87	-	-	87
<b>Total assets</b>	<b>116 535</b>	<b>6 044</b>	<b>662</b>	<b>-3 978</b>	<b>119 263</b>

Liabilities	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Technical reserves	14 245	2 387	-	-	16 632
Technical reserves for policyholders of unit-linked insurance	80 369	-	-	-	80 369
Financial liabilities – investment contracts	5 139	-	-	-	5 139
Financial liabilities - derivatives	-	2	-	-	2
Liabilities from financial reinsurance	64	-	-	-	64
Liabilities from reinsurance	60	46	-	-	106
Liabilities from insurance policyholders	803	23	-	-	826
Liabilities from intermediaries	164	59	-	-	223
Intercompany liabilities	489	62	159	-710	-
Liabilities from lease	310	97	-	-	407
Other liabilities and provisions	984	756	5	23	1 768
Liabilities to shareholders	20	-	-	-	20
Liabilities held for sale	-	24	-	-	24
<b>Total liabilities</b>	<b>102 647</b>	<b>3 456</b>	<b>164</b>	<b>-687</b>	<b>105 580</b>
<b>NET Assets</b>	<b>13 888</b>	<b>2 588</b>	<b>498</b>	<b>-3 291</b>	<b>13 683</b>
<b>Shareholder's Equity</b>					
Registered capital	3 116	1 065	266	-1 331	3 116
Capital reserve	4 019	4 630	81	-7 577	1 153
Treasury shares	-	-	-	-32	-32
Share-based payment	9	-	-	-	9
Other reserve	-1 420	-36	-	-	-1 456
Retained earnings	8 164	-3 071	151	5 657	10 901
NCI	-	-	-	-8	-8
<b>Total shareholder's equity</b>	<b>13 888</b>	<b>2 588</b>	<b>498</b>	<b>-3 291</b>	<b>13 683</b>

Statement of comprehensive income	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Gross written premium	10 676	154	-	-	10 830
Changes in unearned premiums reserve	-66	89	-	-	23
Earned premium Gross	10 610	243	-	-	10 853
Ceded reinsurance premium	-133	-86	-	-	-219
<b>Earned premiums net</b>	<b>10 477</b>	<b>157</b>	<b>-</b>	<b>-</b>	<b>10 634</b>
Premium and commission income from investment contracts	95	-	-	-	95
Investment income	7 084	-30	91	-82	7 063
Share of the profit of associates and joint ventures accounted for using the equity method	448	-	-	-289	159
Other operative income	443	30	-	-32	441
Commission and profit sharing from reinsurance	-1	33	-	-	32
<b>Other income</b>	<b>8 069</b>	<b>33</b>	<b>91</b>	<b>-403</b>	<b>7 790</b>
<b>Total income</b>	<b>18 546</b>	<b>190</b>	<b>91</b>	<b>-403</b>	<b>18 424</b>
Claim payments and benefits, and claim settlement costs	-7 383	-227	-	-	-7 610
Recoveries from reinsurance	43	29	-	-	72
Net change in the value of life technical reserves and unit-linked life insurance reserves	-6 793	164	-	-	-6 629
Investment expenditure	-54	-23	-266	266	-77
Change in the fair value of liabilities relating to investment contracts	-367	-	-	-	-367
<b>Change in the fair value of assets and liabilities relating to embedded derivatives</b>	<b>-14 554</b>	<b>-57</b>	<b>-266</b>	<b>266</b>	<b>-14 611</b>
Fees, commissions and other acquisition costs	-1 759	-158	5	-21	-1 933
Other operating costs	-827	-277	-15	13	-1 106
Other expenses	-201	-14	-	63	-152
<b>Operating costs</b>	<b>-2 787</b>	<b>-449</b>	<b>-10</b>	<b>55</b>	<b>-3 191</b>
<b>Result of assets held for sale</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>
<b>Profit/loss before taxation</b>	<b>1 205</b>	<b>-313</b>	<b>-185</b>	<b>-82</b>	<b>625</b>
Tax income / (expenses)	-112	-7	-	-	-119
<b>Profit/loss after taxation</b>	<b>1 093</b>	<b>-320</b>	<b>-185</b>	<b>-82</b>	<b>506</b>
Other comprehensive income	-639	-46	-	-	-685
<b>Comprehensive income</b>	<b>454</b>	<b>-366</b>	<b>-185</b>	<b>-82</b>	<b>-179</b>

**Segment information Q1-Q2 2020 restated (data in million HUF)**

ASSETS	CIG Life insurance segment	CIG Non-life insurance	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Intangible assets	580	14	4	-	598
Property, plant and equipment	67	8	28	-	103
Right of use assets	23	13	76	-	112
Deferred tax assets	415	-	-	-	415
Deferred acquisition costs	1 208	115	-	-	1 323
Reinsurer's share of technical reserves	384	155	-	-	539
Subsidiaries	1 979	-	-	-1 979	-
Investments in jointly controlled companies	52	-	-	313	365
Available-for-sale financial assets	19 913	3 954	-	-	23 867
Investments for policyholders of unit-linked life insurance policies	65 936	-	-	-	65 936
Financial assets - investment contracts	3 684	-	-	-	3 684
Financial assets - derivatives	22	16	-	-	38
Receivables from insurance policyholders	1 992	10	-	-	2 002
Receivables from intermediaries	67	29	26	-	122
Reinsurance receivables	8	51	-	-	59
Treasury shares	-	-	64	-64	-
Other assets and prepayments	33	24	-	-	57
Other receivables	347	842	15	3	1 207
Cash and cash equivalents	2 164	737	35	-	2 936
Intercompany receivables	476	78	278	-832	-
Assets held for sale	-	957	-	-	957
<b>Total assets</b>	<b>99 350</b>	<b>7 003</b>	<b>526</b>	<b>-2 559</b>	<b>104 320</b>



LIABILITIES	CIG Life insurance segment	CIG Non-life insurance	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Technical reserves	13 597	2 438	-	-	16 035
Technical reserves for policyholders of unit-linked insurance	65 936	-	-	-	65 936
Financial liabilities – investment contracts	3 684	-	-	-	3 684
Liabilities from financial reinsurance	231	-	-	-	231
Liabilities from reinsurance	63	135	-	-	198
Liabilities from insurance policyholders	637	22	-	-	659
Liabilities from intermediaries	150	107	33	-	290
Intercompany liabilities	357	48	113	-518	-
Liabilities from lease	27	16	83	-	126
Other liabilities and provisions	1 120	1 094	29	23	2 266
Liabilities to shareholders	20	-	-	-	20
Liabilities held for sale	-	823	-	-46	777
<b>Total liabilities</b>	<b>85 822</b>	<b>4 683</b>	<b>258</b>	<b>-541</b>	<b>90 222</b>
<b>NET Assets</b>	<b>13 528</b>	<b>2 320</b>	<b>268</b>	<b>-2 018</b>	<b>14 098</b>
<b>Shareholder's Equity</b>					
Registered capital	9 443	1 060	216	-1 276	9 443
Capital reserve	4 019	2 839	81	-5 786	1 153
Share based payments	16	5	-	-	21
Other reserves	-1 081	4	-	-	-1 077
Retained earnings	1 131	-1 588	-29	5 047	4 561
NCI	-	-	-	-3	-3
<b>Total Shareholder's equity</b>	<b>13 528</b>	<b>2 320</b>	<b>268</b>	<b>-2 018</b>	<b>14 098</b>

STATEMENT OF COMPREHENSIVE INCOME	CIG Life insurance segment	CIG Non-life insurance	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Gross written premium	9 232	68	-	-	9 300
Changes in unearned premiums reserve	-13	437	-	-	424
Earned premiums, gross	9 219	505	-	-	9 724
Ceded reinsurance premiums	-125	-106	-	-	-231
<b>Earned premiums, net</b>	<b>9 094</b>	<b>399</b>	<b>-</b>	<b>-</b>	<b>9 493</b>
Premium and commission income from investment contracts	73	-	-	-	73
Investment income	305	165	106	-102	474
Share of the profit of associates and joint ventures accounted for using the equity method	361	-	-	-201	160
Other operating income	542	689	88	-612	707
Commission and profit sharing from reinsurance	-	44	-	-	44
<b>Other income</b>	<b>1 281</b>	<b>898</b>	<b>194</b>	<b>-915</b>	<b>1 458</b>
<b>Total income</b>	<b>10 375</b>	<b>1 297</b>	<b>194</b>	<b>-915</b>	<b>10 951</b>
Claim payments and benefits, and claim settlement costs	-6 501	-205	-	10	-6 696
Recoveries from reinsurance	30	-2	-	-	28
Net change in the value of life technical reserves and unit-linked life insurance reserves	4 375	-303	-	-	4 072
Investment expenditure	-4 712	-98	-7	-	-4 817
Change in the fair value of liabilities relating to investment contracts	147	-	-	-	147
<b>Investment expenses, changes in reserves and benefits, net</b>	<b>-6 661</b>	<b>-608</b>	<b>-7</b>	<b>10</b>	<b>-7 266</b>
Fees, commissions and other acquisition costs	-1 673	-126	-141	47	-1 893
Other operating costs	-694	-370	-15	1	-1 078
Other expenses	-118	-123	-5	79	-167
<b>Operating costs</b>	<b>-2 485</b>	<b>-619</b>	<b>-161</b>	<b>127</b>	<b>-3 138</b>
<b>Result of assets held for sale</b>	<b>-</b>	<b>373</b>	<b>-</b>	<b>399</b>	<b>772</b>
<b>Profit/loss before taxation</b>	<b>1 229</b>	<b>443</b>	<b>26</b>	<b>-379</b>	<b>1 319</b>
Tax income / (expenses)	-114	-30	-1	-	-145
<b>Profit/loss after taxation</b>	<b>1 115</b>	<b>413</b>	<b>25</b>	<b>-379</b>	<b>1 174</b>
Other comprehensive income	-633	-49	-	-	-682
<b>Comprehensive income</b>	<b>482</b>	<b>364</b>	<b>25</b>	<b>-379</b>	<b>492</b>

## 7. Number of employees, ownership structure

The number of employees at the members of the Group was 129 on 30 June of 2021.

### Composition of the Issuer's share capital (30 June of 2021)

Series of shares	Nominal value (HUF/each)	Issued number of shares	Total nominal value (HUF)
Series „A“	33	94 428 260	3 116 132 580
of this treasury share	-	-	-
<b>Amount of share capital</b>	-	-	<b>3 116 132 580</b>

### Number of voting rights connected to the shares (30 June of 2021)

Series of shares	Number of shares issued	Number of voting shares	Voting rights per share	Total voting rights	Number of treasury shares
„A“ series	94 428 260	94 428 260	1	94 428 260	-

### The Issuer's ownership structure (30 June of 2021)

Owners	Number of shares	Ownership stake	Voting rights
Domestic private individual	37 681 576	39,91%	39,91%
Domestic institution	54 631 896	57,86%	57,86%
Foreign private individual	198 751	0,21%	0,21%
Foreign institution	531 070	0,56%	0,56%
Nominee, domestic private individual	1 178 518	1,25%	1,25%
Nominee, foreign private individual	164 900	0,17%	0,17%
Nominee, foreign institution	32 512	0,03%	0,03%
Unidentified item	9 037	0,01%	0,01%
<b>Total</b>	<b>94 428 260</b>	<b>100%</b>	<b>100%</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 June 2021**

Name	Registered seat	The Issuer's share
CIG Pannonia First Hungarian General Insurance Company cPlc.	1033 Budapest, Flórián tér 1.	100,0%
Pannonia PI-ETA Funeral Service Limited Liability Company	1033 Budapest, Flórián tér 1.	100,0%
MKB-Pannonia Fund Manager cPlc.	1068 Budapest, Benczúr utca 11.	16,0%
CIG Pannonia Financial Intermediary cPlc.	1033 Budapest, Flórián tér 1.	95,0%
OPUS GLOBAL Plc.	1062 Budapest, Andrássy út 59.	1%

## 8. Information published in the period

Date	Subject, short summary
1 April 2021	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
12 April 2021	Summary of the proposals relating to issues placed on the agenda items and the draft resolutions for the AGM and the draft of the 2020 Annual report
15 April 2021	EXTRAORDINARY INFORMATION about the subsidiary involved in the consolidation
19 April 2021	Information on the Decisions of the Board of Directors of CIG Pannónia Life Insurance Plc. made under the authority of the General Meeting
23 April 2021	EXTRAORDINARY INFORMATION about the subsidiary involved in the consolidation
30 April 2021	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
4 May 2021	Extraordinary announcement on the authorization of an executive officer
7 May 2021	Extraordinary Announcement on the transfer of treasury shares of CIG Pannónia Plc.
13 May 2021	EXTRAORDINARY INFORMATION on the election of the new Chairman of the Board of Directors
31 May 2021	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
31 May 2021	Information - customer service opening hours
1 June 2021	In addition to our CIG Pannonia Pension Bond and Pannonia Essence Investment Life Insurance products, now also choose Pannonia Ark Life, Accident and Sickness Insurance!
7 June 2021	EXTRAORDINARY INFORMATION about the subsidiary involved in the consolidation
18 June 2021	EXTRAORDINARY INFORMATION on the submission of a mandatory public takeover bid
21 June 2021	EXTRAORDINARY INFORMATION on the provision of health insurance services
29 June 2021	EXTRAORDINARY INFORMATION on the suspension of a mandatory public takeover procedure
30 June 2021	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
14 July 2021	EXTRAORDINARY INFORMATION on the decision of the Hungarian Competition Authority in connection with a mandatory public takeover bid
19 July 2021	EXTRAORDINARY INFORMATION
30 July 2021	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 ([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)).

## 9. Disclaimer

The Issuer declares that the report for the second quarter of 2021 was not reviewed by an auditor, the report for the second quarter of 2021 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 August 2021, Budapest

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Polányi Zoltán  
Chief Executive Officer

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Tóth Alexandra  
Chief Financial Officer

## Investor relations

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