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

Q3 2022

CIG PANNÓNIA BIZTOSÍTÓ

21 November 2022, Budapest

Zoltán Polányi
Chief Executive Officer

dr. István Fedák
Chief Executive Officer

CONTENTS

1. 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 its third quarterly report (hereinafter: Report) for 2022. The Issuer publishes in this Report for the first three quarters of 2022, 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.

Significant results of the third quarter of 2022:

- According to our report, our profit after tax increased from HUF 795 million last year to **HUF 828 million** by the end of the third quarter of 2022. This corresponds to an increase of 4%. Considering the government measures affecting the insurance market, which significantly influenced the Company's third-quarter performance, the appropriate comparison showing the actual performance should be interpreted without the so-called "extra profit tax". In the corresponding comparison, **we increased our profit by 39% in one year**, increasing it by HUF 308 million compared to the first three quarters of 2021. We are moving along our designated strategic path and this growth rate is outstanding even compared to our results achieved in the past period. The "extra profit tax" - with its value of HUF 275 million - consumed most of our annual growth. It is important to note that the annual growth of all tax items - HUF 455 million - is essentially the same as the HUF 487 million of our annual profit growth without taxes.
- The engines of growth are the increase in sales, the development of the sales channels, and the introduction of new products. **Our insurance premiums increased by HUF 6.7 billion, i.e. 42% compared to 2021**. All of our portfolios - with the exception of traditional products - took part in this growth. The growth of our unit-linked, industrial property, fleet casco, and - compared to the second quarter - our group life insurance products contributed to our results by more than one billion forints each.
- The growth of our premium remains to be ensured by new sales. As in the last quarter, **the industrial property and fleet casco products of the non-life sector increased significantly compared to 2021, by HUF 1.8 and 2.1 billion, respectively**. We managed to double the new acquisitions of group life products, and the new acquisitions of other non-life products almost tripled. We were also

1. SUMMARY

able to increase new acquisitions of other life products - unit-linked and traditional products. When considering the drastic rise in yields on the market and the increase of inflation, the more modest growth rate of these products cannot be considered a surprise. New acquisitions of other non-life insurance products – passenger, home, surety, and group insurance sold through MVM and Magyar Bankholding and its member companies – nearly doubled.

- Among the performance of our sales channels, **the network of independent salesmen stands out, whose new acquisitions increased nearly fourfold** compared to the same period in 2021. This very significant growth indirectly affected the performance of the own network as well. The **banking channel** continued its growth also in this quarter, **doubling the value** of new contracts, which is the result of our strategic agreement with MKB Nyrt. The 22% growth of the alternative sales channel are a result of the agreements on the conclusion of group property insurances signed with MVM and individual property insurances signed with Euroleasing.
- **The increase in yield due to rising inflation also had a significant impact on the valuation of our securities**, reducing their market value. According to the relevant international accounting standards (IFRS), the unrealized exchange rate loss does not reduce our profit after tax, but it does reduce the sales reserve in equity and thus the value of equity. The consolidated, unrealized exchange rate loss reached HUF 4.8 billion by the end of the quarter. This loss can affect our after-tax profit in two cases: if we sell our securities in large quantities, or if the Hungarian public debt rating is worsened by the international credit rating agencies.
- Despite the above, the capital position of our insurance company is stable, our capital adequacy ratio is 200%.
- Among the market effects, we must highlight the significant weakening of the forint against the euro, which was seen throughout 2022, directly affecting the size of our claim payments. **We manage the risks arising from the currency exposure of our balance sheet with natural hedging transactions**, thus ensuring that we avoid sudden negative effects appearing in our results.

Record results and growth

HUF 828 million profit after tax / after HUF 275 million extra tax
(2021 Q1-Q3 had HUF 795 million profit with HUF 0 extra tax payed)

39% profit increase
37% (+ HUF 4,031 million) premium increase

Portfolio growth

Compared to Q3 2021

+ **HUF 2 146 million** unit-linked
+ **HUF 1 372 million** fleet casco
+ **HUF 1 235 million** group personal insurance
+ **HUF 1 497 million** in industrial property

Our insurence fees have increased by **HUF 6,7 billion, by 42%**

CIG is among the TOP 8 pension insurers

6,39% market share in the pension insurance market

CIG is among the TOP 10 life insurance companies

4,49% market share in the life insurance industry
Among nearly 30 insurance companies operating in Hungary

200%

Our consolidated capital adequacy

(The value expected by the Supervisor is 150%.)

Sales our channels growth

Over 382% new acquisition of brokers
106% increase in the banking channel
22% is alternative sales network growth

The number of our cooperating broker partners

Life insurance: **from 20 to 220** partners
EMABIT: **from 0 to 153** partners

Awards - Cig Pannónia Financial Business and Insurer of the year!

CIG Pannónia has won the **„Financial Business of the Year"** award at Hungary's most important business event, Top200 Figyelő Gala 2022.

Meanwhile at the Money Moon Awards, CIG Pannónia Életbiztosító Nyrt. has won the **„Insurer of the Year"** award, as well as 5 other awards for asset bases.

12,000 insured vehicles

More than 12,000 vehicles in the casco portfolio

3 000. BajTárs

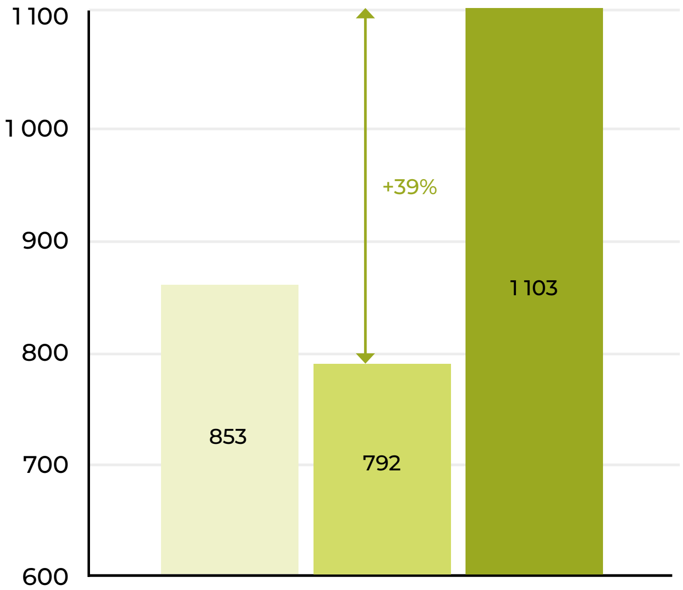
Iránytű online travel insurance ✓
3 000 sold BajTárs ✓
LakóTárs / LakóTárs Extra home insurance ✓

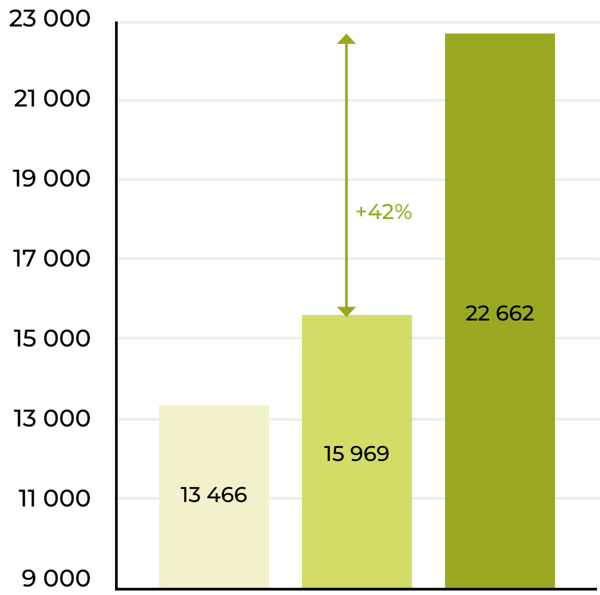
Daily

15 pcs home insurance
18 pcs travel insurance

Graph 1
Profit after tax W/O result of assets held for sale (million HUF)

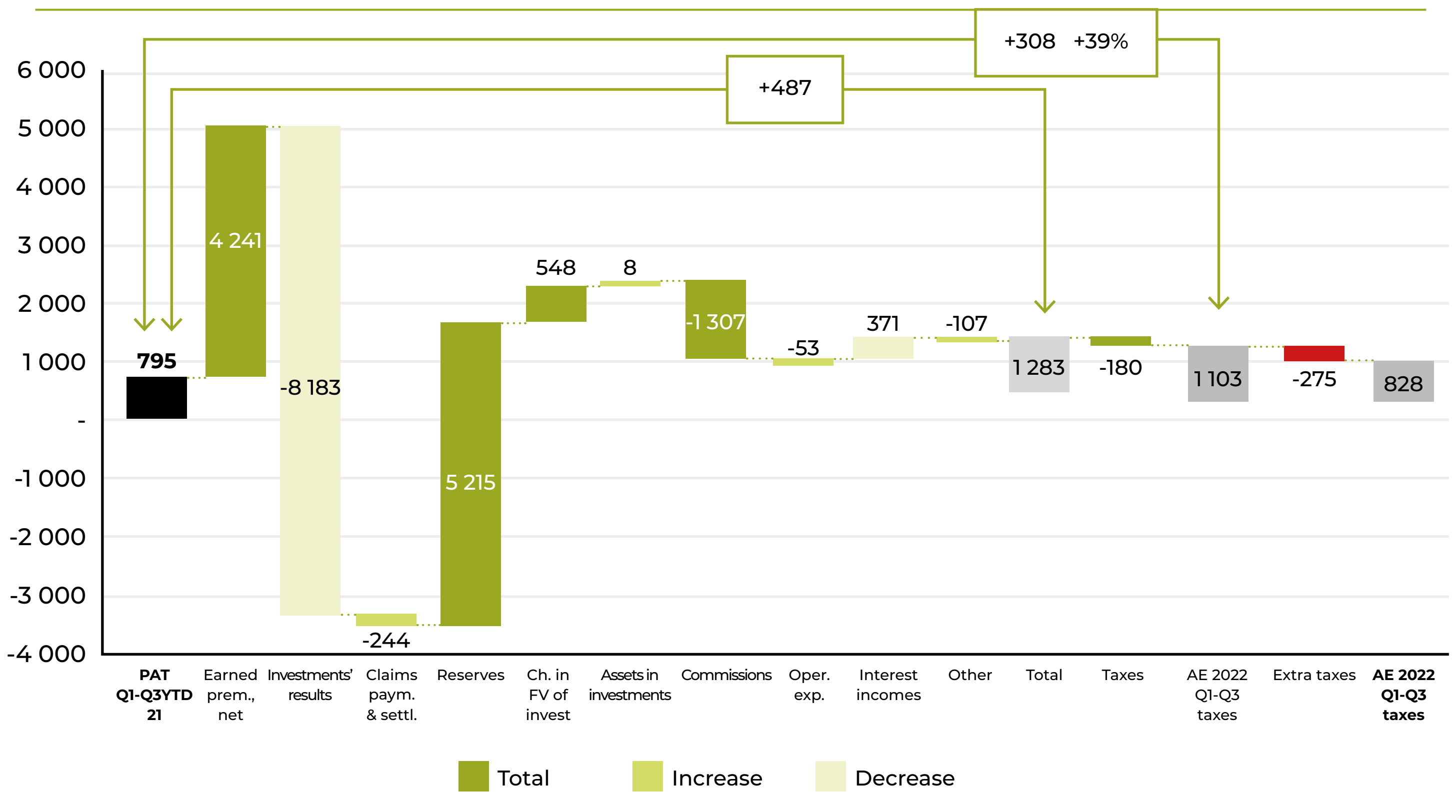
Graph 2
Gross earned premiums (million HUF)



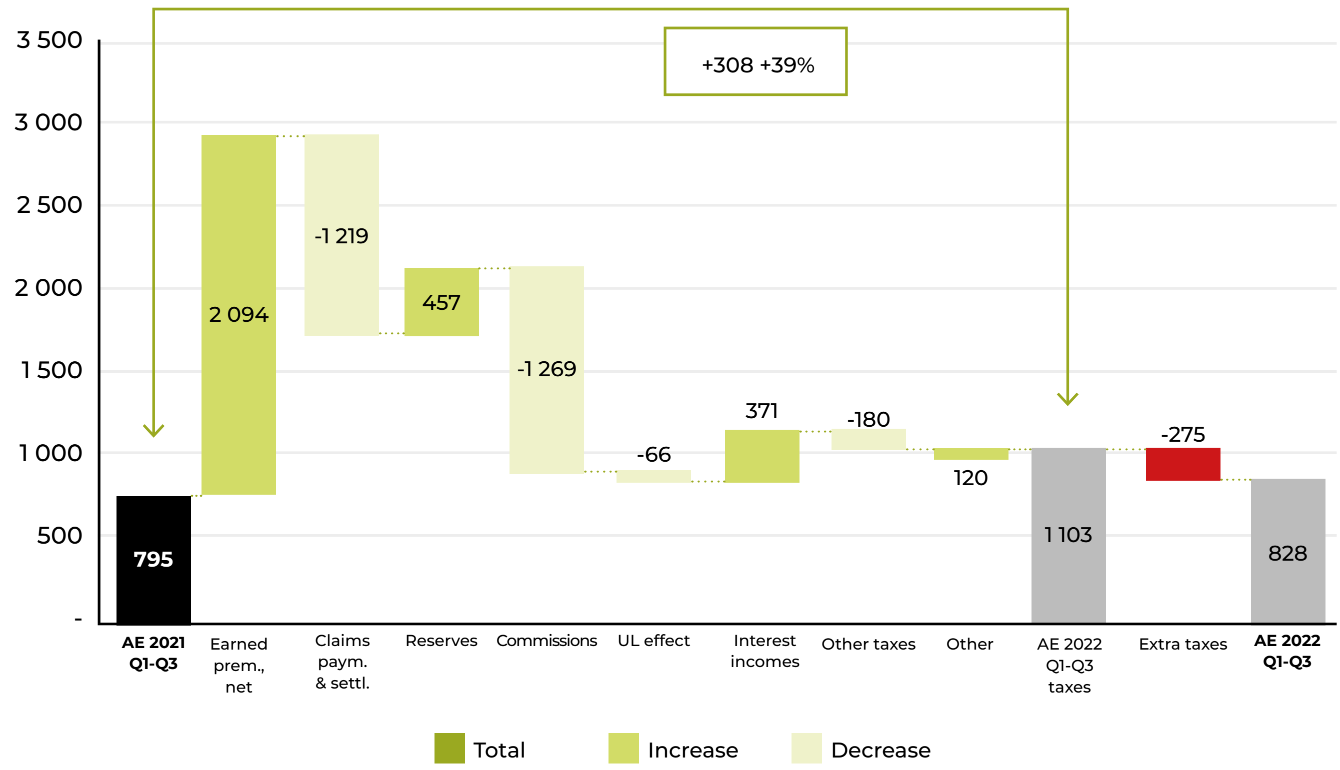


Q3YTD '20 Q3YTD '21 Q3YTD '22

Graph 3
Changes in consolidated profit after tax YoY Q3'22 YTD (million HUF)



Graph 4
Changes in consolidated profit after tax YoY Q3'22 YTD (million HUF)



In the analysis of the growth of our result[1], it is expedient to handle the effect of the so-called unit-linked (UL) products together, as this product group has a significant effect on several profit lines, however, the individual increases and decreases are related compared to the previous year, therefore we also made a diagram highlighting this.

We must begin the evaluation of the profit movement of the first three quarters by mentioning the drastic increase in yield compared to last year, which affected individual lines of our profit and loss statement to different extents. In general, it can be said that the increase in yield has a negative effect on some of our product groups - especially UL products - but it has a positive effect on the increased interest income - increasing it by HUF 371 million. The figure above shows that the result of the two effects is positive for us in the first three quarters of 2022, which thus significantly contributed to the – excluding the surtax – 39% annual profit increase.

Other significant impacts compared to last year are the increase in inflation and the weakening of the HUF compared to major foreign currencies – especially the EUR. The increase in inflation has a direct negative effect on our claim payments – especially for casco products –, and on our costs, however, we reduced the profit-reducing effect of the weakening of the HUF with natural hedging and foreign exchange market hedging transactions, so this did not cause a significant loss for our Insurer.

Our unit-linked products overall – similarly to the first two quarters of 2022 –reduced our result compared to last year. In the case of our regular premium products, we can see that the change in the aforementioned yield environment basically reduces the profit-enhancing effect of these products, while the positive change in the result of the single premium products partially offsets this. The positive effect of single-fee products is the sum of the profit-enhancing effects of successful sales and reserves. The already mentioned government measures put the profitability of single-fee products under significant pressure, therefore, the profit-enhancing effect of these products will most likely not appear in the future.

The increase in our premium income is to the greatest extent explained by the growth of unit-linked, group life insurance, industrial property and fleet casco insurances of more than HUF 1 billion each. Our other non-life insurance

1 AE: Profit after tax; UL: unit-linked insurances

premiums also increased by HUF 446 million compared to last year. Premium income from traditional products stagnated year-on-year, however, new acquisitions of this product type increased by 22%, which may be a positive sign for our future premium income. Our net premium income, decreased with the reinsurance premiums, also increased by 27% year-on-year. The implementation of our Growth Strategy and the continuous, prudent growth in terms of premium income are important to us, therefore we highlight that our premium income in all three quarters this year was higher than the premium income of the same quarters in 2021.

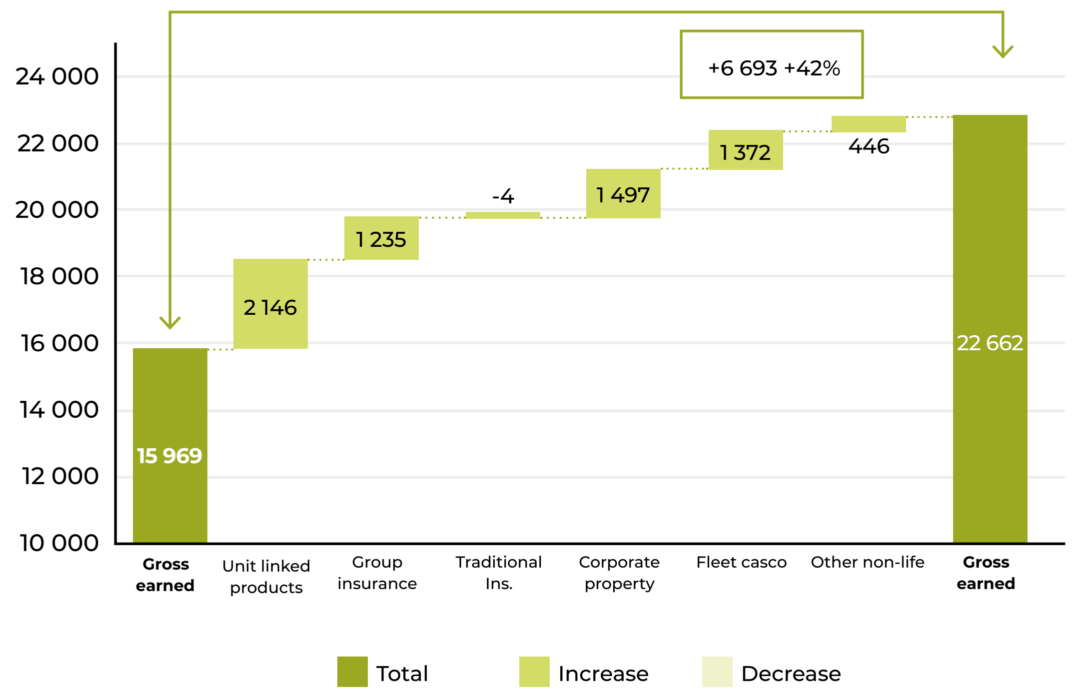
Another important component of the increase in our result is the movement of our insurance reserves, which was positive in the first three quarters of 2022, improving our result. This positive effect can be traced back to two reasons: (i) the reduction in the reserves of the already mentioned single-premium UL products, (ii) and the decrease of accounting reserves of the traditional products.

The increase in commissions reduces our profit, but this is closely related to the new policies[2] and the increase in premiums for later periods, thus we can interpret this profit-reducing effect as a sign of the realization of our strategy. The dynamic growth of new acquisitions is seen in all portfolios.

As in the previous quarter, the increase of the annual new acquisition of industrial property, fleet casco and group life insurance products is outstanding. In the latter product group, it is worth highlighting our insurances linked to bank products and supporting various life situations, which are sold based on the agreement concluded with Magyar Bankholding and its member companies. The increase in premiums for other non-life insurance products is largely explained by the increase in sales of passenger and home insurances, as well as the increase in group products sold through Magyar Bankholding and its member companies.

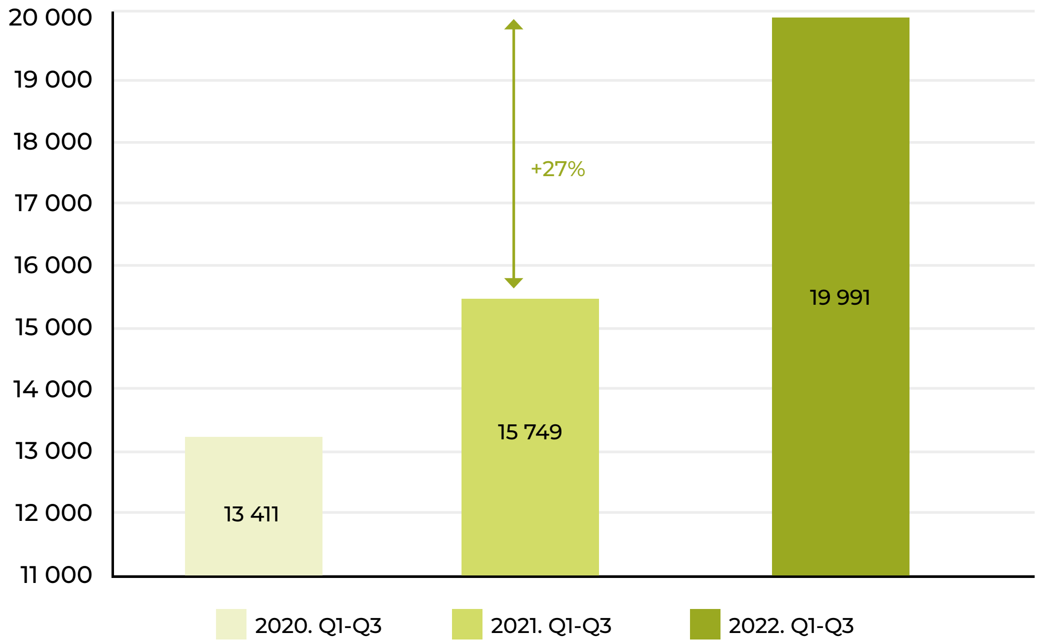
Graph 5

Changes in gross earned premium YoY Q3'22 YTD (million HUF)



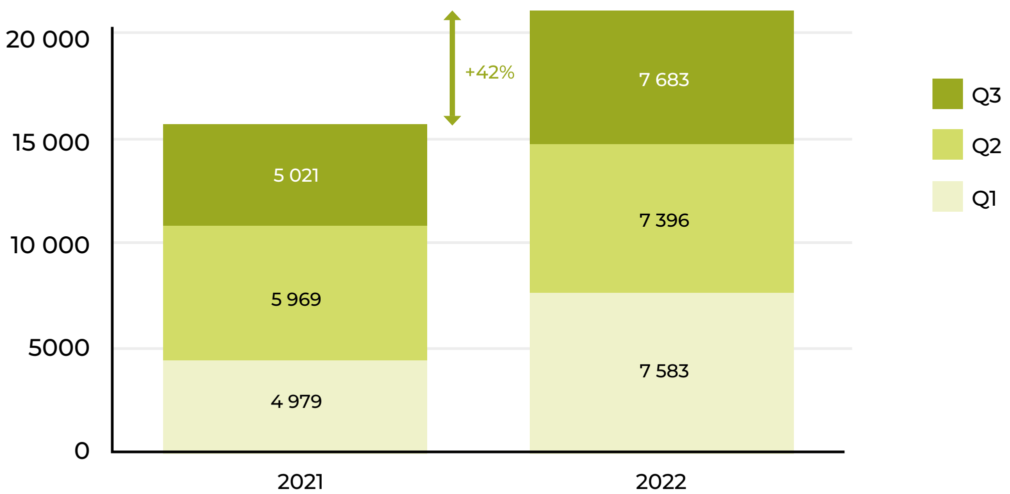
2 In the life insurance segment by new policies we mean the increase of the annual premium of the regular premium policies concluded in the given period, and the increase of 10% of the premium of single premium contracts (in total so-called APE value), in accordance with the usual standards. In the non-life insurance segment with the exception of group insurances, we understand the change in the given period as new policies:, the total change in gross premium. In the case of group insurance contracts, the change in the total gross written premiums.

Graph 6
Net earned premiums (million HUF)

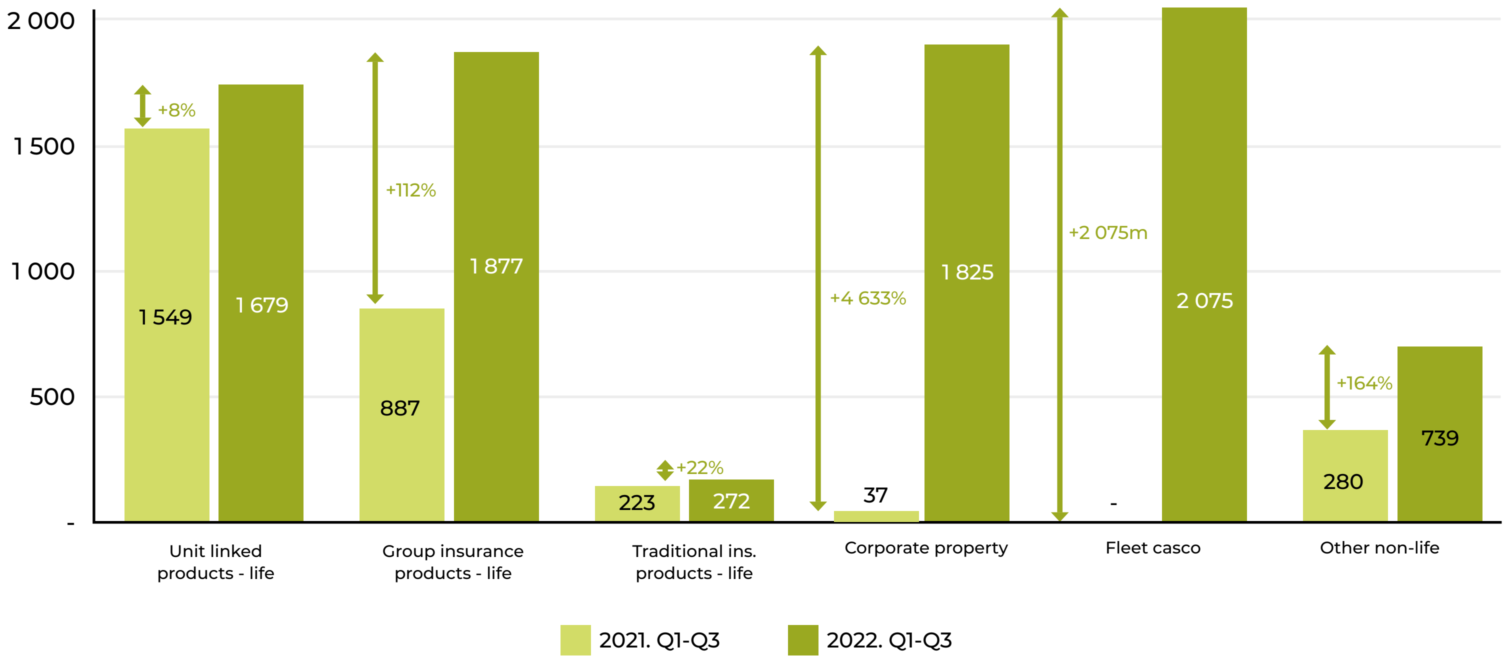


The increase in new acquisitions can be observed in almost all channels, of which the almost fourfold increase of new acquisitions in the independent channel is extremely outstanding, however, we evaluate the growth of the banking channel and our other business developments as a positive sign of the new sales directions.

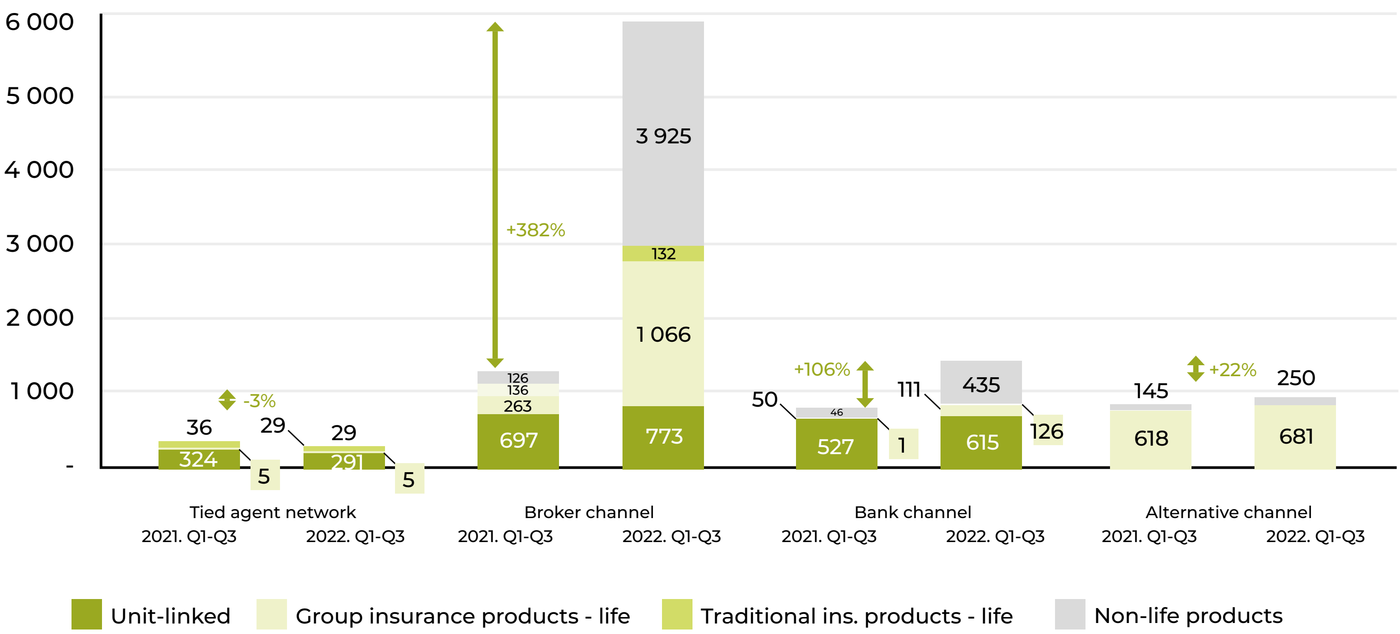
Graph 7
Gross earned premium by quarters Q3'22 YTD YoY (million HUF)



Graph 8
New contracts by portfolios Q3'22 YTD YoY (million HUF)



Graph 9
New contracts by portfolios and partners' type Q3'22 YTD, YoY (million HUF)



1.2 The implementing steps of the Growth Strategy:

Precondition for the realization of the growth opportunities at the group level - i.e. jointly with the companies included in the consolidation of the Company's interests (hereinafter: the "**Group**" or the "**CIG Pannónia Group**") - was the resumption of the operation of CIG Pannónia Első Magyar Általános Biztosító Zrt. (**EMABIT**), whose first results are mostly visible in the numbers of new acquisitions - new contracts.

Our strategy remains unchanged: increasing our insurance premiums and result. The year 2022 was already about implementation: after creating the foundations, we developed our product range and sales network and made it known on the market.

In the third quarter, we did not introduce any new products, instead we tried to optimize the sale of the already available products so that for our customers their availability and the quality of our services improves. Due to the already mentioned government measures and the increased inflation, the profitability of some elements of our product range is under significant pressure, thus we constantly evaluate these, as we have to maintain our competitiveness on the one hand, and also our profitability on the other.

To make the products known, we continued the promotion of Iranytű travel insurance - launched in the second quarter - on social media during the main summer season starting in July, with a comment-based Facebook prize game. As the second step of the Iránytű travel insurance campaign, we tried to assess travel habits in the form of a questionnaire, which campaign was extremely popular, as we received more than three thousand completions from our existing and future customers. We have issued a press release on the results of the questionnaire, as it is important for us to inform our customers adequately. The press release itself was also popular, it was picked up by a number of major online portals (origo.hu, vg.hu, index.hu, portfolio.hu, penzcentrum.hu, figyelo.hu, etc.), and also an interview was conducted with CEO Zoltán Polányi on InfoRádió. The success of the entire campaign is proven by the significantly higher number of online travel insurance contracts concluded on the website cigpannonia.hu during its period.

The basis of every strategy is the force, that holds its implementing team together and the corporate culture. One of the challenges for our company is to increase the number of colleagues necessary for growth in line with our strategy in such a way, that the internal cohesion, the force that holds the team together is strengthened. To do this, we have developed the onboarding process of our new colleagues in the past period so that they receive all the training, knowledge and information that will enable them to work with us efficiently, focusing on their own strengths. Of course, our „old" colleagues are also important to us, so in addition to the evaluation system introduced at the beginning of the year, we have laid the foundations for them to be able to put their careers in the right perspective, for which we provide maximum support.

The status of achieving our strategic goals is illustrated in the figure below:

Short-term strategic action areas	Strategic actions	Actual status
Developing a composite product portfolio	1.1 Development of non-life base products	80%
	1.2 Development of non-life technical pricing competence, methodology and platform	30%
	1.3 Development of claims handling and customer management processes (non-life)	90%
	1.4 Developing risk monitoring and risk management branches	95%
	1.5 Developing broker network coverage	100%
	1.6 Developing own agent network	100%
	1.7 Setting up a call center (Telesales)	100%
Laying the foundations for composite operations	2.1 IFRS17 preparations	80%
	2.2 Development of BanCS core system	30%
	2.3 Development of webservices	10%
	2.4 Further development of customer portals	10%
	2.5 Implementing IT operation and development supporting processes and solutions	25%
	2.6 Digitization of claims handling	20%
	2.7 Development of corporate governance and internal operating rules	95%
	2.8 Developing the sales support team	100%
	2.9 Building the structure of an HR organization	100%
	2.10 Development of the organizational culture	60%
Strengthening the retail and corporate market presence	3.1 Increasing brand awareness in the retail and corporate sectors	70%
	3.2 Improving communication towards investors	60%
	3.3 Strengthening banking and corporate partnerships	100%

MAIN EVENTS AND RESULTS OF THE REPORTING PERIOD (REFERENCE PERIOD, Q3) IN THE TIMELINE OF CAPITAL DISCLOSURES AND PREVIOUS EVENTS

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

1.2.1.1. CIG Pannónia Eletbiztosító Nyrt. informed the shareholders about the decision of the Hungarian Competition Authority

The information draw attention to the fact, that according to the official certificate issued by the Hungarian Competition Authority on 6 July 2022, the portfolio of insurance contracts to be acquired as part of the Agreement[3] of the Company and its 100% subsidiary CIG Pannónia Első Magyar Áltanos Biztosító Zrt. (headquarters: 1097 Budapest, Könyves Kálmán krt. 11. „B" building; company registration number: 01-10-046150) (together: CIG Pannónia Biztosítók), published on 18 October 2021 and concluded with BNP Paribas Cardif Életbiztosító Zrt. (headquarters: 1062 Budapest, Teréz körút 55-57, company registration number: 01-10-044718) and with BNP Paribas Cardif Biztosító Zrt. (headquarters: 1062 Budapest, Teréz körút 55-57., company registration number: 01-10-044717) (collectively: BNP Paribas Cardif Biztosítók), does not require an investigation of the merger by the Authority.

In connection with the above transaction, the Company informed the public on 14 July 2022 that following the decision of the Hungarian Competition Authority (that there is no competition law obstacle to the acquisition of stocks), the Magyar Nemzeti Bank (Hungarian National Bank, MNB) authorized with its decision no. H-EN-II-115/2022 dated 13 July 2022, that BNP Paribas Cardif Biztosító Zrt.'s contract portfolio containing all group non-life insurance contracts (credit coverage insurance resulting from non-life insurance contracts [except residential property insurance with credit coverage clause], insurance against various financial losses, other residential property insurance insurance contracts) and to which the insurance contracts are contracted by MKB Bank Nyrt., as the legal successor of BUDAPEST Hitel- és Fejlesztési Bank Zártkörűen Működő Részvénytársaság, are transfered to CIG Pannónia Első Magyar Áltanos Biztosító Zrt. with the effect of 1 September 2022.

With its decision no. H-EN-II-115/2022 dated 13 July 2022 Magyar Nemzeti Bank also authorized that - likewise based on the referred Agreement - BNP Paribas Cardif Életbiztosító Zrt.'s contract portfolio containing all group life insurance contracts (insurance contracts belonging to the risk group of group credit coverage life insurance) and to which the insurance contracts are contracted by MKB Bank Nyrt., as the legal successor of BUDAPEST Hitel- és Fejlesztési Bank Zártkörűen Működő Részvénytársaság, are transfered to CIG Pannónia Életbiztosító Nyrt. with effect of 1 September 2022. Following the transfer of the portfolio, CIG Pannónia Biztosítók will be the insurer of the portfolio of contracts specified in the license of the Magyar Nemzeti Bank, which will be reinsured by BNP Paribas Cardif Biztosítók in accordance with the aforementioned Agreement.

The Board of Directors of the Company wishes to underline in this current document in relation to the aforementioned Agreement that the content of the transactional elements stemming from the Agreement fit well into the framework of the previously published Growth Strategy[4] outlining the development directions and goals, and should be evaluated as a defining element of it, contributing to the goal of CIG Pannónia Biztosítók to become in the upcoming period a reliable composite insurance company of decisive size with a stable background and a portfolio of both life insurance and non-life insurance products.

The informations were published on the Company's website (www.cigpannonia.hu), on the website operated by the Hungarian National Bank (www.kozzetetelek.hu) and on the website of the Budapest Stock Exchange (www.bet.hu) as well.

1.2.1.2. Publication of the CEO presentation prepared in connection with the publication of the Company's 2022 Q2 report

On 25 August 2022, the Company informed the shareholders that it evaluated the Issuer's results in the light of the previously published Growth Strategy in a CEO presentation, which presentation was published simultaneously with the evaluation on all of the official publication sites with the note that the Company, in light of the results and the stable vision forming their basis, wishes to draw in an increased extent the attention of institutional investors to the main data of the Q2 report.

3 https://bet.hu/newkibdata/128622486/CIG_Cardif_meg%C3%A1llapod%C3%A1s_20211014.pdf
4 https://www.bet.hu/site/newkib/hu/2021.07./Strategia_megalkotasa_es_elfogadasa_128587250

In connection with the presentation and its publication we highlight our intention that the Company plans to use this measure periodically specifically as a means of informing our shareholders and the public in relation to previously published information, in order to ensure that the previously published information about CIG Pannónia Biztosítók are brought closer in the framework of investment relations at the management and investor levels.

1.2.1.3. Decision to increase the share capital of EMABIT[5]

On 30 September 2022, the Issuer informed the Investors that within its founding capacity it decided to increase the share capital of its subsidiary, EMABIT by HUF 5,000,000, as a result of which the new share capital of EMABIT rose to HUF 1,075,000,000. The share capital increase was carried out by the private placement of 5 new, dematerialized ordinary shares with a nominal value of HUF 1,000,000 and an issue value of HUF 200,000,000 each, in registered form - embodying the same rights as the previously issued shares – and by the payment of the monetary contribution. The entire share capital increase was carried out by CIG Pannónia Életbiztosító Nyrt. as the sole owner of EMABIT, and all shares were taken over by the Company. Along the share capital increase the Company placed the difference between the issue and nominal value of the shares, i.e. HUF 995,000,000, into the capital reserve of EMABIT.

In connection with its decision described above, the Board of Directors emphasizes that the capital increase and the formation of capital reserve were carried out in accordance with the Company's new strategic ideas, to finance the operation of the individual business branches, and to maintain the necessary, expected, and safe solvency capital compliance. The direct intention of the Company visible in its Growth Strategy and an important element of the strategy is - by strengthening the sales, internal lines of defense and the capital position - the operation of EMABIT's activities with the demand for growth and specific elements.

1.2.2. Other events

The Issuer - on the basis of a shareholder notification - on 1 September 2022, immediately after the notification, published information about the change in the voting shares that do not reach the limit value[6]. Based on the data of the notification, the published information recorded that Hungarikum Biztosítási Alkusz Kft. (headquarters: 8086 Felcsút, Fő utca 65.) purchased additional CIG Pannónia shares in addition to those recorded based on its previous notification. Altogether, the number of Hungarikum Biztosítási Alkusz Kft.'s shares in the Company changed to 54,298,808, which changed the proportion of its shares with voting rights to 57.50%.[7]

Budapest, 21 November 2022

CIG Pannónia Életbiztosító Nyrt.

5 https://bet.hu/newkibdata/128788619/CIG_EMABIT_t%C5%91keemel%C3%A9s_20220930_HUN.pdf
6 Law CXX of 2001 on the capital market, 61.§
7 https://bet.hu/newkibdata/128774986/HUN_r%C3%A9szesed%C3%A9s_20220901.pdf

2. FINANCIAL STATEMENTS

Table 1 Consolidated Statement of Comprehensive Income – cumulated data (data in million HUF)

	2022 Q1-Q3 (A)	2021 Q1-Q4 (B) restated	2021 Q1-Q3 (C) restated	Change (A)-(C)
Gross written premium	22 662	22 845	15 969	6 693
Changes in unearned premiums reserve	-643	-157	142	-785
Earned premiums, gross	22 019	22 688	16 111	5 908
Ceded reinsurance premiums	-2 028	-502	-362	-1 666
Earned premiums, net	**19 991**	**22 186**	**15 749**	**4 242**
Premium and commission income from investment contracts	89	147	90	-1
Commission and profit sharing due from reinsurers	628	60	35	593
Interest income calculated using the effective interest method	703	475	332	371
Investment income	567	11 616	8 138	-7 571
Yield on investment accounted for using equity method (profit)	259	808	251	8
Other operating income	517	1 113	576	- 59
Other income	**2 763**	**14 219**	**9 422**	**-6 659**
Total income	**22 754**	**36 405**	**25 171**	**-2 417**
Claim payments and benefits, claim settlement costs	-11 690	-15 465	-11 021	-669
Recoveries, reinsurer's share	507	147	82	425
Net changes in value of the life technical reserves and unit-linked life insurance reserves	-2 768	-11 964	-7 983	5 215
Investment expenses	-776	-240	-164	-612
Impairment and impairment reversal of financial assets	-10	-14	-	-10
Change in the fair value of liabilities relating to investment contracts	242	-437	-307	549
Investment expenses, changes in reserves and benefits, net	**-14 495**	**-27 973**	**-19 393**	**4 898**
Fees, commissions and other acquisition costs	-4 895	-4 154	-2 995	-1 900
Other operating costs	-1 698	-2 256	-1 644	-54
Other expenses	-674	-239	-194	-480
Operating costs	**-7 267**	**-6 649**	**-4 833**	**-2 434**
Result of assets held for sale	**-**	**3**	**3**	**-3**
Profit/Loss before taxation	**992**	**1 786**	**948**	**44**

Consolidated Statement of Comprehensive Income continuation – cumulated data (data in million HUF)

	2022 Q1-Q3 (A)	2021 Q1-Q4 (B) restated	2021 Q1-Q3 (C) restated	Change (A)-(C)
Tax income/expenses	-164	-192	-153	-11
Deferred tax income/expenses	-	88	-	-
Profit/Loss after taxation	**828**	**1 682**	**795**	**33**
Comprehensive income, wouldn't be reclassified to profit or loss in the future	-524	-575	-205	-319
Comprehensive income, would be reclassified to profit or loss in the future	-4 256	-1 801	-527	-3 729
Other comprehensive income	**-4 780**	**-2 376**	**-732**	**-4 048**
Total comprehensive income	**-3 952**	**-694**	**63**	**-4 015**
Profit/loss after taxation attributable to the Company's shareholders	828	1 675	796	32
Profit/loss after taxation attributable to NCI	-	7	-1	1
Profit/Loss after taxation	**828**	**1 682**	**795**	**33**
Total comprehensive income attributable to the Company's shareholders	-3 952	-701	64	-4 016
Total comprehensive income to NCI	-	7	-1	1
Total comprehensive income	**-3 952**	**- 694**	**63**	**-4 015**
Earnings per share of the Company's shareholders				
Basic earnings per share (HUF)	8,8	17,8	8,5	0,3
Diluted earnings per share (HUF)	8,8	17,8	8,5	0,3
Earnings per share of NCI's				
Basic earnings per share (HUF)	-	0,1	-	-
Diluted earnings per share (HUF)	-	0,1	-	-

Table 2 Consolidated Statement of Comprehensive Income – standalone quarterly data (data in million HUF)

	2022 Q3 (A)	2022 Q2 (B) restated	2022 Q1 (C) restated	Change (A)-(C)
Gross written premium	7 683	7 474	7 505	178
Changes in unearned premiums reserve	212	-44	-811	1 023
Earned premiums, gross	7 895	7 430	6 694	1 201
Ceded reinsurance premiums	-1 074	-566	-388	-686
Earned premiums, net	**6 821**	**6 864**	**6 306**	**515**
Premium and commission income from investment contracts	26	24	39	-13
Commission and profit sharing due from reinsurers	423	94	111	312
Interest income calculated using the effective interest method	275	229	199	76
Other investment income	284	231	52	232
Yield on investment accounted for using equity method (profit)	86	80	93	-7
Other operating income	143	214	160	-17
Other income	**1 237**	**872**	**654**	**583**
Total income	**8 058**	**7 736**	**6 960**	**1 098**
Claim payments and benefits, claim settlement costs	-4 163	-3 744	-3 783	-380
Recoveries, reinsurer's share	276	167	64	212
Net changes in value of the life technical reserves and unit-linked life insurance reserves	-4 258	609	881	-5 139
Investment expenses	3 136	-1 845	-2 067	5 203
Impairment and impairment reversal of financial assets	-1	-11	2	-3
Change in the fair value of liabilities relating to investment contracts	-84	50	276	-360
Investment expenses, changes in reserves and benefits, net	**-5 094**	**-4 774**	**-4 627**	**-467**
Fees, commissions and other acquisition costs	-1 800	-1 606	-1 489	-311
Other operating costs	-503	-617	-578	75
Other expenses	-507	-57	-110	-397
Operating costs	**-2 810**	**-2 280**	**-2 177**	**-633**
Profit/Loss before taxation	**154**	**682**	**156**	**-2**

Consolidated Statement of Comprehensive Income – standalone quarterly data continuation (data in million HUF)

	2022 Q3 (A)	2022 Q2 (B) restated	2022 Q1 (C) restated	Change (A)-(C)
Tax income/expenses	-54	-62	-48	-6
Deferred tax income/expenses	-	-	-	-
Profit/Loss after taxation	**100**	**620**	**108**	**-8**
Comprehensive income, wouldn't be reclassified to profit or loss in the future	-249	-402	127	-376
Comprehensive income, would be reclassified to profit or loss in the future	-1 330	-1 476	-1 450	120
Other comprehensive income	**-1 579**	**-1 878**	**-1 323**	**-256**
Total comprehensive income	**-1 479**	**-1 258**	**-1 215**	**-264**
Profit/loss after taxation attributable to the Company's sharehol-ders	100	62	108	-8
Profit/loss after taxation attributable to NCI	-	-	-	-
Profit/Loss after taxation	**100**	**62**	**108**	**-8**
Total comprehensive income attributable to the Company's share-holders	-1 479	-1 258	-1 215	-264
Total comprehensive income to NCI	-	-	-	-
Total comprehensive income	**-1 479**	**-1 258**	**-1 215**	**-264**

Table 3 Number of average shares used to calculate earnings per share:

Date	Issued ordinary shares (no.)	Treasury shares (no.)	Days	Weighted average number of shares
31.12.2021	94 428 260	474 006	273	93 954 254
30.09.2022	**94 428 260**	**474 006**	**273**	**93 954 254**

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.

Table 4 Consolidated Statement of Financial Position (data in million HUF)

ASSETS	30 September 2022 (A)	31 December 2021 restated (B)	30 September 2021 restated (C)	Change (A)-(C)
Intangible Assets	952	720	615	337
Property, plant and equipment	160	179	176	-16
Right-of use assets	465	494	409	56
Deferred tax asset	474	474	386	88
Deferred acquisition costs	1 709	1 328	1 162	547
Reinsurer's share of technical reserves	1 234	453	477	757
Investments accounted for using the equity method	429	1 013	456	-27
Available-for-sale financial assets		28 409	27 839	-5 879
Other financial assets at fair value	21 960	-	-	
Investments for policyholders of unit-linked life insurance policies	87 445	85 664	82 101	5 344
Financial assets – investment contracts	5 397	5 238	4 098	1 299
Financial asset - derivatives	-	1	42	-42
Receivables from insurance policy holders	2 178	1 958	1 527	651
Receivables from insurance intermediaries	334	56	58	276
Receivables from reinsurance	108	88	36	72
Other assets and prepayments	136	76	29	107
Other receivables	450	183	401	49
Cash and cash equivalents	4 784	1 498	1 497	3 287
Total Assets	**128 215**	**127 832**	**121 309**	**6 906**
LIABILITIES				
Technical reserves	21 249	19 320	17 217	4 032
Technical reserves for policyholders of unit-linked life insurance policies	87 445	85 664	82 101	5 344
Investment contracts	5 397	5 238	4 098	1 299
Financial liabilities-derivatives	13	12	-	13
Loans and financial reinsurance	8	38	50	-38
Liabilities from reinsurance	823	279	160	663
Liabilities to insurance policy holders	1 033	882	971	62
Liabilities to insurance intermediaries	598	244	246	352
Lease liabilities	548	532	432	116
Other liabilities and provisions	3 515	2 435	2 089	1 426
Liabilities to shareholders	30	20	20	10
Total Liabilities	**120 659**	**114 664**	**107 384**	**13 275**
Net Assets	**7 556**	**13 168**	**13 925**	**-6 369**

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

	30 September 2022 (A)	31 December 2021 restated (B)	30 September 2021 restated (C)	Change (A)-(C)
SHAREHOLDERS' EQUITY				
Share capital	3 116	3 116	3 116	-
Capital reserve	1 153	1 153	1 153	-
Treasury shares	-32	-32	-32	-
Share-based payment	35	-	9	29
Other reserves	-7 862	- 3 147	-1 503	-6 359
Retained earnings	11 146	12 078	11 190	-44
Equity attributable to the Company's Shareholders	**7 556**	**13 168**	**13 933**	**-6 377**
Non-controlling interest	-	-	-8	8
Total Shareholder's Equity	**7 556**	**13 168**	**13 925**	**-6 369**

Table 5 Consolidated Changes in Equity Q1-Q3 2022 (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
Balance on 31 December 2021	**3 116**	**1 153**	**-**	**-32**	**-3 147**	**12 078**	**13 168**	**-**	**13 168**
Impact of Amendment to IFRS 9 Accounting Policies	-	-	-	-	65	- 65	-	-	-
Restated balance on 1 January 2022	**3 116**	**1 153**	**-**	**-32**	**- 3 082**	**12 013**	**13 168**	**-**	**13 168**
Total comprehensive income									
Other comprehensive income	-	-	-	-	-4 780	-	-4 780	-	-4 780
Profit in reporting year	-	-	-	-	-	828	828	-	828
Transactions with equity holders recognized directly in Equity									
Share-based payments	-	-	35	-	-	-	35	-	35
Dividend payments	-	-	-	-	-	-1 700	-1 700	-	-1 700
Transactions with NCI									
Derecognition of NCI	-	-	-	-	-	5	5	-	5
Balance on 30 September 2022	**3 116**	**1 153**	**35**	**-32**	**-7 862**	**11 146**	**7 556**		**7 556**

Table 6 Consolidated Changes in Equity Q1-Q3 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
Balance on 31 December 2020	**3 116**	**1 153**	**9**	**-**	**-771**	**10 394**	**13 901**	**-7**	**13 894**
Total comprehensive income									
Other comprehensive income	-	-	-	-	-732	-	-732	-	-732
Profit in reporting year	-	-	-	-	-	796	796	-1	795
Transactions with equity holders recognized directly in Equity									
Treasury share purchase	-	-	-	-32	-	-	-32	-	-32
Balance on 30 June 2021	**3 116**	**1 153**	**9**	**-32**	**-1 503**	**11 190**	**13 933**	**-8**	**13 925**

Table 7 Consolidated Statement of Cash Flows (data in million HUF)

	2022 Q1-Q3	2021 Q1-Q4	2021 Q1-Q3
Profit/loss after taxation	**828**	**1 682**	**795**
Modifying items			
Depreciation and amortization	315	384	266
Extraordinary depreciation	7	-2	1
Booked/reversed impairment, debt cancelled	-62	14	6
Result of assets sales	53	49	-37
Share-based services	-	-7	+7
Exchange rate changes	-335	-20	6
Share of the profit or loss of associates accounted for using the equity method	-259	-808	-251
Deferred tax	-	-88	-
Income taxes	164	192	153
Income on interest	-703	-476	-335
Result of derivatives	-43	-2	30
Provisions (-/+)	-63	-509	-155
Result of minority shares	5	-	-
Termination of leasing assets	9	4	-
Interest cost	3	7	5
Change of active capital items:			
Increase / decrease of deferred acquisition costs (-/+)	-381	-113	53
Increase / decrease of investments for policyholders of unit-linked life insurance policies (-/+)	-2 912	-11 542	-7 979
Increase / decrease of financial assets – investment contracts (-/+)	972	-1 008	132
Increase / decrease of receivables from insurance contracts and other receivables (-/+)	-697	-150	131
Increase / decrease of reinsurer's share from technical reserves (-/+)	-781	169	146
Increase /decrease of other assets and active accrued and deferred items (-/+)	-60	-50	-3
Increase / decrease of technical reserves (+/-)	1 951	3 231	1 061
Increase / decrease of liabilities from insurance (-/+)	1 047	333	304
Increase / decrease of investment contracts (+/-)	-972	1 008	-132
Increase / decrease of technical reserves due to unit-linked life insurance (+/-)	2 912	11 542	7 979
Increase / decrease of other liabilities (+/-)	1 163	1 067	364
Paid income taxes	-196	-189	-174
Increase/ decrease in assets held for sale (-/+)	-	294	294
Increase/ decrease in liabilities held for sale (+/-)	-	-199	-199
Settlement of assets held for sale	-	-23	-23
Share-based payment	35	-	-
Cash flows from operating activities	**1 999**	**4 790**	**2 430**

Consolidated Statement of Cash Flows continuation continuation (data in million HUF)

	2022 Q1-Q3	2021 Q1-Q4	2021 Q1-Q3
Cash flow from investing activities			
Purchase of debt instruments (-)	-10 457	-25 916	-16 453
Sales of debt instruments (+)	12 614	21 364	14 668
Sales of equity instruments (+)	12	-	-
Purchase of tangible and intangible assets (-)	-410	-573	-385
Sales of tangible and intangible assets (-)	1	26	21
Result of derivatives	45	24	-61
Interest received/paid	445	704	161
Dividend received	844	436	436
Cash flow from investing activities	**3 093**	**-3 935**	**-1 612**
Cash flow from financing activities			
Lease instalments payment	-104	-71	-43
Lease interest payment	-12	-9	-7
Purchase of treasury shares	-	-32	-32
Repayment of loans and their interests	-33	-118	-103
Dividend payment	-1 697	-	-
Cash flow from financing activities	**-1 846**	**-230**	**-185**
Impacts of exchange rate changes	39	11	1
Net increase / decrease of cash and cash equivalents (+/-)	**3 286**	**636**	**634**
Cash and cash equivalents at the beginning of the period	**1 498**	**862**	**862**
Cash and cash equivalents at the end of the period	**4 784**	**1 498**	**1 496**

3. TRANSITION TO IFRS 9

From 2022, the Company decided to apply IFRS 9. Previously, it deferred the adoption of IFRS 9 until the introduction of IFRS 17 under the exemption of paragraph 20K of IFRS4. The introduction of IFRS 17 is effective from 01.01.2023, however, according to the decision of the Company in early 2022, IFRS 9 will be applied from 01.01.2022. One of the reasons for the application of IFRS 9 one year earlier is that when IFRS 17 is introduced, the Company needs to present data in accordance with IFRS 9 for the comparative period. In addition, the Company believes that the impairment principles in IFRS 9 allow for a more realistic presentation considering the current capital market conditions.

IFRS 9 introduces new requirements for the classification and measurement of financial assets and liabilities and replaces the standard IAS 39 Financial Instruments: Classification and Measurement. The significant effects of the change in accounting policy on the Company's financial statements are described below.

Classification and measurement

IFRS 9 retains the existing principles of IAS 39 in many respects of classification and measurement, however, it applies fewer categories for the classification of financial assets and liabilities, i.e. the category of held-to-maturity loans, receivables and held-for-sale financial assets is eliminated. The Company performed the business model tests required for classification as at the date of transition.

Financial assets are to be presented at the amortized cost if the Company intends to collect the cash flows from the contractual obligation, which typically consist of equity and interest, and measures them not through profit or loss at fair value.

Debt assets are measured at fair value through other comprehensive income, if they are not measured at fair value through profit or loss by the Company and the Company's intention with holding them is to collect the cash flows from the contractual obligation, which typically consists of equity and interest, and their sale.

In the case of initial application, with respect to the non-trading equity instruments, the Company may irrevocably decide fair measurement through other comprehensive income. The decision must be made on an instrument-by-instrument basis.

All financial assets that the Company measures not through amortized cost or through other comprehensive income, are to be measured at fair value through profit or loss, including derivatives. Financial assets (other than trade receivables that do not have a significant financing component, which are to be measured at transaction price) are initially measured at fair value plus direct transaction costs.

The following need to be applied at the measurement following the initial measurement:

- Assets measured at fair value through profit or loss at fair value; related income and expenses (including interest and dividend income) are recognized in profit or loss.
- Assets measured at amortized cost are measured at amortized cost using the effective interest method; interest income, foreign currency revaluations, impairment and sales results are also recognized in profit or loss.
- Debt instruments measured at fair value through other comprehensive income are to be measured at fair value. Interest income recognized using the effective interest method, foreign currency revaluations and impairment are recognized in profit or loss, and the measurement difference due to the market prices are to be recognized through other comprehensive income. In case of a sale, the differences accumulated in the revaluation reserve are reversed through profit or loss
- Ownership assets measured at fair value through other comprehensive income are to be measured at fair value. Dividends are recognized in profit or loss, all measurement differences are recognized through other comprehensive income and are never reversed through profit or loss.

The following effects incur in connection with the Company's financial statements upon transition to IFRS 9.

There has been one single significant change in the consolidated statement of financial position compared to the presentation in accordance with IAS 39. From 2022, financial assets previously presented under Available-for-sale financial assets will be presented by the Company under Other financial assets at fair value.

Company presents following assets under this financial line:

- Financial assets used to cover reserves for traditional (non-unit-linked) life insurance contracts, which typically consist of government securities and corporate bonds. They are measured through other comprehensive income.
- Financial assets underlying the equity, which likewise consist of government securities and corporate bonds, and are also measured by the Insurer through other comprehensive income.
- The Company measures its existing shareholding in OPUS GLOBAL Plc. purchased as a strategic share through other comprehensive income using the fair value method. With respect to the strategic interest, the Company applied the “designation” option of IFRS 1 in relation to IFRS 9, paragraph 5.7.5, when transitioning to individual IFRSs, which allows for the irrevocable decision of share-type investments to be measured through equity. Thus, any change in the fair value of the strategic interest is to be recognized through other comprehensive income and not in profit after tax, except for dividend income. Changes in recognized capital do not reverse to profit after tax even upon derecognition.

The effect of the change in accounting policy on the consolidated statement of financial position is presented in the below table for the data as of 31 December 2021.

ASSETS	IAS 39 classification	IFRS 9 classification	31.12.2021 IAS 39	01.01.2022 IFRS 9
Intangible Assets	-	-	720	720
Property, plant and equipment	-	-	179	179
Right of use assets	-	-	494	494
Deferred tax asset	-	-	474	474
Deferred acquisition costs	-	-	1 328	1 328
Reinsurer’s share of technical reserves	-	-	453	453
Investments accounted for using the equity method	-	-	1 013	1 013
Available-for-sale financial assets	Available-for-sale financial assets	-	28 409	
Other financial assets at fair value	-	Financial assets at fair value through other comprehensive income		28 175
	-	Financial assets at fair value through profit or loss		234
Investments for policyholders of unit-linked life insurance policies	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss	84 533	84 533
Financial assets – investment contracts	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss	6 369	6 369
Financial asset – derivatives	Financial assets at fair value through profit or loss	Financial assets at fair value through profit or loss	1	1
Receivables from insurance policy holders	-	-	1 910	1 910

Consolidated Statement of Financial Position at 31 December 2021 continuation (data in HUF millions)

Receivables from insurance intermediaries	Loans and receivables	Financial assets measured at amortized cost	56	56
Receivables from reinsurance	Loans and receivables	Financial assets measured at amortized cost	88	88
Other assets and prepayments	Loans and receivables	Financial assets measured at amortized cost	76	76
Other receivables	Loans and receivables	Financial assets measured at amortized cost	183	183
Cash and cash equivalents	Loans and receivables	Financial assets measured at amortized cost	1 498	1 498
Assets held for sale	-	-	-	-
Total assets			**127 784**	**127 784**

LIABILITIES	IAS 39 classification	IFRS 9 classification	31.12.2021 IAS 39	01.01.2022 IFRS 9
Technical reserves	-	-	19 298	19 298
Technical reserves for policyholders of unit-linked life insurance policies	-	-	84 533	84 533
Investment contracts	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through profit or loss	6 369	6 369
Financial liabilities-derivatives	Financial liabilities at fair value through profit or loss	Financial liabilities at fair value through profit or loss	12	12
Loans and financial reinsurance	Other financial liabilities	Financial assets measured at amortized cost	38	38
Liabilities from reinsurance	Other financial liabilities	Financial assets measured at amortized cost	279	279
Liabilities to insurance policy holders	Other financial liabilities	Financial assets measured at amortized cost	882	882
Liabilities to insurance intermediaries	-	-	244	244
Lease liabilities	-	-	532	532
Other liabilities and provisions	Other financial liabilities	Financial assets measured at amortized cost	2 409	2 409
Liabilities to shareholders	Other financial liabilities	Financial assets measured at amortized cost	20	20
Liabilities held for sale	-	-	-	-
Total liabilities	**-**	**-**	**114 616**	**114 616**
NET ASSETS	**-**	**-**	**13 168**	**13 168**

* Not all assets / liabilities of the balance sheet line fall within the scope of IAS 39 / IFRS 9

The consolidated statement of comprehensive income has been amended by the Company as a result of the change in the accounting policy as follows.

Due to compliance with IFRS 9, it is necessary to take out from the results presented previously under the line Income from investments the line Interest income calculated using the effective interest method, which includes interest income of all financial assets accounted for using the effective interest method. The item Other investment income also includes the income from realized exchange rate differences recognized in addition to interest income, the positive result of foreign currency revaluations and the income from derivatives. Impairment and impairment reversal of financial assets, which includes the recognition of impairment losses on financial assets in accordance with IFRS 9, has also been taken out from the line Investment expenses. In addition, the Company continues to present under the line Investment expenses its interest expenses, negative foreign exchange revaluation gains, realized foreign exchange losses, negative foreign exchange gains on derivatives and other investment-related expenses.

The Company has also reclassified investment result items in the consolidated statement of comprehensive income for the comparative period to ensure comparability.

The effect of the change in accounting policy on the consolidated statement of comprehensive income is presented in the below table for data of the year 2021.

Consolidated statement of comprehensive income	Consolidated statement of comprehensive income (original title)	2021 IAS 39	2021 IFRS 9
Gross written premium		22 713	22 713
Changes in unearned premiums reserve		-157	-157
Earned premiums, gross		22 556	22 556
Ceded reinsurance premiums		-502	-502
Earned premiums, net		**22 054**	**22 054**
Premium and commission income from investment contracts		223	223
Commission and profit sharing due from reinsurers		60	60
Interest income calculated using the effective interest method	Income from investments	12 091	475
Other investment income	Income from investments		11 616
Yield on investment accounted for using equity method(profit)		808	808
Other operating income		1 113	1 113
Other income		**14 295**	**14 295**
Total income		**36 349**	**36 349**
Claim payments and benefits, claim settlement costs		-15 059	-15 059
Recoveries, reinsurer's share		147	147

Net changes in value of the life technical reserves and unit-linked life insurance reserves		-12 153	-12 153
Investment expenses	Investment expenses	-254	-240
Impairment and impairment reversal of financial assets	Investment expenses		-14
Change in the fair value of liabilities relating to investment contracts		-598	-598
Changes in fair value of assets and liabilities related to embedded derivatives		-	-
Investment expenses, changes in reserves and benefits, net		**-27 917**	**-27 917**
Fees, commissions and other acquisition costs		-4 154	-4 154
Other operating costs		-2 256	-2 256
Other expenses		-239	-239
Operating costs		**-6 649**	**-6 649**
Result of assets held for sale		3	3
Profit/Loss before taxation		**1 786**	**1 786**
Tax income/expenses		-192	-192
Deferred tax income/expenses		88	88
Profit/Loss after taxation		**1 682**	**1 682**
Other comprehensive income, would not be reclassified to profit or loss in the future		-	-575
Other comprehensive income, would be reclassified to profit or loss in the future		-2 376	-1 801
Other comprehensive income		**-2 376**	**-2 376**
Total comprehensive income		**-694**	**-694**

Impairment effects

In accordance with IFRS 9, the Insurer recognizes expected credit losses for financial assets at fair value not through profit or loss, i.e. financial assets of the debt instrument type at fair value through other comprehensive income (impairment is not relevant in the case of equity instruments) and financial assets measured at amortized cost.

Expected credit losses are probability-weighted estimates of credit losses over the expected lifetime of the financial asset (i.e. the present value of all expected cash flow shortfalls). The estimate of expected credit losses always has to reflect both possibilities of credit losses occurring and not occurring, even if the most likely outcome is that no credit loss will occur. The estimate of expected credit losses has to reflect an unbiased and probability-weighted amount, which is determined by evaluating different possible outcomes. In determining the credit losses, the Insurer also takes forward-looking information into account.

The Insurer assesses the expected credit loss of the given financial asset at the same amount as the 12-month expected credit loss (Stage 1), if the credit risk of the financial asset is low or has not increased significantly since the initial recognition. The 12-month expected credit loss is part of the expected lifetime credit loss. It represents the expected credit loss that may occur in the 12 months after the balance sheet date as a result of defaults on the financial instrument.

At each balance sheet date, the Insurer recognizes expected credit losses over the entire lifetime (Stage 2 and Stage 3) in the following cases:

- if the credit risk of the particular financial asset has increased significantly since initial recognition but the financial asset is not impaired (‚Stage 2 financial assets');
- if the particular financial asset is impaired at the balance sheet date (‚Stage 3 financial assets');
- for trade receivables and receivables from insurance intermediaries (the Insurer uses a simplified model to determine the expected credit loss).
- The expected credit loss over the entire lifetime of the financial asset is the expected credit loss that arises from all possible events of default during the lifetime of the financial asset.

The Insurer considers financial assets to have a low credit risk when their external rating is BBB- (Standard & Poors rating) or better, i.e. the assets are recommended for investment ("investment grade"). In the case of its government securities and externally rated financial assets other than government securities - if they do not have a low credit risk on the balance sheet date - the Insurer considers a deterioration of at least 2 notch ratings to be a significant increase in credit risk. Government bonds are currently rated BBB.

The Company performed an impairment test of financial assets by 1 January 2022, the date of transition to IFRS 9, as a result of which an impairment loss of HUF 65 million is justified compared to the impairment recognized by IAS 39. The recognition of this difference, i.e. the effect of the change in accounting policy in the measurement of financial assets and liabilities, is shown as the 01.01.2022 change through retained earnings, as seen in the statement of changes in equity. The Company applies IFRS 9 retrospectively with the exception (based on paragraph 7.2.15) that re-disclosure of the comparative period is not required.

4. MODIFICATION OF ACCOUNTING POLICY FOR INVESTMENT CONTRACTS AND ACCRUED ACQUISITION COSTS

Contract classification – separation of insurance and investment contracts

Insurance contracts are contracts in which the Company assumes a significant insurance risk from the policyholder by agreeing to indemnify the policyholder in the event that an uncertain future event (insurance event) adversely affects him/her. The insurance risk is significant if and only if, at the time of concluding the contract, it can be assumed that there is an economically realistic insurance event that would require the Insurer to make a significant additional payment compared to if the insurance event had not occurred. Such contracts remain insurance contracts after the conclusion of the contract until all rights and obligations related to the contract cease or expire.

In order to determine the significance of the insurance risk for each contract up to now, it has been determined that in the case of regular premium payment how the initial insurance amount is proportional to the sum of the initial regular premium and the initial top-up payments, and in the case of a single premium payment, how the risk excess service is proportional to the single premium.

The Company classified the risk as significant if it reached 5 percent. Contracts containing a significant insurance risk were accounted for as insurance contracts. In the case of contracts that do not fulfill the condition, at the first level, if there was an initial top-up payment, the components related to the regular/single and the top-up premium payments were separated; the latter were accounted for as investment contracts. With regard to the regular/single premium payment component, the above-described test was repeatedly carried out by the Company. If the result of the test was that the insurance risk is significant, then the component was accounted for as an insurance contract, otherwise as an investment contract.

In the case of the portfolios acquired during the acquisition of MKB Életbiztosító Zrt., the Insurer retained the original classification regarding the insurance/investment classification of the contracts, evaluating them according to the classification applied at the time the insurance contract was concluded. Regarding these contracts, it considered contracts with a risk ratio below 10% as investment contracts. The investment contracts determined according to this ratio form an expiring portfolio.

As of the second quarter of 2022, for the classification of insurance and investment contracts, the Company clarified its accounting in terms of the separation of the components of a contract. To determine the significance of the insurance risk it continues to compare the initial investment and the service payment.

The policyholder's initial investment includes the first regular premium installment or single premium, as well as any top-up premiums that they wish to pay together with the first regular premium installment or single premium. The initial settled premium is the regular, single or top-up premium credited to the contract until the issue date of the policy.

In the future, the Insurer qualifies a unit-linked contract as an insurance contract if the initial settled premium is positive and the maximum of the guaranteed insurance amount, the risk-excess service and all additional, complementary insurance amounts related to the contract is at least 5% compared to the initial settled premium or if the initial settled premium is zero and the sum of the guaranteed insurance amount, the risk-excess service and all additional, complementary insurance amounts related to the contract is positive.

Separation of investment contracts, paid premiums

The contracts described above, which primarily represent the transfer of financial risks, are not accounted for by the Insurer as insurance contracts, but as investment contracts and are separated into two parts:

- a financial liability part, that is accounted for in accordance with IFRS 9,

- and an investment service contract part, which (the related income) is accounted for according to IFRS 15.

The amounts to be repaid to the investor are accounted for using deposit accounting, based on which the received amounts, after validating the cost coverage according to the contractual conditions, are directly included in the statement of financial position as a financial liability towards the investor.

Services

In the case of investment contracts, the paid services are not included in the comprehensive income statement, their effect is realized in the reduction of liabilities arising from investment contracts.

Acquisition costs

Acquisition costs include all direct and indirect costs that arise in connection with the conclusion of investment contracts. All acquisition costs are accounted for as a cost as they incur. The part of the settled acquisition costs, which is covered by the premiums of the investment contract in later periods or the commissions returned from the intermediaries in the event of the cancellation of the contract, is accrued until the relevant cost coverage is received by the Insurer. The Insurer individually evaluates the probability of recovering the accrued acquisition costs. If the cover for the accrued cost is not expected to arrive, or if the investment contract is terminated, the Insurer will terminate the accrual and recognize the cost against the result (among Fees, commissions and other acquisition costs).

Liabilities

All liabilities arising from investment contracts are classified by the Insurer as valued at fair value against profit and loss upon initial recognition, since the Insurer manages these financial liabilities together with the related assets (investments) on a fair value basis. The value of financial liabilities arising from investment contracts is determined based on the net asset value of the investment funds divided into investment units on the reporting date.

In addition, other accounting technical reserves related to investment contracts (in addition to unit-linked reserves) are reclassified to the balance sheet line of other liabilities and provisions.

Premium and commission income from investment contracts

Premium income includes a number of fees levied in connection with investment and insurance contracts, the amount of which is determined by the product conditions (e.g. administration fee, management fee, fee of asset fund change, risk fee). The fees charged for investment management services are recognized as income during the period of service provision, in the case of single premium contracts, the standard management fee which is in proportion to the fund value and which dominates deductions, is a similar amount each year. In the case of contracts with regular premium, the deduction of the management fee varies in proportion to the managed assets. The contract conclusion and administration fees of a contract are recognized by the Insurer at the beginning of the term, in parallel with the emergence of the service (i.e. registration and creation of the contract in the systems).

The costs charged to the customer related to the payment of the services are presented when the services are paid.

The accounting policy amendment (including the effects of the IFRS 9 introduction) affected the statement of the Insurer's financial position and the statement of comprehensive income for the comparative period (30 September 2022) as follows.

Table 8 Consolidated Statement of Cash Flows (data in HUF millions)

30 September 2021	Restated	Original	Change
Gross written premium	15 969	15 855	114
Changes in unearned premiums reserve	142	142	-
Earned premiums, gross	16 111	15 997	114
Ceded reinsurance premiums	-362	-362	-
Earned premiums, net	**15 749**	**15 635**	**114**
Premium and commission income from investment contracts	90	138	-48
Commission and profit sharing due from reinsurers	35	35	-
Income of investments	-	8 474	
Interest income calculated using the effective interest method	332	-	-4
Other investment income	8 138	-	
Yield on investment accounted for using equity method	251	251	-
Other operating income	576	576	-
Other income	**9 422**	**9 474**	**52**
Total income	**25 171**	**25 109**	**62**
Claim payments and benefits, claim settlement costs	-11 021	-10 666	-355
Recoveries, reinsurer's share	82	82	-
Net changes in value of the life technical reserves and unit-linked life insurance reserves	-7 983	-8 145	162
Investment expenses	-164	-169	5
Impairment and impairment reversal of financial assets	-	-	-
Change in the fair value of liabilities relating to investment contracts	-307	-433	126
Changes in fair value of assets and liabilities related to embedded derivatives	-	-	-
Investment expenses, changes in reserves and benefits, net	**-19 393**	**-19 331**	**-62**
Fees, commissions and other acquisition costs	-2 995	-2 995	-
Other operating costs	-1 644	-1 644	-
Other expenses	-194	-194	-
Operating costs	**-4 833**	**-4 833**	**-**
Result of assets held for sale	**3**	**3**	**-**
Profit/Loss before taxation	**948**	**948**	**-**
Tax income/expenses	-153	-153	-
Deferred tax income/expenses	-	-	-
Profit/Loss after taxation	**795**	**795**	**-**
Other comprehensive income, would not be reclassified to profit or loss in the future	-205	-	-205
Other comprehensive income, would be reclassified to profit or loss in the future	-527	-732	205
Other comprehensive income	**-732**	**-732**	**-**
Total comprehensive income	**63**	**63**	**-**

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

ASSETS	30 September 2021 restated	30 September 2021 original	Change
Intangible Assets	615	615	0
Property, plant and equipment	176	176	0
Right of use assets	409	409	0
Deferred tax asset	386	386	0
Deferred acquisition costs	1 162	1 162	0
Reinsurer's share of technical reserves	477	477	0
Investments accounted for using the equity method	456	456	0
Available-for-sale financial assets	27 839	27 839	0
Investments for policyholders of unit-linked life insurance policies	82 101	80 897	1 204
Financial assets – investment contracts	4 098	5 302	-1 204
Financial asset – derivatives	42	42	0
Receivables from insurance policy holders	1 527	1 526	1
Receivables from insurance intermediaries	58	58	0
Receivables from reinsurance	36	36	0
Other assets and prepayments	29	29	0
Other receivables	401	401	0
Cash and cash equivalents	1 497	1 497	0
Total assets	**121 309**	**121 308**	**1**

LIABILITIES			
Technical reserves	17 217	17 237	-20
Technical reserves for policyholders of unit-linked life insurance policies	82 101	80 897	1 204
Investment contracts	4 098	5 302	-1 204
Loans and financial reinsurance	50	50	0
Liabilities from reinsurance	160	160	0
Liabilities to insurance policy holders	971	971	0
Liabilities to insurance intermediaries	246	246	0
Lease liabilities	432	432	0
Other liabilities and provisions	2 089	2 068	21
Liabilities to shareholders	20	20	0
Total liabilities	**107 384**	**107 383**	**1**

NET ASSETS	**13 925**	**13 925**	**-**

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

	30 September 2021 restated	30 September 2021 original	Change
SHAREHOLDERS' EQUITY			
Share capital	3 116	3 116	0
Capital reserve	1 153	1 153	0
Treasury shares	-32	-32	0
Share-based payment	9	9	0
Other reserves	-1 503	-1 503	0
Retained earnings	11 190	11 190	0
Equity attributable to the Company's Shareholders	**13 933**	**13 933**	**13 933**
Non-controlling interest	-8	-8	-8
Total Shareholder's Equity	**13 925**	**13 925**	**13 925**

Deferred acquisition costs accounting policy amendment

In the case of unit-linked contracts entered into before 1 January 2022, the Company used the validated contract conclusion and maintenance fee in its entirety for the amortization of contract cost accruals. The Company examined the amount of other acquisition, operating costs and insurance surtaxes arising in connection with unit-linked contracts (not involved in the calculation of acquisition cost accruals). The other costs incurred are significant (their level increased in 2022 due to the introduction of the insurance surtax), therefore, in the case of unit-linked contracts from 2022, the contract conclusion and maintenance fee is only partially used for the amortization of contract cost accruals. The accounted cost partly covers the Company's other costs, i.e. which are not affected by the accrual calculation of the acquisition cost. The amendment of the accounting policy did not affect the comparative period, therefore the data of the comparative period remain unchanged as a result of this amendment.

5. CHANGES OF ACCOUNTING POLICY

For the financial year beginning on 1 January 2022, the following new mandatory standards became effective, whose impact - except for IFRS 9 and IFRS 17 - is not material on the financial statements:

- IFRS 16: Lease Concessions Related to COVID-19
- Annual Improvements to IFRS Standards 2018–2020.
- IAS 16 Property, Plant and Equipment: Revenue Before Intended Use
- Amendment to IFRS 3 Reference to Framework
- Standard amendments to IAS 1 Presentation of Financial Statements: Amendments to the Classification of Liabilities and Current Assets and Presentation of Accounting Policies
- IAS 8: Definition of Accounting Estimates
- IAS 37 Loss-making contracts - Cost of performing a contract
- Standard amendments to IAS 12 Income Taxes: The Deferred Tax Effect of Assets and Liabilities Arising on a Transaction

IFRS 17 Insurance Contracts (expected application from 1 January 2023) - the Insurer prepared a gap analysis in connection with the introduction of IFRS 17 in 2018 and a detailed IFRS 17 project plan was prepared in 2019. 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. During 2021 and 2022, the implementation project moved forward continuously and according to plans for implementing methodological issues and IT developments. Currently the Company is finalizing the conversion calculations.

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.

6. PRESENTATION OF THE ISSUER'S FINANCIAL POSITION – CONSOLIDATED AND UNAUDITED DATA FOR THE THIRD QUARTER OF 2022, 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 non-life insurance (primarily property and liability, suretyship, casco, home and travel insurance).

In the first three quarters of 2022, the Group's gross written premium was HUF 22,662 million, which is 142% of the gross written premium in the comparative period of 2021. Of this HUF 13,853 million are the gross written premium of unit-linked life insurance (of which HUF 5,316 million of pension insurance policies), HUF 4,459 million are traditional life products (of which HUF 919 million from pension insurance policies), HUF 684 million are health insurance policies and HUF 3,666 million are the non-life products.

The non-life insurance generated a premium income of HUF 3,666 million in the first three quarters of 2022, which is a substantial (1,058 percent) increase compared to the same period previous year. The non-life business was restarted in the fourth quarter of 2021, so the Group still expects further dynamic growth in the segment. In the life segment the gross written premium from the first annual premiums of policies sold was HUF 2,765 million, which is a 52% increase compared to the previous year (HUF 1,823 million). The gross written premium income from renewals was HUF 11,283 million in the first three quarters of 2022 in contrast to HUF 10,121 million in the same period of 2021, so the renewal premiums increased by 11%. Top-up and single premiums (HUF 4,948 million) were 33% higher as the premiums of 2021's first two quarters, mainly relating to unit-linked life insurance policies. Within the total life insurance premium income- according to IFRS - of HUF 18,996 million, the rate of top-up and single premiums is 26 percent, slightly exceeding the 24% ratio of the previous year. The significant increase in premium income in the life-segment is therefore due to the surge in single and top-up premium sales and the growing portfolio of regular premium contracts (primarily group life- and health insurance contracts).

The change in unearned premium reserve in the first three quarters of 2022 was HUF 643 million loss (compared to HUF 142 million profit in 2021), which jump is mainly due to the increase in the stock of new products in the non-life segment and the rising group stock in the life segment. However, the amount of premiums earned transferred to the reinsurer also increased significantly, likewise due to the restart of the non-life segment (HUF 2,028 million loss in the first three quarters of 2022, while HUF 362 million loss in the comparative period of 2021). In terms of reinsurance "earnings", the Companies are interested in increasing the sales volume as much as possible, given the specificities of the agreed structure.

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 89 million in total during the reporting period, HUF 1 million less than in the comparison period. The change in the fair value of liabilities relating to investment contracts was HUF 242 million gain in 2022, due to the negative unit-linked yields.

The other operating income (HUF 517 million) is mainly the Issuer's income from fund management (HUF 363 million), which was HUF 57 million less compared to 2021, as it is related to a unit-linked product previously sold by the Group with a declining portfolio. In addition, the release of provisions, where the Group no longer expects future payments, increased other operating income by HUF 96 million, while in 2021 the release of provisions was HUF 129 million.

An important item among expenses are claim payments and benefits and claim settlement costs (together HUF 11,690 million), this expenditure is decreased by the recoveries from reinsurers (HUF 507 million). Claims expenditures increased by HUF 669 million compared to 2021, which is the result of two opposite effects. In the life segment, claims and repurchases of unit-linked products decreased significantly compared to the comparative period, while traditional and group payments increased, but to a lesser extent than unit-linked repurchases. Claim payments in the non-life segment increased as a result of the expansion of the portfolio.

The amount of net change in reserves is HUF 2,768 million profit, which is made up mainly the following changes in reserves. The unit-linked life insurance reserve amount increased by HUF 1,780 million, which is due to the increase of top-up and single premiums and negative unit-linked returns. The actuarial reserves increased by HUF 471 million, the technical reserves for the bonus payment of the life insurance clients increased by HUF 358 million, while the result-independent premium refund reserves decreased by HUF 15 million. The result-depending premium refund reserves decreased by HUF 61 million. The outstanding net claim reserves decreased by HUF 20 million, while the cancellation reserves increased by HUF 241 million parallel to the change of the premium receivables.

The total operating cost of the Issuer was HUF 7,267 million in the first three quarters of 2022, of which HUF 4,895 million is related to the fees, commissions and other acquisition costs, and HUF 1,698 million is related to other operating costs and HUF 674 million is other expenses. Acquisition costs show a significantly increasing trend overall (+63%), while gross earned premiums increased by 37%. This is primarily due to an increase in other acquisition costs beyond commissions, following the development and recruitment of new business lines, organizations and employees, and the related implementation of the Growth Strategy.

The other operating costs increased by HUF 54 million compared to the previous year (HUF 1,644 million in the first three quarters of 2021), mainly due to the increase of personal costs. The volume of other expenses (HUF 674 million) is HUF 480 million higher compared to the comparative period (HUF 194 million). The main reason for the increase in other expenses is the newly introduced insurance surtax, which reduced the Group's profit in the first three quarters by HUF 275 million. The existing insurance tax also increased with the growth of non-life portfolios and group insurance contracts (HUF 46 million in 2021, and HUF 216 million in the first three quarters of 2022).

The investment result in the first three quarters of 2022 is HUF 484 million loss, while it was a profit of HUF 8,306 million in the comparative period. The huge difference was caused by the change in unit-linked returns (explains HUF 8,420 million of the change).

The unit-linked return is a loss of HUF 408 million. As an investor, the highest returns in the third quarter of 2022 were achieved with Ganges Indian Pro share and the Indian share asset funds.

In the third quarter investors were kept on edge by central banks, inflation data and the events in Ukraine. However, another geopolitical risk appeared on the horizon: China's reunification efforts intensified, a key event of which was Nancy Pelosi's visit to Taiwan and the subsequent Chinese military exercises. This resulted in a plunge in Asian markets.

Investors strongly believed that inflation in America would peak at the end of the Summer, and then after the publication of the inflation data closed their long positions, causing further falls in the capital markets. Inflation remains a structural problem in the world: In America the labor force, while in Europe the shortage of raw materials continues to drive up the price level. In America, the recession can solve the labor shortage, while for Europe, it is the year 2023 which will really hurt, as Russian gas still arrived in 2022, but in 2023 this may become questionable.

The European Central Bank surprised the market by raising the one-week deposit interest rate by 75 basis points, against the expected increase of 25 basis points.

However, investors do not perceive the ECB to be as strict as the Fed. In the third quarter, both developed and developing markets fell, thanks to the expected slowdown of the economy. So far, the bond market has not turned around. As a result of recession and inflation fears, the level of the yield curve rose in the quarter.

The MNB announced the end of its interest rate hike cycle, raising the base rate and the one-week deposit tender rate by 525-400 basis points in the quarter. In addition, it stated that they are trying to resolve the scarcity of short-term papers by issuing a new MNB bond and a longer-term deposit tender. Investors still did not get to like the domestic stock market, despite its cheapness. This is still due to the introduced special taxes - which have a negative effect on the results of Hungarian listed companies - and our proximity to the war.

The domestic currency is at a hirotic low in every quarter; therefore, it can once again be said that the HUF has never been this weak against the USD and the EUR. This is primarily due to the EU funds getting stuck, but also to the strength of the USD.

The Issuer's return on its own investments was HUF 892 million profit in the first three quarters of 2022, while it was HUF 294 million profit in the same period of 2021. The increase in profits is driven by a rising yield environment.
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 259 million gain in the first three quarters of 2022, while it was HUF 251 million gain in 2021, the primary reason for which is the increase in assets under management

The result of assets held for sale did not arise in 2022, as the Company no longer has assets held for sale, while in the same period of 2021 it was HUF 3 million.

As a result of all of the above, the profit before tax amounted to HUF 992 million profit (in the first half of 2021 the profit before taxation was HUF 948 million gain), that was reduced by HUF 164 million tax liability. The overall profit after tax is HUF 828 million, that is HUF 33 million, i.e. 4% higher than the profit after tax in the comparative period of 2021. The other comprehensive income contains the decrease in the fair value of available-for-sale financial assets amounting to HUF 4,780 million, of which HUF 524 million is the unrealized gain on OPUS shares owned by the Group, while the remaining loss (HUF 4,256 million) arose from the unrealized loss on government bonds caused by very significant rise of yields on the government securities market. The total comprehensive income represents a loss of HUF 3,952 million in the first three quarters of 2022.

The Issuer's balance sheet total was HUF 128,215 million; its financial position is stable; the company has met its liabilities in full. On 30 September 2022 the shareholders' equity was HUF 7,556 million.

7. OPERATING SEGMENTS

Table 9 Segment informations Q3 2022 (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	719	233	-	-	952
Property, plant and equipment	143	17	-	-	160
Right of use assets	312	153	-	-	465
Deferred tax assets	474	-	-	-	474
Deferred acquisition costs	1 457	252	-	-	1 709
Reinsurer's share of technical reserves	162	1 072	-	-	1 234
Subsidiaries	4 110	-	-	-4 110	-
Investments by equity method	52	-	-	377	429
Other financial assets at fair value	15 891	6 069	-	-	21 960
Investments for policyholders of unit-linked life insurance policies	87 445	-	-	-	87 445
Financial assets - investment contracts	5 397	-	-	-	5 397
Receivables from insurance policyholders	1 972	206	-	-	2 178
Receivables from intermediaries	45	289	-	-	334
Receivables from reinsurances	96	12	-	-	108
Treasury shares	-	-	117	-117	-
Other assets and prepayments	83	53	-	-	136
Other receivables	326	121	-	3	450
Cash and cash equivalents	1 835	2 933	16	-	4 784
Intercompany receivables	93	18	385	-496	-
Total assets	**120 612**	**11 428**	**518**	**-4 343**	**128 215**

Segment informations Q3 2022 continuation (data in HUF millions)

LIABILITIES	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Technical reserves	17 404	3 845	-	-	21 249
Technical reserves for policyholders of unit-linked insurance	87 445	-	-	-	87 445
Financial liabilities – investment contracts	5 397	-	-	-	5 397
Financial liabilities - derivatives	12	1	-	-	13
Liabilities from financial reinsurance	8	-	-	-	8
Liabilities from reinsurance	231	592	-	-	823
Liabilities from insurance policyholders	903	130	-	-	1 033
Liabilities from intermediaries	274	324	-	-	598
Intercompany liabilities	5	111	1	-117	-
Liabilities from lease	365	183	-	-	548
Other liabilities and provisions	1 376	2 136	3	-	3 515
Liabilities to shareholders	30	-	-	-	30
Total liabilities	**113 450**	**7 322**	**4**	**-117**	**120 659**
NET Assets	**7 162**	**4 106**	**514**	**-4 226**	**7 556**
Shareholder's Equity					
Registered capital	3 116	1 075	276	-1 351	3 116
Capital reserve	4 019	7 620	-	-10 486	1 153
Treasury shares	-32	-	-	-	-32
Share-based payment	16	19	-	-	35
Other reserve	-7 284	-578	-	-	-7 862
Retained earnings	7 327	-4 030	238	7 611	11 146
Total shareholder's equity	**7 162**	**4 106**	**514**	**-4 226**	**7 556**

Segment informations Q3 2022 continuation (data in HUF millions)

INCOME STATEMENT	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Gross written premium	18 996	3 666	0	0	22 662
Changes in unearned premiums reserve	43	-686	0	0	-643
Earned premium Gross	19 039	2 980	0	0	22 019
Ceded reinsurance premium	-366	-1 662	0	0	-2 028
Earned premiums net	**18 673**	**1 318**	**0**	**0**	**19 991**
Premium and commission income from investment contracts	89	0	0	0	89
Other investment income	243	299	0	25	567
Interest income calculated using the effective interest method	532	171	0	0	703
Change in capital of joint ventures and associates (profit)	843	0	0	-584	259
Other operative income	564	85	14	-146	517
Commission and profit sharing from reinsurance	13	615	0	0	628
Other income	**2 284**	**1 170**	**14**	**-705**	**2 763**
Total income	**20 957**	**2 488**	**14**	**-705**	**22 754**
Claim payments and benefits, and claim settlement costs	-10 816	-874	0	0	-11 690
Recoveries from reinsurance	150	357	0	0	507
Net change in the value of life technical reserves and unit-linked life insurance reserves	-2 654	-114	0	0	-2 768
Investment expenditure	-1 622	-113	-733	1 692	-776
Impairment and impairment reversal of financial assets	-10	0	0	0	-10
Change in the fair value of liabilities relating to investment contracts	242	0	0	0	242
Change in the fair value of assets and liabilities relating to embedded derivatives	**-14 710**	**-744**	**-733**	**1 692**	**-14 495**
Fees, commissions and other acquisition costs	-3 415	-1 480	0	0	-4 895
Other operating costs	-1 282	-541	-13	138	-1 698
Other expenses	-406	-276	0	8	-674
Operating costs	**-5 103**	**-2 297**	**-13**	**146**	**-7 267**
Profit/loss before taxation	**1 144**	**-553**	**-732**	**1 133**	**992**
Tax expenses	-143	-21	0	0	-164
Deferred tax income/expenses	0	0	0	0	0
Profit/loss after taxation	**1 001**	**-574**	**-732**	**1 133**	**828**
Other comprehensive income	-4380	-400	0	0	-4 780
Comprehensive income	**-3 379**	**-974**	**-732**	**1 133**	**-3 952**

Table 10 Segment information 2021 Q1-Q3 (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	558	57	-	-	615
Property, plant and equipment	160	16	-	-	176
Right of use assets	320	89	-	-	409
Deferred tax assets	386	-	-	-	386
Deferred acquisition costs	1 114	48	-	-	1 162
Reinsurer's share of technical reserves	283	194	-	-	477
Subsidiaries	2 345	-	-	-2 345	-
Investments in jointly controlled companies	51	-	-	405	456
Available-for-sale financial assets	22 610	5 229	-	-	27 839
Investments for policyholders of unit-linked life insurance policies	82 101	-	-	-	82 101
Financial assets - investment contracts	4 098	-	-	-	4 098
Financial assets - derivatives	1	41	-	-	42
Receivables from insurance policyholders	1 523	4	-	-	1 527
Receivables from intermediaries	28	30	-	-	58
Reinsurance receivables	20	16	-	-	36
Treasury shares	-	-	154	- 154	-
Other assets and prepayments	18	11	-	-	29
Other receivables	291	106	1	3	401
Cash and cash equivalents	964	523	10	-	1 497
Intercompany receivables	160	-	510	-670	0
Total assets	**117 031**	**6 364**	**675**	**-2 761**	**121 309**

Segment information 2021 Q1-Q3 continuation (data in million HUF)

LIABILITIES	CIG Life insurance segment	CIG Non-life insurance	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Technical reserves	14 744	2 473	-	-	17 217
Technical reserves for policyholders of unit-linked insurance	82 101	-	-	-	82 101
Financial liabilities – investment contracts	4 098	-	-	-	4 098
Liabilities from financial reinsurance	50	-	-	-	50
Liabilities from reinsurance	86	74	-	-	160
Liabilities from insurance policyholders	938	33	-	-	971
Liabilities from intermediaries	169	77	-	-	246
Intercompany liabilities	-	158	152	-310	-
Liabilities from lease	338	94	-	-	432
Other liabilities and provisions	952	1 113	1	23	2 089
Liabilities to shareholders	20	-	-	-	20
Total liabilities	**103 496**	**4 022**	**153**	**-287**	**107 384**
NET Assets	**13 535**	**2 342**	**522**	**-2 474**	**13 925**
Shareholder's Equity					
Registered capital	3 116	1 065	266	-1 331	3 116
Capital reserve	4 019	4 630	80	-7 576	1 153
Share-based payments	9	-	-	-	9
Own shares	-32	-	-	-	-32
Other reserves	-1 430	-73	-	-	-1 503
Retained earnings	7 853	-3 280	176	6 441	11 190
Result of minority shares	-	-	-	-8	-8
Total Shareholder's equity	**13 535**	**2 342**	**522**	**-2 474**	**13 925**

Segment information 2021 Q1-Q3 continuation (data in million HUF)

INCOME STATEMENT	CIG Life insurance segment	CIG Non-life insurance	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Gross written premium	15 652	317	-	-	15 969
Changes in unearned premiums reserve	59	83	-	-	142
Earned premiums, gross	15 711	400	-	-	16 111
Ceded reinsurance premiums	-203	-159	-	-	-362
Earned premiums, net	**15 508**	**241**	**-**	**-**	**15 749**
Premium and commission income from investment contracts	90	-	-	-	90
Other investment income	8 090	48	-	-	8 138
Interest income calculated using the effective interest method	303	32	-	-3	332
Change in capital of joint ventures and associates (profit)	448	-	-	-197	251
Other operating income	611	32	-	-67	576
Reinsurance commissions and profit sharing	-1	36	-	-	35
Other income	**9 541**	**148**	**0**	**-267**	**9 422**
Total income	**25 049**	**389**	**0**	**-267**	**25 171**
Claim payments and benefits, and claim settlement costs	-10 727	-294	-	-	-11 021
Recoveries from reinsurance	50	32	-	-	82
Net change in the value of life technical reserves and unit-linked life insurance reserves	-8 119	136	-	-	-7 983
Investment expediture	-680	-95	-245	856	-164
Change in the fair value of liabilities relating to investment contracts	-307	-	-	-	-307
Investment expenses, changes in reserves and benefits, net	**-19 783**	**-221**	**-245**	**856**	**-19 393**
Fees, commissions and other acquisition costs	-2 707	272	9	-25	-2 995
Other operating costs	-1 237	-405	-17	15	-1 644
Other expenses	-269	-17	-2	94	-194
Operating costs	**-4 213**	**-694**	**-10**	**84**	**-4 833**
Result of assets held for sale	**0**	**3**	**0**	**0**	**3**
Profit/loss before taxation	**1 053**	**-523**	**-255**	**673**	**948**
Tax expenses	-145	-8	-	-	-153
Deferred tax income / expenses	-	-	-	-	0
Profit/loss after taxation	**908**	**-531**	**-255**	**673**	**795**
Other comprehensive income	-650	-82	-	-	-732
Comprehensive income	**258**	**-613**	**-255**	**673**	**63**

8. NUMBER OF EMPLOYEES, OWNERSHIP STRUCTURE

The number of employees at the members of the Group was 191 on 30 September 2022

Table 11 Composition of the Issuer's share capital (30 September 2022)

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	-	-	-
Amount of share capital	**-**	**-**	**3 116 132 580**

Table 12 Number of voting rights connected to the shares (30 September 2022)

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	-

Table 13 The Issuer's ownership structure (30 September 2022)

Owners	Number of shares	Ownership stake	Voting rights
Domestic private individual	30 025 180	31.80%	31.80%
Domestic institution	62 952 492	66.67%	66.67%
Foreign private individual	148 390	0.16%	0.16%
Foreign institution	22 540	0.02%	0.02%
Nominee, domestic private individual	1 158 518	1.23%	1.23%
Nominee, foreign private individual	78 400	0.08%	0.08%
Nominee, foreign institution	32 726	0.03%	0.03%
Unidentified item	10 014	0.01%	0.01%
Total	**94 428 260**	**100%**	**100%**

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.

Table 14 The Issuer's investments on 30 September 2022

Name	Registered seat	The Issuer's share
CIG Pannonia First Hungarian General Insurance Company cPlc.	1097 Budapest, Könyves Kálmán krt. 11.	100.0%
Pannonia PI-ETA Funeral Service Limited Liability	1097 Budapest, Könyves Kálmán krt. 11.	100.0%
MKB-Pannonia Fund Manager cPlc.	1068 Budapest, Benczúr utca 11.	7.67%
OPUS GLOBAL Plc.	1062 Budapest, Andrássy út 59.	1%

9. INFORMATION PUBLISHED IN THE PERIOD

Date	Title, short content
7 July 2022	EXTRAORDINARY INFORMATION on the granting of an official certificate by the Hungarian Competition Authority
14 July 2022	EXTRAORDINARY INFORMATION on the Central Bank of Hungary granting authorization for the transfer of contract portfolios
29 July 2022	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
25 August 2022	EXTRAORDINARY INFORMATION: publication of the CEO presentation prepared in connection with the publication of the Company's quarterly report (Q2 2022)
31 August 2022	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
2 September 2022	OTHER INFORMATION on notified changes in voting shares below the threshold
30 September 2022	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
4 October 2022	EXTRAORDINARY INFORMATION about the subsidiary involved in the consolidation
2 November 2022	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) and the Budapest Stock Exchange Ltd. (www.bet.hu), as well as on the website of the Hungarian National Bank (www.kozzetetelek.hu).

CIG PANNÓNIA INSURANCE

9. DISCLAIMER

The Issuer declares that the report for the third quarter of 2022 was not reviewed by an auditor, the report for the third quarter of 2022 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.

21 November 2022, Budapest

Zoltán Polányi
Chief Executive Officer

Alexandra Tóth
Chief Financial Officer

Investor relations
Emese Stodulka, Investor relations
investor.relations@cig.eu; + 36 70 372 5138