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

Q4 2022

CIG PANNÓNIA
INSURANCE

28 February 2023, Budapest

Dr. István Fedák
Chief Executive Officer

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 fourth quarterly report (hereinafter: **Report**) for 2022. The Issuer publishes in this Report for the four 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 fourth quarter of 2022:

- **We increased our consolidated profit excluding the extra profit tax** from last year's HUF 1,675 million **by 8% to HUF 1,810 million** despite the economic challenges of 2022 (i.e. 14.5% inflation, 15% weakening of the HUF against the EUR).
- At the same time, our result appearing in our report, which takes all items into account, decreased from the already mentioned HUF 1,675 million to HUF 1,211 million in one year. This **28% decrease is primarily due to one-off items, and is not a result of organic business processes**.
- The extra profit tax meant a HUF 599 million burden for us during 2022. An important element in the evaluation of our company's results is that the annual growth of all tax items - HUF 940 million - was essentially double the value of our annual profit growth without taxes of HUF 476 million. Albeit **our business growth is outstanding, tax rates exceeding the growth rate significantly reduced our reported result**.
- Another significant item reducing our result is the annual change in provisions due to international accounting rules, which reduced our profit in 2022 (compared to 2021) from two sides. Due to the successful collection activity, our result in 2021 was improved by the released provision made in the previous years for the debt of our partners. This **HUF 335 million profit-enhancing item did not occur again in the current year**. In addition, **in order to create the financial coverage necessary for some projects that will start in 2022 and lay the foundation for our future**, based on the principle of prudence, **we had to create provisions**. We evaluate both effects as one-off items that do not directly affect business growth or the implementation of our strategy.
- Our company is following its designated strategy, which is clearly visible in the growth of premiums and new acquisitions.

CONTENTS

1. SUMMARY
(continuation)

- Our insurance premium has grown by 9,6 billion y 2022, a 42% increase compared to 2021. Our portfolios are all inclueded in this growth. The growth of our unit-linked, industrial property and fleet casco product lines, and the premium income from our group life insurance products regarding our strategic agreement with Magyar Bankholding cPlc. all contributed by more than HUF 1 billion each to the increase inpremiums.
- The growth dynamics is also shown by the fact that compared to last year, the insurance premium income of each of our quarters was higher compared to the respective quarter of the previous year. The premium income of the fourth quarter was already nearly ten billion forints, and our annual premium income exceeded thirty billion forints. **The premium income of the fourth quarter was already nearly HUF 10 billion, and our annual premium income exceeded HUF 30 billion.**
- The growth of our premium income is ensured by new sales. As in the last quarter, the industrial **property and fleet casco products of the non-life sector increased quite significantly compared to 2021, by HUF 2.0 and 2.7 billion**, respectively. We almost doubled the new acquisitions of group life products in one year, and the new acquisitions of **other non-life products nearly tripled**. We were also able to increase new acquisitions of the traditional products, though to a more modest extent.
- The drastic rise in yields on the market and the increase of inflation made the comparative advantage of unit-linked products disappear in the last quarter of 2022, thus their overall sales decreased somewhat in an annual comparison.
- The growth of our new sales is due to the extensive, strong sales network. Among the performance of our sales channels, the **network of independent salesmen stands out, whose fee income from new acquisitions increased more than three times compared** to 2021. This very significant growth indirectly affected the performance of the own network as well, as the stock of new acquisitions of this channel decreased by 8% compared to the previous year. The banking channel continued its growth also in the last quarter, doubling the value of new contracts, which is the significant result of our strategic agreement with MHB and its member companies. The 13% growth of other business development is a result of the agreements on the conclusion of group property insurances with MVM and individual property insurances with Euroleasing.
- **The increase in yield due to rising inflation had a negative impact on the valuation of our securities.** 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 also the value of equity. The consolidated, unrealized exchange rate loss reached HUF 3.8 billion by the end of the quarter. This loss can affect our after-tax profit in two cases: if we sell our securities, or if the Hungarian public debt rating is worsened by the international credit rating agencies.
- The capital position of our insurance company is stable, our capital adequacy ratio is **206%**.

The figures below analyze some of the highlights of our result:

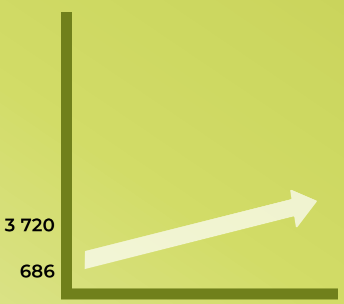
42% growth

our insurance premiums have reached HUF 32 billion

Profit after tax has increased by 8%

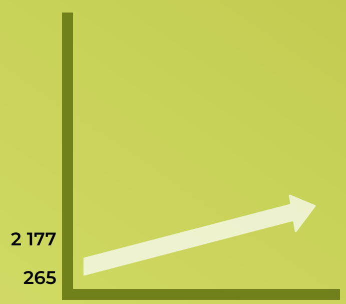
without the additional insurance tax up to HUF 1.8 billion

In the IV. quarter the premium income is almost HUF 10 billion



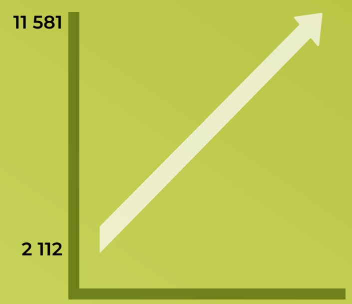
Number of BajTárs customers has increased by

442%



Number of CASCO insured vehicles has increased by

448%

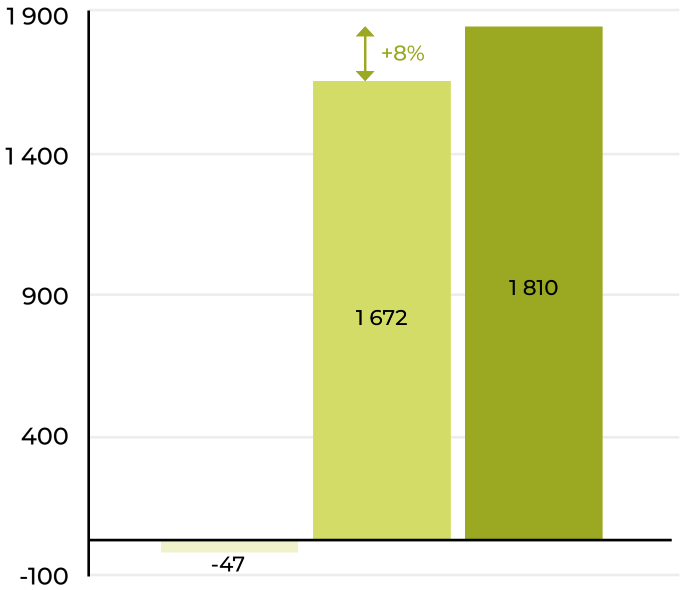


industrial property premium income grown by

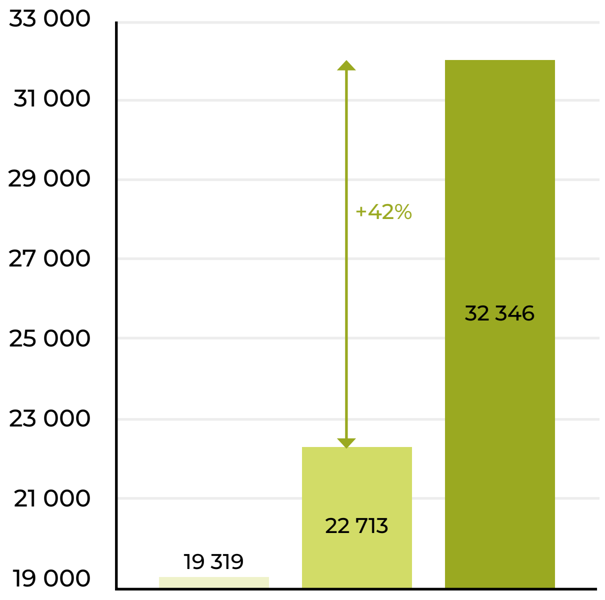
722%

within a year

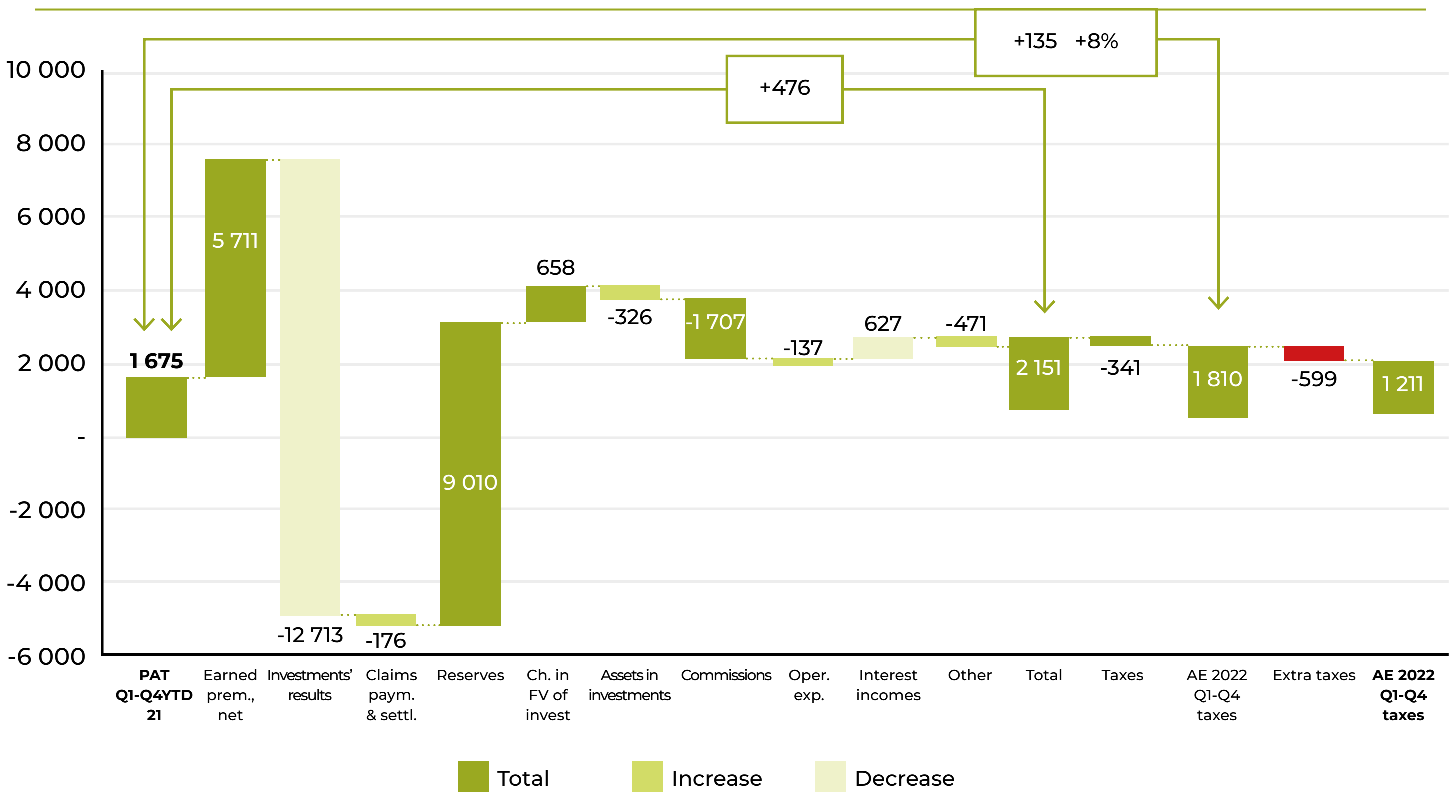
Graph 1
Profit after tax W/O result of assets held for sale (million HUF)



Graph 2
Gross earned premiums (million HUF)

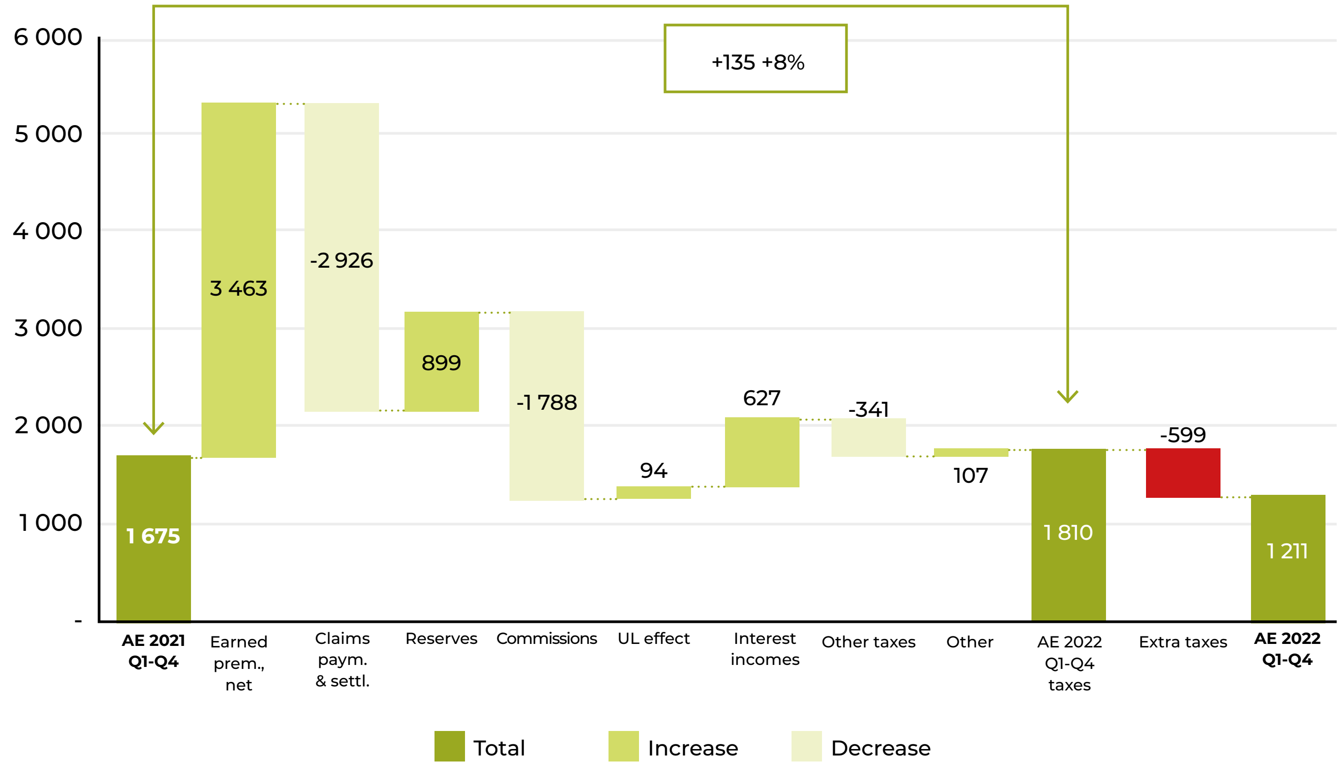


Graph 3
Changes in consolidated profit after tax YoY Q4'22 YTD (million HUF)



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

Graph 4
Changes in consolidated profit after tax YoY Q4'22 YTD (million HUF)



In the analysis of the growth of our profit after tax , 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 year 2022 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 627 million**. The figure above shows that the result of the two effects is positive for us in 2022, which thus contributed to the – excluding the surtax – 8% annual profit increase.

Other significant impacts compared to last year were 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. This is partly causing the increase in claims payments in an annual comparison.

Our unit-linked products overall increased our result compared to last year, which - considering the already mentioned extraordinary market yield increase - we evaluate as an outstanding result. In the case of our regular premium products, the change in the 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 increase in yield affected the fourth quarter sales of UL, as the sales of this product group decreased year-on-year for the first time in a long time.

The 42% annual increase in our premium income is outstanding. Behind this significant increase are the growths of unit-linked, group life insurance, industrial property and fleet casco insurances, with a growth of more than HUF 1 billion each. The group products sold in the course of the strategic agreement with MBH and its member companies are behind the increase in our premiums from other non-life insurance products, which are also higher by more than HUF 1 billion. **It is a positive sign that we were also able to increase the premium income of the traditional products as a result of focused sales.** Our net premium income, decreased with the reinsurance premiums, also increased by 26% 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 **also this year our premium incomes** - similar to the first three quarters - **were higher than the premium incomes of the same quarters in 2021**.

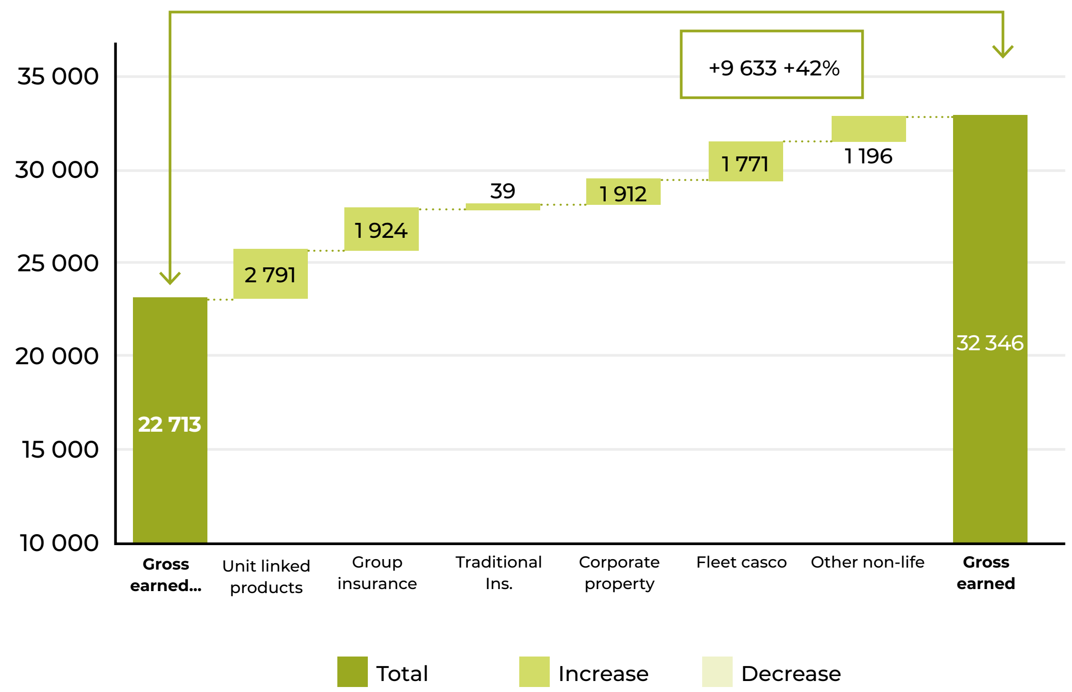
Another important component of the increase in our result is the movement of our **insurance reserves**, which **was positive in 2022, improving our result**. This positive effect can be traced back to three reasons: (i) the reduction in the reserves of the already mentioned single-premium UL products, (ii) the decrease of the traditional products' accounting reserves, and (iii) the decrease of the reserves formed for the Italian guaranteed 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 - except for the already mentioned unit-linked insurances - 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 was 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 MBH 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 MBH and its member companies.**

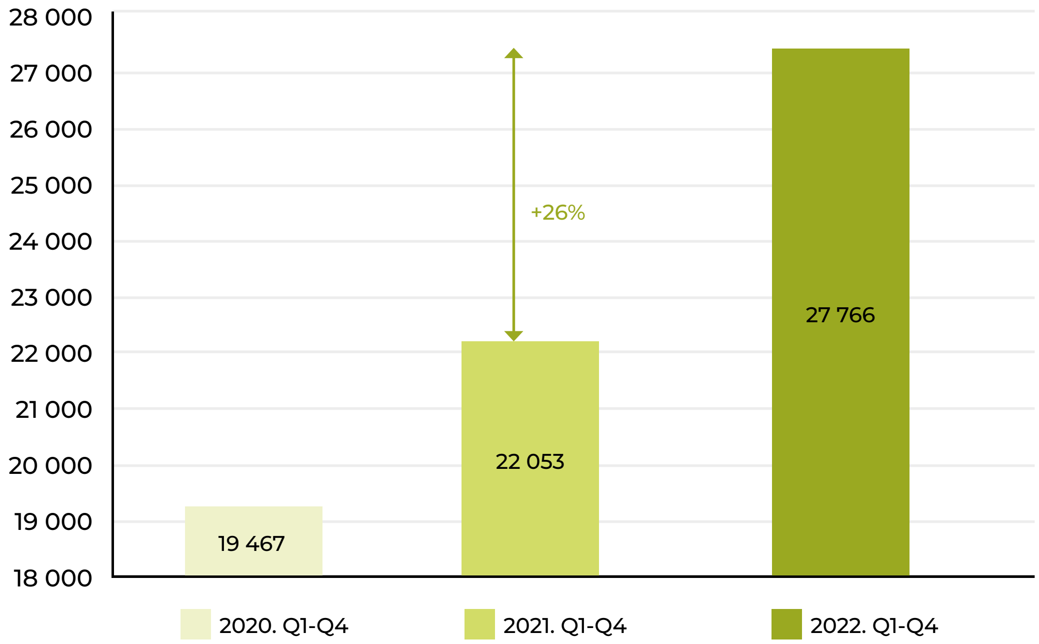
Graph 5

Changes in gross earned premium YoY Q4'22 YTD (million HUF)



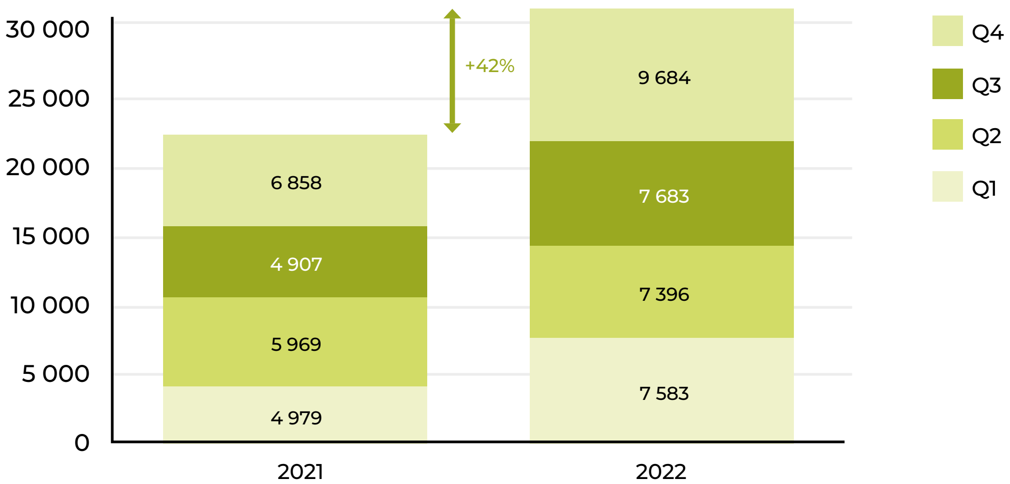
2 In the life insurance segment by new policies we mean the increase of the annual premium of the regular premium policies concluded in the given period, and the increase of 10% of the premium of single premium contracts (in total so-called APE value), in accordance with the usual standards. In the non-life 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)

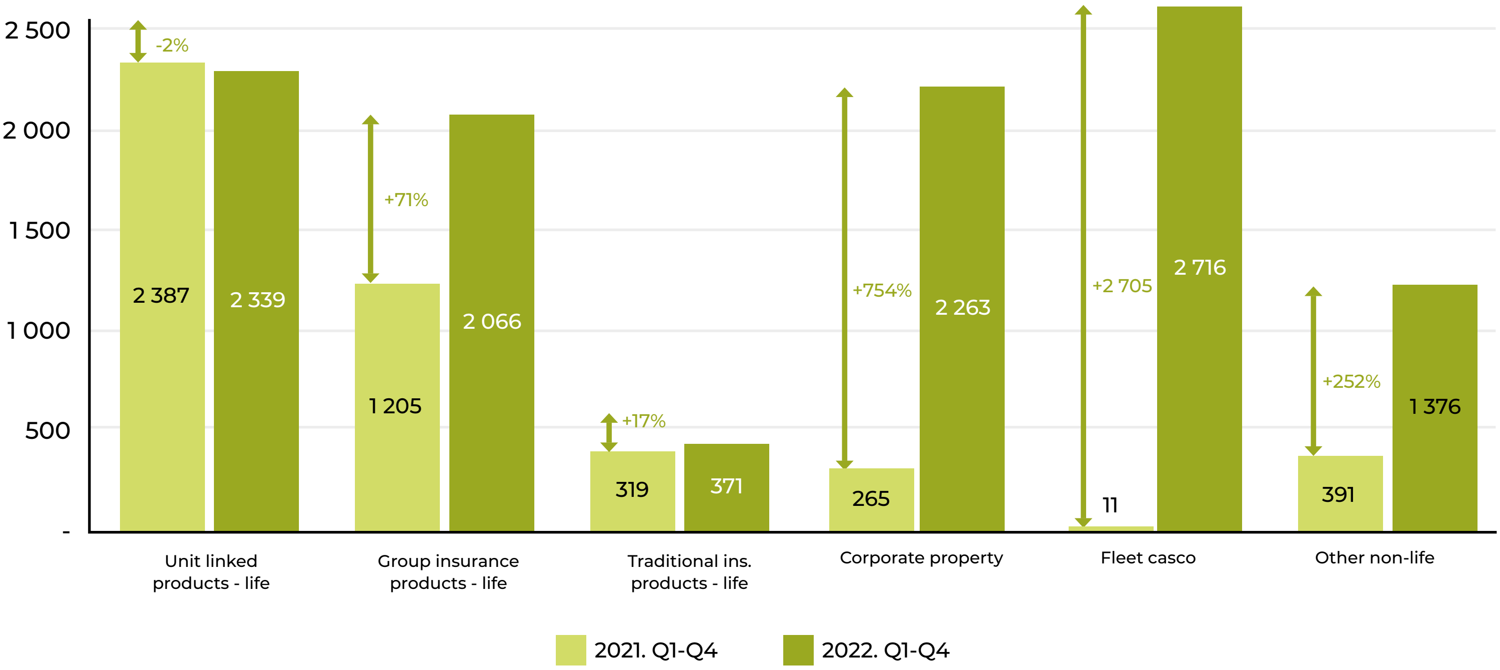


The increase in new acquisitions was observable in almost all channels. Within this the almost threefold increase of new acquisitions in the independent channel is outstanding, but also the increase in the banking channel and our alternative sales channels means our strategy turning into reality.

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

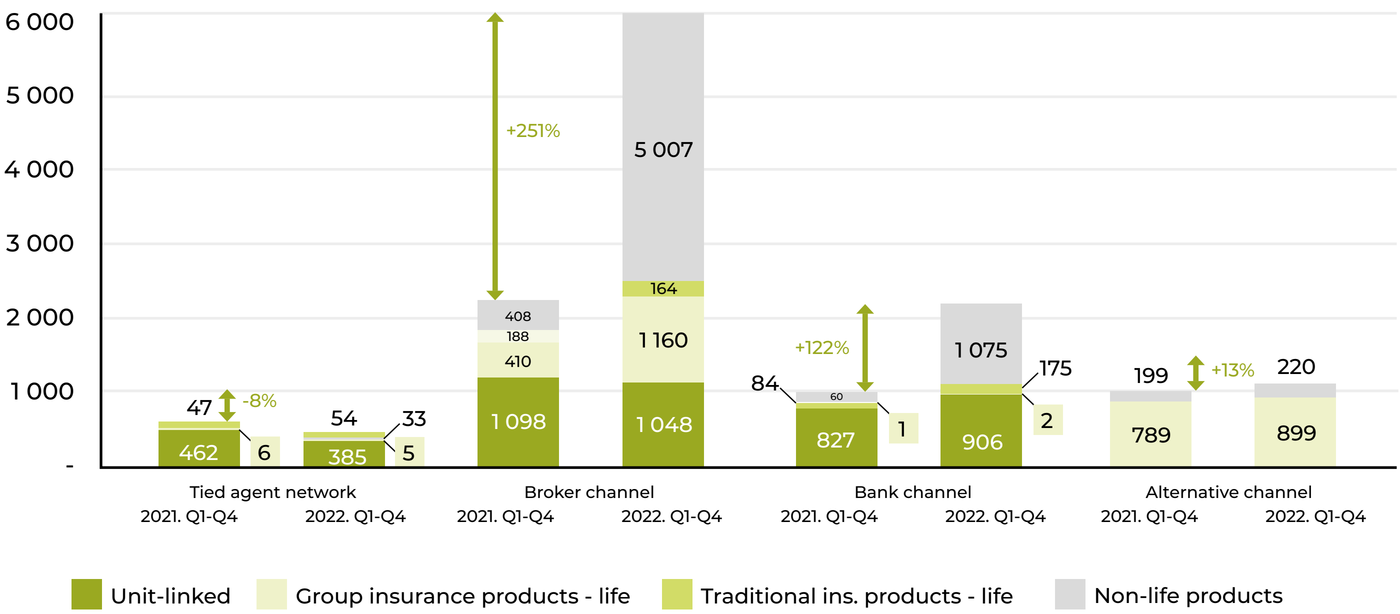


Graph 8
New contracts by portfolios Q4'22 YTD YoY (million HUF)



Overall, our reported after-tax profit decreased by HUF 464 million compared to 2021, and in addition, our equity decreased by HUF 3.8 billion due to the unrealized exchange rate loss of our securities, as a result of the aforementioned yield increase.

Graph 9
New contracts by portfolios and partners' type Q4'22 YTD, YoY (million HUF)



1.2 The implementing steps of the Growth Strategy:

2022 was a decisive year in the implementation of our group-level strategy. Our property insurance products became widely known and our sales network became unique as a result of our strategic agreements with MBH and its member companies. We have become dominant on the life insurance market with our products. **Our goal is a growth based on solid foundations and an efficient operation, ensuring competitive, long-term returns for our shareholders.** We have made significant progress in almost every element of our Growth Strategy.

The priority goal of the next quarters is the implementation of high-level information technology solutions, thereby increasing the satisfaction of our customers, partners, and thus our shareholders. **Laying the foundations for the implementation of the grant „Development of insurance products that can be customized with the help of artificial intelligence"** awarded by the National Research, Development and Innovation Office in July 2021 **has been a priority project for us in recent months**. We see the implementation of this project as one of the keys to the foundation of our future, since we want to respond to economic challenges by increasing efficiency and strengthening digitalization. This project contributes organically to the implementation of the parts of our strategy that are yet ahead of us.

The current status of our strategy's implementation is illustrated in the below figure:

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	35%
	1.3 Development of claims handling and customer management processes (non-life)	80%
	1.4 Developing risk monitoring and risk management branches	80%
	1.5 Developing broker network coverage	95%
	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	20%
	2.4 Further development of customer portals	20%
	2.5 Implementing IT operation and development supporting processes and solutions	30%
	2.6 Digitization of claims handling	30%
	2.7 Development of corporate governance and internal operating rules	95%
	2.8 Developing the sales support team	95%
	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	95%

MAIN EVENTS AND RESULTS OF THE REPORTING PERIOD (REFERENCE PERIOD, Q4) IN THE TIMELINE OF CAPITAL DISCLOSURES AND PREVIOUS EVENTS

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

1.2.1.1. Extraordinary information about an awarded grant and the conclusion of a strategic agreement

On 14 December 2022, after the expiration of the contract moratorium, the Issuer informed its shareholders and the public of the fact that as the winning bidder of an EU open public procurement procedure it concluded a contract with procurer Magyar Nemzeti Vagyonkezelő Zrt. (headquarters: 1133 Budapest, Pozsonyi út 56.) for insurance services, including group life and accident insurance, with an insurance rate of HUF 304,070,914 per year.

On 15 December 2022, the Company issued an information stating that the Company and its 100% owned subsidiary, CIG Pannónia Első Magyar Áltanos Biztosító Zrt., together as CIG Pannónia Group, and MKB-Pannónia Egészség- és Önsegélyező Pénztár (headquarters: 1056 Budapest, Váci u. 38.; registration number: 01-04-0000198; tax number: 18232761-1-41) (MKB EP) entered into a long-term, fixed-term (for five years and extendable for another five years) strategic cooperation agreement in order to make fuller use of the synergies in the cooperation between the MKB EP and the insurance company - thus providing other insurance services within the applicable legal framework's possibilities to the fund's membership of more than 200,000 people. The Company also reminded that a main pillar of its Growth Strategy, announced in July 2021, was to become a reliable composite insurer with a life insurance and non-life insurance product portfolio within the next five years, with a decisive size and a stable background, and that it considers this long-term cooperation as an additional element of the pillar's achievement.

The information 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.

1.2.2. Other events

On 7 December 2022, the Company - in compliance with its legal obligation - informed the public that, based on the findings of its ex officio consumer protection target investigation, the Hungarian National Bank (MNB) with its decision No. H-FH-II-B-10/2022 of 5 December 2022, received by the Company on 6 December 2022, called on the Insurer to always comply with the legal provision on the prohibition of unfair commercial practices, and imposed a consumer protection fine of HUF 2,000,000, i.e. two million forints, on the Insurer due to the violation of the legal provision on the prohibition of unfair commercial practices[3].

Also in the subject period, MNB concluded its target- and follow-up investigations launched earlier to inspect the operation of CIG Pannónia Életbiztosító Nyrt., whose final decision was published as required by law by the Insurer on 22 December 2022 at the official publication sites[4].

1.2.3. Events that occurred after the balance sheet date

On 16 January 2023, the Company gave an immediate information that the employment of CEO Zoltán Polányi in CIG Pannónia Insurers was terminated by mutual agreement, and that the CEO also resigned from his position on the boards of both companies on the same day, as a result of which from that day the position of CEO of the companies is held by Dr. István Fedák acting as the sole CEO[5]. Due to the changes, the Board of Directors of CIG Pannónia Életbiztosító Nyrt. elected a new President in the person of Board member Dr. Péter Bogdánffy[6], and the transformation of the organizational structure adopted by the Board has begun. On 1 February 2023, the Board of Directors of the Company - in order to determine for itself the basic guidelines and system of operation adapted to the changed management structure – entered into force a new organizational structure and, because of this, a new organizational and operational regulation (Regulations)

3 https://bet.hu/newkibdata/128817022/MNB_HAT_20221206.pdf
4 https://bet.hu/site/newkib/hu/2022.12./Tajekoztatas_az_MNB_altal_hivatalbol_folytatott_cel_-_-_es_utovizsgalat_lezarasarol_128824994
5 https://bet.hu/newkibdata/128833387/CIG_k%C3%B6zlem%C3%A9ny_20230116.pdf
6 https://bet.hu/newkibdata/128834222/BP_IG_ELN_HU_20230118.pdf

that follows the changes in all respects and determines the levels of management and responsibility for both the Life Insurance Company and EMABIT.

With the entry into force of the Regulations, the senior management levels of the Company's operation and the areas belonging to them were established as follows, adapted to the tasks:

The heads of the Company's work organization: Management	
CEO	dr. István Fedák
Deputy CEO responsible for corporate governance and prudential compliance	dr. Gábor Dakó
Chief Financial Officer	Árpád Szűcs
Deputy CEO Sales Division	Zoltán Kőrösi
Deputy CEO Retail Division	Antal Kóka
Deputy CEO for Legal and Business Support	dr. Dávid Kozma

In its Information the Company stressed, that when defining management responsibilities and forming its own internal organization - according to other expected internal regulations, relevant recommendations, and all requirements of transparency and regulated market presence -, the Company kept in mind the criteria for the implementation of the Company's unified, organic growth strategy containing development directions and goals (Growth Strategy[7]).

Budapest, 28 February 2023

CIG Pannónia Életbiztosító Nyrt.

7 https://bet.hu/site/newkib/hu/2021.07./Strategia_megalkotasa_es_elfogadasa_128587250

2. FINANCIAL STATEMENTS

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

	2022 Q1-Q4 (A)	2021 Q1-Q4 (B) restated	Változás (A)-(B)
Gross written premium	32 346	22 845	9 501
Changes in unearned premiums reserve	-734	-157	-577
Earned premiums, gross	31 612	22 688	8 924
Ceded reinsurance premiums	-3 847	-502	-3 345
Earned premiums, net	**27 765**	**22 186**	**5 579**
Premium and commission income from investment contracts	105	147	-42
Commission and profit sharing due from reinsurers	1 263	60	1 203
Interest income calculated using the effective interest method	1 102	475	627
Other investment income	433	11 616	-11 183
Yield on investment accounted for using equity method (profit)	482	808	-326
Other operating income	803	1 113	-310
Other income	**4 188**	**14 219**	**-10 031**
Total income	**31 953**	**36 405**	**-4 452**
Claim payments and benefits, claim settlement costs	-16 130	-15 465	-665
Recoveries, reinsurer's share	1 042	147	895
Net changes in value of the life technical reserves and unit-linked life insurance reserves	-3 143	-11 964	8 821
Investment expenses	-1 778	-240	-1 538
Impairment and impairment reversal of financial assets	-6	-14	8
Change in the fair value of liabilities relating to investment contracts	178	-437	615
Investment expenses, changes in reserves and benefits, net	**-19 837**	**-27 973**	**8 136**
Fees, commissions and other acquisition costs	-7 063	-4 154	-2 909
Other operating costs	-2 393	-2 256	-137
Other expenses	-1 287	-239	-1 048
Operating costs	**-10 743**	**-6 649**	**-4 094**
Result of assets held for sale	**-**	**3**	**-3**
Profit/Loss before taxation	**1 373**	**1 786**	**-413**

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

	2022 Q1-Q4 (A)	2021 Q1-Q4 (B) restated	Change (A)-(B)
Tax income/expenses	-279	-192	-87
Deferred tax income/expenses	117	88	29
Profit/Loss after taxation	**1 211**	**1 682**	**-471**
Comprehensive income, wouldn't be reclassified to profit or loss in the future	-602	-575	-27
Comprehensive income, would be reclassified to profit or loss in the future	-3 207	-1 801	-1 406
Other comprehensive income	**-3 809**	**-2 376**	**- 1 406**
Total comprehensive income	**-2 598**	**-694**	**-1 904**
Profit/loss after taxation attributable to the Company's shareholders	1 211	1 675	-464
Profit/loss after taxation attributable to NCI	-	7	-7
Profit/Loss after taxation	**1 211**	**1 682**	**-471**
Total comprehensive income attributable to the Company's shareholders	-2 598	-701	-1 897
Total comprehensive income to NCI	-	7	-7
Total comprehensive income	**-2 598**	**-694**	**-1 904**
Earnings per share of the Company's shareholders			
Basic earnings per share (HUF)	12,9	17,8	-4,9
Diluted earnings per share (HUF)	12,9	17,8	-4,9
Earnings per share of NCI's			
Basic earnings per share (HUF)	-	0,1	-0,1
Diluted earnings per share (HUF)	-	0,1	-0,1

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

	2022Q4 (A)	2022 Q3 (B)	2022Q2 (C) restated	2022Q1 (D) restated	Change (A)-(B)
Gross written premium	9 684	7 683	7 474	7 505	2 001
Changes in unearned premiums reserve	-91	212	-44	-811	-303
Earned premiums, gross	9 593	7 895	7 430	6 694	1 698
Ceded reinsurance premiums	-1 819	-1 074	-566	-388	-745
Earned premiums, net	**7 774**	**6 821**	**6 864**	**6 306**	**953**
Premium and commission income from investment contracts	16	26	24	39	-10
Commission and profit sharing due from reinsurers	635	423	94	111	212
Interest income calculated using the effective interest method	399	275	229	199	124
Other investment income	-134	284	231	52	-418
Yield on investment accounted for using equity method (profit)	223	86	80	93	137
Other operating income	286	143	214	160	143
Other income	**1 425**	**1 237**	**872**	**654**	**188**
Total income	**9 199**	**8 058**	**7 736**	**6 960**	**1 141**
Claim payments and benefits, claim settlement costs	-4 440	-4 163	-3 744	-3 783	-277
Recoveries, reinsurer's share	535	276	167	64	259
Net changes in value of the life technical reserves and unit-linked life insurance reserves	-375	-4 258	609	881	3 883
Investment expenses	-1 002	3 136	-1 845	-2 067	-4 138
Impairment and impairment reversal of financial assets	4	-1	-11	2	5
Change in the fair value of liabilities relating to investment contracts	-64	-84	50	276	20
Investment expenses, changes in reserves and benefits, net	**-5 342**	**-5 094**	**-4 774**	**-4 627**	**-248**
Fees, commissions and other acquisition costs	-2 168	-1 800	-1 606	-1 489	-368
Other operating costs	-695	-503	-617	-578	-192
Other expenses	-613	-507	-57	-110	-106
Operating costs	**-3 476**	**-2 810**	**-2 280**	**-2 177**	**-666**
Profit/Loss before taxation	**381**	**154**	**682**	**156**	**227**

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

	2022Q4 (A)	2022 Q3 (B)	2022Q2 (C) restated	2022Q1 (D) restated	Change (A)-(B)
Tax income/expenses	-115	-54	-62	-48	-61
Deferred tax income/expenses	117	-	-	-	117
Profit/Loss after taxation	**383**	**100**	**620**	**108**	**283**
Comprehensive income, wouldn't be reclassified to profit or loss in the future	-78	-249	-402	127	171
Comprehensive income, would be reclassified to profit or loss in the future	1 049	-1 330	-1 476	-1 450	2 379
Other comprehensive income	**971**	**-1 579**	**-1 878**	**-1 323**	**2 550**
Total comprehensive income	**1 354**	**-1 479**	**-1 258**	**-1 215**	**2 833**
Profit/loss after taxation attributable to the Company's sharehol-ders	383	100	620	108	283
Profit/loss after taxation attributable to NCI	-	-	-	-	-
Profit/Loss after taxation	**383**	**100**	**620**	**108**	**283**
Total comprehensive income attributable to the Company's share-holders	1 354	-1 479	-1 258	-1 215	2 833
Total comprehensive income to NCI	-	-	-	-	-
Total comprehensive income	**1 354**	**-1 479**	**-1 258**	**-1 215**	**2 833**

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	365	93 954 254
31.12.2022	**94 428 260**	**474 006**	**365**	**93 954 254**

The treasury shares transferred to the Company's Employee Shareholder Program (hereinafter: **MRP**) does 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	31 December 2022 (A)	31 December 2021 (B) restated	Change
Intangible Assets	992	720	272
Property, plant and equipment	149	179	-30
Right-of use assets	409	494	-85
Deferred tax asset	591	474	117
Deferred acquisition costs	1 884	1 328	556
Reinsurer's share of technical reserves	1 751	453	1 298
Investments accounted for using the equity method	660	1 013	-353
Available-for-sale financial assets	–	28 409	-3 977
Other financial assets at fair value	24 432	-	
Investments for policyholders of unit-linked life insurance policies	87 437	85 664	1 773
Financial assets – investment contracts	5 167	5 238	-71
Financial asset – derivatives	59	1	58
Receivables from insurance policy holders	2 847	1 958	889
Receivables from insurance intermediaries	1 008	56	952
Receivables from reinsurance	369	88	281
Other assets and prepayments	123	76	47
Other receivables	173	183	-10
Cash and cash equivalents	3 093	1 498	1 595
Total Assets	**131 144**	**127 832**	**9 835**

LIABILITIES			
Technical reserves	22 171	19 320	2 851
Technical reserves for policyholders of unit-linked life insurance policies	87 437	85 664	1 773
Investment contracts	5 167	5 238	-71
Financial liabilities – derivatives	-	12	-12
Loans and financial reinsurance	7	38	-31
Liabilities from reinsurance	1 500	279	1 221
Liabilities to insurance policy holders	923	882	41
Liabilities to insurance intermediaries	729	244	485
Lease liabilities	475	532	-57
Provisions	520	297	223
Other liabilities	3 264	2 138	1 126
Liabilities to shareholders	30	20	10
Total Liabilities	**122 223**	**114 664**	**7 559**
Net Assets	**8 921**	**13 168**	**-4 247**

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

ASSETS	31 December 2022 (A)	31 December 2021 (B) restated	Change
SHAREHOLDERS' EQUITY			
Share capital	3 116	3 116	-
Capital reserve	1 153	1 153	-
Treasury shares	-32	-32	-
Share-based payment	46	-	46
Other reserves	-6 891	-3 147	-3 744
Retained earnings	11 529	12 078	-549
Equity attributable to the Company's Shareholders	**8 921**	**13 168**	**-4 247**
Non-controlling interest	-	-	-
Total Shareholder's Equity	**8 921**	**13 168**	**-4 247**

Table 5 Consolidated Changes in Equity Q1-Q4 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
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	-	-	-	-	-3 809	-	-3 809	-	-3 809
Profit in reporting year	-	-	-	-	-	1 211	1 211	-	1 211
Transactions with equity holders recognized directly in Equity									
Share-based payments	-	-	46	-	-	-	46	-	46
Dividend payments	-	-	-	-	-	-1 700	-1 700	-	-1 700
Transactions with NCI									
Derecognition of NCI	-	-	-	-	-	5	5	-	5
Balance on 31 December 2022	**3 116**	**1 153**	**46**	**-32**	**-6 891**	**11 529**	**8 921**	**-**	**8 921**

Table 6 Consolidated Changes in Equity Q1-Q4 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
Balance on 31 December 2020	**3 116**	**1 153**	**9**	**-**	**-771**	**10 394**	**13 901**	**-7**	**13 894**
Total comprehensive income									
Other comprehensive income	-	-	-	-	-2 376	-	-2 376	-	-2 376
Profit in reporting year	-	-	-	-	-	1 675	1 675	7	1 682
Transactions with equity holders recognized directly in Equity									
Treasury share purchase	-	-	-	-32	-	-	-32	-	-32
Deduction of share-based payments	-	-	-9	-	-	9	-	-	-
Balance on 31 December 2021	**3 116**	**1 153**	**-**	**-32**	**-3 147**	**12 078**	**13 168**	**-**	**13 168**

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

	2022 Q1-Q4	2021 Q1-Q4
Profit/loss after taxation	**1 211**	**1 682**
Modifying items		
Depreciation and amortization	418	384
Extraordinary depreciation, and net derecognised assets	8	-2
Booked/reversed impairment, debt cancelled	-48	14
Result of assets sales	245	49
Share-based services	-	-7
Exchange rate changes	-117	-20
Share of the profit or loss of associates accounted for using the equity method	-491	-808
Deferred tax	-117	-88
Income taxes	279	192
Income on interest	-1 031	-476
Result of derivatives	-166	-2
Provisions (-/+)	223	-509
Result of minority shares	5	-
Termination of leasing assets	8	4
Interest cost	3	7
Change of active capital items:		
Increase / decrease of deferred acquisition costs (-/+)	-556	-113
Increase / decrease of investments for policyholders of unit-linked life insurance policies (-/+)	-2 904	-11 542
Increase / decrease of financial assets – investment contracts (-/+)	1 202	-1 008
Increase / decrease of receivables from insurance contracts and other receivables (-/+)	-2 127	-150
Increase / decrease of reinsurer's share from technical reserves (-/+)	-1 298	169
Increase /decrease of other assets and active accrued and deferred items (-/+)	-47	-50
Increase / decrease of technical reserves (+/-)	2 873	3 231
Increase / decrease of liabilities from insurance (-/+)	1 746	333
Increase / decrease of investment contracts (+/-)	-1 202	1 008
Increase / decrease of technical reserves due to unit-linked life insurance (+/-)	2 904	11 542
Increase / decrease of other liabilities (+/-)	1 153	1 067
Increase/decrease in liability to shareholders (+/-)	-5	-
Paid income taxes	206	189
Increase/ decrease in assets held for sale (-/+)	-	294
Increase/ decrease in liabilities held for sale (+/-)	-	-199
Settlement of assets held for sale	-	-23
Share-based payment	46	-
Cash flows from operating activities	**2 011**	**4 790**

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

	2022 Q1-Q4	2021 Q1-Q4
Cash flow from investing activities		
Purchase of debt instruments (-)	-17 638	-25 916
Sales of debt instruments (+)	17 525	21 364
Sales of equity instruments (+)	12	-
Purchase of tangible and intangible assets (-)	-504	-573
Sales of tangible and intangible assets (-)	1	26
Result of derivatives	96	24
Interest received/paid	1 133	704
Dividend received	844	436
Cash flow from investing activities	**1 469**	**-3 935**
Cash flow from financing activities		
Lease instalments payment	-143	-71
Lease interest payment	-15	-9
Purchase of treasury shares	-	-32
Repayment of loans and their interests	-35	-118
Dividend payment	-1 697	-
Cash flow from financing activities	**-1 890**	**-230**
Impacts of exchange rate changes	5	11
Net increase / decrease of cash and cash equivalents (+/-)	**1 594**	**636**
Cash and cash equivalents at the beginning of the period	**1 498**	**862**
Cash and cash equivalents at the end of the period	**3 093**	**1 498**

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.

Table 8 Consolidated Statement of Financial Position at 31 December 2021 continuation (data in HUF millions)

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

Table 8 Consolidated Statement of Financial Position at 31 December 2021 continuation (data in HUF millions)

ASSETS	IAS 39 classification	IFRS 9 classification	31.12.2021 IAS 39	01.01.2022 IFRS 9
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
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

Table 8 Consolidated Statement of Financial Position at 31 December 2021 continuation (data in HUF millions)

ASSETS	IAS 39 classification	IFRS 9 classification	31.12.2021 IAS 39	01.01.2022 IFRS 9
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**

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.

Table 9 The impact of the change in accounting policy on the consolidated statement of comprehensive income for the 2021 annual

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

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

Table 9 The impact of the change in accounting policy on the consolidated statement of comprehensive income for the 2021 annual

Consolidated statement of comprehensive income	Consolidated statement of comprehensive income (original title)	2021 IAS 39	2021 IFRS 9
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		**36 405**	**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
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 into account forward-looking information.

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 cPLC., 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 classificaton 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 (31 December 2022) as follows.

Table 10 Effect of the change in accounting policy on the consolidated statement of comprehensive income (data in HUF millions)

31 December 2022	Restated	Original	Change
Gross written premium	22 845	22 713	132
Changes in unearned premiums reserve	-157	-157	-
Earned premiums, gross	22 688	2 556	132
Ceded reinsurance premiums	-502	-502	-
Earned premiums, net	**22 186**	**22 054**	**132**
Premium and commission income from investment contracts	147	223	-76
Commission and profit sharing due from reinsurers	60	60	-
Income of investments	-	12 091	
Interest income calculated using the effective interest method	475	-	-
Other investment income	11 616	-	
Yield on investment accounted for using equity method	808	808	-
Other operating income	1 113	1 113	-
Other income	**14 219**	**14 295**	**-76**
Total income	**36 405**	**36 349**	**56**
Claim payments and benefits, claim settlement costs	-15 465	-15 059	-406
Recoveries, reinsurer's share	147	147	-
Net changes in value of the life technical reserves and unit-linked life insurance reserves	-11 964	-12 153	189
Investment expenses	-240	-254	14
Impairment and impairment reversal of financial assets	-14	-	-14
Change in the fair value of liabilities relating to investment contracts	-437	- 598	161
Investment expenses, changes in reserves and benefits, net	**-27 973**	**-27 917**	**-56**
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	-	-575
Other comprehensive income, would be reclassified to profit or loss in the future	-1 801	-2 376	575
Other comprehensive income	**-2 376**	**-2 376**	**-**
Total comprehensive income	**-694**	**-694**	**-**

Effect of the change in accounting policy on the consolidated statement of comprehensive income (data in HUF millions)

Assets	31 December 2021 restated	31 December 2021 original	Change
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	28 409	28 409	-
Investments for policyholders of unit-linked life insurance policies	85 664	84 553	1 131
Financial assets – investment contracts	5 238	6 369	-1 131
Financial assets – derivatives	1	1	-
Receivables from insurance policy holders	1 958	1 910	48
Receivables from insurance intermediaries	56	56	-
Receivables from reinsurance	88	88	-
Other assets and prepayments	76	76	-
Other receivables	183	183	-
Cash and cash equivalents	1 498	1 498	-
Total assets	**127 832**	**127 784**	**48**

Liabilities			
Technical reserves	19 320	19 298	22
Technical reserves for policyholders of unit-linked life insurance policies	85 664	84 533	1 131
Investment contracts	5 238	6 369	-1 131
Financial liabilities - derivatives	12	12	-
Loans and financial reinsurance	38	38	-
Liabilities from reinsurance	279	279	-
Liabilities to insurance policy holders	882	882	-
Liabilities to insurance intermediaries	244	244	-
Lease liabilities	532	532	-
Provisions	297	297	-
Other liabilities	2 138	2 112	26
Liabilities to shareholders	20	20	-
Total liabilities	**114 664**	**114 616**	**48**

Net assets	**13 168**	**13 168**	**-**

Effect of the change in accounting policy on the consolidated statement of comprehensive income (data in HUF millions)

Assets	31 December 2021 restated	31 December 2021 original	Change
Shareholders's equity			
Share capital	3 116	3 116	-
Capital reserve	1 153	1 153	-
Treasury shares	-32	-32	-
Share-based payment	-	-	-
Other reserves	-3 147	-3 147	-
Retained earnings	12 078	12 078	-
Equity attributable to the Company's Shareholders	**13 168**	**13 168**	**-**
Non-controlling interest	-	-	-
Total Shareholder's Equity	**13 168**	**13 168**	**-**

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 (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. The Company has completed the transition calculations for 01.01.2022, and is currently preparing the reports for the year 2022 according to IFRS 17.

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 FOURTH 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 2022, the Group's gross written premium was HUF 32,346 million, which is 142% of the gross written premium in the comparative period of 2021. Of this HUF 19,366 million are the gross written premium of unit-linked life insurance (of which HUF 7,412 million of pension insurance policies), HUF 6,510 million are traditional life products (of which HUF 1,229 million from pension insurance policies), HUF 958 million are health insurance policies and HUF 5,512 million are the non-life products.

The non-life insurance generated a premium income of HUF 5,512 million in 2022, which is a substantial (771 percent) increase compared to the same period previous year. The non-life business restarted in the fourth quarter of 2021, and 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 4,530 million, which is a 72% increase compared to the previous year (HUF 2,636 million). The gross written premium income from renewals was HUF 15,745 million in 2022 in contrast to HUF 14,466 million in the same period of 2021, so the renewal premiums increased by 9%. Top-up and single premiums (HUF 6,559 million) were 28% higher as the premiums of 2021, mainly relating to unit-linked life insurance policies. Within the total life insurance premium income- according to IFRS - of HUF 26,834 million, the rate of top-up and single premiums is 24 percent, slightly exceeding the 23% ratio of the previous year. The significant increase in premium income in the life-segment is therefore due to the increase 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 2022 was HUF 734 million loss (compared to HUF 157 million loss 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 3,847 million loss in 2022, while HUF 502 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 105 million in total during the reporting period, HUF 42 million less than in the comparison period. The change in the fair value of liabilities relating to investment contracts was HUF 178 million gain in 2022, due to the negative unit-linked yields.

The other operating income (HUF 803 million) is mainly the Issuer's income from fund management (HUF 480 million), which was HUF 75 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 431 million.

An important item among expenses are claim payments and benefits and claim settlement costs (together HUF 16,130 million), this expenditure is decreased by the recoveries from reinsurers (HUF 1,042 million). Claims expenditures increased by HUF 665 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 3,143 million loss, which is made up mainly the following changes in reserves. The unit-linked life insurance reserve amount increased by HUF 1,772 million, which is due to two opposing effects: the increase of premiums and negative unit-linked returns. The actuarial reserves increased by HUF 742 million, the technical reserves for the bonus payment of the life insurance clients increased by HUF 440 million, while the result-independent premium refund reserves increased by HUF 160 million. The result-depending premium refund reserves decreased by HUF 70 million. The outstanding net claim reserves decreased by HUF 246 million, while the cancellation reserves increased by HUF 281 million parallel to the change of the premium receivables.

The total operating cost of the Issuer was HUF 10,743 million in 2022, of which HUF 7,063 million is related to the fees, commissions and other acquisition costs, and HUF 2,393 million is related to other operating costs and HUF 1,287 million is other expenses. Acquisition costs show a significantly increasing trend overall (+70%), while gross earned premiums increased by 39%. 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 137 million compared to the previous year (HUF 2,256 million in 2021), mainly due to the increase of personal costs. The volume of other expenses (HUF 1,287 million) is HUF 1,048 million higher compared to the comparative period (HUF 239 million). The main reason for the increase in other expenses is the newly introduced insurance surtax, which reduced the Group's annual profit by HUF 599 million. The existing insurance tax also increased with the growth of non-life portfolios and group insurance contracts (HUF 63 million in 2021, and HUF 317 million in 2022).

The investment result in 2022 is HUF 283 million loss, while it was a profit of HUF 11,837 million in the comparative period. The huge difference was caused by the change in unit-linked returns (explains HUF 12,715 million of the change).

As stock market investors, 2022 was a sad year. With few exceptions, almost all stock markets closed significantly lower compared to the end of 2021. The highest return was achieved with the Latin American, Warren Buffet and Metallicum asset funds, other markets ended the year with a loss. Asset funds with a moderate risk and mixed composition had a mixed performance, the Best Select asset fund closed with the best performance. Money market funds came into focus again in 2022 thanks to interest rate hikes by the MNB, the base interest rate is now 13%, but after one-day deposits, the central bank pays up to 18% to prevent the forint from plummeting.

In 2022, there was a significant turn in the capital markets. Globally, inflation picked up significantly in both developed and developing markets. Inflation was initially fueled by shortages in supply chains, and the situation was further worsened by the Russian-Ukrainian war, which triggered a surge in the price of oil and, in particular, the price of gas. The rising inflation could not be ignored by the central banks either, so the last year was also the year of the beginning of monetary tightening, thus marking the end of money printing that lasted for almost 15 years. Stock markets went down 20% from their highs. Although countries around the world still had significant restrictions due to the coronavirus at the beginning of last year, the number of

Covid cases had already decreased by the second half of the year. At the same time, in China - significantly due to insufficient immunization and the relaxation of the Zero-Covid policy - infection rates jumped by the end of the year.

Inflation turned out to be more persistent, stickier and broader-based than most economic actor expected in 2022. In some regions, purely supply-side shocks (e.g. Western Europe - skyrocketing gas and energy prices due to the war), while in other countries the demand-side effects are also significant (e.g. USA, Hungary), and hence the extent of the inflation problem, and the severity of the specific central bank response measures also differs. The peak of inflation is not yet visible in Hungary, whereas the annual average inflation may have been around 14.5%, while we will see its peak in the first months of 2023. In the fight against inflation, the MNB raised the base interest rate to 13% in 2022, which is already an increase of 1,060 basis points - 10.6 percent (!) - since the beginning of last year. At the same time, the effective interest rate, i.e. the one governing the markets, already rose to 18% in the last quarter of last year, which may help to achieve price stability, but may significantly set back economic growth. The ZMAX index, which contains the shortest government securities maturing within 3 months, was the winner of the Hungarian bond market indices of the year, rising by 5.9%, but the RMAX index also rose by 3%, while the benchmarks containing longer papers fell significantly: the CMAX index by 14.8%, and the MAX index by 16.1%.

In 2022, the color „red" dominated the markets: both developed and developing countries achieved returns of around minus 20%. Developed markets narrowly outperformed emerging markets. As a result of the macroeconomic and geopolitical risks in the region, the stock markets of neighboring countries also performed poorly last year. Although regional papers are cheap, they trade on the markets with a significant stock market risk premium due to the previously explained economic and political reasons. Investors also traded Romanian, Polish and Czech papers, but they did not 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 BUX index depreciated by 13.7% in the past year.

The American S&P500 index closed the year with a 19.7% decrease, while the STOXX 600 index, which includes Europe's 600 largest companies, only lost 13.1% of its value. The Japanese market was a bit of an outperformer with its -5.1% performance last year. Developing markets also performed negatively in 2022: Central and Eastern European indices showed a decrease of 11-17%. At the same time, the South American stock market was particularly strong within emerging markets with a zero percent dollar-denominated performance.

In 2022 the Forint found itself in rain – and it poured. Rising energy prices, budgetary imbalances, high inflation (even in regional comparison), political tensions and the effects of the war, as well as the developments during the negotiations with the EU moved the forint exchange rate and overall weakened it against both the dollar and the euro. The devaluation against the dollar was also supported by the US interest rate hike. Taking these into account, the forint was the fourth worst-performing currency among the currencies of developing market countries globally, with a weakening of more than 13% last year. At the time of the low point in October, 445 forints had to be paid for one dollar on the interbank foreign exchange market, but it closed the year at 375.68 forints. Last year, the forint weakened by 8.2% compared to the euro. The peak against the euro was HUF 432 in October, which fell to HUF 400.25 by the end of the year.

The Issuer's return on its own investments was HUF 966 million profit in 2022, while it was HUF 371 million profit in 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 482 million gain in 2022, while it was HUF 808 million gain in 2021. The decrease is caused by a decrease in the portfolio management success fee, due to mostly negative unit-linked returns.

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

As a result of all of the above, the profit before tax amounted to HUF 1,373 million profit (in 2021 the profit before taxation was HUF 1,786 million gain), that was reduced by HUF 279 million tax liability and increased by HUF 117 million deferred tax income. The overall profit after tax is HUF 1,211 million, that is HUF 471 million, i.e. 28% lower than the profit after tax in 2021, primarily as a result of the negative effect of the additional insurance tax (HUF -599 million). The other comprehensive income contains the decrease in the fair value of available-for-sale financial assets amounting to HUF 3,809 million, of which HUF 602 million is the unrealized gain on OPUS shares owned by the Group, while the remaining loss (HUF 3,207 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 2,598 million in 2022.

The Issuer's balance sheet total was HUF 131,144 million; its financial position is stable; the company has met its liabilities in full. On 31 December 2022 the shareholders' equity was HUF 8,921 million.

7. OPERATING SEGMENTS

Table 11 Segment informations Q1-Q4 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	731	261	-	-	992
Property, plant and equipment	133	16	-	-	149
Right of use assets	276	133	-	-	409
Deferred tax assets	591	-	-	-	591
Deferred acquisition costs	1 435	449	-	-	1 884
Reinsurer's share of technical reserves	458	1 293	-	-	1 751
Subsidiaries	4 201	-	-	-4 201	-
Investments by equity method	51	-	-	609	660
Other financial assets at fair value	16 413	8 019	-	-	24 432
Investments for policyholders of unit-linked life insurance policies	87 437	-	-	-	87 437
Financial assets - investment contracts	5 167	-	-	-	5 167
Financial assets - derivatives	35	24	-	-	59
Receivables from insurance policyholders	2 689	158	-	-	2 847
Receivables from intermediaries	123	885	-	-	1 008
Receivables from reinsurances	363	6	-	-	369
Treasury shares	-	-	112	-112	-
Other assets and prepayments	65	58	-	-	123
Other receivables	88	82	-	3	173
Cash and cash equivalents	2 589	486	18	-	3 093
Intercompany receivables	111	30	359	-500	-
Total assets	**122 956**	**11 900**	**489**	**-4 201**	**131 144**

Segment informations Q1-Q4 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	18 390	3 781	-	-	22 171
Technical reserves for policyholders of unit-linked insurance	87 437	-	-	-	87 437
Financial liabilities – investment contracts	5 167	-	-	-	5 167
Liabilities from financial reinsurance	7	-	-	-	7
Liabilities from reinsurance	648	852	-	-	1 500
Liabilities from insurance policyholders	847	76	-	-	923
Liabilities from intermediaries	218	511	-	-	729
Intercompany liabilities	31	111	-	-142	-
Lease liabilities	319	156	-	-	475
Provisions	196	324	-	-	520
Other liabilities	1 371	1 891	2	-	3 264
Liabilities to shareholders	30	-	-	-	30
Total liabilities	**114 661**	**7 702**	**2**	**-142**	**122 223**
NET Assets	**8 295**	**4 198**	**487**	**-4 059**	**8 921**
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	21	25	-	-	46
Other reserve	-6 637	-254	-	-	-6 891
Retained earnings	7 808	-4 268	211	7 778	11 529
Total shareholder's equity	**8 295**	**4 198**	**487**	**-4 059**	**8 921**

Segment informations Q1-Q4 2022 continuation (data in HUF millions)

Statement of comprehensive income	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Gross written premium	26 834	5 512	-	-	32 346
Changes in unearned premiums reserve	-54	-680	-	-	-734
Earned premium Gross	26 780	4 832	-	-	31 612
Ceded reinsurance premium	-843	-3 004	-	-	-3 847
Earned premiums net	**25 937**	**1 828**	**-**	**-**	**27 765**
Premium and commission income from investment contracts	105	-	-	-	105
Commission and profit sharing from reinsurance	22	1 241	-	-	1 263
Interest income calculated using the effective interest method	770	332	-	-	1 102
Other investment income	182	192	397	-372	433
Return on investments accounted for using the equity method	835	-	-	-353	482
Other operative income	876	115	17	-205	803
Other income	**2 824**	**1 880**	**414**	**-930**	**4 188**
Total income	**28 761**	**3 708**	**414**	**-930**	**31 953**
Claim payments and benefits, and claim settlement costs	-14 719	-1 411	-	-	-16 130
Recoveries from reinsurance	416	626	-	-	1 042
Net change in the value of life technical reserves and unit-linked life insurance reserves	-3 261	118	-	-	-3 143
Investment expenditure	-2 359	-287	-758	1 626	-1 778
Impairment and impairment reversal of financial assets	-7	1	-	-	-6
Change in the fair value of liabilities relating to investment contracts	178	-	-	-	178
Investment expenses, changes in reserves and benefits, net	**-19 752**	**-953**	**-758**	**1 626**	**-19 837**
Fees, commissions and other acquisition costs	-4 892	-2 171	-	-	-7 063
Other operating costs	-1 730	-843	-16	196	-2 393
Other expenses	-776	-521	-	10	-1 287
Operating costs	**-7 398**	**-3 535**	**-16**	**206**	**-10 743**
Profit/loss before taxation	**1 611**	**-780**	**-360**	**902**	**1 373**
Tax expenses	-244	-35	-	-	-279
Deferred tax income/expenses	117	-	-	-	117
Profit/loss after taxation	**1 484**	**-815**	**-360**	**902**	**1 211**
Other comprehensive income	-3 731	-78	-	-	-3 809
Comprehensive income	**-2 247**	**-893**	**-360**	**902**	**-2 598**

Table 12 Segment information 2021 Q1-Q4 (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	615	105	-	-	720
Property, plant and equipment	160	19	-	-	179
Right of use assets	385	109	-	-	494
Deferred tax assets	474	-	-	-	474
Deferred acquisition costs	1 252	76	-	-	1 328
Reinsurer's share of technical reserves	179	274	-	-	453
Subsidiaries	4 069	-	-	-4 069	-
Investments in jointly controlled companies	51	-	-	962	1 013
Available-for-sale financial assets	21 507	6 902	-	-	28 409
Investments for policyholders of unit-linked life insurance policies	85 664	-	-	-	85 664
Financial assets - investment contracts	5 238	-	-	-	5 238
Financial assets - derivatives	1	-	-	-	1
Receivables from insurance policyholders	1 833	125	-	-	1 958
Receivables from intermediaries	33	23	-	-	56
Reinsurance receivables	16	72	-	-	88
Treasury shares	-	-	184	-184	-
Other assets and prepayments	44	32	-	-	76
Other receivables	70	110	-	3	183
Cash and cash equivalents	742	745	11	-	1 498
Intercompany receivables	71	11	627	-709	-
Total assets	**122 404**	**8 603**	**822**	**-3 997**	**127 832**

Segment information 2021 Q1-Q4 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	16 633	2 687	-	-	19 320
Technical reserves for policyholders of unit-linked insurance	85 664	-	-	-	85 664
Financial liabilities – investment contracts	5 238	-	-	-	5 238
Financial liabilities - derivatives	-	12	-	-	12
Liabilities from financial reinsurance	38	-	-	-	38
Liabilities from reinsurance	85	194	-	-	279
Liabilities from insurance policyholders	833	49	-	-	882
Liabilities from intermediaries	157	87	-	-	244
Intercompany liabilities	12	70	-	-82	-
Liabilities from lease	414	118	-	-	532
Provisions	17	280	-	-	297
Other liabilities	1 069	1 043	2	24	2 138
Liabilities to shareholders	20	-	-	-	20
Total liabilities	**110 180**	**4 540**	**2**	**-58**	**114 664**
NET Assets	**12 224**	**4 063**	**820**	**-3 939**	**13 168**
Shareholder's Equity					
Registered capital	3 116	1 070	266	-1 336	3 116
Capital reserve	4 019	6 625	80	-9 571	1 153
Share-based payments	-	-	-	-	-
Own shares	- 32	-	-	-	-32
Other reserves	-2 972	-175	-	-	-3 147
Retained earnings	8 093	-3 457	474	6 968	12 078
NCI	-	-	-	-	-
Total Shareholder's equity	**12 224**	**4 063**	**820**	**-3 939**	**13 168**

Segment information 2021 Q1-Q4 continuation (data in million HUF)

STATEMENT OF COMPREHENSIVE INCOME	CIG Life insurance segment	CIG Non-life insurance	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Gross written premium	22 212	633	-	-	22 845
Changes in unearned premiums reserve	-70	-87	-	-	-157
Earned premiums, gross	22 142	546	-	-	22 688
Ceded reinsurance premiums	-276	-226	-	-	-502
Earned premiums, net	**21 866**	**320**	**-**	**-**	**22 186**
Premium and commission income from investment contracts	147	-	-	-	147
Other investment income	11 578	42	216	- 220	11 616
Interest income calculated using the effective interest method	429	46	-	-	475
Change in capital of joint ventures and associates (profit)	448	-	-	360	808
Other operating income	937	247	166	-237	1 113
Reinsurance commissions and profit sharing	2	58	-	-	60
Other income	**13 541**	**393**	**382**	**-97**	**14 219**
Total income	**35 407**	**713**	**382**	**-97**	**36 405**
Claim payments and benefits, and claim settlement costs	-14 948	-517	-	-	-15 465
Recoveries from reinsurance	64	83	-	-	147
Net change in the value of life technical reserves and unit-linked life insurance reserves	-12 009	45	-	-	-11 964
Investment expediture	-1 060	-68	-219	1 107	-240
Impairment and impairment reversal of financial assets	-6	-8	-	-	-14
Change in the fair value of liabilities relating to investment contracts	-437	-	-	-	-437
Investment expenses, changes in reserves and benefits, net	**-28 396**	**-465**	**-219**	**1 107**	**-27 973**
Fees, commissions and other acquisition costs	-3 764	-372	11	-29	-4 154
Other operating costs	-1 707	-557	-24	32	-2 256
Other expenses	-308	-24	-3	96	-239
Operating costs	**-5 779**	**-953**	**-16**	**99**	**-6 649**
Result of assets held for sale	**-**	**3**	**-**	**-**	**3**
Profit/loss before taxation	**1 232**	**-702**	**147**	**1 109**	**1 786**
Tax expenses	-183	-2	-7	-	-192
Deferred tax income / expenses	88	-	-	-	88
Profit/loss after taxation	**1 137**	**-704**	**140**	**1 109**	**1 682**
Other comprehensive income	-2 192	-184	-	-	-2 376
Comprehensive income	**-1 055**	**-888**	**140**	**1 109**	**-694**

8. NUMBER OF EMPLOYEES, OWNERSHIP STRUCTURE

The number of employees at the members of the Group was 191 on 31 December 2022.

Table 13 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 14 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 15 The Issuer's ownership structure (30 September 2022)

Owners	Number of shares	Ownership stake	Voting rights
Domestic private individual	29 723 593	31,48%	31,48%
Domestic institution	63 328 431	67,07%	67,07%
Foreign private individual	137 037	0,15%	0,15%
Foreign institution	22 540	0,02%	0,02%
Nominee, domestic private individual	1 158 518	1 ,23%	1,23%
Nominee, foreign private individual	18 100	0,02%	0,02%
Nominee, foreign institution	32 726	0,03%	0,03%
Unidentified item	7 315	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 16 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 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
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.
30 November 2022	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
8 December 2022	EXTRAORDINARY INFORMATION On the decision made by the Central Bank of Hungary in the ex officio consumer protection target investigation
14 December 2022	EXTRAORDINARY INFORMATION
15 December 2022	EXTRAORDINARY INFORMATION on the conclusion of a strategic agreement
30 December 2022	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
16 January 2023	EXTRAORDINARY INFORMATION about the change in the management of CIG Pannonia Life Insurance Plc.
17 January 2023	EXTRAORDINARY INFORMATION on the completion of the ex-officio target and ex-post inspections carried out by the MNB
18 January 2023	EXTRAORDINARY INFORMATION on the election of the new chairman of the Managing Board
31 January 2023	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
1 February 2023	EXTRAORDINARY INFORMATION on the changes in the management of CIG Pannonia Life Insurance Plc.
10 February 2023	EXTRAORDINARY INFORMATION On the decision made in the consumer protection procedure conducted by the Central Bank of Hungary

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).

10. DISCLAIMER

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

28 February 2023, Budapest

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