

# 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

Q1 2024



**CIG PANNÓNIA**  
INSURANCE

30 May 2024, Budapest



**dr. Fedák István**  
Chief Executive Officer

## PREAMBLE

The Issuer would like to draw the attention of Shareholders and other capital market actors to the fact that this report was prepared in accordance with IFRS17 as expected by regulation, which remains unique in the domestic market. The interpretation of the results according to the new accounting principles and presenting them in a broader context - as in 2023 - remains a goal of our Company, in order to facilitate the assessment of the Issuer from the investors' perspective.

In our quarterly flash reports, the analyses focus on growth and the causes of any changes. To remove one-off effects within the year from the year-on-year business comparison of performance, we have revalued our results for the first quarter of 2023 in line with our accounting policy. This fact does not affect our audited results for the full year 2023. Overall, the comparative data for the first quarter of 2023 in the current report are more favourable than what we reported a year ago for the first quarter of 2023. The detailed reasons for this are explained in Chapter 5.

## 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 first quarterly report (hereinafter: **Report**) for 2024. The Issuer publishes in this Report for the first quarter of 2024, 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.

#### 1.1.1. Significant results of Q1 2024:

- **Our consolidated after-tax profit increased in one year by HUF 283 million** by 59% – compared to last year's result according to IFRS 17 – **reaching HUF 765 million** – when we strip off the one-time HUF 498 million corporate tax effect of the capital increase due to the transition to IFRS 17 and the tax effect of the extra profit tax introduced from 1 July 2022<sup>1</sup>, which amounted to HUF 161 million last year and HUF 294 million this year.
- **Our premium income grew by 14%, i.e. more than HUF 1.5 billion** –
  - Life Insurance premiums by 16%,
  - while EMABIT premiums by 11% –**in one year** compared to Q1 2023, **reaching HUF 12.1 billion**.

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<sup>1</sup> The effects of the extra profit tax are estimates

# 1. SUMMARY

## (continuation)

- **Premium growth was driven by unit-linked life insurance** (close to HUF 1 billion growth), **corporate property insurance** (HUF 712 million growth) and **group accident- and health insurance products** (HUF 316 million growth).
- **Our insurer's capital position is stable**, our capital adequacy ratio is **220%**.



**Our consolidated Profit After Tax was HUF 765 million, which is a 59% increase YoY,**

if we don't take into account the one-time IFRS 17 transition effect of HUF 498 million corporate tax, and the extra profit tax of HUF 161 million in 2023 and HUF 294 million in 2024

**Our gross written premium have increased by 14%**

**+16% Life insurer's premium 11% EMABIT's premium**

**Increase in sales network**

(2023Q1 vs 2024Q1)

**+20%** bank network **+22%** alternative network  
**+10 %** independent broker channel

**Increase in insurance revenue exceeding premium growth**

ITE (IFRS 17)

**HUF 4 503 million ▶ + HUF 5 327 million, +18 %**

**The key feature of the increase is the GWP increase of**

- **UL insurance** by the banking channel and independent broker channel of HUF 946 million
- **Corporate property insurance** by the independent broker channel by HUF 712 million

**Our GWP exceeded 12 billion forint in the first quarter of 2024**

**220% Consolidated Capital Adequacy**  
(required rate by the supervisors is **150%**)

### 1.1.2. IFRS 17 valuation methodologies and portfolio groups of the Company

An important feature of IFRS 17 is the use of three different valuation methodologies. We categorize the types of contracts offered by our company according to the following valuation methodologies for each segment:

Segment / valuation methodology	GMM (typically long-term, multi-annual contracts)	VFA (typically long-term, multi-annual contracts)	PAA (typically short-term, one-year, annually renewable contracts)
<b>Life insurance segment</b>	<ul style="list-style-type: none"> <li>- traditional (risk) life and accident insurances</li> <li>- permanent group life and permanent accident insurances</li> <li>- group credit coverage insurance with life insurance services</li> </ul>	<ul style="list-style-type: none"> <li>- unit linked life and pension insurances</li> <li>- traditional savings (mixed) life, grace and pension insurances</li> </ul>	<ul style="list-style-type: none"> <li>- annually renewed individual and group life, accident and health insurances</li> </ul>
<b>Non-life insurance segment</b>	<ul style="list-style-type: none"> <li>- technical, suretyship insurances</li> <li>- group credit insurances, non-life insurances</li> </ul>		<ul style="list-style-type: none"> <li>- home insurance</li> <li>- travel insurance</li> <li>- fleet casco</li> <li>- industrial property and liability insurance</li> <li>- group non-life insurances</li> </ul>

In order to provide our Shareholders with the most clear and transparent information on our Company's business performance as possible, we have introduced another categorization for our portfolio groups in addition to the assessment along valuation methodologies. The table below summarizes which of our services belong to which portfolio group. No change has occurred in this classification compared to the previous quarter

Portfolio group/ segment	Life insurance segment	Non-life insurance segment
<b>Group life, accident and health insurance</b>	<ul style="list-style-type: none"> <li>- group life, accident and health insurance</li> <li>- group service financing insurance</li> <li>- MVM Accident and Health Insurance packages</li> </ul>	
<b>Individual accident and health insurance</b>	<ul style="list-style-type: none"> <li>- traditional, accident and health insurance</li> </ul>	
<b>Single premium UL</b>	<ul style="list-style-type: none"> <li>- life insurance linked to single-premium investment units in Euro and Forint</li> </ul>	
<b>Regular premium UL</b>	<ul style="list-style-type: none"> <li>- life insurance linked to regular-premium investment units in euro and forint</li> </ul>	
<b>Traditional regular premium life savings insurance</b>	<ul style="list-style-type: none"> <li>- traditional regular-premium grace, savings and pension insurance</li> </ul>	
<b>Risk life insurance</b>	<ul style="list-style-type: none"> <li>- traditional regular-premium risk life insurance</li> </ul>	
<b>Credit coverage insurance</b>	<ul style="list-style-type: none"> <li>- credit coverage insurance</li> <li>- MVM account protection insurance</li> </ul>	
<b>Fleet CASCO</b>		<ul style="list-style-type: none"> <li>- fleet casco</li> <li>- integrated casco</li> </ul>

Portfolio group/ segment	Life insurance segment	Non-life insurance segment
<b>Corporate property insurance</b>		- industrial property insurance - liability insurance - technical insurance - D&O - drone insurance
<b>Suretyship insurance</b>		- Hungarian suretyship insurance - Italian suretyship insurance (run-off portfolio)
<b>Retail property insurance</b>		- travel insurance - home insurance

### 1.1.3. Interpretation of the results for Q1 2024

Our consolidated accounting result after tax in the first quarter of 2024 was a **profit of HUF 472 million**<sup>2</sup>. As we have highlighted last year, we note that there are two significant items affecting the accounting result that need to be taken into account when assessing the Company's performance:

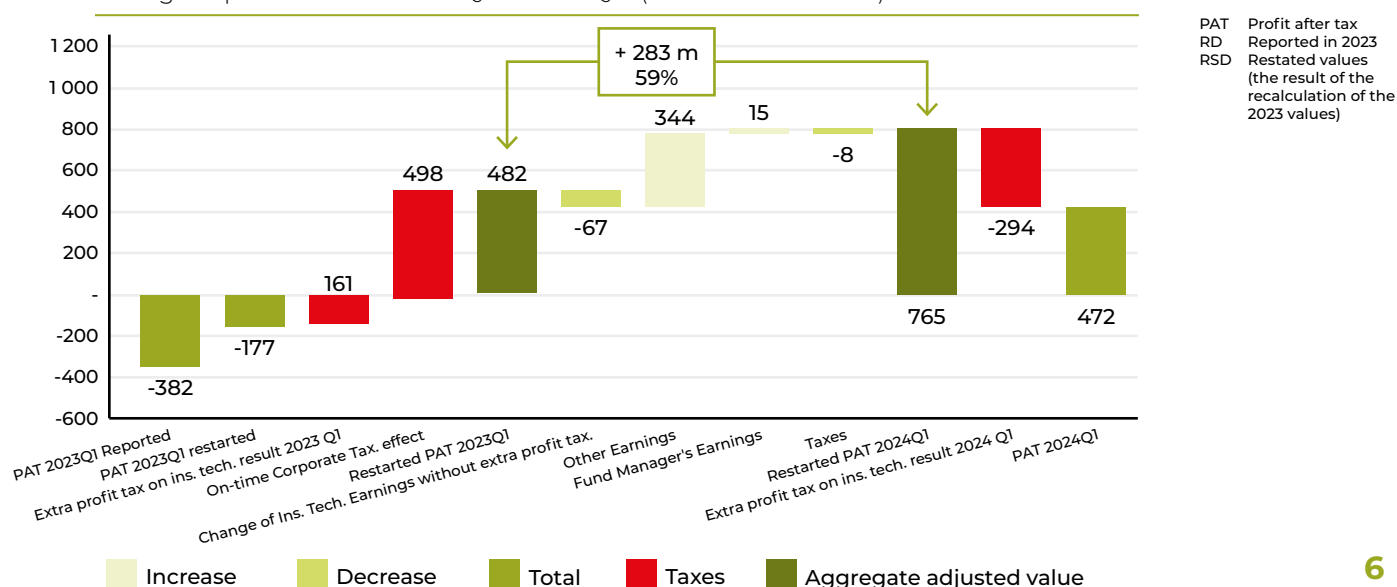
- a non-recurring corporate tax liability incurred as a result of the HUF 7 billion increase in equity due to the transition to IFRS 17, which decreased our profit after tax by HUF 498 million in 2023, furthermore
- we also need to separate the effect of the extra profit tax when assessing the result of the ordinary course of business. The exact mathematic calculation of the extra profit tax is limited by the IFRS 17 framework - as the difference between the changes in the terms and conditions of each

contract at their issuance and at the preparation of the financial statements would make the analysis too complex – thus according to our best estimate, as also shown in the below table, the amount of the extra profit tax was set for Q1 2023 at HUF 161 million, for Q1 2024 at HUF 294 million.

The HUF 649 million increase in our consolidated accounting profit after tax means that the - recalculated - loss of HUF 177 million in Q1 2023 has turned into a profit of HUF 472 million for Q1 2024. Our profit after excluding the one-off items mentioned above increased from HUF 482 million to HUF 765 million. **Our growth was significantly influenced by the income generated by our investments purchased in recent years taking advantage of the opportunities provided by the high yield environment - in the amount of HUF 300 million. Our technical result decreased to a lesser extent compared to the value of a year ago: excluding the effect of the additional tax, by HUF 67 million.**

**Graph 1**

Change of profit after tax 2023 Q1 vs 2024 Q1 - (data in million HUF)



<sup>2</sup> Result including the one-off items mentioned above

If we look at the change in the technical result by valuation methodologies, we see the following:

## Graph 2

Yearly change of Insurance Technical Earnings 2023 Q1 vs 2024 Q1 - (data in million HUF)



LI GMM prod.	Technical result of life insurance products valued with the GMM method
LI PAA prod.	Technical result of life insurance products valued with the PAA method
LI VFA prod.	Technical result of life insurance products valued with the VFA method
NLI GMM prod.	Technical result of non-life insurance products valued with the GMM method
NLI PAA prod.	Technical result of non-life insurance products valued with the PAA method
ITE	Insurance technical result

In the life insurance segment, our technical result decreased by a total of HUF 168 million compared to the same period of 2023, thanks to the classical (long-term, multiannual) and the annually renewing individual and group life insurance products (products valued using GMM and PAA methodologies). The decrease in performance was mainly due to an increase in claims ratios for group life products, which are assessed in both methodologies. Compared to last year our result was improved by the performance of savings (unit-linked and regular savings) products (products valued using the VFA methodology). The increase in performance was driven by the relative stability of the forint yield curve, with yields in 2024 not falling as much as a year ago.

In the non-life insurance segment our technical result decreased by HUF 33 million, which is due to two effects:

- For typically short-term contracts (PAA valuation method): the decline in the result of corporate property

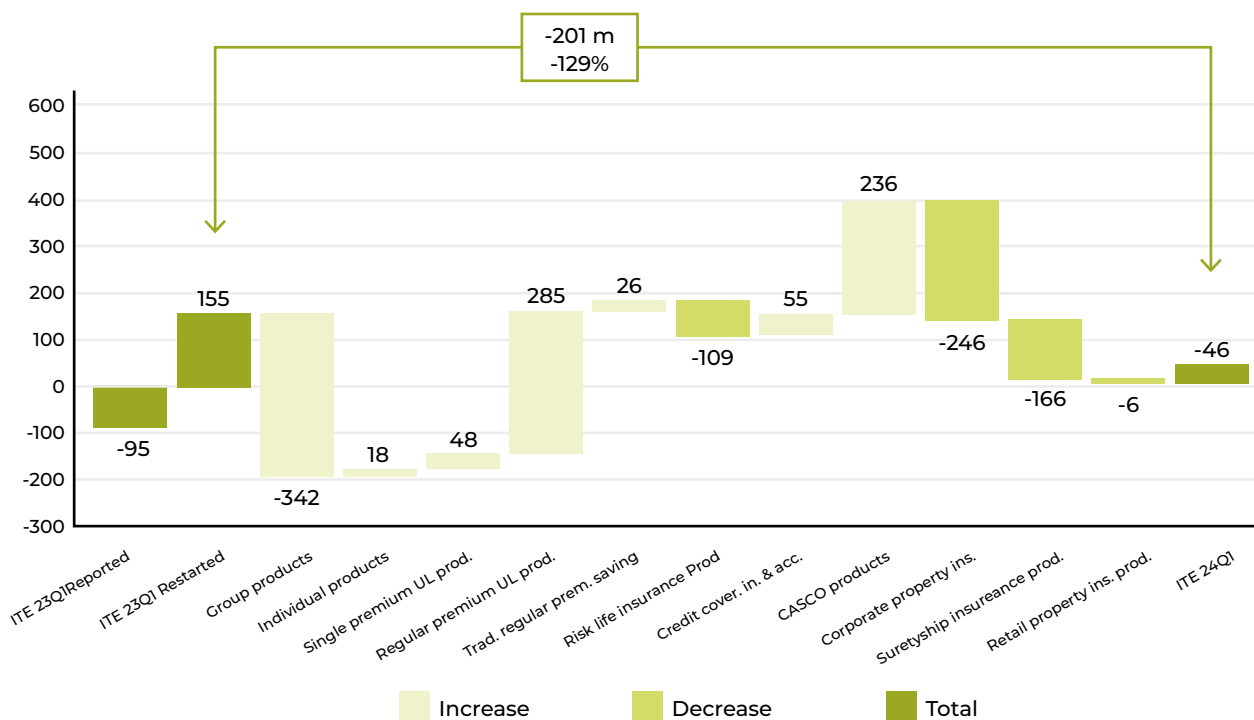
contracts and the improvement in the result of fleet casco contracts essentially cancel each other out.

- The decrease in the result on the portfolio of contracts valued using the GMM methodology was due to the recognition of an improvement in the result on the Italian suretyship products in 2023 on the reserves held in foreign currency due to the change in exchange rates, which has the effect of a loss this year. However, this was partly offset by the credit coverage products' improvement in the results in line with the growing stock. However, the Company has fully offset this loss with foreign currency forward contracts, the effect of which is reflected in investment income.

The decrease of our technical result by HUF 201 million distributes along the portfolio groups as follows:

### Graph 3

Change of Insurance Technical Earnings by Portfolio-groups 2024 Q1 vs 2023 Q1 - (data in million HUF)



**Group life, accident and health products** (annual profit decline: HUF 342 million):

The size and revenues of the portfolio group increased compared to the same period last year.

At the same time, the claims ratios for the group life-, accident- and health insurances and the group service funding insurance portfolios deteriorated compared to the same period last year, leading to a decline in the result. The Company has already taken the necessary steps to restore the profitability of the product group in the first quarter.

**Individual life, accident and health insurance products** (annual profit improvement: HUF 18 million):

The Insurance Company's profitable individual accident insurance portfolio (which includes the Company's 'Bajtárs' products) has grown significantly, and so has the Insurer's result.

**Single premium UL products** (annual profit improvement: HUF 48 million):

The portfolio group's result for the first quarter of last year was adversely affected by the fact that the insurance

company recognised one-off losses, so-called loss components, due to differences between expected and actual cash flow assumptions. In addition, in the first quarter of 2023, the amount of the so-called risk adjustment related to the increase in claims reserves increased, which also worsened the result for the comparative period. There was no need to recognise similar losses this year, largely due to the smaller change in yields compared to last year, therefore, our result increased in the year-on-year comparison.

**Regular premium UL products** (annual profit improvement: HUF 285 million):

The portfolio group's contract service margin (CSM, which is the sum of the positive results expected for the whole period of the contracts) increased compared to the same period last year, typically due to an improvement in our pricing. As a result, both the impact of the CSM recognised in this quarter - its release - and the result increased compared to last year.

In addition, this portfolio group is also affected by the effect already mentioned for the single premium group: the result for the first quarter of last year was adversely affected by the fact that the Insurer recognised one-off losses,



so-called loss components, due to differences between expected and actual cash flow assumptions. There was no loss component recognition of a similar extent this year, which increased our result in the year-on-year comparison.

In addition, the Insurer released claims reserves related to the portfolio group in the first quarter of this year, which increased the portfolio group's result compared to the same period last year.

For all these reasons, the portfolio group's result increased compared to the comparative period.

**Traditional regular premium savings products** (annual profit improvement: HUF 26 million):

The Insurer released - reduced - claims reserves related to the portfolio group in the first quarter, which increased the portfolio group's result compared to the same period last year. The reserves for annuity services from pension insurance policies were reviewed and the Company decided to release part of this reserve, which improved the result of the Insurer in this quarter.

**Risk life insurance products** (annual profit decline: HUF 109 million):

The portfolio group's result decreased compared to the same period last year due to higher than expected claims ratios in group life-, accident- and health insurances, valued using the GMM valuation model, which negatively impacted the Insurer's quarterly result.

**Credit coverage insurance and account protection products** (annual profit improvement: HUF 55 million):

The main driver of the profit improvement is the increase in the contract portfolio. There were two major, partially offsetting effects on the performance of the portfolio group. One of the effects was that in the first quarter of 2023, significant premiums received for prior periods increased the result, which was not the case this year, negatively affecting the change in result. The other impact was that due to the changed regulatory environment - the progressive insurance tax's thresholds have changed and increased - the expected result (CSM) increased, and this had a positive impact on the current quarter. Altogether these improved the result by HUF 55 million.

**Casco products** (annual profit improvement: HUF 235 million):

The reason behind the improvement in profit is basically due to the decrease in costs and expenses - i.e. the claims ratio. The reduction in the claims ratio was facilitated by the streamlining of the insurance portfolio, changing premiums in line with cost increases. In addition, the change in insurance tax legislation also had a positive impact on profit.

**Corporate property insurance products** (annual profit decline: HUF 246 million):

The decrease in profit for the year is due to the slightly different timing of revenue recognition for the direct portfolio - written with the contractor - and reinsurance contracts written for risk reduction, in accordance with the relevant standard rules. Slightly different valuation assumptions for direct and reinsurance models lead to different revenue recognition and volatility in portfolio results, especially at the beginning of the financial year. In the remainder of the year, methodological features should allow this volatility to become more balanced.

**Suretyship insurance products** (annual profit decline: HUF 166 million):

On the Italian suretyship products - which have already expired - in 2023 we recorded an improvement in the result on the reserves held in foreign currency due to the change in exchange rates, which effect is a loss this year, so our technical result deteriorated year-on-year. However, the Insurer offset this effect by entering into foreign exchange forward contracts, the positive impact of which is reflected in the investment result.

**Retail property insurance products** (annual profit decline: HUF 6 million):

The decrease in the result was mainly due to the loss component recognised for the product group in 2022 and released in 2023, which improved our result last year on a one-off basis.

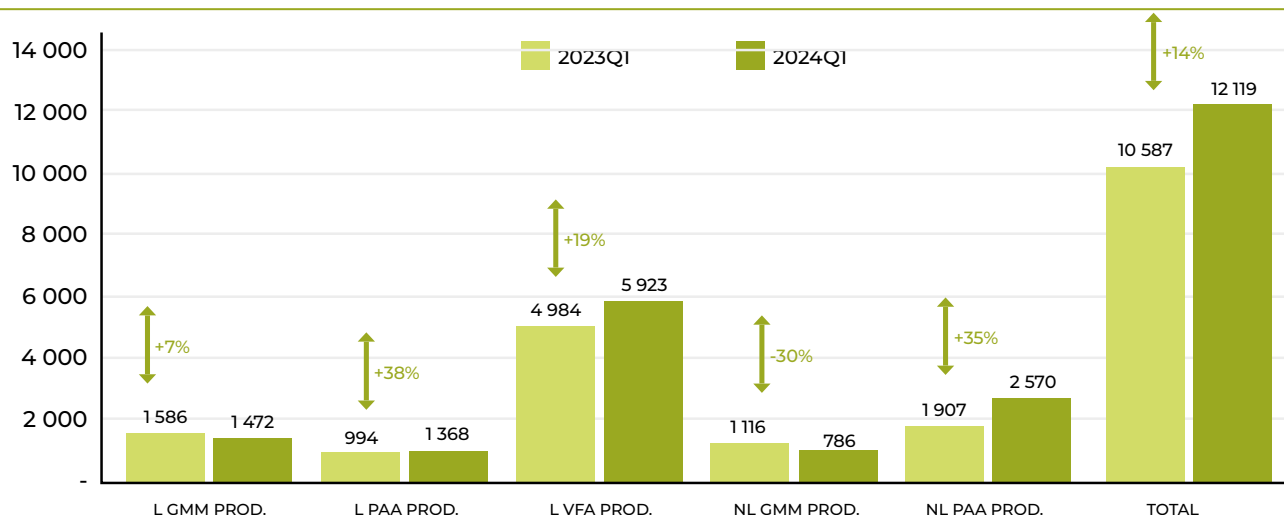
### Volume of sales

Although our technical result has not increased, our sales continue to rise.

We also analyze the year-on-year change in written premium by segment and valuation type in IFRS 17. The following figure shows our growth along this division:

### Graph 4

Change of Written Premium 2024 Q1 vs 2023 Q1 - (data in million HUF)



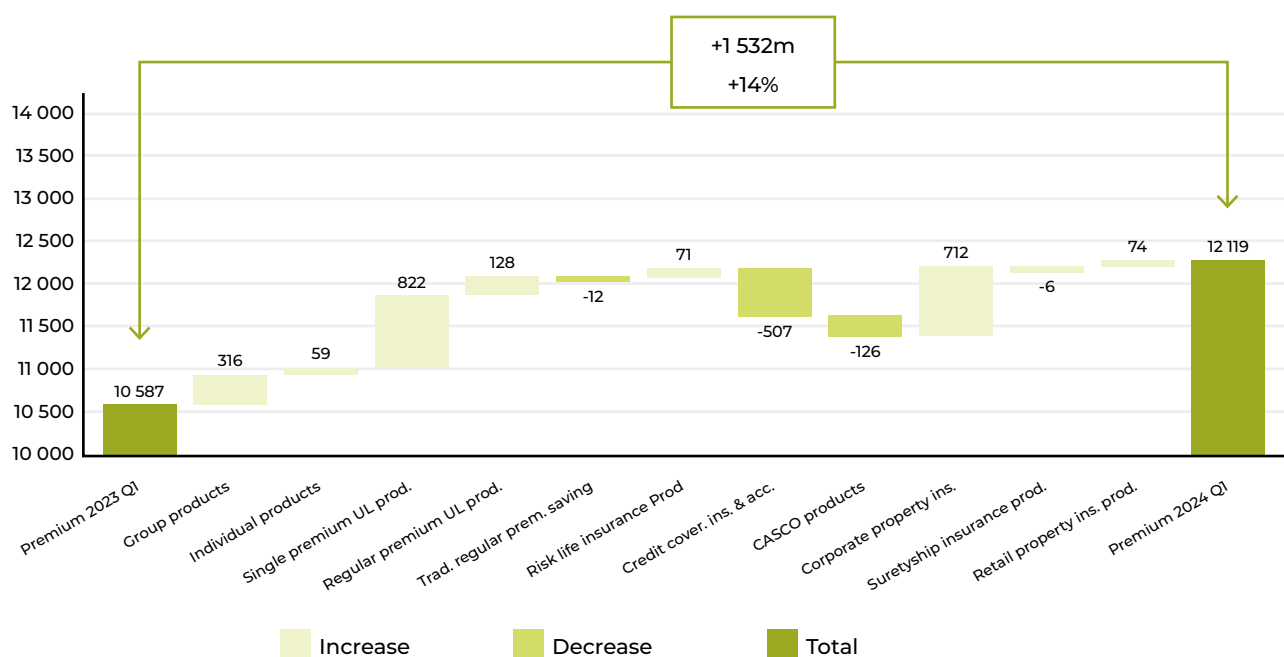
Our premium income increased by 14% year-on-year. Our fees have increased under all but one valuation methodology.

Contracts included in the GMM methodology, which is used to assess long-term contracts, include credit coverage insurance policies taken over from BNP Paribas Cardif insurers, whose premiums in last year's quarter included significant premiums for previous periods. This one-off positive effect has not materialised this year, causing the apparent downturn.

Our fees can be analysed not only by valuation methodology, but also by portfolio group, as shown in the graph below.

### Graph 5

Change of Premium by portfolio-group 2024Q1 vs 2023Q1 - (data in million HUF)



Our unit-linked (UL) premium income increased by nearly HUF 1 billion, driven by a lower and less volatile return environment compared to 2023.

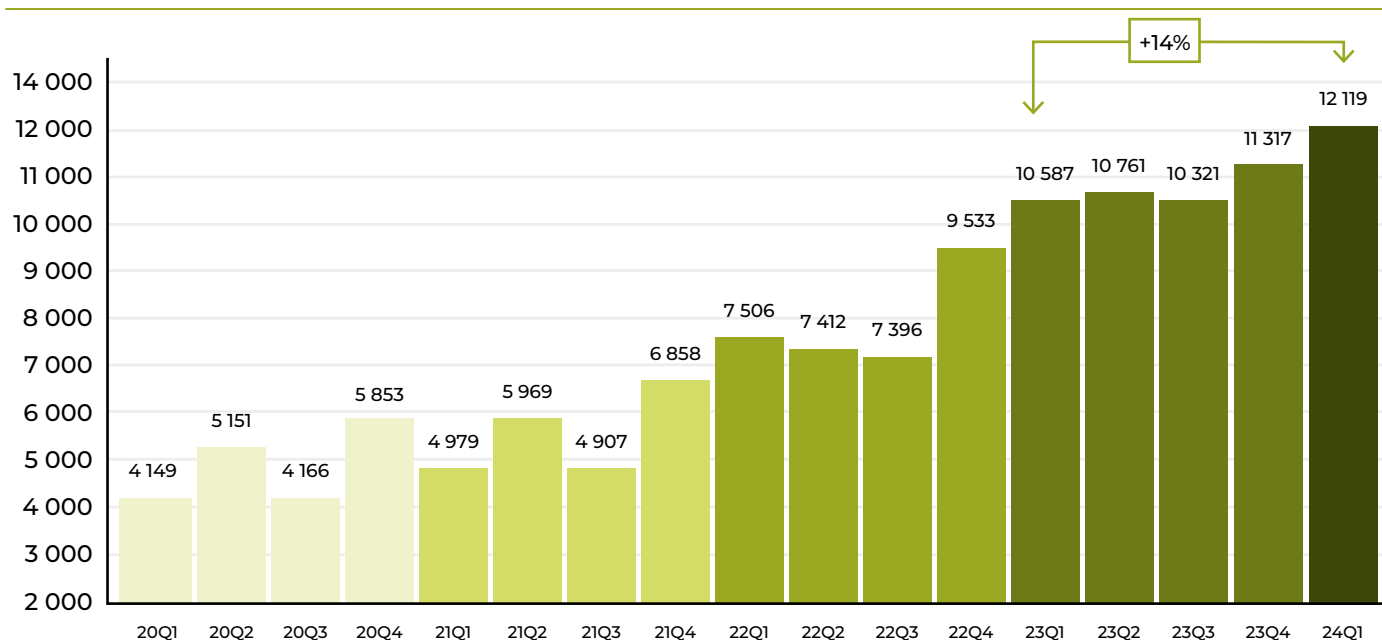
The increase in corporate property insurance premiums is the result of the growth of our portfolio with its value of HUF 712 million. Our fleet casco premiums have decreased as a result of a portfolio clean-up and a change in our pricing model, the positive impact of which was reflected in the above-mentioned improvement in results.

A more significant premium growth is visible in the area of group life-, accident- and health insurance - with an annual increase of HUF 316 million - which is also the result of the portfolio growth.

If we analyse our premiums in the first quarter of 2024, broken down by the sales channel where the policies were signed, we see that the banking channel increased the premiums from its acquired customers by 20%, the independent channel by 10% and the alternative channel by 22% in one year.

### Graph 6

Premiums in each quarter - (data in million HUF)



## 2. MAIN EVENTS AND RESULTS OF THE REPORTING PERIOD (REFERENCE PERIOD, Q1) IN THE TIMELINE OF CAPITAL DISCLOSURES AND PREVIOUS EVENTS

### 2.1. Company and group level events in the period covered by the Report - presentation of our consolidated quarterly report for the fourth quarter of 2023

On 26 February 2024 - for reasons of internal organisation of our Company's work and the resulting earlier implementation of the decision-making mechanism, which in our opinion coincided with the need to inform investors and the public as early as possible<sup>3</sup>, and following the regular announcement of this change - prior to the dates set out in the Company's calendar of events adopted and published for the current financial year, our Company published the non-audited **report for the fourth quarter of 2023**<sup>4</sup>, prepared in accordance with International Financial Reporting Standards as adopted by the EU.

In the report, our Company highlighted, among other things, that the consolidated profit after tax increased by HUF 1.9 billion - 90% - in one year compared to last year's IFRS 17 profit, reaching a record amount of HUF 4,059 million. Our premium income (by exceeding HUF 10 billion in each quarter) increased by 35%, i.e. more than HUF 11 billion in one year, compared to 2022 – the Life Insurance Company's premium income increased by 16%, while CIG Pannónia First Hungarian General Insurance Company (**EMABIT**)'s premium income by 142%; our premium income thus reached HUF 43 billion. The report of course included a presentation on the stability of the capital situation as well.

### 2.2. Other events

In the period under review, the Board of Directors of our Company informed the Shareholders and other participants of the capital market immediately after the announcement - on 2 February 2024 - that Zsuzsanna Ódorné Angyal resigned from her position as a member of the Board of Directors of the Company and its subsidiary EMABIT with effect from the date of announcement. The basis and reasons for the decision of Zsuzsanna Ódorné Angyal to resign from the Board of Directors were

based on her many other, expanding responsibilities, which the Board of Directors took note of and - as the competencies of the Board members cover all segments of the operations - the Board of Directors did not make a proposal to our Shareholders regarding the election of a new Board member.

During the period under review, the Company announced two significant developments, which are also indicative of its business activity and supportive of achieving the goal as set out in its Growth Strategy<sup>5</sup>, through the official disclosure channels:

- On the one hand it informed the investors and the public, that after providing the most advantageous offer, the Ministry for Economic Development (1011 Budapest, Vám u. 5-7.) as the contracting authority, awarded Insurer as the successful tenderer in its open EU tender procedure for the provision of child- and youth accident insurance services for a period of one year, with a 12-month insurance premium of HUF 90,201,960, i.e. ninety million, two hundred and one thousand, nine hundred and sixty forints (Ft / flat portfolio premium / 12 months).
- On the other hand, it informed investors, that the Company and its wholly owned subsidiary, CIG Pannónia First Hungarian General Insurance Company Ltd. (collectively: CIG Pannónia Group), entered into a framework agreement with MBH Duna Bank Ltd. (registered office: 9022 Győr, Árpád út 93.; company registration number: 08-10-001869 (Duna Bank)) for a limited term until 30/06/2042. Based on the Framework Agreement, according to the implementation and timing of the terms and conditions set out therein, Duna Bank, as a subsidiary of MBH Bank Plc. (with which CIG Pannónia Group cooperates under a long-term strategic agreement as a key element of its Growth Strategy), will distribute and sell exclusively CIG Pannónia Group products in all of its sales channels for products in the life and non-life insurance sectors.

<sup>3</sup> [https://www.bet.hu/newkibdata/129022032/TE\\_m%C3%B3d\\_HU\\_20240226.pdf](https://www.bet.hu/newkibdata/129022032/TE_m%C3%B3d_HU_20240226.pdf)

<sup>4</sup> [https://www.bet.hu/site/newkib/hu/2024.02./A\\_CIG\\_Pannonia\\_Eletbiztosito\\_Nyrt\\_negyedevves\\_jelentes\\_e\\_-2023\\_negyedik\\_negyedev\\_129022072](https://www.bet.hu/site/newkib/hu/2024.02./A_CIG_Pannonia_Eletbiztosito_Nyrt_negyedevves_jelentes_e_-2023_negyedik_negyedev_129022072)

<sup>5</sup> [https://www.bet.hu/newkibdata/128587250/CIG\\_Strat%C3%A9gia\\_20210719.pdf](https://www.bet.hu/newkibdata/128587250/CIG_Strat%C3%A9gia_20210719.pdf)

Due to our additional statutory disclosure obligation, as well as in order to fully inform the public, the relevant parts of the decisions concluding the comprehensive investigation conducted ex officio by the Magyar Nemzeti Bank (head office: 1013 Budapest, Krisztina krt. 55., premises: 1122 Budapest, Krisztina krt. 6., 1122 Krt.; hereinafter referred to as 'MNB')<sup>6</sup>, and the supervisory obligations of a closed consumer protection procedure conducted by the MNB on request<sup>7</sup> have been published. Our Company, in addition to examining the legal remedies available to it in relation to certain findings and their background, has emphasised in relation to the decisions closing the investigations that the findings in the decisions in principle do not affect the future sound operation of the Company and, of course, has immediately started to eliminate the shortcomings to ensure full operation as required.

## Events related to the Annual General Meeting of our Company and therefore partly after the Balance Sheet Date

The main event that gave rise to a disclosure obligation after the balance sheet date and up to the publication of this quarterly report was the Annual General Meeting (**General Meeting**), which was announced for 18 April 2024 and held validly and successfully on this first day scheduled, the notice of which was published by the Company on 19 March 2024<sup>8</sup>. Following the announcement of the invitation to the General Meeting, all the proposals of the General Meeting and, more broadly, the obligations set out in Section 2:272 (3) (a) of Article 2:272 (3) of Act V of 2013 on the Civil Code were fulfilled on 28 March 2024<sup>9</sup>, within the statutory deadline. In accordance with the legal provisions, the proposals have been published on the Company's website ([www.cigpannonia.hu](http://www.cigpannonia.hu)), on the website operated by the National Bank of Hungary ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and on the website of the Budapest Stock Exchange ([www.bet.hu](http://www.bet.hu)), and no comments, additions, requests or questions were received from shareholders prior to the General Meeting. Therefore, it was not possible to add a new agenda item at the General

Assembly, and the agenda was discussed and adopted in the order and with the content of the proposals as set out in the invitation.

The most important reports for the end of the financial year 2023, both at individual and consolidated level, were discussed and approved unanimously (i.e. 65,351,313 votes, 100% in favour) by the General Meeting, and the decision to pay dividends from the profit after tax and partly from the retained earnings needs to be highlighted. The Company will pay a dividend of HUF 33 per share on 94,428,260 ordinary shares of Series "A" with a nominal value of HUF 33 per share, based on the after-tax result and taking into account a part of the retained earnings. The total amount of dividend payments is HUF 3,116,132,580 (i.e. three billion, one hundred and sixteen million, one hundred and thirty two thousand and five hundred and eighty forints). The dividend will be paid in accordance with the provisions of the Articles of Association in force at the time of convening the General Meeting and the adoption of the relevant resolution, so that those shareholders will be entitled to receive the dividend, who are the owners of the particular shares on the record date of the ownership reconciliation carried out in accordance with the Articles of Association in force. The planned record date for the ownership reconciliation for dividend payments is 16 May 2024 and the planned dividend payment date is 24 May 2024. The dividend is paid by KELER Ltd. on behalf of the Company. In order to conduct the above-mentioned corporate event, our Company has published a notice, as set out in the resolution of the General Meeting, in which all information of importance to Shareholders was published<sup>10</sup>.

The General Meeting also decided – by a practically unanimous vote - to adopt all other proposed resolutions, including the evaluation and adoption of the activities of the Board of Directors in 2023, the adoption of the Corporate Governance Report, the Company's Remuneration Report, and the amendments to the remuneration of the management and supervisory bodies, the amendments to the announced provisions of the Articles of Association, and decided on the election (re-election) of the auditor and authorised the Board of

<sup>6</sup> [https://www.bet.hu/site/newkib/hu/2024.02./MNB\\_alta\\_hivatalbol\\_lefolytatott\\_atfogo\\_vizsgalatot\\_lezaro\\_hatarozatrol\\_129021237](https://www.bet.hu/site/newkib/hu/2024.02./MNB_alta_hivatalbol_lefolytatott_atfogo_vizsgalatot_lezaro_hatarozatrol_129021237)

<sup>7</sup> [https://www.bet.hu/newkibdata/129015187/20240206\\_MNB\\_hat\\_HU.pdf](https://www.bet.hu/newkibdata/129015187/20240206_MNB_hat_HU.pdf)

<sup>8</sup> [https://www.bet.hu/site/newkib/hu/2024.03./KOZGYULESI\\_MEGHIVO\\_HIRDETME NYE\\_129032161](https://www.bet.hu/site/newkib/hu/2024.03./KOZGYULESI_MEGHIVO_HIRDETME NYE_129032161)

<sup>9</sup> [https://www.bet.hu/site/newkib/hu/2024.03./CIG\\_Pannonia\\_Eletbiztosito\\_Nyrt\\_-\\_Kozgyulesi\\_eloterjesztesek\\_2024\\_129036789](https://www.bet.hu/site/newkib/hu/2024.03./CIG_Pannonia_Eletbiztosito_Nyrt_-_Kozgyulesi_eloterjesztesek_2024_129036789)

<sup>10</sup> [https://www.bet.hu/site/newkib/hu/2024.05./A\\_CIG\\_Pannonia\\_Eletbiztosito\\_Nyrt\\_kozlemenye\\_a\\_2023\\_evi\\_uzleti\\_ev\\_eredmenye\\_utan\\_jaro\\_osztalek\\_kifizetesenek\\_rendjere\\_l\\_129065809](https://www.bet.hu/site/newkib/hu/2024.05./A_CIG_Pannonia_Eletbiztosito_Nyrt_kozlemenye_a_2023_evi_uzleti_ev_eredmenye_utan_jaro_osztalek_kifizetesenek_rendjere_l_129065809)

Directors to carry out, if necessary, the acquisition of own shares within the scope and limits announced in advance. Our Company - in accordance with the requirements of the Budapest Stock Exchange - prepared and published for the second year in a row - prior to the decisions of the Annual General Meeting - its Group Sustainability Report for the year 2023, which, building on the data of the report published in 2022, is now compliant with the international GRI Standards, and presented the Company's key sustainability efforts and highlighted the focus of these sustainability efforts through a set of publicly available information<sup>11</sup>.

CIG Pannónia Life Insurance Plc, as a group and as a listed company, has recognised and intends to build on the benefits of a regulated market presence and the prudential values of its supervised institutional status in the context

of the ESG approach, and will therefore incorporate the requirements of the framework into its reporting in a scheduled manner, in line with the expectations of both the BSE and the MNB. Our Company and its consolidated subsidiary (EMABIT) are moving towards transparency and the achievement of this objective, managing the steps of progress under the ESG framework in a unified manner at project level, which, following the separate report for the financial year 2022, have been translated in 2023 as well into an annual sustainability report and long-term objectives - covering the same period and the same content as the annual report.

#### **CIG Pannónia Life Insurance Plc.**

<sup>11</sup> [https://www.bet.hu/site/newkib/hu/2024.04./a\\_CIG\\_Pannonia\\_Csoport\\_2023\\_evre\\_vonatkozotatt\\_Fenntarthatosagi\\_Jelentesenek\\_kozzetetele\\_129049131](https://www.bet.hu/site/newkib/hu/2024.04./a_CIG_Pannonia_Csoport_2023_evre_vonatkozotatt_Fenntarthatosagi_Jelentesenek_kozzetetele_129049131)

## 3. FINANCIAL STATEMENTS

**Graph 1** Consolidated Statement of Comprehensive Income – cumulated data

(data in million HUF)

	2024Q1 (A)	2023 Q1-Q4 (B)	2023 Q1 (C) restated	Change (A)-(C)
Insurance Revenue	5 327	21 349	4 503	824
Insurance service expenses	-5 124	-17 856	-3 576	-1 548
Reinsurance expense – allocation of premium	-1 364	-3 516	-693	-671
Amount of recoverables from reinsurance	1 054	1 890	-82	1 136
<b>Insurance service result</b>	<b>-107</b>	<b>1 867</b>	<b>152</b>	<b>-259</b>
Interest income calculated using the effective interest method	558	1 917	397	161
Investment income	9 989	8 514	326	9 663
Impairment and impairment reversal of financial assets	-	2	1	-1
Investment expenses	-370	-1 126	-2 555	2 185
Yield on investment accounted for using equity method (profit)	133	571	115	18
<b>Investment income</b>	<b>10 310</b>	<b>9 878</b>	<b>-1 716</b>	<b>12 026</b>
Insurance financial result	-9 314	-7 589	1 994	-11 308
Reinsurance financial result	53	15	-18	71
Change in the fair value of liabilities relating to investment contracts	-373	-403	55	-428
<b>Financial result</b>	<b>-9 634</b>	<b>-7 977</b>	<b>2 031</b>	<b>-11 665</b>
Premium and commission income from investment contracts	24	77	12	12
Other operating costs	-60	-233	-48	-12
Other (non-financial) income	-6	197	11	-17
Other (non-financial) expenses	-17	-172	-83	66
<b>Profit/Loss before taxation</b>	<b>510</b>	<b>3 637</b>	<b>359</b>	<b>151</b>
Tax income/expenses	-10	-778	-536	526
Deferred tax income/expenses	-28	15	-	-28
<b>Profit/Loss after taxation</b>	<b>472</b>	<b>2 874</b>	<b>-177</b>	<b>649</b>
OCI from change in fair value of other financial assets at fair value	-847	3 464	560	-1 407
OCI from insurance contracts	333	-1 672	-246	579
OCI from reinsurance contracts	82	-257	-25	107
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>-432</b>	<b>1 535</b>	<b>289</b>	<b>-721</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>143</b>	<b>1 806</b>	<b>-7</b>	<b>150</b>
<b>Other comprehensive income</b>	<b>-289</b>	<b>3 341</b>	<b>282</b>	<b>-571</b>
<b>Total comprehensive income</b>	<b>183</b>	<b>6 215</b>	<b>105</b>	<b>78</b>

Consolidated Statement of Comprehensive Income – cumulated data continuation

(data in million HUF)

	2024Q1 (A)	2023 Q1-Q4 (B)	2023 Q1 (C) restated	Change (A)-(C)
Profit/loss after taxation attributable to the Company's shareholders	472	2 874	-177	
Weighted average number of shares	93 954 254	93 954 254	93 954 254	
<b>EPS (basic)</b>	<b>5,0</b>	<b>30,6</b>	<b>-1,9</b>	<b>6,9</b>
Profit/loss after taxation attributable to the Company's shareholders	472	2 874	-177	
Weighted average number of shares	94 428 260	94 428 260	94 428 260	
<b>EPS (diluted)</b>	<b>5,0</b>	<b>30,4</b>	<b>-1,9</b>	<b>6,9</b>

**Graph 2** Number of average shares used to calculate earnings per share:

Date	Issued ordinary shares (no.)	Treasury shares (no.)	Days	Weighted average number of shares
31.12.2023	94 428 260	474 006	273	93 954 254
<b>31.03.2024</b>	<b>94 428 260</b>	<b>474 006</b>	<b>273</b>	<b>93 954 254</b>

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



**Graph 3** Consolidated Statement of Financial Position

(data in million HUF)

ASSETS	31 March 2024 (A)	31 December 2023 (B)	31 March 2023 restated (C)	Change (A)-(C)
Intangible Assets	958	934	997	-39
Property, plant and equipment	118	117	139	-21
Right-of use assets	245	271	394	-149
Deferred tax asset	283	337	591	-308
Investment in associates	910	777	775	135
Insurance contract assets	1 102	1 242	1 277	-175
Reinsurance contract assets	3 069	2 558	1 434	1 635
Investments for policyholders of unit-linked life insurance policies	104 536	94 424	83 685	20 851
Financial asset - Investment contracts	5 106	4 763	4 753	353
Financial asset - derivatives	1	130	242	-241
Other financial assets at fair value	35 184	35 979	25 885	9 299
Other assets and prepayments	106	80	98	8
Other receivables	268	149	174	94
Cash and cash equivalents	3 671	2 492	5 229	-1 558
<b>Total Assets</b>	<b>155 557</b>	<b>144 253</b>	<b>125 673</b>	<b>29 884</b>
<b>LIABILITIES</b>				
Insurance contract liabilities	121 564	110 220	96 173	25 391
Reinsurance contract liabilities	179	376	743	-564
Financial liabilities -Investment contracts	5 106	4 763	4 753	353
Financial liabilities-derivatives	99	-	-	99
Lease liabilities	290	314	445	-155
Provisions	133	262	517	-384
Other liabilities	4 706	5 021	4 167	539
Liabilities to shareholders	33	33	30	3
<b>Total Liabilities</b>	<b>132 110</b>	<b>120 989</b>	<b>106 828</b>	<b>25 282</b>
<b>Net Assets</b>	<b>23 447</b>	<b>23 264</b>	<b>18 845</b>	<b>4 602</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	3 116	3 116	3 116	-
Capital reserve	1 153	1 153	1 153	-
Treasury shares	-32	-32	-32	-
Other reserves	-1 229	-940	-3 999	2 770
Retained earnings	20 439	19 967	18 607	1 832
<b>Total Shareholder's Equity</b>	<b>23 447</b>	<b>23 264</b>	<b>18 845</b>	<b>4 602</b>

**Graph 4** Consolidated Changes in Equity Q1 2024 (data in million HUF)

(data in million HUF)

	Share capital	Capital Reserve	Share-based	Other reserves	Retained earnings	Total shareholders' equity
<b>Balance on 31 December 2023 (restated)</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-940</b>	<b>19 967</b>	<b>23 264</b>
<b>Total Comprehensive income</b>						
Other comprehensive income	-	-	-	-289	-	-289
Profit in reporting year	-	-	-	-	472	472
<b>Balance on 31 March 2024</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-1 229</b>	<b>20 439</b>	<b>23 447</b>

**Graph 5** Consolidated Changes in Equity Q1 2023 (restated) (data in million HUF)

(data in million HUF)

	Share capital	Capital Reserve	Share-based	Other reserves	Retained earnings	Total shareholders' equity
<b>Balance on 31 December 2022 (restated)</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-4 281</b>	<b>18 784</b>	<b>18 740</b>
<b>Total Comprehensive income</b>						
Other comprehensive income	-	-	-	282	-	282
Profit in reporting year	-	-	-	-	-177	-177
<b>Balance on 31 March 2023</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-3 999</b>	<b>18 607</b>	<b>18 845</b>

**Graph 6** Consolidated Statement of Cash Flows

(data in million HUF)

	2024 Q1	2023 Q1-Q4	2023 Q1 (restated)
<b>Profit/loss after taxation</b>	<b>472</b>	<b>2 874</b>	<b>-177</b>
<b>Modifying items</b>			
Depreciation and amortization	121	489	126
Booked/reversed impairment, debt cancelled	-	-2	1
Result of assets sales	-43	122	82
Exchange rate changes	-431	241	218
Share of the profit or loss of associates accounted for using the equity method	-133	-607	-115
Deferred tax	28	-15	-
Income taxes	18	765	509
Income on interest	-558	-1 917	-397
Result of derivatives	242	-678	-302
Provisions	-130	-258	-3
Termination of leasing assets	-6	5	-
Interest cost	1	20	-
<b>Change of active capital items:</b>			
Increase / decrease of investments for policyholders of unit-linked life insurance policies (-/+)	-10 112	-8 219	2 521
Increase / decrease of financial assets – investment contracts (-/+)	-343	404	414
Increase / decrease assets resultant of reinsurance (-/+)	-429	-1 465	-109
Increase / decrease of other assets and active accrued and deferred items (-/+)	-59	-387	-378
Increase / decrease of liabilities resultant of reinsurance (-/+)	-197	-177	190
Increase / decrease of insurance contract liabilities (+/-)	11 677	12 233	-388
Increase / decrease of investment contracts (+/-)	343	-404	-414
Increase / decrease of insurance contracts assets (+/-)	140	-136	-171
Increase / decrease of other liabilities (+/-)	-314	2 305	1 440
Increase / decrease capital owner liability (+/-)	-	3	-
Paid income taxes	-104	-288	-82
<b>Cash flows from operating activities</b>	<b>181</b>	<b>4 909</b>	<b>2 965</b>

## Consolidated Statement of Cash Flows continuation

(data in million HUF)

<b>Cash flow from investing activities</b>	<b>2024 Q1</b>	<b>2023 Q1-Q4</b>	<b>2023 Q1 (restated)</b>
Purchase of debt instruments (-)	-4 976	-37 634	-11 936
Sales of debt instruments (+)	5 642	31 846	11 037
Purchase of tangible and intangible assets (-)	-101	-242	-79
Sales of tangible and intangible assets (+)	-	1	-
Result of derivatives	-12	606	118
Interest received	476	1 352	89
Dividend received	-	491	-
<b>Cash flow from investing activities</b>	<b>1 027</b>	<b>-3 579</b>	<b>-771</b>
<b>Cash flow from financing activities</b>	<b>2024 Q1</b>	<b>2023 Q1-Q4</b>	<b>2023 Q1 (restated)</b>
Interest paid	-1	-20	-
Lease instalments payment	-41	-166	-43
Lease interest payment	-1	-9	-3
Repayment of loans and their interests	-	-7	-7
Dividend payment	-	-1 691	-
<b>Cash flow from financing activities</b>	<b>-43</b>	<b>-1 894</b>	<b>-53</b>
Impacts of exchange rate changes	13	-37	-5
<b>Net increase / decrease of cash and cash equivalents (+/-)</b>	<b>1 179</b>	<b>-601</b>	<b>2 136</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2 492</b>	<b>3 093</b>	<b>3 093</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>3 671</b>	<b>2 492</b>	<b>5 229</b>

## 4. CHANGES OF ACCOUNTING POLICY

For financial years beginning on or after 2024, the following amended mandatory standards have become effective and are not expected to have a material impact on the financial statements:

- IAS 1 amendment to clarify the definition of long-term liabilities
- IFRS 16: Changes in the measurement of lease liabilities on sale and leaseback
- Changes to IAS 7 and IFRS 7: Cash Flow disclosure obligation and Financial Instruments disclosure obligation that bring supplier financing arrangements within the scope of presentation
- IAS 12: Temporary exemption from income tax disclosure requirements due to Pillar 2 Model Rule International Tax reform

## 5. RESTATEMENT

As described in the first chapter, to remove one-off effects within the year from the year-on-year business comparison of the Company's performance, we have revalued our results for the first quarter of 2023 in line with our accounting policy. This fact does not affect our audited results for the full year 2023.

During the closing of the quarters of 2023 and the year-end closing, the methodologies, developed systems and processes used were increasingly refined and subject to multiple internal and external evaluations and analyses. As a result, we have concluded that the 2023 quarterly accounts need to be restated to ensure methodological consistency with the annual audited accounts, so that they can provide a true comparison with the 2024 quarterly results.

The amendments affected the methods, parameters and system operation at several points. The most important differences were mainly caused by the following:

### 1. Methodological questions of accounting for PAA revenues (premium allocation approach)

When applying the PAA method, the Company recognises the amount of expected premiums allocated to the period as the insurance revenue for the period, whereby premiums are allocated based on the expected timing of insurance services incurred. The Company includes in the insurance services incurred the amount of claims and services and operating expenses. However, at the time of the 2023Q1 report, the insurance services incurred did not include the amount of operating costs, unlike subsequent reports.

### 2. clarification of the CSM (contractual service margin) derivation order used in the VFA (variable fee approach) accounting methodology

Insurance contracts valued in the VFA valuation model are considered by IFRS 17 primarily as contracts providing investment-related services. The main points in the derivation of the LRC (liability for residual coverage) for the VFA method are:

- a. There is no separate interest settlement on the CSM, as the model revaluates the CSM for the effects of changes in financial risks.

- b. Changes in performance cash flows resulting from the time value of money and financial risks, affecting the variable premium, are accounted for in the CSM (thereby allocated to profit or loss on a time-apportioned basis through the release of the CSM as part of the insurance revenue).
- c. When releasing CSM, the coverage units are discounted using the current discount rate.
- d. For VFA calculations, the Group uses the value of the underlying asset returns allocated to GICs.
- e. In the VFA model, the application of the yield curve used for the initial recognition as a locked-in yield curve is not interpreted. At the same time, for the initial recognition of GICs managed in the VFA model, the Group uses a weighted average yield curve produced in the same way.
- f. In the case of the VFA, the calculation to be followed in the case of the OCI option starts from the underlying assets.

The order of execution of the steps coded into the systems during the derivation of the LCR and the settlement of the CSM influenced which part of the total future result was accounted for within the profit and loss and the CSM. In the 2023Q1 report, the above settlement order resulted in a too low result and a higher-than-expected closing CSM. With the improvement of the methodology, which has been modified for the year-end closing, the accounting of the results between the income statement and the CSM has become more reasonable and more in line with expectations.

### 3. Changes in the application of the OCI option

In the case of choosing the OCI option for insurance contract groups valued with the GMM valuation model, the Insurer values the effect of the time value of money and its changes, as well as the effect of financial risk and its changes, with the discount rate at the time of initial recognition (at locked in rate) and also discounts it with the current discount rate.

The difference between the value discounted at the current rate and the value discounted at the locked-in rate is recognised in other comprehensive income as follows:

- for insurance contracts under "Financial result from insurance transactions"
- for reinsurance contracts under "Financial result from reinsurance"

For the portfolios of contracts valued using the GMM valuation model for which the Company chooses the OCI option, the foreign exchange difference is recognised in other comprehensive income. For insurance contracts under "Financial result from insurance transactions", for reinsurance contracts under "Financial result from reinsurance".

During the year, the Company improved its systems to allow the use of the OCI option not only per insurance portfolio, but also therein separately for LRC and LIC (liability for incurred claims). This was necessary in order to harmonise the valuation methods for insurance assets

and liabilities and the investments held as collateral (other financial assets at fair value) and thus facilitate their reconciliation in the financial statements. As this development has not yet taken place for our first quarterly report, the allocation of financial results recognised against profit or loss and equity has been different from the method currently applied.

The differences between the consolidated statement of comprehensive income and the consolidated statement of financial position originally presented in our first quarterly report for 2023 and the comparative period presented in this quarterly report are described below.

**Graph 7** Consolidated statement of comprehensive income - cumulative figures

(data in million HUF)

ASSETS	2023 Q1 restated (B)	2023 Q1 original (B)	Change
Insurance Revenue	4 503	5 162	-659
Insurance service expenses	-3 576	-3 914	338
Reinsurance expense – allocation of premium	-693	-962	269
Amount of recoverables from reinsurance	-82	-310	228
<b>Insurance service result</b>	<b>152</b>	<b>-24</b>	<b>176</b>
Interest income calculated using the effective interest method	397	397	-
Investment income	326	326	-
Impairment and impairment reversal of financial assets	1	1	-
Investment expenses	-2 555	-2 555	-
Yield on investment accounted for using equity method (profit)	115	115	-
<b>Investment income</b>	<b>-1 716</b>	<b>-1 716</b>	<b>-</b>
Insurance financial result	1 994	1 872	122
Reinsurance financial result	-18	45	-63
Change in the fair value of liabilities relating to investment contracts	55	55	-
<b>Financial result</b>	<b>2 031</b>	<b>1 972</b>	<b>59</b>
Premium and commission income from investment contracts	12	12	-
Other operating costs	-48	-47	-1
Other (non-financial) income	11	11	-
Other (non-financial) expenses	-83	-81	-2
<b>Profit/Loss before taxation</b>	<b>359</b>	<b>127</b>	<b>232</b>
Tax income/expenses	-536	-509	-27
Deferred tax income/expenses	-	-	-
<b>Profit/Loss after taxation</b>	<b>-177</b>	<b>-382</b>	<b>205</b>
OCI from change in fair value of other financial assets at fair value	560	559	1
OCI from insurance contracts	-246	101	-347
OCI from reinsurance contracts	-25	-204	179
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>289</b>	<b>456</b>	<b>-167</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>-7</b>	<b>-7</b>	<b>-</b>
<b>Other comprehensive income</b>	<b>282</b>	<b>449</b>	<b>-167</b>
<b>Total comprehensive income</b>	<b>105</b>	<b>67</b>	<b>38</b>
<b>Earnings per share to the Company's shareholders</b>			
EPS (basic)	-1,9	-4,1	2,2
EPS (diluted)	-1,9	-4,0	2,2



Consolidated statement of financial position

(data in million HUF)

ASSETS	2023 Q1 restated (B)	2023 Q1 original (B)	Change
Intangible Assets	997	997	-
Property, plant and equipment	139	139	-
Right-of use assets	394	394	-
Deferred tax asset	591	591	-
Investment in associates	775	775	-
Insurance contract assets	1 277	1 661	-384
Reinsurance contract assets	1 434	1 109	325
Investments for policyholders of unit-linked life insurance policies	83 685	83 685	-
Financial asset - Investment contracts	4 753	4 753	-
Financial asset - derivatives	242	242	-
Other financial assets at fair value	25 885	25 885	-
Other assets and prepayments	98	98	-
Other receivables	174	168	6
Cash and cash equivalents	5 229	5 229	-
<b>Total Assets</b>	<b>125 673</b>	<b>125 726</b>	<b>-53</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	96 173	96 306	-133
Reinsurance contract liabilities	743	925	-182
Financial liabilities -Investment contracts	4 753	4 753	-
Lease liabilities	445	445	-
Provisions	517	543	-26
Other liabilities	4 167	3 970	197
Liabilities to shareholders	30	30	-
<b>Total Liabilities</b>	<b>106 828</b>	<b>106 972</b>	<b>-144</b>
<b>Net Assets</b>	<b>18 845</b>	<b>18 754</b>	<b>91</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	3 116	3 116	-
Capital reserve	1 153	1 153	-
Treasury shares	-32	-32	-
Other reserves	-3 999	-4 226	227
Retained earnings	18 607	18 743	-136
<b>Total Shareholder's Equity</b>	<b>18 845</b>	<b>18 754</b>	<b>91</b>

## 6. OPERATING SEGMENTS

**Graph 8** Segment information Q1 2024

(data in million HUF)

ASSETS	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Intangible Assets	691	267	-	-	958
Property, plant and equipment	106	12	-	-	118
Right-of-use assets	151	94	-	-	245
Deferred tax assets	283	-	-	-	283
Subsidiaries	6 428	-	-	-6 428	-
Associated companies	52	-	-	858	910
Insurance contract assets	972	130	-	-	1 102
Reinsurance contract assets	770	2 299	-	-	3 069
Investments for policyholders of unit-linked life insurance policies	104 536	-	-	-	104 536
Financial assets – investments contracts	5 106	-	-	-	5 106
Financial asset - Derivatives	1	-	-	-	1
Other financial assets at fair value	24 782	10 402	-	-	35 184
Other assets and prepayments	78	28	-	-	106
Other receivables	162	103	-	3	268
Treasury share	-	-	178	-178	-
Receivables from associates	195	612	548	-1 355	-
Cash and cash equivalents	2 824	821	26	-	3 671
<b>Total Assets</b>	<b>147 137</b>	<b>14 768</b>	<b>752</b>	<b>-7 100</b>	<b>155 557</b>
<b>LIABILITIES</b>					
Insurance contract liabilities	116 918	4 646	-	-	121 564
Reinsurance contract liabilities	53	126	-	-	179
Financial liabilities – Investment contracts	5 106	-	-	-	5 106
Financial liabilities - Derivatives	86	13	-	-	99
Lease liabilities	177	113	-	-	290
Provisions	57	76	-	-	133
Other liabilities	1 530	3 175	1	-	4 706
Intercompany payables	611	195	-	-806	-
Liabilities to shareholders	33	-	-	-	33
<b>Total Liabilities</b>	<b>124 571</b>	<b>8 344</b>	<b>1</b>	<b>-806</b>	<b>132 110</b>
<b>NET ASSETS</b>	<b>22 566</b>	<b>6 424</b>	<b>751</b>	<b>-6 294</b>	<b>23 447</b>

Segment information Q1 2024 – cumulated data continuation

(data in million HUF)

ASSETS	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Share capital	3 116	1 090	243	-1 333	3 116
Capital reserve	4 019	9 105	-	-11 971	1 153
Treasury shares	-32	-	-	-	-32
Other reserves	-1 154	-75	-	-	-1 229
Retained earnings	16 617	-3 696	508	7 010	20 439
<b>Total Shareholder's Equity</b>	<b>22 566</b>	<b>6 424</b>	<b>751</b>	<b>-6 294</b>	<b>23 447</b>

Consolidated statement of comprehensive income	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Insurance revenue	3 226	2 316	-	-215	5 327
Insurance service expenses	-2 854	-2 278	-	8	-5 124
Reinsurance expense- allocation of premium	-344	-1 118	-	98	-1 364
Amount recoverables from reinsurance	281	773	-	-	1 054
<b>Insurance service result</b>	<b>309</b>	<b>-307</b>	<b>-</b>	<b>-109</b>	<b>-107</b>
Interest income calculated using the effective interest method	358	200	-	-	558
Investment income	9 799	190	173	-173	9 989
Impairment and reversed impairment of Financial assets	-1	1	-	-	-
Investment expenses	-569	-71	-	270	-370
Yield on investment accounted for using equity method (profit)	-	-	-	133	133
<b>Investment income</b>	<b>9 587</b>	<b>320</b>	<b>173</b>	<b>230</b>	<b>10 310</b>
Insurance financial result	-9 219	-95	-	-	-9 314
Reinsurance financial result	19	34	-	-	53
Change in the fair value of liabilities relating to investment contracts	-373	-	-	-	-373
<b>Financial results</b>	<b>-9 573</b>	<b>-61</b>	<b>-</b>	<b>-</b>	<b>-9 634</b>
Premium and commission income from investment contracts	24	-	-	-	24
Other operating costs	-39	-20	-3	2	-60
Other (non-financial) income	97	3	2	-108	-6
Other (non-financial) expenses	-109	-13	-	105	-17
<b>Profit/loss before taxation</b>	<b>296</b>	<b>-78</b>	<b>172</b>	<b>120</b>	<b>510</b>

Segment information Q1 2024 – continuation

(data in million HUF)

Consolidated statement of comprehensive income	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Tax income / (expenses)	-17	-	-	7	-10
Deferred tax income / (expenses)	-28	-	-	-	-28
<b>Total profit/loss after taxation</b>	<b>251</b>	<b>-78</b>	<b>172</b>	<b>127</b>	<b>472</b>
OCI from change in fair value of other financial assets at fair value	-726	-121	-	-	-847
OCI from insurance contracts	345	-12	-	-	333
OCI from reinsurance contracts	39	43	-	-	82
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>-342</b>	<b>-90</b>	<b>-</b>	<b>-</b>	<b>-432</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>143</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143</b>
<b>Other comprehensive income</b>	<b>-199</b>	<b>-90</b>	<b>-</b>	<b>-</b>	<b>-289</b>
<b>Total comprehensive income</b>	<b>52</b>	<b>-168</b>	<b>172</b>	<b>127</b>	<b>183</b>

**Graph 9** Segment information 2023 Q1 restated

(data in million HUF)

ASSETS	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Intangible Assets	726	271	-	-	997
Property, plant and equipment	124	15	-	-	139
Right-of-use assets	262	132	-	-	394
Deferred tax assets	591	-	-	-	591
Subsidiaries	3 975	-	-	-3 975	-
Associated companies	52	-	-	723	775
Insurance contract assets	1 158	119	-	-	1 277
Reinsurance contract assets	318	1 116	-	-	1 434
Investments for policyholders of unit-linked life insurance policies	83 685	-	-	-	83 685
Financial assets – Investments contracts	4 753	-	-	-	4 753
Financial assets - Derivatives	152	90	-	-	242
Other financial assets at fair value	17 612	8 273	-	-	25 885
Other assets and prepayments	83	15	-	-	98
Other receivables	75	96	-	3	174
Treasury share	-	-	86	-86	-
Receivables from associates	274	300	430	-1 004	-
Cash and cash equivalents	3 983	1 228	18	-	5 229
<b>Total Assets</b>	<b>117 823</b>	<b>11 655</b>	<b>534</b>	<b>-4 339</b>	<b>125 673</b>

Segment information 2023 Q1 restated – continuation

(data in million HUF)

LIABILITIES	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Insurance contract liabilities	91 923	4 250	-	-	96 173
Reinsurance contract liabilities	528	215	-	-	743
Financial Liabilities – Investment contracts	4 753	-	-	-	4 753
Financial liabilities - Futures	-	-	-	-	-
Lease liabilities	295	150	-	-	445
Provisions	217	300	-	-	517
Other liabilities	1 668	2 497	2	-	4 167
Intercompany payables	300	272	-	-572	-
Liabilities to shareholders	30	-	-	-	30
<b>TOTAL LIABILITIES</b>	<b>99 714</b>	<b>7 684</b>	<b>2</b>	<b>-572</b>	<b>106 828</b>
<b>NET ASSETS</b>	<b>18 109</b>	<b>3 971</b>	<b>532</b>	<b>-3 767</b>	<b>18 845</b>

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
Other reserve	-3 835	-164	-	-	-3 999
Retained earnings	14 841	-4 560	256	8 070	18 607
<b>Total shareholder's equity</b>	<b>18 109</b>	<b>3 971</b>	<b>532</b>	<b>-3 767</b>	<b>18 845</b>

Segment information 2023 Q1 restated – continuation

(data in million HUF)

Consolidated statement of comprehensive income	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Insurance revenue	2 816	1 687	-	-	4 503
Insurance service expenses	-2 052	-1 524	-	-	-3 576
Reinsurance expense- allocation of premium	-174	-519	-	-	-693
Amount recoverables from reinsurance	-5	-77	-	-	-82
<b>Insurance service result</b>	<b>585</b>	<b>-433</b>	<b>-</b>	<b>-</b>	<b>152</b>
Interest income calculated using the effective interest method	268	129	-	-	397
Investment income	301	25	72	-72	326
Impairment and reversed impairment of Financial assets	-	1	-	-	1
Investment expenses	-2 748	-75	-26	294	-2 555
Yield on investment accounted for using equity method (profit)	-	-	-	115	115
<b>Investment income</b>	<b>- 2 179</b>	<b>80</b>	<b>46</b>	<b>337</b>	<b>- 1 716</b>
Insurance financial result	1 907	87	-	-	1 994
Reinsurance financial result	-29	11	-	-	-18
Change in the fair value of liabilities relating to investment contracts	55	-	-	-	55
<b>Financial results</b>	<b>1 933</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>2 031</b>
Premium and commission income from investment contracts	12	-	-	-	12
Other operating costs	-39	-7	-3	1	-48
Other (non-financial) income	63	-	2	-54	11
Other (non-financial) expenses	-134	-1	-	52	-83
<b>Profit/loss before taxation</b>	<b>241</b>	<b>-263</b>	<b>45</b>	<b>336</b>	<b>359</b>
Tax income / (expenses)	-529	-7	-	-	-536
Deferred tax income / (expenses)	-	-	-	-	-
<b>Adózott eredmény összesen</b>	<b>-288</b>	<b>-270</b>	<b>45</b>	<b>336</b>	<b>-177</b>
Total profit/loss after taxation	519	41	-	-	560
OCI from change in fair value of other financial assets at fair value	-184	-62	-	-	-246
OCI from insurance contracts	-47	22	-	-	-25
<b>OCI from reinsurance contracts</b>	<b>288</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>289</b>
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>-7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-7</b>
<b>Other comprehensive income</b>	<b>281</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>282</b>
<b>Total comprehensive income</b>	<b>-7</b>	<b>-269</b>	<b>45</b>	<b>336</b>	<b>105</b>

## 7. NUMBER OF EMPLOYEES, OWNERSHIP STRUCTURE

The number of employees at the members of the Group was 191 on 31 March 2024.

**Graph 10** Composition of the Issuer's share capital (31 March 2024)

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

**Graph 11** Number of voting rights connected to the shares (31 March 2024)

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	-

**Graph 12** The Issuer's ownership structure (31 March 2024)

Owners	Number of shares	Ownership stake	Voting rights
Domestic private individual	28 190 183	29,85%	29,85%
Domestic institution	64 897 050	68,73%	68,73%
Foreign private individual	102 179	0,11%	0,11%
Foreign institution	22 633	0,02%	0,02%
Nominee, domestic private individual	1 158 518	1,23%	1,23%
Nominee, foreign private individual	18 000	0,02%	0,02%
Nominee, foreign institution	32 726	0,03%	0,03%
Unidentified item	6 971	0,01%	0,01%
<b>Total</b>	<b>94 428 260</b>	<b>100%</b>	<b>100%</b>

The Issuer engaged KELER Ltd. with keeping the shareholders' register. If, during the ownership verification, an account manager with clients holding CIGPANNONIA shares does not provide data regarding the shareholders, the owners of the unidentified shares are recorded as “unidentified item” in the shareholders' register.

**Graph 13** The Issuer's investments on 31 December 2023

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 Company	1097 Budapest, Könyves Kálmán krt. 11.	100,0%
MBH Investment Fund Manager cPlc.*	1068, Budapest, Benczúr utca 11.	7,67%
OPUS GLOBAL Plc.	1062 Budapest, Andrássy út 59.	1%



## 8. INFORMATION PUBLISHED IN THE PERIOD

Date	Title, short content
02 April 2024	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 31/03/2024</a>
18 April 2024	<a href="#">OTHER INFORMATION publication of the Sustainability Report of CIG Pannónia Group for the year 2023</a>
18 April 2024	<a href="#">CIG Pannonia Life Insurance PLC. Resolutions of the general meeting on items on the agenda of the annual general meeting   2024</a>
30 April 2024	<a href="#">EXTRAORDINARY INFORMATION On the decision concluding an ex officio target investigation conducted by the MNB on its own initiative</a>
30 April 2024	<a href="#">Number of voting rights, share capital of CIG Pannónia Életbiztosító Plc - 30 April 2024.</a>
10 May 2024	<a href="#">Announcement - Dividend payments 2023</a>

These announcements can be found on the websites of the ([www.cigpannonia.hu](http://www.cigpannonia.hu)) and the Budapest Stock Exchange Ltd. ([www.bet.hu](http://www.bet.hu)), as well as on the website of the Hungarian National Bank ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)).

## 9. DISCLAIMER

The Issuer declares that the report for the first quarter of 2024 was not reviewed by an auditor, the report for the first quarter of 2024 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.

**30 May 2024, Budapest**

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**Dr István Fedák**  
Chief Executive Officer

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**Alexandra Tóth**  
financial director and head of accounting

### Investor relations

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