

# 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 2024



**CIG PANNÓNIA**  
INSURANCE

27 February 2025, 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 three quarters of 2023 in line with our accounting policy. This fact did not affect our audited results for the full year 2023, which remained unchanged.

At the beginning of our report, we would like to highlight that the 2024 financial year is noteworthy in several respects:

- i. our result from ongoing product groups (i.e. excluding Italian suretyship products) exceeded all previous financial years' results,
- ii. this significant result is accompanied/enabled by a substantial increase in premium income,
- iii. at the same time, as an insurer, we continue to operate in a sound and prudent manner, to which end we have formed a significant reserve to meet our expected liabilities for our run-off Italian suretyship products.

In addition to **drawing on a safety reserve (in the form of a subordinated loan capital) to ensure the capital adequacy of the Company and its subsidiary**, the Company also settled the capital position of EMABIT, primarily through the year-end capital increase, as a result of which the long-term capital position of the CIG Pannónia Group insurers remained stable and strong.

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# 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 report for the fourth quarter of the year (hereinafter: **Report**) for 2024. The Issuer publishes in this Report for 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 the financial year 2024:

- **The change in our consolidated after-tax profit, as described in the preamble, should be analysed from two perspectives:**
  - our reported consolidated after-tax profit decreased from HUF 2,874 million in 2023 to HUF 1,279 million;
  - **our result excluding the losses of the Italian suretyship insurances** and not considering one-off tax items' effects<sup>1</sup> **increased by HUF 2,684 million, i.e. 66%, reaching HUF 6,742 million.**
- **Our premium income grew by 34%, i.e. more than HUF 14.5 billion –**
  - **Life Insurance premiums by 35%,**
  - **while EMABIT premiums by 31%****in one year, reaching HUF 57.3 billion.** All our channels contributed to the growth in sales. **The banking channel** increased its premium income from sold policies **by 57% year-on-year, the independent channel by 19% and our alternative channel by 24%.**
- **Premium growth was driven by unit-linked life insurance** (HUF 8,704 million growth), **corporate property insurance** (HUF 2,715 million growth) and **group accident- and health insurance products** (HUF 1,792 million growth).
- **Our insurer's capital position is stable,** our consolidated capital adequacy ratio is **196%.**

<sup>1</sup> One-off items: in 2023: (i) Corporate tax effect of IFRS 17 transition: HUF 498 million, (ii) extra profit tax effect: HUF 687 million; in 2024: (i) extra profit tax effect: HUF 943 million

**Consolidated  
profit after tax**

**HUF 1,279 million**

**HUF 6,742 million**

Our consolidated net profit,  
adjusted for the result  
of the Italian surety  
products and the impact  
of the extra profit tax

**Consolidated Capital Adequacy 196%**

**The key feature of the increase in GWP:**

• **UL insurance of HUF 8 704 million**

by the banking channel and independent broker channel

• **Corporate property insurance of HUF 2 715 million**

by the independent broker channel

**Our GWP on record  
level exceeded  
HUF 57 billion (+34%)**

2024 business year

1. Life insurer's premium +35%
2. EMABIT's premium +31%

**Our sales channels have grown**  
**+57%** bank network **+19%** alternative network  
**+24%** independent broker channel

### 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 insurance</li> <li>- permanent group life and permanent accident insurance</li> <li>- group credit coverage insurance with life insurance services</li> </ul>	<ul style="list-style-type: none"> <li>- unit linked life and pension insurance</li> <li>- traditional savings (mixed) life, grace and pension insurance</li> </ul>	<ul style="list-style-type: none"> <li>- annually renewed individual and group life, accident and health insurance</li> </ul>
<b>Non-life insurance segment</b>	<ul style="list-style-type: none"> <li>- technical insurance</li> <li>- suretyship insurance</li> <li>- asset insurance</li> <li>- group credit insurances, non-life insurance</li> </ul>		<ul style="list-style-type: none"> <li>- home insurance</li> <li>- travel insurance</li> <li>- student insurance</li> <li>- fleet casco and integrated casco</li> <li>- purchase price insurance</li> <li>- industrial property and liability insurance</li> <li>- group non-life insurance</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>- annuity group life, accident and health insurance</li> <li>- group service financing health 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> <li>- fix term group life-, accident- and health insurance</li> </ul>	

Portfolio group / Segment	Life insurance segment	Non-life insurance segment
<b>Credit coverage insurance</b>	- credit coverage insurance - MVM account protection insurance	
<b>Vehicle insurance</b>		- fleet casco - integrated casco - purchase price insurance
<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 - asset insurance - student insurance

### 1.1.3. Interpretation of the results for 2024

Our consolidated accounting result after tax in 2024 was a **profit of HUF 1,279 million**, following HUF 2,874 million in 2023. 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:

- i. 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
- ii. 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

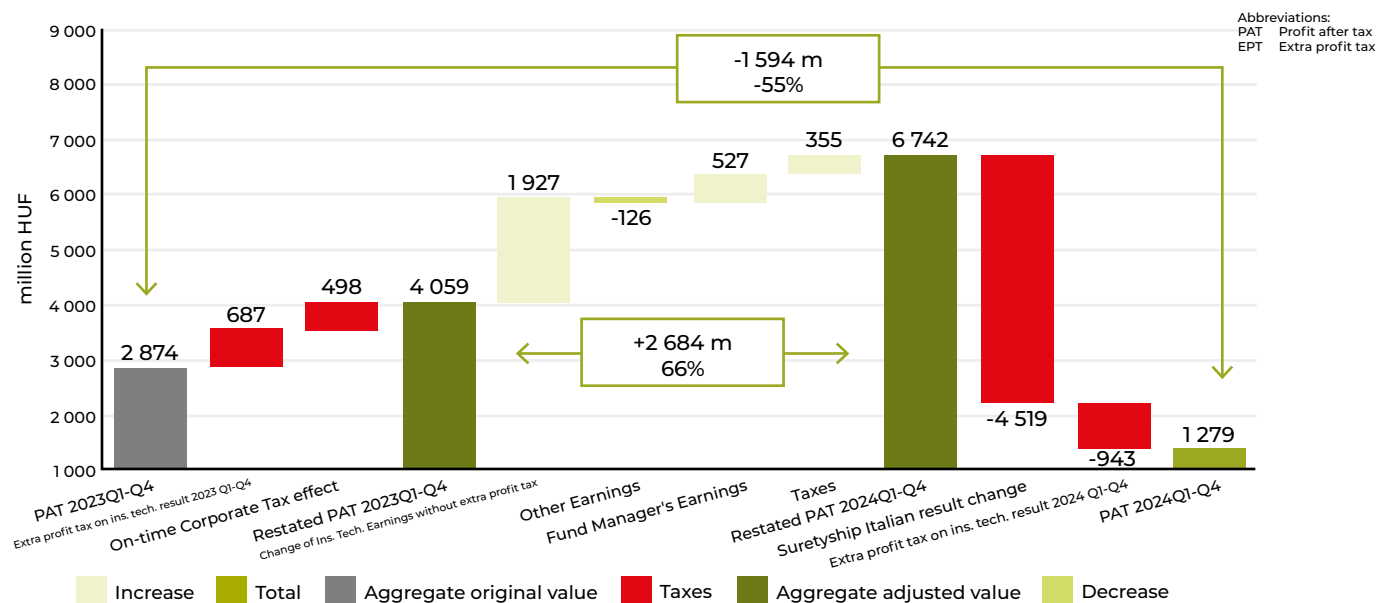
estimate, as also shown in the below table, the amount of the extra profit tax was set for 2023 at HUF 687 million, for 2024 at HUF 943 million.

Our profit after excluding the items mentioned above thus decreased from HUF 4,059 million to HUF 2,222 million.

At the same time, we would like to separate the reduction in profit resulting from the reserve increase for the Italian suretyship insurance business mentioned in the preamble (HUF -4,519 million) from the results of the ongoing product groups that continue to operate, as we believe this presentation makes the Group's current performance transparent. The resulting profit increased by 66% from HUF 4,059 million in 2023 to HUF 6,742 million. The increase of HUF 1,927 million in the technical result of the ongoing product groups played a significant role in this growth. In addition, we also realised a high (HUF 527 million) increase in the Group's profit on our stake in MBH Fund Management Ltd.

**Graph 1**

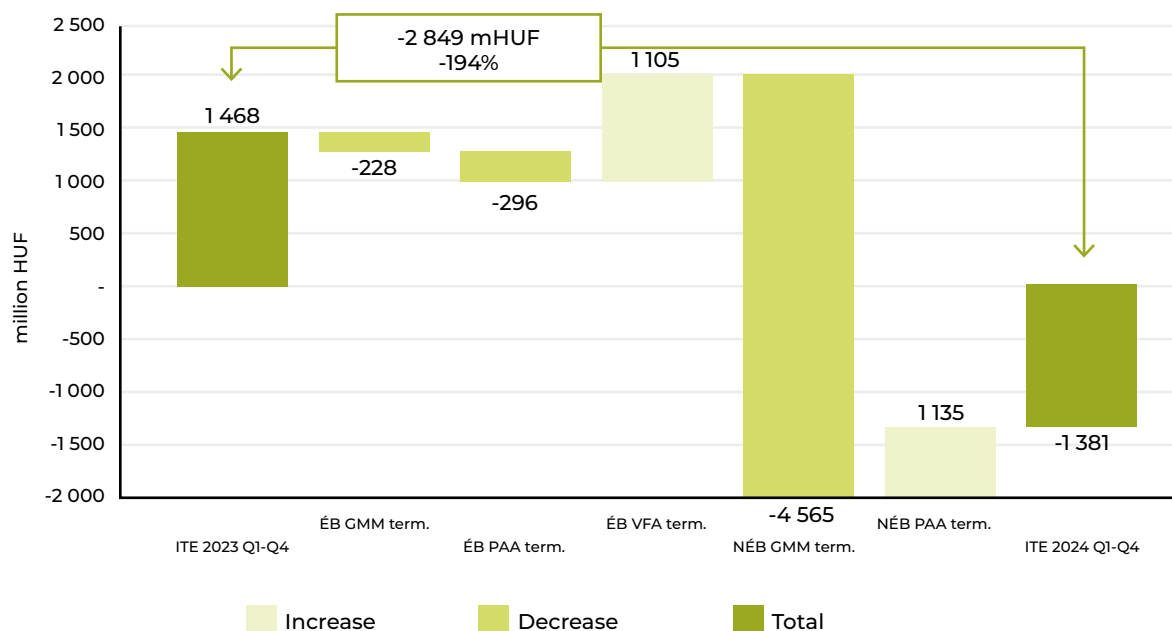
Change of profit after tax 2024 Q1-Q4 vs 2023 Q1-Q4 (data in million HUF)



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 2024 Q1-Q4 vs 2023 Q1-Q4 (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

TR

Technical result

In the life insurance segment, our technical result increased by a total of HUF 581 million compared to 2023, which is the result of two opposing effects. Our result was significantly improved compared to last year by the performance of savings (unit-linked and regular savings) products (these are the products valued using the VFA methodology). The increase in performance was driven on the one hand by the relative stability of the forint yield curve, with yields in 2024 not falling as much as a year ago. The decrease in the yield curve in 2023 led to an increase in the Insurer's claims reserves, which worsened the financial result of the portfolio in 2023. Performance was on the other hand also boosted by the high unit-linked return achieved, which also increases the insurer's profit through the proportional management fee deductions, and the revision of the RBNS claims reserves, which also had a positive impact on the performance of

VFA products. The decrease in performance was mainly due to an increase in claims ratios for group life products, which are assessed in both methodologies.

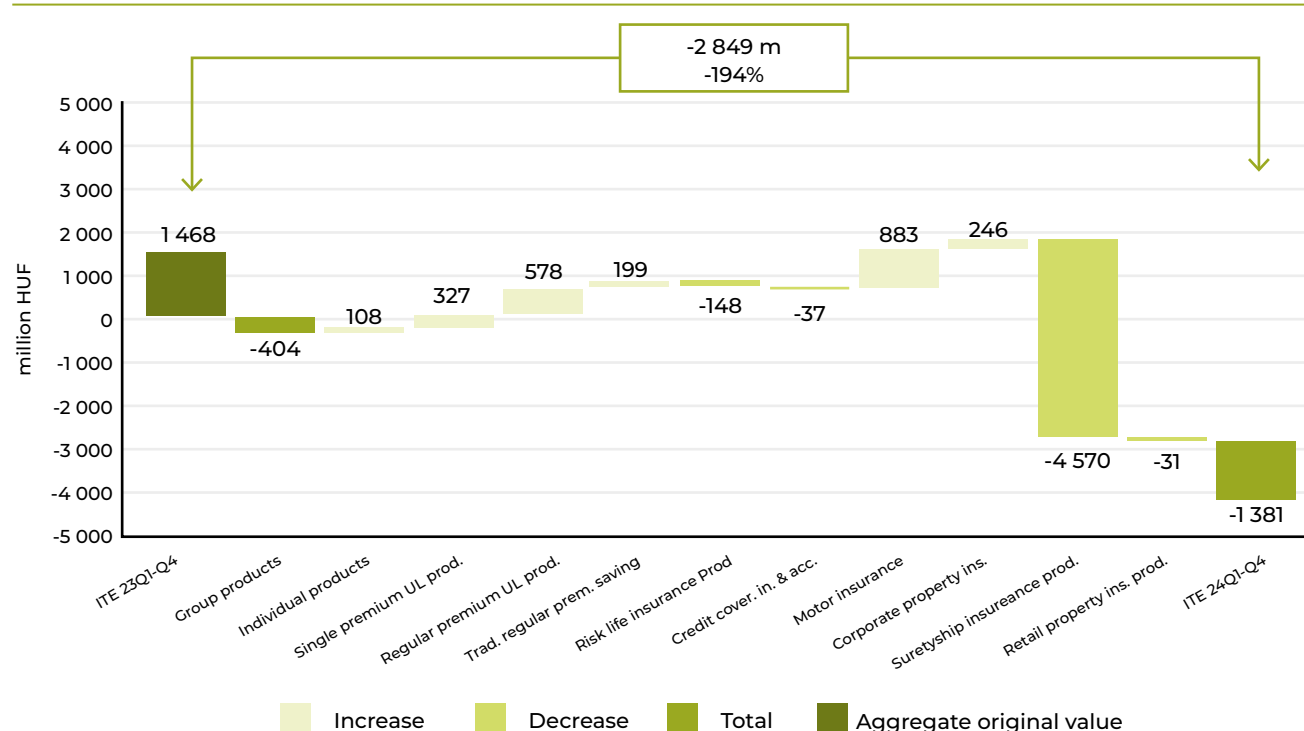
In the non-life insurance segment, our technical result decreased by HUF 3,428 million, which is due to two effects:

- For typically short-term policies (PAA valuation method): the improvement of a total HUF 1,129 million in the result of fleet casco and corporate property policies is quite significant compared to the reference period.
- The decrease in the result on the portfolio of policies valued using the GMM methodology is caused by the increased claims reserves of the Italian suretyship products (HUF -4,519 million).

The decrease in our technical result by HUF 2,849 million distributes along the portfolio groups as follows:

**Graph 3**

Change of Insurance Technical Earnings by Portfolio-groups 2024 Q1-Q4 vs 2023 Q1-Q4 (data in million HUF)



**Group life, accident and health products** (annual profit decline: HUF 404 million):

The claims ratio of the group service financing insurance portfolio deteriorated compared to the previous year. Due to the high claims ratios in the portfolio, the Insurer also recognised a loss component. The increase in claims ratios and the recognition of a loss component this year reduced the portfolio group result in a year-to-year comparison. The Company has already taken the necessary steps to restore the profitability of the product group in the

first quarter, with respect to the new policies, as a result of which the loss of the total portfolio group experienced during the year was reduced by the end of the year.

**Individual life, accident and health insurance products** (annual profit improvement: HUF 108 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 327 million)

The portfolio group's result of last year was adversely affected by the fact that the insurance company – in line with the requirements of IFRS17 – recognised one-off losses, so-called loss components, due to the change in estimates for future services. In addition, in 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 for 2024, therefore, our result increased in the year-on-year comparison.

In addition to the above, at the end of 2024, the Insurer reviewed the portfolio group's RBNS claims reserves. If, based on the Insurer's experience, the final claims expenditure for outstanding claims was lower than the value of the RBNS claims reserve following the filing of the claim, but prior to the claim being closed, the Insurer reduced (devalued) the claims reserve (by a multiplier based on empirical data) to the level it estimates to be the final claims expenditure for the claim. This review of the claims reserves improved the portfolio group's result this year.

**Regular premium UL products** (annual profit improvement: HUF 578 million)

The portfolio group's contract service margin (CSM, which is the sum of the positive results expected for the future periods of the contracts) increased compared to the previous year, mainly due to the value of new business and the achieved returns. The portfolio group's return was HUF 18 billion, which was HUF 12.6 billion above the level forecasted at the end of 2023. On the higher-than-expected assets higher proportional management fees can be charged, resulting in an increase in the CSM. Thus, both the CSM release and the result increased on a year-on-year comparison. For the portfolio group, renewal commissions were lower than forecasted at the beginning of the period (year-end 2023), which also improved this year's result.

In addition, this portfolio group is also affected by the RBNS claims reserves review's effect already mentioned for the single premium products.

**Traditional regular premium savings products** (annual profit increase: HUF 199 million)

The previous year's result was negatively impacted by the fact that at the end of 2023, due to a change in the estimates for future services, the Insurer recognised loss components for the portfolio group. There was no loss component recognition, nor an increase in the risk adjustment of a similar proportion this year, which increased our result year-on-year. Furthermore, for the portfolio group, the excess insurance services provided were below the level forecasted at the beginning of the period (year-end 2023), which also improved the result for 2024.

**Risk life insurance products** (annual profit decline: HUF 148 million)

The portfolio group's result decreased compared to the

same period of the previous year due to higher than expected claims ratios of group life, accident and health insurance (valued using the GMM valuation model). In addition, the CSM of the 'Otthon Harmónia' risk life insurance portfolio (and the release of the CSM increasing the result) decreased due to changes in estimates for future services at the end of 2024 related to the product. The portfolio group's result was improved compared to the same period last year by an increase in the portfolio of risk life insurance policies, however, these positive impacts on profit did not offset the negative impacts of the changes in estimates and the high claims ratios of group insurance policies.

**Credit coverage insurance and account protection products** (annual profit decline: HUF 37 million)

There were several large, partially offsetting effects on the performance of the portfolio group. The driver of the profit improvement is the increase in the contract portfolio and the Insurer's own retention. There was no need to recognise a loss component in the year under review, the loss recognised in the non-life segment at the end of the previous year and the related reinsurance provisions were released by the insurer. The change in the estimates for future expected cash flows resulted in a higher CSM release for the direct CSM than for the reinsurance CSM, which increased the result year-on-year. Another important factor in the decrease in results is that in the first half of 2023, significant insurance premiums collected for previous periods increased the result, which was not achieved this year.

**Vehicle insurance products** (annual profit improvement: HUF 883 million)

The reason behind the improvement in profit is basically due to the decrease in claims 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 claims cost increases. In addition, the change in insurance tax legislation also had a positive impact on profit. As a result of the significant reduction in the combined ratio, the loss component recognised at the end of the previous year was released by the Insurer in full.

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

The product group is characterized by a low claims ratio. Factors affecting profitability include, in addition to the acquisition costs linked to the policies, the reinsurance contracts taken out to cover own risks and the reduction in their costs.

The revenue recognition is based on the ratio of services rendered to services expected at the end of the period, defined by product group. The Insurer assesses the cohorts of direct products and the numerous related reinsurance contracts independently of each other. The change in result has two main drivers: the Insurer's premium income was significantly higher than in the same period of the

previous year and it increased its retention, i.e. less reinsurance coverage was necessary in 2024 than in the previous financial year.

**Suretyship insurance products** (annual profit decline: HUF 4,570 million)

The decline in the Italian suretyship insurances is explained by a combination of three effects:

- In the last quarter of 2024, a significant reserve increase was necessary to cover litigation claims, including a risk adjustment under IFRS 17.
- The Insurer has reviewed and updated the additional claims reserves in the normal course of business.
- The Insurer fulfilled its claims payment and claims settlement expenditure obligations in respect to outstanding claims in the financial year 2024.

The profitability of the Hungarian suretyship products decreased by HUF 51 million compared to the reference peri-

od, mainly due to higher claims ratios and a deterioration in claims ratio assumptions.

**Retail property insurance products** (annual profit decline: HUF 31 million)

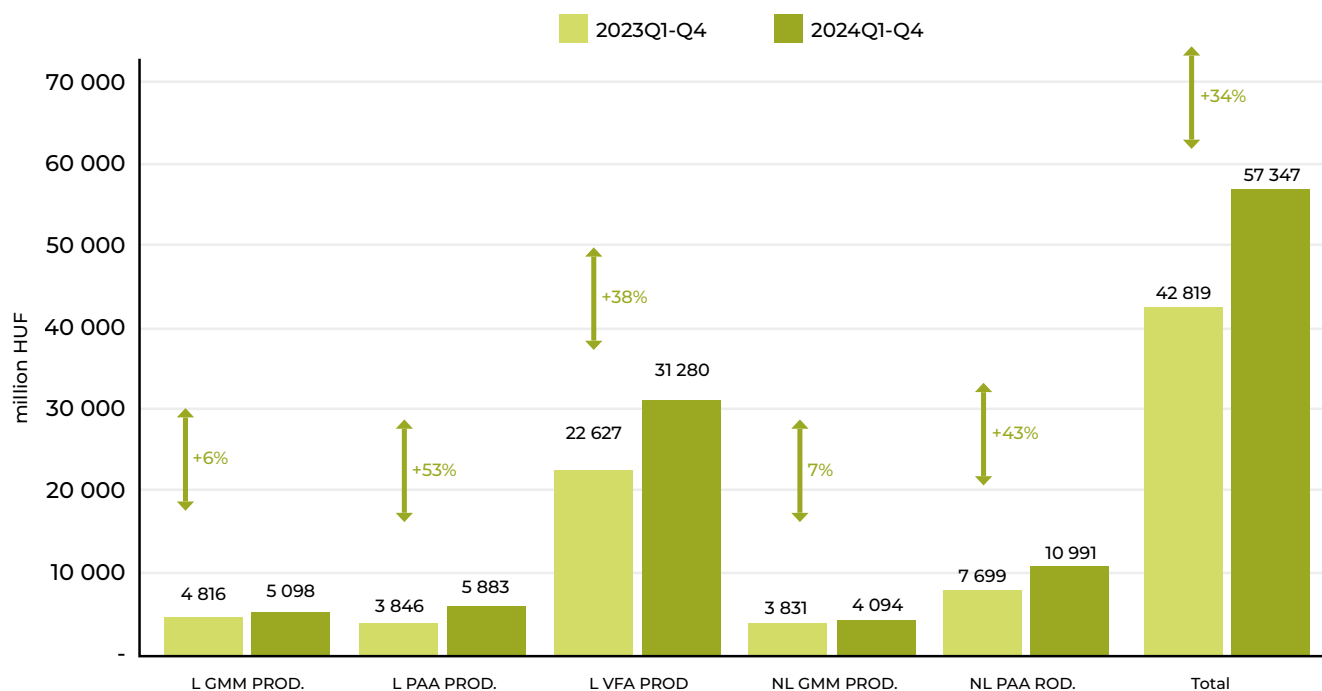
The decline in profit is the result of several effects. The increase in the stock of products that have been running for 2-3 years improves the result, while new product launches still generate a loss in the first periods due to start-up and other overhead costs. The combination of these two effects still slightly decreased the result on a year-on-year basis.

## Volume of sales

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-Q4 vs 2023 Q1-Q4 (data in million HUF)

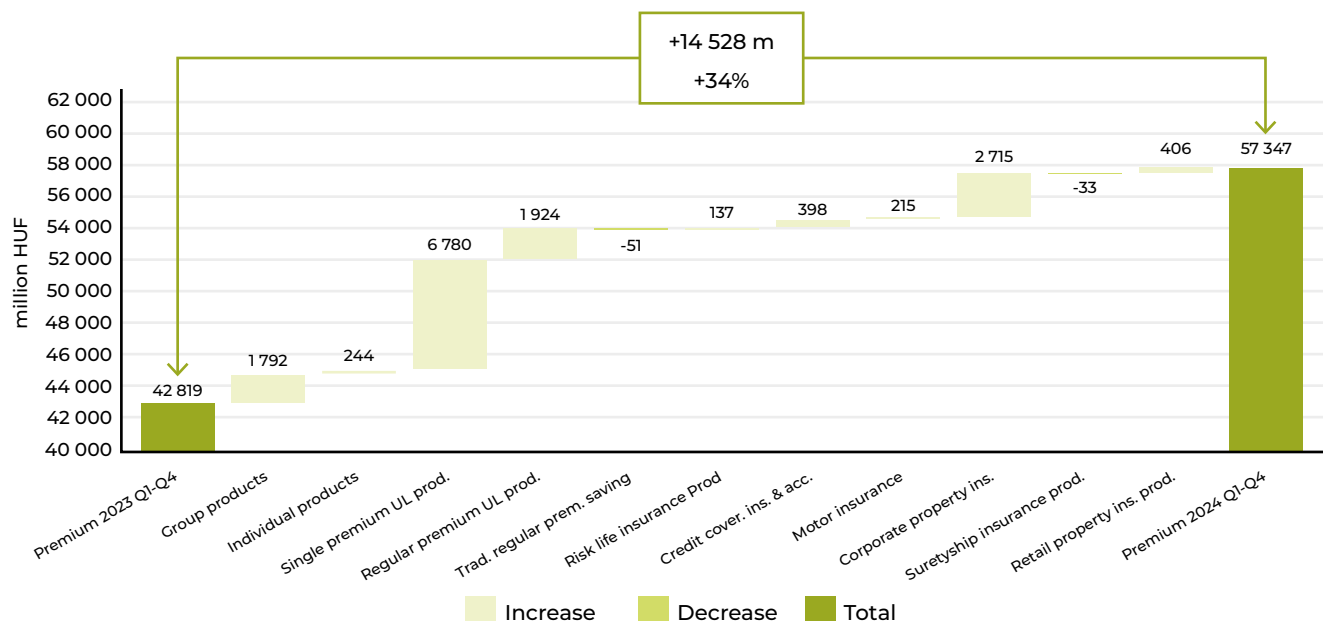


Our premium income increased for all valuation methodology (portfolio) groups, with an overall annual increase of 34%.

Our premiums 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-Q4 vs 2023Q1-Q4 (data in million HUF)



Our unit-linked (UL) premium income increased by more than HUF 8.7 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 expansion of our portfolio with its value of HUF 2.7 billion. Our fleet casco premiums have increased slightly as a result of a portfolio clean-up and a change in our pricing policy, 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

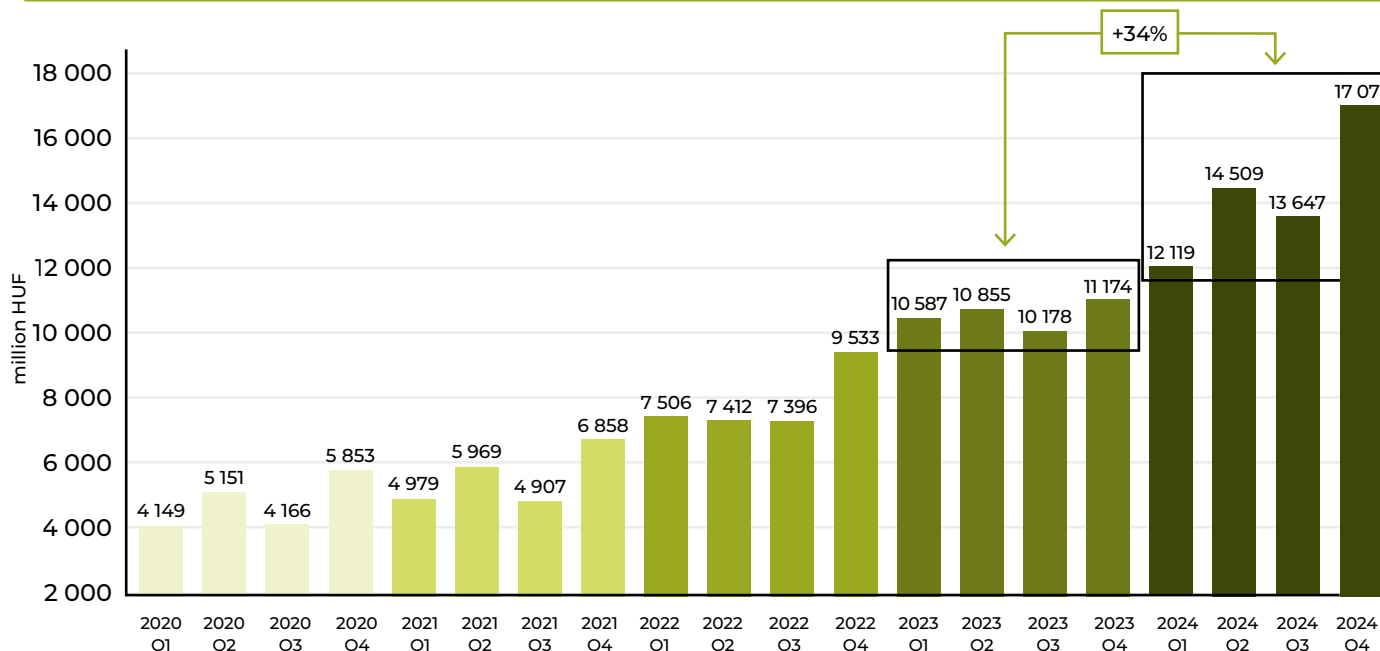
increase of HUF 1.8 billion - which is also the result of the portfolio growth.

The premium growth in risk life insurance (HUF 137 million) is primarily due to the launch of our new product, CIG360 Life-, Accident- and Health Insurance.

If we analyse our premiums in 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 57%, the independent channel by 19% and the alternative channel by 24% in one year.

### Graph 6

Premiums in each quarter (data in million HUF)



## 1. 2. 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 – Publication of the third quarterly report for 2024

Our Company published its report on its financial statements for the third quarter of 2024 on 29 November 2024 in accordance with the Company's Calendar of Events for 2024<sup>2</sup>.

1.2.2. Extraordinary information about the consolidated subsidiary

Our Company has already stated in the third quarterly report of CIG Pannónia Life Insurance Plc<sup>3</sup> (in subsection 1.2.2. Other events) that the Board of Directors, in the course of its continuous monitoring activities and also with respect to the progress of the proceedings initiated by the Company, decided in the third quarter of the reporting period to conduct a strategic review of the so-called Italian cases<sup>4</sup> covering both litigation and non-litigation strategic elements, which cases affect primarily its wholly owned subsidiary CIG Pannónia First Hungarian General Insurance Company (**EMABIT**). The objective of the Board of Directors in undertaking this full review was to ensure that, through its result and based on a full analysis of the situation, the Company and EMABIT (together: CIG Pannónia Group) are prepared in all respects to deal prudently with all potential future scenarios that may arise from these matters. In addition to ensuring prudence, a further objective in the current

phase of - in the management's view - stable growth was to ensure room for further development along the strategic objectives by "clearing" the growth path from external and past limiting constraints and negative elements.

The revised data showed that, overall, the total Italian exposure of EUR 504.5 million included in the extraordinary disclosure of information on the Italian cross-border activity previously published on 24 October 2019<sup>5</sup> had been, by the date of this current disclosure, reduced to EUR 14,155,254.49, or less than 3% of the original exposure, with a total of 7 surety bonds with a total value of EUR 16,558.80<sup>6</sup>. All this data was found to support the success of the strategy developed and consistently applied to manage the exposures, which the Company considers to be a factor in favour of the growth path overall.

The focus of the review was on the assessment of the status of the litigation cases, in connection with which the formed reserves were also reviewed, and the Company published an extraordinary information on the content and outcome of the review on 28 February 2025.

As stated in the Extraordinary Information, as a result of the process, EMABIT decided to increase certain reserves, taking into account the legal requirements, the interests of the Group and the principle of best estimate. To ensure the implementation of this decision, the Board of Directors of the Company

<sup>2,3</sup>[https://www.bse.hu/site/newkib/en/2024.11./CIG\\_Pannonia\\_Life\\_Insurance\\_Plc\\_-\\_Quarterly\\_Report\\_Q3\\_2024\\_129160609](https://www.bse.hu/site/newkib/en/2024.11./CIG_Pannonia_Life_Insurance_Plc_-_Quarterly_Report_Q3_2024_129160609)

<sup>4</sup> Italian cases: a collective name for the risks and their management that EMABIT has and is facing in its Italian claims cases, covering primarily the management of these cases and the strategy for the management of pending litigation, the status and review of existing claims reserves and regress reserves.

<sup>5</sup> [https://www.bse.hu/site/newkib/en/2019.10./Extraordinary\\_announcement\\_of\\_damages\\_occurring\\_within\\_the\\_framework\\_of\\_Italian\\_cross-border\\_activities\\_128314606](https://www.bse.hu/site/newkib/en/2019.10./Extraordinary_announcement_of_damages_occurring_within_the_framework_of_Italian_cross-border_activities_128314606)

<sup>6</sup> the remaining amount of EUR 14,138,695.69 includes the 20 surety bonds covered by the so-called expired but extended claim period, which means that EMABIT's coverage for these policies has also been terminated without a claim, but the surety bond allows an additional period for the beneficiaries to report a claim beyond the coverage period

- i. as founding single shareholder, acting in this capacity and with the business objectives in mind, decided to increase the share capital of EMABIT by HUF 30,000,000, as a result of which the new share capital of EMABIT increased to HUF 1,120,000,000. The share capital was increased by the private placement of 30 (thirty) new dematerialized registered ordinary shares with a nominal value of HUF 1,000,000 (one million forints) and an issue value of HUF 100,000,000 (hundred million forints) by paying a cash contribution pursuant to Section 3:296 of Act V of 2013 on the Civil Code (Civil Code). The entire share capital increase was carried out by CIG Pannónia Life Insurance Plc., as the sole owner of EMABIT. All shares were taken over by the Company. Simultaneously with the share capital increase, the Company placed the difference between the issue and the nominal value of the shares, i.e. HUF 2,970,000,000 in the capital reserve of EMABIT. Our Company at the same time informed the shareholders and the public, that the share capital increase, through issuing new shares, finance the Company's operations, to ensure safe reserves arising from the so-called Italian cases and to maintain the required, expected and safe solvency of own funds , and
  - ii. in order to further supplement EMABIT's own funds with subordinated loan capital - in accordance with the investment and borrowing rules applicable to it as an insurer - , initiated negotiations with Hungarikum Biztosítási Alkusz Zrt. (registered office: 8086 Felcsút, Fő utca 65.; company registration number: 07-10-001617) (hereafter: Broker), the responsible owner with qualified influence in the Company, since Broker, in connection with its prudent ownership - as required by the Hungarian National Bank and as it itself declared when granted the authorisation to acquire influence - stated , inter alia, that it "...intends to support the reconstruction and recovery of CIG EMABIT, owned by CIG Life Insurance, by all legal means which are compliant and in accordance with its legal status, while at the same time mitigating the damage suffered on the Italian market".
  - iii. As a result of the negotiations, on 23 December 2024, the Company entered into a subordinated credit facility agreement (the "Agreement") with the Broker as lender for a total amount of HUF 4,000,000,000 in order to fully comply with the legal reserve requirements and to meet potential obligations that may arise in the future, and to enable the Company to support EMABIT's activities with additional resources during the availability period up to the amount of the reserved credit line, if needed, while maintaining the necessary and expected own funds requirements. The Company shall make the necessary resources available to EMABIT as provided for in the Agreement. The Company has underlined in its information that no funding has been drawn under the Contract to date.
- With regard to the current steps taken to deal with the above matters and the related extraordinary information, the Company reminds that the underlying events (commitments) occurred under the previous management of EMABIT. The insurer has filed a lawsuit against the former board members to assert EMABIT's claims in this matter. The relevant procedures are currently ongoing.
- The Company also emphasised in its relevant announcement published on the official publication sites on 28 February 2025 immediately prior to the publication of this Report, that
- i. the availability/provision of the resources discussed in this point is fully assured, given the prudent measures taken to finance operations along a growth path, and
  - ii. while ensuring full provisioning for exposures arising from Italian cases, the required, expected and safe solvency of own funds is ensured.

### 1.2.3. Other events

On 17 December 2024 our Company informed the Investors, that according to the information made public, Univerzál Beszerző Kft. (registered office: 1114 Budapest, Hamzsabégi út 37.), as contracting authority, has

<sup>7</sup> [https://www.bet.hu/site/newkib/en/2024.12./Extraordinary\\_Information\\_about\\_the\\_consolidated\\_subsidiary\\_129175624](https://www.bet.hu/site/newkib/en/2024.12./Extraordinary_Information_about_the_consolidated_subsidiary_129175624)

<sup>8</sup> "Operating plan and report on the economic activities of the Hungarikum Biztosítási Alkusz as the offeror with respect to the ordinary shares of CIG Pannónia Life Insurance Plc (ISIN: HU0000180112)" prepared for the mandatory public takeover offer for the shareholders of the Company on 18.06.2021, page 7, paragraph 4 - <https://www.bet.hu/newkibdata/128577094/M%C5%B1k%C3%B6d%C3%A9si%20terv%20%C3%A9s%20az%20aj%C3%Aínlatt%C5%91%20gazdas%C3%Aígi%20tev%C3%A9s%C3%A9g%C3%A9r%C5%91%20sz%C3%B3l%C3%B3%20jelent%C3%A9s%202021%2006%2018%20.pdf>

<sup>9</sup> the pricing of the Loan under the Contract (including in particular the applicable interest rate, the availability fee and the early repayment fee) is in line with market standards and has been agreed by the Parties in the framework of an advisory report supported by BIG4

<sup>10</sup> the period from the date of signature of the Agreement until the disbursement of the Loan, but up to a maximum of 2 years, i.e. until 31 December 2026

awarded the contract I. KGFB-CASCO-CSÉB Insurance Procurement 2025-2026 for the group life and accident insurance services for a net annual premium of HUF 122,146,609 (one hundred twenty-two million, one hundred forty-six thousand, six hundred and nine Forints) to the Company. Our Company was also the winning bidder in the tender procedure for the procurement of additional group life and accident insurance services (II KGFB-CASCO-CSÉB insurance procurement 2025-2026) sponsored by Univerzál Beszerző Kft. for a two-year period with a net bid of HUF 192,903,037 (one hundred and ninety-two million, nine hundred and three thousand and thirty-seven) per annum<sup>11</sup>.

Further, in connection with the period, the expansion of the investor relations area needs to be highlighted, as a result of which, starting from the first day of the quarter, i.e. 1 October 2024, our Company's investor relations duties are performed by - within the strengthened organisational framework of corporate governance competence - under the coordination of Dr. Szulami Sári, Deputy CEO, who is also responsible for the area, as an employee of CIG Pannónia Life Insurance Plc.

#### **1.2.4.Preparing for the tasks arising from the MNB's so-called Green Recommendation**

We consider it important to highlight, also with respect to the fourth quarter, that CIG Pannónia Biztosító continued to develop its compliance with the ESG framework regulations and the Recommendation No.12/2023 (XI.27.) of the Magyar Nemzeti Bank (Green Recommendation), which unifies these regulations. As a continuation of the sustainability reports of previous years - such as those for 2022<sup>12</sup> and 2023<sup>13</sup> - the preparation comes as a development along internal organisational, compliance, business, financial, strategic, and risk management aspects and thus has its impact starting from the

2025 business year through ensuring compliance and presentation according to the set framework.

Our Company and its consolidated subsidiary EMABIT continue to manage the steps to progress under the ESG framework at project level, which will be reflected in a separate annual sustainability report for the financial year 2024 - on the same date and in its content referring to the same time period as the annual report - and in the presentation of long-term objectives in line with GRI Standards in 2025, as is already known to investors. The work in this area in the quarter has provided the basis for an even stronger focus on our metrics, expanding their range and their monitoring in the 2024 report

#### **1.2.5.Revision of the Growth Strategy**

During the period under review, our Company has started the revision of the Growth Strategy<sup>14</sup> previously announced on 19 July 2021, as an internal project and using internal resources. As a result of the revision, both short-term and long-term strategic focus areas will be defined, and the elements that make up the Company's unified strategy, narrowed to organic growth goals, containing development directions and goals, will also be brought into line with changed regulatory expectations. As a result of the revision with defining both short-term and long-term focus areas compliance of the composing elements of the unified strategy outlining the Company's development directions and goals narrowed down to organic growth goals with the changed regulatory expectations will be ensured. This includes in particular the integration of the ESG focus as defined in section 1.2.4 into the strategy, as well as the review and potential adjustment of the business focus areas ensuring the growth path. The Company announces the completion of the strategy revision in an extraordinary information to the public.

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

<sup>11</sup> [https://www.bet.hu/site/newkib/en/2024.12./on\\_the\\_notification\\_of\\_a\\_successful\\_tender\\_for\\_the\\_provision\\_of\\_group\\_life\\_and\\_accident\\_insurance\\_services\\_129171905](https://www.bet.hu/site/newkib/en/2024.12./on_the_notification_of_a_successful_tender_for_the_provision_of_group_life_and_accident_insurance_services_129171905)

<sup>12</sup> [https://www.bet.hu/site/newkib/en/2023.04./publication\\_of\\_the\\_Sustainability\\_Report\\_of\\_CIG\\_Pannonia\\_Group\\_for\\_the\\_year\\_2022\\_128874779](https://www.bet.hu/site/newkib/en/2023.04./publication_of_the_Sustainability_Report_of_CIG_Pannonia_Group_for_the_year_2022_128874779)

<sup>13</sup> [https://www.bet.hu/site/newkib/en/2024.04./publication\\_of\\_the\\_Sustainability\\_Report\\_of\\_CIG\\_Pannonia\\_Group\\_for\\_the\\_year\\_2023\\_129049134](https://www.bet.hu/site/newkib/en/2024.04./publication_of_the_Sustainability_Report_of_CIG_Pannonia_Group_for_the_year_2023_129049134)

<sup>14</sup> [https://www.cigpannonia.hu/docs/default-source/befektetoi-kozlemenyek/pwc\\_cig-pannonia-growth-strategy\\_executive-summary\\_final.pdf?sfvrsn=69e38b5a\\_2](https://www.cigpannonia.hu/docs/default-source/befektetoi-kozlemenyek/pwc_cig-pannonia-growth-strategy_executive-summary_final.pdf?sfvrsn=69e38b5a_2)

## 2. MAIN EVENTS AND RESULTS OF THE REPORTING PERIOD

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

data in million HUF

	2024 Q1-Q4 (A)	2023 Q1-Q4 (B)	Change (A)-(B)
Insurance Revenue	27 294	21 349	5 945
Insurance service expenses	-26 196	-17 856	-8 340
Reinsurance expense – allocation of premium	-5 732	-3 516	-2 216
Amount of recoverables from reinsurance	3 178	1 890	1 288
<b>Insurance service result</b>	<b>-1 456</b>	<b>1 867</b>	<b>-3 323</b>
Interest income calculated using the effective interest method	1 869	1 917	-48
Investment income	25 410	8 514	16 896
Impairment and impairment reversal of financial assets	-4	2	-6
Investment expenses	-853	-1 126	273
Yield on investment accounted for using equity method (profit)	1 060	571	489
<b>Investment income</b>	<b>27 482</b>	<b>9 878</b>	<b>17 604</b>
Insurance financial result	-23 645	-7 589	-16 056
Reinsurance financial result	172	15	157
Change in the fair value of liabilities relating to investment contracts	-1 049	-403	-646
<b>Financial result</b>	<b>-24 522</b>	<b>-7 977</b>	<b>-16 545</b>
Premium and commission income from investment contracts	282	77	205
Other operating costs	-301	-233	-68
Other (non-financial) income	120	197	-77
Other (non-financial) expenses	-423	-172	-251
<b>Profit/Loss before taxation</b>	<b>1 182</b>	<b>3 637</b>	<b>-2 455</b>
Tax income/expenses	-37	-778	741
Deferred tax income/expenses	134	15	119
<b>Profit/Loss after taxation</b>	<b>1 279</b>	<b>2 874</b>	<b>-1 595</b>
OCI from change in fair value of other financial assets at fair value	-826	3 627	-4 453
OCI from insurance contracts	394	-1 672	2 066
OCI from reinsurance contracts	115	-257	372
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>-317</b>	<b>1 698</b>	<b>-2 015</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>766</b>	<b>1 643</b>	<b>-877</b>
<b>Other comprehensive income</b>	<b>449</b>	<b>3 341</b>	<b>-2 892</b>
<b>Total comprehensive income</b>	<b>1 728</b>	<b>6 215</b>	<b>-4 487</b>

## Consolidated Statement of Comprehensive Income- cumulated data continuation

(data in million HUF)

	31 December 2024 (A)	31 December 2023 (B)	Change (A)-(B)
Profit/loss after taxation attributable to the Company's shareholders	1 279	2 874	
Weighted average number of shares	93 954 254	93 954 254	
<b>EPS (basic)</b>	<b>13,6</b>	<b>30,6</b>	<b>-17,0</b>
Profit/loss after taxation attributable to the Company's shareholders	1 279	2 874	
Weighted average number of shares	94 428 260	94 428 260	
<b>EPS (diluted)</b>	<b>13,5</b>	<b>30,4</b>	<b>-16,9</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
2023.12.31	94 428 260	474 006	365	93 954 254
<b>2024.12.31.</b>	<b>94 428 260</b>	<b>474 006</b>	<b>365</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 Comprehensive Income – individual quarterly data

(data in million HUF)

	2024 Q4 (A)	2024 Q3 (B)	2024 Q2 (C)	2024 Q1 (D)	2023 Q4 (E) restated	Change (A)-(E)
Insurance Revenue	7 927	7 370	6 670	5 327	5 700	1 670
Insurance service expenses	-9 874	-5 862	-5 336	-5 124	-5 336	-526
Reinsurance expense – allocation of premium	-1 653	-1 616	-1 099	-1 364	-848	-768
Amount of recoverables from reinsurance	582	704	838	1 054	640	64
<b>Insurance service result</b>	<b>-3 018</b>	<b>596</b>	<b>1 073</b>	<b>-107</b>	<b>156</b>	<b>440</b>
Interest income calculated using the effective interest method	474	404	433	558	560	-156
Investment income	9 022	3 795	2 604	9 989	1 335	2 460
Impairment and impairment reversal of financial assets	-4	-2	2	-	-14	12
Investment expenses	-482	340	-341	-370	-343	683
Yield on investment accounted for using equity method (profit)	585	142	200	133	214	-72
<b>Investment income</b>	<b>9 595</b>	<b>4 679</b>	<b>2 898</b>	<b>10 310</b>	<b>1 752</b>	<b>2 927</b>
Insurance financial result	-8 158	-4 030	-2 143	-9 314	-1 214	-2 816
Reinsurance financial result	51	39	29	53	12	27
Change in the fair value of liabilities relating to investment contracts	-400	-167	-109	-373	-76	-91
<b>Financial result</b>	<b>-8 507</b>	<b>-4 158</b>	<b>-2 223</b>	<b>-9 634</b>	<b>-1 278</b>	<b>-2 880</b>
Premium and commission income from investment contracts	111	80	67	24	23	57
Other operating costs	-84	-61	-96	-60	-71	10
Other (non-financial) income	66	28	32	-6	141	-113
Other (non-financial) expenses	-238	-92	-76	-17	289	-381
<b>Profit/Loss before taxation</b>	<b>-2 075</b>	<b>1 072</b>	<b>1 675</b>	<b>510</b>	<b>1 012</b>	<b>60</b>
Tax income/expenses	134	-80	-81	-10	-105	25
Deferred tax income/expenses	151	29	-18	-28	15	14
<b>Profit/Loss after taxation</b>	<b>-1 790</b>	<b>1 021</b>	<b>1 576</b>	<b>472</b>	<b>922</b>	<b>99</b>
OCI from change in fair value of other financial assets at fair value	-589	670	-60	-847	1 928	-1 258
OCI from insurance contracts	442	-361	-20	333	-1 018	657
OCI from reinsurance contracts	37	-56	52	82	-150	94
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>-110</b>	<b>253</b>	<b>-28</b>	<b>-432</b>	<b>760</b>	<b>-507</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>-96</b>	<b>510</b>	<b>209</b>	<b>143</b>	<b>-64</b>	<b>574</b>
<b>Other comprehensive income</b>	<b>-206</b>	<b>763</b>	<b>181</b>	<b>-289</b>	<b>696</b>	<b>67</b>
<b>Total comprehensive income</b>	<b>-1 996</b>	<b>1 784</b>	<b>1 757</b>	<b>183</b>	<b>1 618</b>	<b>166</b>

**Graph 4** Consolidated Statement of Financial Position

data in million HUF

ASSETS	31 December 2024 (A)	31 December 2023 (B)	Change (A)-(B)
Intangible Assets	991	934	57
Property, plant and equipment	96	117	-21
Right-of use assets	444	271	173
Deferred tax asset	486	337	149
Investment in associates	1 282	777	505
Insurance contract assets	1 145	1 242	-97
Reinsurance contract assets	3 985	2 558	1 427
Investments for policyholders of unit-linked life insurance policies	127 680	94 424	33 256
Financial asset - Investment contracts	5 942	4 763	1 179
Financial asset - derivatives	-	130	-130
Other financial assets at fair value	38 395	35 979	2 416
Other assets and prepayments	81	80	1
Other receivables	548	149	399
Cash and cash equivalents	2 597	2 492	105
<b>Total Assets</b>	<b>183 672</b>	<b>144 253</b>	<b>39 419</b>
<b>LIABILITIES</b>			
Insurance contract liabilities	149 816	110 220	39 596
Reinsurance contract liabilities	366	376	-10
Financial liabilities -Investment contracts	5 942	4 763	1 179
Financial liabilities-derivatives	224	-	224
Lease liabilities	470	314	156
Provisions	339	262	77
Other liabilities	4 588	5 021	-433
Liabilities to shareholders	37	33	4
<b>Total Liabilities</b>	<b>161 782</b>	<b>120 989</b>	<b>40 793</b>
<b>Net Assets</b>	<b>21 890</b>	<b>23 264</b>	<b>-1 374</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	3 116	3 116	-
Capital reserve	1 153	1 153	-
Treasury shares	-32	-32	-
Other reserves	-491	-940	449
Retained earnings	18 144	19 967	-1 823
<b>Total Shareholder's Equity</b>	<b>21 890</b>	<b>23 264</b>	<b>-1 374</b>

Graph 5 Consolidated Changes in Equity Q1-Q4 2024

(data in million HUF)

	Share capital	Capital Reserve	Share-based	Other reserves	Retained earnings	Total shareholders' equity
<b>Balance on 31 December 2023</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	-	-	-	449	-	449
Profit in reporting year	-	-	-	-	1 279	1 279
<b>Transactions with equity holders recognized directly in Equity</b>						
Dividend payments	-	-	-	-	-3 102	-3 102
<b>Balance on 31 December 2024</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-491</b>	<b>18 144</b>	<b>21 890</b>

Graph 6 Consolidated Changes in Equity Q1-Q4 2023

(data in million HUF)

	Share capital	Capital Reserve	Share-based	Other reserves	Retained earnings	Total shareholders' equity
<b>Balance on 31 December 2022</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	-	-	-	3 341	-	3 341
Profit in reporting year	-	-	-	-	2 874	2 874
<b>Transactions with equity holders recognized directly in Equity</b>						
Dividend payments	-	-	-	-	-1 691	-1 691
<b>Balance on 31 December 2023</b>	<b>3 116</b>	<b>1 153</b>	<b>-32</b>	<b>-940</b>	<b>19 967</b>	<b>23 264</b>

**Graph 7** Consolidated Statement of Cash Flows

(data in million HUF)

	2024 Q1-Q4	2023 Q1-Q4
<b>Profit/loss after taxation</b>	<b>1 279</b>	<b>2 874</b>
<b>Modifying items</b>		
Depreciation and amortization	485	489
Booked/reversed impairment, debt cancelled	4	-2
Result of assets sales	-386	122
Exchange rate changes	-797	241
Share of the profit or loss of associates accounted for using the equity method	-1 097	-607
Deferred tax	-134	-15
Income taxes	44	765
Income on interest	-1 869	-1 917
Result of derivatives	473	-678
Provisions	77	-258
Dividend received	-72	-
Termination of leasing assets	-27	5
Interest cost	4	20
<b>Change of active capital items:</b>		
Increase / decrease of investments for policyholders of unit-linked life insurance policies (-/+)	-33 255	-8 219
Increase / decrease of financial assets – investment contracts (-/+)	-1 179	404
Increase / decrease assets resultant of reinsurance (-/+)	-1 312	-1 465
Increase / decrease of other assets and active accrued and deferred items (-/+)	527	-387
Increase / decrease of liabilities resultant of reinsurance (-/+)	-10	-177
Increase / decrease of insurance contract liabilities (+/-)	39 990	12 233
Increase / decrease of investment contracts (+/-)	1 179	-404
Increase / decrease of insurance contracts assets (+/-)	97	-136
Increase / decrease of other liabilities (+/-)	-389	2 305
Increase / decrease capital owner liability (+/-)	3	3
Paid income taxes	-972	-288
<b>Cash flows from operating activities</b>	<b>2 662</b>	<b>4 909</b>

## Consolidated Statement of Cash Flows continuation

(data in million HUF)

Cash flow from investing activities	2024 Q1-Q4	2023 Q1-Q4
Purchase of debt instruments (-)	-128 860	-37 634
Sales of debt instruments (+)	127 732	31 846
Purchase of tangible and intangible assets (-)	-358	-242
Sales of tangible and intangible assets (+)	-	1
Result of derivatives	-119	606
Interest received	1 455	1 352
Dividend received	664	491
<b>Cash flow from investing activities</b>	<b>514</b>	<b>-3 579</b>
Cash flow from financing activities	2024 Q1-Q4	2023 Q1-Q4
Interest paid	4	-20
Lease instalments payment	-151	-166
Lease interest payment	-15	-9
Repayment of loans and their interests	-	-7
Dividend payment	-3 100	-1 691
<b>Cash flow from financing activities</b>	<b>-3 270</b>	<b>-1 894</b>
Impacts of exchange rate changes and interests	199	-37
<b>Net increase / decrease of cash and cash equivalents (+/-)</b>	<b>105</b>	<b>-600</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>2 492</b>	<b>3 093</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2 597</b>	<b>2 492</b>

### 3. 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

## 4. 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 three quarters of 2023 in line with our accounting policy. This fact does not affect our audited results for the full year 2023, which remained unchanged.

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.

In addition, the Company also clarified the schedule for the release of reserves on expiring GICs (groups of insurance contracts) when applying the PAA method.

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 and the 2023Q2 reports, 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.

#### 4. Acquisition and maintenance costs of GMM contracts

For certain groups of contracts valued using the GMM valuation model (credit protection insurance), the Company has at the closure of the year 2023, for the first time, reconciled the separation of acquisition and maintenance costs used in the forecasts and reflected in the actual data. This separation was not yet accurate at the time of the quarterly closures of 2023, which caused empirical variations in the CSM derivation and thus in the CSM release for that year.



## 5. OPERATING SEGMENTS

**Graph 8** Segment information 2024 Q1-Q4

(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	673	318	-	-	991
Property, plant and equipment	87	9	-	-	96
Right-of-use assets	264	180	-	-	444
Deferred tax assets	486	-	-	-	486
Subsidiaries	6 748	-	-	-6 748	-
Associated companies	51	-	-	1 231	1 282
Insurance contract assets	1 120	25	-	-	1 145
Reinsurance contract assets	878	3 107	-	-	3 985
Investments for policyholders of unit-linked life insurance policies	127 680	-	-	-	127 680
Financial assets – investments contracts	5 942	-	-	-	5 942
Financial asset - Derivatives	-	-	-	-	-
Other financial assets at fair value	22 370	16 025	-	-	38 395
Other assets and prepayments	54	27	-	-	81
Other receivables	467	78	-	3	548
Treasury share	-	-	176	-176	-
Receivables from associates	155	189	325	-669	-
Cash and cash equivalents	2 368	202	27	-	2 597
<b>Total Assets</b>	<b>169 343</b>	<b>20 160</b>	<b>528</b>	<b>-6 359</b>	<b>183 672</b>
<b>LIABILITIES</b>					
Insurance contract liabilities	140 418	9 398	-	-	149 816
Reinsurance contract liabilities	52	314	-	-	366
Financial liabilities – Investment contracts	5 942	-	-	-	5 942
Financial liabilities - Derivatives	224	-	-	-	224
Lease liabilities	279	191	-	-	470
Provisions	303	36	-	-	339
Other liabilities	1 263	3 322	3	-	4 588
Intercompany payables	189	155	-	-344	-
Liabilities to shareholders	37	-	-	-	37
<b>Total Liabilities</b>	<b>148 707</b>	<b>13 416</b>	<b>3</b>	<b>-344</b>	<b>161 782</b>
<b>NET ASSETS</b>	<b>20 636</b>	<b>6 744</b>	<b>525</b>	<b>-6 015</b>	<b>21 890</b>

Segment information Q1-Q4 2024

(data in million HUF)

ASSETS	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Registered capital	3 116	1 120	229	-1 349	3 116
Capital reserve	4 019	12 075	-	-14 941	1 153
Treasury shares	-32	-	-	-	-32
Other reserve	-411	-80	-	-	-491
Retained earnings	13 944	-6 371	296	10 275	18 144
<b>Total shareholder's equity</b>	<b>20 636</b>	<b>6 744</b>	<b>525</b>	<b>-6 015</b>	<b>21 890</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	14 896	12 613	-	-215	27 294
Insurance service expenses	-12 378	-13 826	-	8	-26 196
Reinsurance expense- allocation of premium	-1 184	-4 646	-	98	-5 732
Amount recoverables from reinsurance	953	2 225	-	-	3 178
<b>Insurance service result</b>	<b>2 287</b>	<b>-3 634</b>	<b>-</b>	<b>-109</b>	<b>-1 456</b>
Interest income calculated using the effective interest method	1 275	594	-	-	1 869
Investment income	24 894	533	300	-317	25 410
Impairment and reversed impairment of Financial assets	-	- 4	-	-	-4
Investment expenses	-3 662	-141	-368	3 318	-853
Yield on investment accounted for using equity method (profit)	554	-	16	490	1 060
<b>Investment income</b>	<b>23 061</b>	<b>982</b>	<b>-52</b>	<b>3 491</b>	<b>27 482</b>
Insurance financial result	-23 459	-186	-	-	-23 645
Reinsurance financial result	42	130	-	-	172
Change in the fair value of liabilities relating to investment contracts	-1 049	-	-	-	-1 049
<b>Financial results</b>	<b>-24 466</b>	<b>-56</b>	<b>-</b>	<b>-</b>	<b>-24 522</b>
Premium and commission income from investment contracts	282	-	-	-	282
Other operating costs	-219	-77	-18	13	-301
Other (non-financial) income	427	76	18	-401	120
Other (non-financial) expenses	-765	-46	-	388	-423
<b>Profit/loss before taxation</b>	<b>607</b>	<b>-2 755</b>	<b>-52</b>	<b>3 382</b>	<b>1 182</b>

Segment information Q1-Q4 2024

(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)	-44	-	-	7	-37
Deferred tax income / (expenses)	134	-	-	-	134
<b>Total profit/loss after taxation</b>	<b>697</b>	<b>- 2 755</b>	<b>-52</b>	<b>3 389</b>	<b>1 279</b>
OCI from change in fair value of other financial assets at fair value	-712	-114	-	-	-826
OCI from insurance contracts	473	-79	-	-	394
OCI from reinsurance contracts	17	98	-	-	115
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>-222</b>	<b>-95</b>	<b>-</b>	<b>-</b>	<b>-317</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>766</b>
<b>Other comprehensive income</b>	<b>544</b>	<b>-95</b>	<b>-</b>	<b>-</b>	<b>449</b>
<b>Total comprehensive income</b>	<b>1 241</b>	<b>-2 850</b>	<b>-52</b>	<b>3 389</b>	<b>1 728</b>

**Graph 9** Segment information 2023 Q1-Q4

(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	661	273	-	-	934
Property, plant and equipment	105	12	-	-	117
Right-of-use assets	175	96	-	-	271
Deferred tax assets	337	-	-	-	337
Subsidiaries	6 698	-	-	-6 698	-
Associated companies	52	-	-	725	777
Insurance contract assets	1 058	184	-	-	1 242
Reinsurance contract assets	659	1 899	-	-	2 558
Investments for policyholders of unit-linked life insurance policies	94 424	-	-	-	94 424
Financial assets – Investments contracts	4 763	-	-	-	4 763
Financial assets - Derivatives	109	21	-	-	130
Other financial assets at fair value	24 498	11 481	-	-	35 979
Other assets and prepayments	66	14	-	-	80
Other receivables	63	82	1	3	149
Treasury share	-	-	139	-139	-
Receivables from associates	119	67	413	-599	-
Cash and cash equivalents	1 709	756	27	-	2 492
<b>Total Assets</b>	<b>135 496</b>	<b>14 885</b>	<b>580</b>	<b>-6 708</b>	<b>144 253</b>

Segment information 2023 Q1-Q4

(data in million HUF)

ASSETS	CIG Life Insurance segment	CIG Non-Life insurance segment	Other	Adjusting items of financial statement deduction (consolidation)	Total
Insurance contract liabilities	106 134	4 086	-	-	110 220
Reinsurance contract liabilities	91	285	-	-	376
Financial Liabilities – Investment contracts	4 763	-	-	-	4 763
Lease liabilities	203	111	-	-	314
Provisions	126	136	-	-	262
Other liabilities	1 565	3 455	1	-	5 021
Intercompany payables	67	118	-	-185	-
Liabilities to shareholders	33	-	-	-	33
<b>TOTAL LIABILITIES</b>	<b>112 982</b>	<b>8 191</b>	<b>1</b>	<b>-185</b>	<b>120 989</b>
<b>NET ASSETS</b>	<b>22 514</b>	<b>6 694</b>	<b>579</b>	<b>-6 523</b>	<b>23 264</b>

Shareholder's Equity					
Registered 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 reserve	-955	15	-	-	-940
Retained earnings	16 366	-3 516	336	6 781	19 967
<b>Total shareholder's equity</b>	<b>22 514</b>	<b>6 694</b>	<b>579</b>	<b>-6 523</b>	<b>23 264</b>

Segment information 2023 Q1-Q4

(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	11 815	9 534	-	-	21 349
Insurance service expenses	-10 066	-7 790	-	-	-17 856
Reinsurance expense- allocation of premium	-683	-2 833	-	-	-3 516
Amount recoverables from reinsurance	973	917	-	-	1 890
<b>Insurance service result</b>	<b>2 039</b>	<b>-172</b>	<b>-</b>	<b>-</b>	<b>1 867</b>
Interest income calculated using the effective interest method	1 252	665	-	-	1 917
Investment income	7 976	538	149	-149	8 514
Impairment and reversed impairment of Financial assets	4	-2	-	-	2
Investment expenses	109	-280	-70	-885	-1 126
Yield on investment accounted for using equity method (profit)	454	-	9	108	571
<b>Investment income</b>	<b>9 795</b>	<b>921</b>	<b>88</b>	<b>-926</b>	<b>9 878</b>
Insurance financial result	-7 541	-48	-	-	-7 589
Reinsurance financial result	-54	69	-	-	15
Change in the fair value of liabilities relating to investment contracts	-403	-	-	-	-403
<b>Financial results</b>	<b>-7 998</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-7 977</b>
Premium and commission income from investment contracts	77	-	-	-	77
Other operating costs	-181	-47	-15	10	-233
Other (non-financial) income	318	124	15	-260	197
Other (non-financial) expenses	-381	-41	-	250	-172
<b>Profit/loss before taxation</b>	<b>3 669</b>	<b>806</b>	<b>88</b>	<b>-926</b>	<b>3 637</b>
Tax income / (expenses)	-747	-31	-	-	-778
Deferred tax income / (expenses)	15	-	-	-	15
<b>Total profit/loss after taxation</b>	<b>2 937</b>	<b>775</b>	<b>88</b>	<b>- 926</b>	<b>2 874</b>
OCI from change in fair value of other financial assets at fair value	3 263	364	-	-	3 627
OCI from insurance contracts	-1 588	-84	-	-	-1 672
OCI from reinsurance contracts	-157	-100	-	-	-257
<b>Comprehensive income, would be reclassified to profit or loss in the future</b>	<b>1 518</b>	<b>180</b>	<b>-</b>	<b>-</b>	<b>1 698</b>
<b>Comprehensive income, wouldn't be reclassified to profit or loss in the future</b>	<b>1 643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 643</b>
<b>Other comprehensive income</b>	<b>3 161</b>	<b>180</b>	<b>-</b>	<b>-</b>	<b>3 341</b>
<b>Total comprehensive income</b>	<b>6 098</b>	<b>955</b>	<b>88</b>	<b>-926</b>	<b>6 215</b>

## 6. NUMBER OF EMPLOYEES, OWNERSHIP STRUCTURE

The number of employees at the members of the Group was 207 on 31 December 2024.

**Graph 10** Composition of the Issuer's share capital (31 December 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>-</b>	<b>-</b>	<b>3 116 132 580</b>

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

Owners	Number of shares	Ownership stake	Voting rights
Domestic private individual	28 146 200	29,81%	29,81%
Domestic institution	64 824 153	68,65%	68,65%
Foreign private individual	64 549	0,07%	0,07%
Foreign institution	23 153	0,02%	0,02%
Nominee, domestic private individual	1 158 518	1,23%	1,23%
Nominee, foreign private individual	28 000	0,03%	0,03%
Nominee, foreign institution	176 722	0,19%	0,19%
Unidentified item	6 965	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 2024

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%

## 7. INFORMATION PUBLISHED IN THE PERIOD

Date	Title, short content
1 October 2024	<a href="#">Personal change of Investor Relations Officer</a>
31 October 2024	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 31/10/2024</a>
2 December 2024	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 30/11/2024</a>
17 December 2024	<a href="#">EXTRAORDINARY INFORMATION - On the notification of a successful tender for the provision of group life and accident insurance services</a>
17 December 2024	<a href="#">EXTRAORDINARY INFORMATION   On the decision made by the Central Bank of Hungary in the consumer protection procedure conducted on request</a>
22 December 2024	<a href="#">EXTRAORDINARY INFORMATION   About the consolidated subsidiary</a>
31 December 2024	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 31/12/2024</a>
31 January 2025	<a href="#">Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc. - 31/01/2025</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)).



## 8. DISCLAIMER

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

**27 February 2025, 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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