

The report of the Audit Committee of **CIG Pannónia Életbiztosító Nyilvánosan Működő Részvénytársaság (Company, Life Insurer)** (registered office: H-1097 Budapest Könyves Kálmán krt. 11., „B” building; company registry number: 01 10 045857; court of registration: Fővárosi Törvényszék Cégbírósága (in English: Company Registry Court of Budapest - Capital Regional Court)

to the Annual General Meeting for the year 2023

The Audit Committee has discussed the separate and the consolidated reports of CIG Pannónia Életbiztosító Nyrt., and its affiliate company, CIG Pannónia Első Magyar Általános Biztosító Zrt. prepared for the year 2022 in accordance with the International Financial Reporting Standards accepted by the European Union, which are **proposed for approval** by the Annual General Meeting and the founder, CIG Pannónia Életbiztosító Nyrt. in view of the relevant auditor’s reports, considering the following:

At Group level, CIG Pannónia Nyrt., has involved CIG Pannónia Első Magyar Általános Biztosító Zrt.-t (**EMABIT**) in consolidation in the previous years’ consolidated financial reports, as its fully owned affiliate company (hereinafter jointly referred to as: the Group)¹.

The Audit Committee, as a principal part of its scope of duties under Section 4.1 of the Rules of Procedure, has treated as key priority the compliance of own funds of the Group, and the continuous monitoring of the measures taken on the basis of its target assessment relating to the operation stretching across the Italian border, and wishes to emphasise the work is being performed on a continuous basis, and accordingly, these tasks are present in the scope of duties of the Committee with priority also in 2023, primarily with a view to supporting the completion of tasks falling in the scope of duties of the Supervisory Board.

The Audit Committee declares that the audit methodology and the independence criteria of MAZARS Könyvszakértő és Tanácsadói Korlátolt Felelősségű Társaság (registered office: 1123 Budapest, Nagyenyed utca 8-14.; company registration number: 01-09-078412; tax number: 10618684-2-43; Chamber of Auditors registration number: 000220; Auditor) have been examined, assessed and found to be in order. In the course of its work, it cooperated with the appointed auditor Andrea Kinga Molnár (mother's name: Dr. Mária Ibolya Kovács; address: 2096 Üröm, Kormorán u. 16/b.; Chamber of Auditors membership number: 007145).

In accordance with the Solvency 2 rules, Insurers must calculate the figure for the own funds, and must also fulfil their obligation to make reports to the Supervisory Authority relating their own funds capital adequacy. The Group gives an account of the current status of the own funds as set forth in Section 7 entitled capital adequacy in notes to the consolidated financial statements as per the Solvency II regulations, which is in line with the provisions of the law. It is apparent that the Group places particular attention to the fulfilment of the capital adequacy requirements as per Solvency 2 and Act LXXXVIII of 2014 on Business Insurance on a continuous basis, and comply with them at all times. As at 31 December 2022, the extent of the own funds available for the Group on a consolidated basis is more than twice the necessary own funds, that is, considerably exceeds the 150% level expected by the Supervisory Authority covering also the 50% volatility buffer.

It is established that the balance sheet grand total of CIG Pannónia Életbiztosító Nyrt. on a consolidated level is 129 943 077 HUF in thousands, with a financial status being stable, has after-

¹ As from 1 August 2016, the Committee also performs the tasks of the Audit Committee of CIG Pannónia Első Magyar Általános Biztosító Zrt.



tax profit and loss of 1 207 577 HUF in thousands, and has fulfilled its liabilities in full. As at 31 December 2022, the figure for equity was HUF 8 872 million.

The assessment of the life and non-life insurance technical provisions contains considerable extent of assumptions and complex decisions, which define the formation of technical provisions. In the notes to both the separate and the consolidated financial statements, the valuation of technical liabilities, technical provisions and reinsurers' share of technical provisions, as well as unit-linked reserves are properly disclosed.

Dated as of 28 March 2023

VADA Erika sgd
the Chairwoman of the Audit Committee