



CIG PANNÓNIA
INSURANCE

CIG Pannonia Life Insurance Plc.

Quarterly report

On the basis of the consolidated financial
statements prepared according to the
International Financial Reporting Standards
adopted by the EU

Q3 2019

19 November 2019, Budapest

I. Summary

CIG Pannónia Life Insurance Plc. (hereinafter: Issuer) publishes its report for the third quarter of 2019 on this day. The Issuer publishes in this quarterly report for the third quarter of 2019, 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 quarterly report has been prepared in accordance with the provisions of IAS 34.

Main results and events of 2019:

- The profit after tax of the CIG Pannónia **Group**¹ (hereinafter: Group) is **HUF 354 million loss** in the first three quarters of 2019, the total comprehensive income of the Group is HUF 463 million. The decrease in after-tax profit compared to the first three quarters of 2018 (HUF -1 915 million) is due to two main reasons. On the one hand, significant claims and related misconduct of the Italian cross-border insurance product in non-life segment with a total impact of HUF 1,296 million loss. Swiss reinsurance broker of EMABIT Zrt. had informed the management of EMABIT Zrt. about the conduction of a reinsurance contract for suretyship insurance in Italy, but this contract turned out to be a forgery. The Company reported this fraud to the Authorities. On the other hand, the conversion of Konzum / OPUS shares resulted in a HUF 1,056 million exchange loss, which was partly offset by other comprehensive income, thus lowering its capital impact (HUF -725 million). Without these effects, the Group's profit after tax for the first three quarters of 2019 would be HUF 1,998 million, which is HUF 437 million higher than in the comparative period.
- Insurance premium revenue was HUF 20 110 million, 10% higher than premium income for the comparative period. In the branch composition, the non-life insurance premium income according to IFRS is 109 percent of the comparison period figure. Premiums written in the life insurance segment in accordance with IFRS reached 110 percent of premium revenue for the first three quarters of 2018.
- In the life segment, the new acquisition is HUF 3 201 million which is nearly one and half times of the previous year's amount. The Company's sales channels continued to expand, the product mix shifted significantly towards to risk and traditional products, including the rise of group insurance.
- Founded on 29 November 2018, CIG Pannónia Financial Intermediary cPlc. (PPK), in which the Group holds a 95% stake, started its insurance and financial intermediation activities at the beginning of the year. The Intermediary now have 183 registered insurance agents, it sold insurance of HUF 309 million in annualized premiums in in the first three quarters of 2019, and it also started its credit intermediation business. On May 23, 2019, the MNB authorized it to engage in financial services brokerage

¹ Group or CIG Pannónia Group is referred as the Issuer and its consolidated companies.

activities. The authorization also covers the activity of mortgage brokerage.

- The registration of the merger of KONZUM Nyrt. with 24.85 percent ownership in CIG Pannónia Life Insurance Plc. into OPUS Global Nyrt. was ordered by the Company Court Registry with effect from 30 June 2019. The Group acquired 13,688,510 KONZUM shares - purchased on 27 April 2018 at a price of HUF 300 per share - (prior to the split of KONZUM shares on 10 October 2018 at a price of HUF 3,000 per share). As a result of the merger, KONZUM shares must have been derecognized in accordance with IFRS and any exchange loss previously recognized in other comprehensive income must have been recognized in profit after tax. As a result of the transaction, the Company's after-tax profit decreased by HUF 1,056 million. Following the merger, OPUS shares were carried at cost to the balance sheet on share price as at 30 June 2019. Equity and solvency adequacy of the Company remained unchanged, its technical result and cash flow generation ability were not affected by the merger.
- The Annual General Meeting of the Company held on April 17, 2019 with decree of 8/2019. (04.17.) decided to reduce the share capital of the Company, as a result of which the share capital decreased from HUF 3,777,130,400 to HUF 3,116,132,580. The Company implemented the capital reduction by reducing the nominal value of the registered "A" series ordinary registered shares (94,428,260 pieces) of HUF 40 in the amount of 33 HUF per share, the way of carrying out the reduction was to reduce the nominal value of the shares. This change is subject to the Company Court Registry with decision of Cg.01-10-045857 / 395. The Company's share capital currently consists of 94,428,260 ordinary registered shares ("A" series) with a nominal value of HUF 33 each. All rights and obligations relating to the new shares are in accordance with the rights and obligations attached to the former shares in accordance with the provisions of the Company's Articles of Association and Act V of 2013 on the Civil Code. The share exchange date was September 26, 2019.
- The capital reduction represented 17.5 percent of the Company's equity as of December 31, 2018, based on which the total amount of the payment was HUF 3 billion, HUF 31.96 per share. The Company fulfilled the payment in September.
- On 11 June 2019, the Board of Directors of EMABIT decided to suspend the insurance activity of the Italian cross-border gaming surety. The decision was motivated by the high risk exposure of the product, the primary objective being to keep the Company's risk exposure to rise further. The product affected by the suspension concerns up to 30% of the premium income from the Italian cross-border activity. The suspension should have last until the completion of the product distribution review.
- Zoltán Busa terminated his appointment as CEO and member of the Board of Directors of CIG Pannónia First Hungarian General Insurance Ltd. on August 26, 2019 by mutual agreement. The Board of Directors decided that, subject to obtaining a supervisory license, and with effect

from this date, it assigns dr. Gabriella Kádár as CEO. (The CEO received the MNB's license on November 7, 2019.)

- EMABIT has been operating its Italian cross-border activities since 2014. At the end of the third quarter, it had 5553 active contracts in Italy. Total exposure in Italy is EUR 504.5 million. For a significant portion of the portfolio, about 1372 contracts, up to a cumulative contractual limit of EUR 319.2 million, the subsidiary has had an assumed reinsurance contract with Africa Re since August 2015. At the end of September 2019 this contract confirmed by Africa Re to be a forgery. Reinsurance brokers involved in the conclusion of the contract have been prosecuted by EMABIT and the Company has reported the fraud. As of September 25, 2019, the Group estimated non-reinsurance losses at HUF 670 million. Based on the information available until the third quarter balance sheet date, the estimated loss was reduced to HUF 525 million. For the entire Italian cross-border insurance business in Italy, the loss ratio for EMABIT from start-up to September 2019 is 33% (total expense for HUF 1,428 million / earned premium of HUF 4,348 million) and 25% for the portfolio with no reinsurance (for HUF 519 million) 2,062 million earned premium).
- Following the third quarter balance sheet date, EMABIT received a claim on two underwritten insurance policies (covered by the forgery reinsurance contract) with a limit of EUR 5 million, each to cover the full limit, a total of EUR 10 million. EMABIT disputes the merits and extent of the claim and initiates consultation with the claimant. Under the contract, the Insurer expects to clarify the circumstances of the basic obligation and to prove the extent of the claim in order to recognize the existence of its obligations. In this matter EMABIT did not receive valid information from the stakeholders until publishing this report.
- On October 22, 2019, MNB by its interim measure immediately prohibited writing of new insurance contracts in the guarantee and surety sectors and also the extension of contracts already concluded at the Issuer's subsidiary, until the completion of an activity-based target investigation, but for a period not exceeding one year. It also required the insurer to take prudent and reliable measures to ensure the sound operation of its insurance business, with enhanced risk management and controls, - in particular with regard to the insurance risks already undertaken in its cross-border activity in the guarantee and surety sector - get started immediately. (As of September 1, 2019, the subsidiary has already taken steps to meet these expectations.)
- As a result, based on Solvency II report for the third quarter of 2019, the solvency margin of EMABIT is 102%. In view of the announcement of the subsidiary (EMABIT) under Section 267 (1) (c) of the Bit, which implies the risk that the regulatory capital might fall below the statutory level for the next three months, MNB under the Bit. Article 309 required the subsidiary to prepare a recovery plan. The Company currently has a sufficient liquidity level: as at September 30, 2019, the Company had liquid investments of HUF 9.3 billion and net reserves and other liabilities of HUF 5.7 billion. Representing the interests of the subsidiary, the Company entrusted remarkable English and Italian law firms. We keep our shareholders well informed about the developments. The management is preparing a detailed action plan for the Board of Directors to comprehensively address the situation.

- Equity of the Issuer decreased from HUF 17,392 million at the end of 2018 to HUF 14,991 million, down by 14 percent in 2019. Shareholders' equity changed in the first three quarters by accounting for total comprehensive income, capital differences arising from the exercise of employee stock options, and decapitalization.
- The decrease in the solvency margin of the subsidiary has no significant impact on the capital adequacy of the parent company, CIG Pannónia Life Insurance Plc., which is 312%

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CIG Pannonia Life Insurance Plc.

2. Financial statements

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

	2019 Q1-Q3 (A)	2018 Q1-Q4 (B)	2018 Q1-Q3 ² (C)	Change (A)-(C)
Gross written premium	20 110	25 832	18 358	1 752
Changes in unearned premiums reserve	- 572	114	180	-752
Earned premiums, gross	19 538	25 946	18 538	1 000
Ceded reinsurance premiums	- 4 303	- 6 319	-4 744	441
Earned premiums, net	15 235	19 627	13 794	1 441
Premium and commission income from investment contracts	93	143	97	-4
Commission and profit sharing due from reinsurers	1 405	2 397	1 903	-498
Investment income	7 880	767	2 382	5 498
Yield on investment accounted for using equity method (profit)	243	366	280	-37
Other operating income	621	956	686	-65
Other income	10 242	4 629	5 348	4 894
Total income	25 477	24 256	19 142	6 335
Claim payments and benefits, claim settlement costs	- 13 363	- 17 067	-12 717	-646
Recoveries, reinsurer's share	2 292	3 015	2 244	48
Net changes in value of the life technical reserves and unit-linked life insurance reserves	- 5 507	2 159	-127	-5 380
Investment expenses	- 1 334	- 1 160	-131	-1 204
Change in the fair value of liabilities relating to investment contracts	- 351	53	-43	-308
Investment expenses, changes in reserves and benefits, net	- 18 263	- 13 000	-10 774	-7 490
Fees, commissions and other acquisition costs	- 5 056	- 6 114	-4 508	-548
Other operating costs	- 1 454	- 2 180	-1 668	214
Other expenses	- 936	- 624	-418	-518
Other expenses	- 7 446	- 8 918	-6 594	-852
Profit/Loss before taxation	-233	2 338	1 774	-2 007
Tax income/expenses	- 168	- 267	-213	45
Deferred tax income/expenses	47	- 19	0	47
Profit/Loss after taxation	-354	2 052	1 561	-1 915
Comprehensive income, wouldn't be reclassified to profit or loss in the future	-	-	-	-
Comprehensive income, would be reclassified to profit or loss in the future	817	- 1 045	- 1 053	1 870
Other comprehensive income	817	- 1 045	- 1 053	1 870
Total comprehensive income	463	1 007	508	- 45

² Restated data due to accounting policy change see 3.2.

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

	2019 Q1-Q3 (A)	2018 Q1-Q4 (B)	2018 Q1-Q3 (C)	Change (A)-(c)
Profit/loss after taxation attributable to the Company's shareholders	- 350	2 052	1 561	-1 911
Profit/loss after taxation attributable to NCI	- 4	-	-	-4
Profit/Loss after taxation	-354	2 052	1 561	- 1 915
Total comprehensive income attributable to the Company's shareholders	467	1 007	508	-41
Total comprehensive income to NCI	- 4	-	-	-4
Total comprehensive income	463	1 007	508	- 45

Earnings per share of the Company's shareholders

Basic earnings per share (HUF)	-3,7	24,2	19,0	-23
Diluted earnings per share (HUF)	-3,7	24,2	19,0	-23

Earnings per share of NCI's

Basic earnings per share (HUF)	-	-	-	-
Diluted earnings per share (HUF)	-	-	-	-

Number of average shares used to calculate earnings per share:

Date	Issued ordinary shares (db)	Treasury shares (db)	Ordinary shares in volume (db)	Days	Weighted average number of shares
2018.12.31	94 428 260	-714 006	93 714 254	95	49 187 039
2019.04.05	94 428 260	-	94 428 260	178	61 568 609
2019.09.30	94 428 260	-	94 428 260	273	94 179 796

Consolidated Statement of Comprehensive Income - quarterly data
 (data in HUF millions)

	2019Q3 (A)	2019Q2 (C)	2019Q1 (D)	2018Q3 (B)	Change (A)-(B)
Gross written premium	6 824	7 008	6 278	5 729	1 095
Changes in unearned premiums reserve	159	-210	-521	263	-104
Earned premiums, gross	6 983	6 798	5 757	5 992	991
Ceded reinsurance premiums	-1 506	-1 451	-1 346	-1 602	96
Earned premiums, net	5 477	5 347	4 411	4 390	1 087
Premium and commission income from investment contracts	37	33	23	29	8
Commission and profit sharing due from reinsurers	440	310	655	554	- 114
Investment income	3 014	1 273	3 593	1 035	-1 979
Yield on investment accounted for using equity method(profit)	84	86	73	87	-3
Other operating income	209	207	205	191	18
Other income	3 784	1 909	4 549	1 896	1 888
Total income	9 261	7 256	8 960	6 286	2 975
Claim payments and benefits, claim settlement costs	-4 829	-4 232	-4 302	-3 622	-1 207
Recoveries, reinsurer's share	803	642	847	742	61
Net changes in value of the life technical reserves and unit-linked life insurance reserves	-1 790	-1 371	-2 346	-754	-1 036
Investment expenses	-75	-1 108	-152	-54	-21
Change in the fair value of liabilities relating to investment contracts	-134	-61	-156	-48	-86
Changes in fair value of assets and liabilities relating to embedded derivatives	0	0	0	0	0
Investment expenses, changes in reserves and benefits, net	-6 025	-6 130	-6 109	-3 736	-2 289
Fees, commissions and other acquisition costs	-1 843	-1 598	-1 615	-1 471	-372
Other operating costs	-440	-486	-528	-505	61
Other expenses	-675	-130	-131	-102	-573
Operating costs	-2 958	-2 214	-2 274	-2 078	-880
Result of assets held for sale	0	0	0	0	0
Profit/Loss before taxation	278	- 1 088	577	- 472	- 194
Tax income/expenses	-69	-26	-73	-66	-3
Deferred tax income/expenses	47	-4	4	0	47
Profit/Loss after taxation	256	- 1 118	508	- 406	- 150
Comprehensive income, wouldn't be reclassified to profit or loss in the future	0	0	0	0	0
Comprehensive income, would be reclassified to profit or loss in the future	-209	1 175	-149	-540	331
Other comprehensive income	-209	1 175	-149	-540	331
Total comprehensive income	47	57	359	- 134	181

Consolidated Statement of Comprehensive Income- quarterly data continuation
 (data in HUF millions)

	2019Q3 (A)	2019Q2 (D)	2019Q1 (C)	2018Q3 (B)	Change (A)-(B)
Profit/loss after taxation attributable to the Company's shareholders	258	-1 117	509	406	199
Profit/loss after taxation attributable to NCI	-2	-1	-1	0	-352
Profit/Loss after taxation	252	- 1 118	508	406	- 153
Total comprehensive income attributable to the Company's shareholders	49	58	360	-134	-287
Total comprehensive income to NCI	-2	-1	-1	0	465
Total comprehensive income	47	57	359	- 134	181

Consolidated Statement of Financial Position (data in million HUF)

Assets	30. September 2019. (A)	31. December 2018. (B)	30. September 2018 (C)	Change (A)-(C)
Intangible Assets	698	802	835	-137
Property, plant and equipment	102	81	75	27
Lease assets	115	128	0	115
Deferred tax asset	524	496	515	9
Deferred acquisition costs	2 762	2 603	2 186	576
Reinsurer's share of technical reserves	4 935	4 905	4 992	-57
Investments accounted for using the equity method	367	465	379	-12
Available-for-sale financial assets	27 798	27 501	26 232	1 566
Investments for policyholders of unit-linked life insurance policies	69 032	65 277	68 279	753
Financial assets – investment contracts	3 867	3 681	3 717	150
Financial asset - forwards	9	0	1	8
Receivables from insurance policy holders	1 920	2 520	2 217	-297
Receivables from insurance intermediaries	411	479	333	78
Receivables from reinsurance	128	114	262	-134
Other assets and prepayments	332	269	247	85
Other receivables	890	285	473	417
Cash and cash equivalents	2 248	1 300	1 820	428
Total Assets	116 138	110 906	112 563	3 575
LIABILITIES				
Technical reserves	20 702	18 148	17 319	3 383
Technical reserves for policyholders of unit-linked life insurance policies	69 032	65 277	68 278	754
Investment contracts	3 867	3 681	3 717	150
Financial liabilities-forwards	0	8	4	-4
Loans and financial reinsurance	559	968	1 091	-532
Liabilities from reinsurance	1 715	1 674	1 703	12
Liabilities to insurance policy holders	804	673	622	182
Liabilities to insurance intermediaries	440	656	385	55
Lease liabilities	123	130	0	123
Other liabilities and provisions	3 845	2 291	2 633	1 212
Liabilities to shareholders	60	8	8	52
Total Liabilities	101 147	93 514	95 760	5 387
Net Assets	14 991	17 392	16 803	- 1 812
SHAREHOLDERS' EQUITY				
Share capital	3 116	3 777	3 777	-661
Capital reserve	7 480	9 599	9 517	-2 037
Other reserves	107	-710	-719	826
Retained earnings	4 287	4 721	4 228	59
Equity attributable to the Company's Shareholders	14 990	17 387	16 803	- 1 813
Non-controlling interest	1	5	0	1
Total Shareholder's Equity	14 991	17 392	16 803	- 1 812

Consolidated Changes in Equity Q1-Q2 2019 (data in million HUF)

	Registered capital	Capital reserve	Treasury shares	Other reserves	Retained earnings	Equity of the shareholders of the Company	Non-controlling interests	Equity in total
Balance on 31 December 2018	3 777	9 599	0	-710	4 721	17 387	5	17 392
Total comprehensive income								
Other comprehensive income	-	-	-	817	0	817	0	817
Profit in reporting year	-	-	-	0	-350	-350	-4	-354
Capital gain of IFRS 16 standard change	-	-	-	0	-7	-7	0	-7
Transactions with equity holders, recognized in equity								
Capital decrease	-661	-2 194	0	0	-150	-3 005	0	-3 005
Sales of treasury shares	-	75	-	-	73	148	-	148
Balance on 30 June 2019	3 116	7 480	-	107	4 287	14 990	1	14 991

Consolidated Changes in Equity 2018 Q1-Q3 (data in million HUF)

	Registered capital	Capital reserve	Treasury shares	Other reserves	Retained earnings	Equity of the shareholders of the Company	Non-controlling interests	Equity in total
Balance on 31 December 2017	2 852	2 479	-250	334	3 600	9 015	-	9 015
Total comprehensive income								
Other comprehensive income	-	-	-	-1 053	-	-1 053	-	-1 053
Profit in reporting year	-	-	-	-	1 561	1 561	-	1 561
Transactions with equity holders, recognized in equity								
Treasury shares withdrawal	-14	-236	250	-	-	-	-	-
Capital increase	939	7 274	-	-	-	8 213	-	8 213
Dividend payment	-	-	-	-	-933	-933	-	-933
Balance on 30 June 2018	3 777	9 517	- -	719	4 228	16 803	-	16 803

Consolidated Statement of Cash Flows (data in HUF millions)

	2019 Q1- Q3	2018 Q1-Q4	2018 Q1- Q3
Profit/loss after taxation	- 350	2 053	1 561
Modifying items			
Depreciation and amortization	307	385	235
Extraordinary depreciation, derecognized assets	4	14	5
Result of sale of assets	268	136	36
Share-based payments	8	-103	-46
Currency Changes	1 063	-3	4
The result of investments using equity method	-243	-366	-280
Deferred tax	-28	19	-
Income tax expense	168	267	213
Interest received	-488	-572	-351
Result of derivatives	-17	4	-1
Provisioning	525	66	-
Result of minority interests	-4	-	-
Interest expense	21	45	35
Change in working capital elements			
Increase / Decrease in Deferred Acquisition Costs (- / +)	-159	-307	110
Increase / decrease in investments made for unit-linked life insurance policyholders (-/+)	-3 756	3 518	480
Financial Instruments - Increase / Decrease in Investment Contracts (- / +)	-186	245	245
Increase / decrease in insurance receivables and other receivables (- / +)	118	82	129
Increase / decrease in reinsurance share of technical reserves (-/+)	-30	-257	-345
Increase / decrease in other assets and accrued expenses (- / +)	-65	-44	-23
Increase / decrease in technical reserves (+/-)	2 033	1 441	786
Increase / decrease in liabilities from insurance transactions (+/-)	-44	39	-255
Increase / Decrease in Investment Contracts (+/-)	186	-245	-245
Increase / decrease in technical reserves due to unit-linked life insurance (+/-)	3 756	-3 518	-480
Increase / decrease in other liabilities (+/-)	1 094	-240	110
Increase / decrease in liability to equity holders (+/-)	52	-	-
Paid Income Taxes	-227	-221	-97
Cash flows from operating activities	4 008	2 438	1 827

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

Cash flow from investing activities	2019 Q1-Q3	2018 Q1-Q4	2018 Q1- Q3
Purchase of debt instruments (-)	-15 480	-16 307	-10 761
Sales of debt instruments (+)	15 337	7 594	3 587
Purchase of capital instruments (-)	0	-4 107	-4 107
Purchase of tangible and intangible assets (-)	-179	-264	-186
Sales of tangible and intangible assets (-)	1	11	7
Result of derivatives	-1	-	-
Cash flow from NCI owners	-	5	-
Interest received	346	759	192
Dividend received	342	253	253
Cash flow from investing activities	366	- 12 056	- 11 015

Cash flow from financing activities			
Securing loans	154	609	514
Lease repayment and interest	-50	-54	-
Repayment of loans and their interests	-609	-918	-697
Sale of treasury shares	-	82	-
Equity difference realized on sale of treasury shares in a employee share based option program	75	-	-
Capital increase	-	8 213	8 213
Dividend paid	-	-925	-925
Capital decrease	-3 006	-	-
Cash flow from financing activities	- 3 436	7 007	7 105
Impacts of exchange rate changes	10	28	20
Net increase / decrease of cash and cash equivalents (+/-)	948	- 2 583	- 2 063

Cash and cash equivalents at the beginning of the period	1 300	3 883	3 883
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Cash and cash equivalents at the end of the period	2 248	1 300	1 820
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3. Changes of accounting policy

For financial year beginning on 1 January 2019, the following new, mandatory standards shall be applied, their influence on the Financial Statements – if it is significant - are described below:

- IFRS 16 Leases (effective January 1, 2019) - see IFRS. Point 3.1.

The following standard changes have no material impact on the financial statements of the Company:

- Amendments to the IFRS for the 2015-2017 cycle concern IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs.
- IFRS 9 Amendment: Advance Payment with Negative Compensation
- Amendments to IFRS 10 and IAS 28: Exemption from the Equity Method
- Amendment to IAS 19: Modifying, Restricting or Accounting for a Plan
- Amendment to IAS 28: Long-Term Interests in Associates and Joint Ventures

3.1 IFRS 16 Leasing Standard impact on Financial statements

The Insurer has examined the expected effects of the lease standard, effective from 1 January 2019.

Under IFRS 16, the definition of a lease should be examined in detail to determine what should be presented in the financial statements.

The four criteria below must have met with a lease to be considered a lease under IFRS 16:

- the asset can be identified
- the lessee has the right to obtain substantially all the economic benefits of use
- the lessee controls the use of the asset
- the contract is a leasing contract or contains lease.

Short term leases (less than 12 months without a purchase option) and low value assets are excluded from the standard as simplification option.

The lessee shall disclose the depreciable asset that represents the right of use in the financial statement and the liability for leasing payments on the liability side. While depreciation and interest component are recognised as an expense in the income statement.

The insurer identified the following leasing contracts, which were examined in detail:

- software leasings
- server leasings
- office equipment leasing (eg. printers)
- office lease

In the case of software leasing, the lessee may choose, in accordance with IFRS 16.4, not to apply the requirements of the standards and continue to account for the cost of lease as an expense. The Company will use this exposure in the future and treat software leases as operating leases.

In connection with the servers, several points of the definition are fulfilled by the existing contract. However, since the server capacity is rented in a server park where not all capacity is occupied by the part used by the insurer or the servers are not specifically identifiable or detachable, therefore, according to IFRS 16:B20 the Company treats it as an operating lease.

In the case of printers and other office equipment, the Company has identified contracts for which the terms of the lease definition are met. For these contracts, the Company intends to make use of the simplification of low-value leases, as the value of the leased assets identified in these contracts is not significant.

In the case of office rent (based on IFRS 16: 13-15), components related to a lease agreement, such as operating fees or other service charges, must be separated, these components are eligible as expenses.

After the separation of the other components, the lease contract meets the terms of the leasing definition, so the central office leased by the Company is classified as a finance lease in accordance with IFRS 16. The value of the leased asset will be the discounted present value of the lease payments, which the Company has depreciated linearly over the life of the contract.

Retrospective application is required under the standard. The effect of the retrospective application of the standard on the opening equity of 2019 is HUF 7 million.

3.2 Classification of Insurance Contracts

At the end of 2018, the Group has decided to change the classification of accounting policy.

According to the accounting policies in force so far to establish the significance of an insurance risk the Company determines for each policy the extent to which the initial insurance risk (i.e. the difference between the amount payable upon the occurrence of a risk event after the policy is signed and the amount paid in at the time of the termination of the policy) exceeds the initial annual premium and the initial top-up payments. The Company considers risks that exceed 5 percent to be significant. Policies with significant insurance risks are accounted as insurance policies; for policies not meeting this condition, and if there is a top-up premium payment at the start, the components related to regular and top-up premium payments are initially separated; the latter are accounted as investment contracts. The Company carries out again the test outlined above for components related to regular premium payments. If the test reveals that the insurance risk is significant, the component is accounted as an insurance policy, otherwise as an investment contract.

In the case of a single unit-linked insurance product sold by the Group from 2017, the above insurance risk is exactly 5 percent of the single premium (up to HUF 1 million), ie according to the interpretation of the previous accounting policy most of the contracts of the given product would have been considered as investment contracts. In the consolidated financial statements for 2017, the Group did not interpret the rule properly because it considered contracts with a precise 5 percent risk for the product as an insurance contract. As a result, the consolidated financial statements for 2017 did not comply with the accounting policies in force, and the corresponding consolidated comprehensive income statement and consolidated financial statements are restated in these financial statements.

In order to make the Insurer's premium income more comparable with those of its competitors, which prepare their financial statements in accordance with the Hungarian Accounting Act, the Group decided at the end of 2018 to amend its accounting policies.

According to the decision of the Insurer, from the end of 2018 the term "exceeded the 5 percent" in the above accounting policy is amended to "reaches the 5 percent rate" is high risk considering the IFRS 4.

The Group establishes a fixed rate contract for an accounting policy where it

charges a one-time premium for an additional risk service when it is in place of an insurance location. As a result of the change in accounting policy, the published financial statements include the effects of the change in addition to the error effect described above. Changes in accounting policies have no impact on equity or profit or loss.

4. Presentation of the Issuer's financial position – consolidated and unaudited data for 2019, on the basis of the international financial reporting standards (IAS 34) adopted by the EU

The Issuer and its consolidated companies, representing together the CIG Group, deal with the sale of unit-linked life insurance, term life insurance, endowment insurance, health insurance, pension insurance, rider accident insurance and general insurance, within that mainly casco, business property- and liability insurance, freight liability and suretyship insurance.

In the first three quarter of 2019, the Group's gross written premium was HUF 20 110 million, while in the first three quarter of 2018 the gross written premium was HUF 18 358 million. Of this HUF 9 929 million are the gross written premium of unit-linked life insurance (of this HUF 3 564 million of pension insurance policies), HUF 2 432 million are traditional life products (of this HUF 820 million from pension insurance policies), HUF 283 million are health insurance policies, and HUF 7 466 million are gross written premium of non-life insurances.

The non-life insurance segment generated a gross written premium of HUF 7 466 million in 2019 according to IFRSs it increased by 9% compared to the comparative period (HUF 6 840 million). Of this, the premium income of the Italian surety bond affected by the suspension was HUF 1,428 million. In the life segment the gross written premium from the first annual premiums of policies sold was HUF 2 109 million, which is a 33% increase compared to the previous year (HUF 1 587 million). The gross written premium income from renewals was HUF 7 628 million in the three months of 2019 in contrast to HUF 7,317 million in the same period of the previous year, so the renewal premiums increased by 4%. Top-up and single premiums (HUF 2 907 million) were 11% lower than the premiums in the previous year, mainly relating to unit-linked life insurance policies. Within the total life insurance premium income- according to IFRS - of HUF 12 644 million, the rate of top-up and single premiums is 23 percent.

The change in unearned premium reserve in 2019 was HUF 572 million (expenditure), while the amount of ceded reinsurance premiums was HUF 4 303 million. The ceded premium to reinsurer decreased by 9% as compared to the same period of the previous year, mainly due to nonlife segment.

Unit-linked life insurance policies sold by the Group that do not qualify as insurance policies under EU IFRSs are classified as investment contracts. In connection with the investment contracts, the Issuer generated a premium and commission income of HUF 93 million in total during the reporting period.

HUF 1 405 million was recognized as reinsurers' commissions in the first three quarter of 2019 that is 26% less than in the previous year, mainly due to the unfavorable changes in claims of the non-life segment in property and liability products.

The other operating income (HUF 621 million) mainly includes the Issuer's income from fund management (HUF 524 million), which decreased by 13% compared to previous period. A significant portion of these asset management revenues are related to products sold until 2016, which will reduce asset management revenues in parallel with the decline in existing portfolio.

The most important item among expenses are claim payments and benefits and claim settlement costs (together HUF 13 363 million), this expenditure is decreased by the recoveries from reinsurers (HUF 2 292 million). The net claim expenditure decreased by 6% as compared to the first half of 2018, what is a result of contradictory effects. Unit-linked surrenders increased compared to the comparative period, while non-life claims in the casco, freight and surety sectors were higher than in the first three quarters of 2018.

In the case of the Group's cross-border surety insurances in Italy, the beneficiary Customs and Monopoly Agency (ADM), which is responsible for the supervision of gambling in Italy, has submitted a request for drawdown of insurance promissory notes for five clients. The total value of the contractual obligations is EUR 12.8 million. It might take several months, even years, to determine the exact amount of claims and settle them. Experts best estimates of expected value of claims (including expected claim payments, attorney and expert costs) is HUF 1,227 million. In September 2019, the Company became aware that it did not have a valid reinsurance contract for the Italian surety products, which would result in an additional loss of HUF 525 million. The Company recognizes a provision for expected losses in the quarterly report as provisions. In the first three quarters, the Group's net loss (net of expected returns and commission reversals) connected to the Italian surety product was HUF 1,296 million.

Between the preparation of the balance sheet and the publication of the report, to ADM, as beneficiary, the Company paid out HUF 478 million of the above claim as the largest loss event. In the case of the remaining four claims, claim settlement is still ongoing.

The amount of net change in reserves is HUF 5 507 million, which is made up of mainly the following changes in reserves. The unit-linked life insurance reserve amount increased by HUF 3 759 million. The actuarial reserves increased by HUF +1 021 million, the technical reserves for the bonus payment of the life insurance clients increased by HUF +63 million, the result depending premium refund reserves increased by HUF +199 million. There was HUF 60 million decrease in the result independent premium refund

reserves, the cancellation reserves decreased by HUF 421 million in parallel with the decrease in premium receivables. Net RBNS and IBNR reserves increased by HUF 975 million, primarily due to the significant provisioning of large claims in the Italian surety product described above, which also resulted in the release of the surety reserves (HUF 29 million).

The total operating cost of the Issuer was HUF 7 446 million in 2019, of which HUF 5 056 million is related to the fees, commissions and other acquisition costs, and HUF 1 454 million is related to other operating costs and HUF 936 million to other expenses. Acquisition costs show increasing tendency, which is primarily due to the 47% increase in new sales in the life segment compared to the same period last year, while premium income in the non-life segment is 9% higher than in the comparative period. The other operating costs decreased by HUF 214 million (13%) compared to the same period of the previous year (in 2018 HUF 1 668 million) mainly due to the decrease in personnel costs. Other expenses (HUF 936 million) are HUF 518 million higher than in the comparative period (HUF 418 million) regarding the provision for expected losses due to the lack of reinsurance of the Italian surety portfolio.

The investment results in the first three quarters of 2019 is HUF 6 545 million, which is due to the aggregated effect of the following issues.

The unit-linked yield was HUF 6 891 million profit. The third quarter of this year saw outstanding performance in asset classes, with all the major asset classes closing the period with negative or neutral performance. Developed equity markets closed 0,66% higher, while their developing counterparts were decreased by 4,15%. Bond yields continued to decline in the third quarter due to fears of growth and easing inflation expectations. Commodities are used in their entirety in the valuation of energy carriers and agricultural products to use the gains in real yields for precious metals, which has favored our commodity market asset funds in the commodity markets, energy carriers led the rise, but precious metals were also appreciated more strongly. The trade war expects further positive developments in the market and, in key regions, both fiscal and monetary policy have shifted at a slower pace, creating a very favorable environment for risky assets. We have seen positive developments in the trade war following the G20 meeting in June as well as the loose monetary policy of FED, which has created a very favorable environment for risky assets. As an investor, the best returns in the last six months were achieved in the Russian, Chinese and North American equity markets. The unit-linked portfolios also performed accordingly the best returns were Metallicum Commodity Asset Funds and Global Advanced Market Equity Funds. The forint depreciated further in the third quarter, further increasing unit-linked portfolio yields.

Investment income was negatively impacted by interest expense on financial reinsurance (HUF -18 million). In the first three quarters of 2019, the Issuer returned a profit of HUF 729 million on its own investments.

The profit attributable to MKB-Pannónia Fund Manager for the Group is shown in the Return on Investments accounted for by the Equity Method, which is a profit of HUF 243 million in 2019, HUF 37 million lower than in the comparative period.

As a result, the profit before tax is HUF 233 million, decrease of HUF 2 007 million compared to the profit before tax of the three quarters of 2018 (HUF 1 774 million). The downturn is due to two major reasons. On the one hand, significant losses in the non-life segment related to Italian cross-border gaming surety insurance policies resulted in a net loss of HUF 1.296 million. On the other hand, the loss of HUF 1,056 million realized through the termination of Konzum shares, which was partly offset by other comprehensive income, thus lowering its capital impact (HUF 725 million). Excluding one-off effects, the profit before tax would be HUF 345 million higher than in the comparative period, ie. HUF 2,119 million.

Profit after tax - HUF 354 million, HUF 1 915 million less than the after-tax profit for that in the comparative period.

Other comprehensive income, HUF 18 million includes an increase in the fair value of available-for-sale financial assets of HUF 835 million arising from unrealized exchange losses on Konzum shares (HUF -331 million), increase in other comprehensive income on termination of Konzum shares (HUF + 1056 million) resulting from the unrealized exchange rate loss (HUF -394 million) of OPUS shares since June 30, 2019 and from the unrealized exchange rate gain of Hungarian government bonds of HUF 504 million. Thus, total comprehensive income for the first three quarters of 2019 is HUF 463 million.

The Issuer's balance sheet total was HUF 116 138 million; its financial position is stable; the company has met its liabilities in full. On 30 September 2019, the shareholders' equity was HUF 14 991 million.

5. Executive summary

In the first three quarters of 2019, the annualized premium of the new sales of insurance policies in life segment sold by the Company is HUF 3 201 million that is 47 percent higher than in the same period of the previous year. Of this HUF 2 093 million is from unit-linked life insurance, HUF 1 108 million is from traditional and group life insurance policies. In the same period of the previous year the annualized premium of the new sales was HUF 2 175 million, of which HUF 1 737 million related to unit-linked life insurance, HUF 438 million was derived from traditional and group life insurance policies. In case of the non-life segment the portfolio cleaning and termination of the retail casco portfolio resulted a HUF 128 million decrease, while in 2018 the decrease were HUF 263 million.

New sales and portfolio development

Annualized premium of new sales - Life segment (million HUF)	2019.09.30 (A)	2018.09.30 (B)	Change (A - B)	Change % (A - B) / B
Unit-linked life insurances	2 093	1 737	356	20%
Traditional and group life insurances	1 108	438	670	153%
Total annualized premium of new sales - Life	3 201	2 175	1 026	47%

Net portfolio development Non-life segment (million HUF)	2019.09.30 (A)	2018.09.30 (B)	Change (A - B)	Change % (A - B) / B
Net portfolio development of general insurances	-128	-263	135	- 51%

As for life insurance policies sold in 2019 the share of the tied agent network is 20 percent, the independent broker channel was 28 percent and the bank channel was 18 percent. The newly formed financial intermediary subsidiary accounted for 10 percent of sales, while other business development accounted for 24 percent of new sales. The result of other business development was significantly increased by the group life and accident insurance contract of Magyar Közút Nonprofit Zrt. In addition, the group life insurance contracts of several Savings Cooperatives and the group contracts with the National Utilities had a significant impact on the volume of new sales. In the life segment, the effects of diversifying sales channels are already having a tangible impact on new acquisitions.

The brokerage channel produces the majority of general insurance sales. In the case of general insurance, only regular premium contracts appear in the statement of net income.

MABISZ does not publish statistics on the insurance market, so market share data for Group companies is not available.

6. Operating Segments

Segment informations Q1-Q3 2019 (data in HUF millions)

ASSETS	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Intangible assets	616	77	5	-	698
Property, plant and equipment	66	11	25	-	102
Lease assets	52	30	33	-	115
Deferred tax assets	361	163	-	-	524
Deferred acquisition costs	1 248	1 514	-	-	2 762
Reinsurer's share of technical reserves	254	4 681	-	-	4 935
Subsidiaries	5 384	-	-	-5 384	-
Investments by equity method	52	-	-	315	367
Available-for-sale financial assets	19 482	8 316	-	-	27 798
Investments for policyholders of unit-linked life insurance policies	69 032	-	-	-	69 032
Financial assets - investment contracts	3 867	-	-	-	3 867
Financial assets - forwards	6	3	-	-	9
Receivables from insurance policyholders	1 741	179	-	-	1 920
Receivables from intermediaries	37	374	-	-	411
Receivables from reinsurances	5	123	-	-	128
Treasury shares	-	-	109	-109	-
Other assets and prepayments	29	311	1	-9	332
Other receivables	758	114	17	1	890
Cash and cash equivalents	1 178	993	77	-	2 248
Intercompany receivables	382	-	249	-631	-
Total assets	104 550	16 889	516	-5 817	116 138

Liabilities	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Technical reserves	12 635	8 067	-	-	20 702
Technical reserves for policyholders of unit-linked insurance	69 032	-	-	-	69 032
Investment contracts	3 867	-	-	-	3 867
Financial liabilities forwards	-	-	-	-	41
Loans and financial reinsurance	559	-	-	-	559
Liabilities from reinsurance	70	1 645	-	-	1 715
Liabilities from insurance policyholders	556	248	-	-	804
Liabilities from intermediaries	177	226	40	-3	440
Intercompany liabilities	245	23	575	-843	-
Liabilities from lease	58	34	31	-	123
Other liabilities and provisions	750	3 039	40	16	3 845
Liabilities to shareholders	60	-	-	-	60
Total liabilities	88 009	13 282	686	-830	101 147
NET Assets	16 541	3 607	-170	-4 987	14 991
Shareholder's Equity					
Registered capital	3 116	1 060	23	-1 083	3 116
Capital reserve	10 346	2 839	81	-5 786	7 480
Other reserve	-66	173	-	-	107
Profit reserve	3 145	-465	-274	1 881	4 287
Equity per minority interest	-	-	-	1	1
Total shareholder's equity	16 541	3 607	-170	-4 987	14 991

Statement of comprehensive income	Life insurance segment	Non-life insurance segment	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Gross written premium	12 644	7 466	-	-	20 110
Changes in unearned premiums reserve	19	-591	-	-	-572
Earned premium Gross	12 663	6 875	-	-	19 538
Ceded reinsurance premium	-164	-4 139	-	-	-4 303
Earned premiums net	12 499	2 736	-	-	15 235
Premium and commission income from investment contracts	93	-	-	-	93
Investment income	8 893	223	13	-1 249	7 880
Share of the profit of associates and joint ventures accounted for using the equity method	342	-	-	-99	243
Other operative income	660	20	323	-382	621
Commission and profit sharing from reinsurance	1	1 404	-	-	1 405
Other income	9 989	1 647	336	-1 730	10 242
Total income	22 488	4 383	336	-1 730	25 477
Claim payments and benefits, and claim settlement costs	-10 593	-2 785	-	15	-13 363
Recoveries from reinsurance	23	2 269	-	-	2 292
Net change in the value of life technical reserves and unit-linked life insurance reserves	-5 016	-491	-	-	-5 507
Investment expenditure	-1 200	-138	-216	220	-1 334
Change in the fair value of liabilities relating to investment contracts	-351	-	-	-	-351
Change in the fair value of assets and liabilities relating to embedded derivatives	-17 137	-1 145	-216	235	-18 263
Fees, commissions and other acquisition costs	-2 473	-2 495	-362	274	-5 056
Other operating costs	-1 016	-426	-18	5	-1 455
Other expenses	-181	-835	-9	89	-936
Operating costs	-3 670	-3 756	-389	368	-7 447
Profit/loss before taxation	1 681	-518	-269	-1 127	-233
Tax income / (expenses)	-123	-39	-6	-	-168
Deferred tax income / (expenses)	-	47	-	-	47
Profit/loss after taxation	1 558	-510	-275	-1 127	-354
Other comprehensive income	655	162	-	-	817
Comprehensive income	2 213	-348	-275	-1 127	463

Segment information Q1-Q3 2018 (data in million HUF)

ASSETS	CIG Life insurance segment	CIG Non-life insurance	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Intangible assets	729	106	-	-	835
Property, plant and equipment	62	14	-	-1	75
Lease asset	-	-	-	-	-
Deferred tax assets	355	160	-	-	515
Deferred acquisition costs	774	1 412	-	-	2 186
Reinsurer's share of technical reserves	90	4 902	-	-	4 992
Subsidiaries	3 736	-	-	-3 736	-
Investments in jointly controlled companies	104	-	-	275	379
Available-for-sale financial assets	20 169	6 063	-	-	26 232
Investments for policyholders of unit-linked life insurance policies	68 279	-	-	-	68 279
Financial assets - investment contracts	3 717	-	-	-	3 717
Financial assets - forward	1	-	-	-	1
Receivables from insurance policyholders	1 929	288	-	-	2 217
Receivables from intermediaries	59	274	-	-	333
Reinsurance receivables	8	254	-	-	262
Other assets and prepayments	31	225	-	-9	247
Other receivables	343	126	1	3	473
cash and cash equivalents	956	860	4	-	1 820
Intercompany receivables	20	-	-	-20	-
Total assets	101 362	14 684	5	-3 488	112 563

LIABILITIES	CIG Life insurance segment	CIG Non-life insurance	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Technical reserves	9 807	7 512	-	-	17 319
Technical reserves for policyholders of unit-linked insurance	68 279	-	-	-	68 279
Investment contracts	3 717	-	-	-	3 717
Loans and financial reinsurance	4	-	-	-	4
Liabilities from reinsurance	1 091	-	-	-	1 091
Liabilities from insurance policyholders	61	1 642	-	-	1 703
Liabilities from intermediaries	317	305	-	-	622
Intercompany liabilities	192	193	-	-	385
Liabilities from leases	-	20	-	-20	-
Other liabilities and provisions	-	-	-	-	-
Liabilities to shareholders	974	1 641	2	16	2 633
Technical reserves	8	-	-	-	8
Total liabilities	84 449	11 313	2	-4	95 760
NET Assets	16 913	3 371	3	-3 484	16 803
Shareholder's Equity					
Registered capital	3 777	1 030	3	-1 033	3 777
Capital reserve	12 383	1 369	-	-4 236	9 517
Other reserves	-650	-70	-	-	-720
Profit reserve	1 403	1 041	-	1 784	4 227
Total Shareholder's equity	16 913	3 371	3	-3 484	16 803

STATEMENT OF COMPREHENSIVE INCOME	CIG Life insurance segment	CIG Non-life insurance	Other	Adjusting entries for calculations in the financial statements (consolidation)	Total
Gross written premium	11 518	6 840	-	-	18 358
Changes in unearned premiums reserve	-19	199	-	-	180
Earned premiums, gross	11 499	7 039	-	-	18 538
Ceded reinsurance premiums	-150	-4 594	-	-	-4 744
Earned premiums, net	11 349	2 445	-	-	13 794
Premium and commission income from investment contracts	97	-	-	-	97
Investment income	2 280	102	-	-	2 382
Share of the profit of associates and joint ventures accounted for using the equity method	253	-	-	27	280
Other operating income	735	31	16	-96	686
Commission and profit sharing from reinsurance	3	1 900	-	-	1 903
Other income	3 368	2 033	16	-69	5 348
Total income	14 717	4 478	16	-69	19 142
Claim payments and benefits, and claim settlement costs	-10 204	-2 520	-	7	-12 717
Recoveries from reinsurance	33	2 204	-	7	2 244
Net change in the value of life technical reserves and unit-linked life insurance reserves	-185	58	-	-	-127
Investment expenditure	-97	-34	-	-	-131
Change in the fair value of liabilities relating to investment contracts	-43	-	-	-	-43
Investment expenses, changes in reserves and benefits, net	-10 496	-292	-	14	-10 774
Fees, commissions and other acquisition costs	-1 920	-2 588	-	-	-4 508
Other operating costs	-1 111	-543	-17	3	-1 668
Other expenses	-86	-410	-	78	-418
Operating costs	-3 117	-3 541	-17	81	-6 594
Profit/loss before taxation	1 104	645	-1	26	1 774
Tax income / (expenses)	-133	-80	-	-	-213
Deferred tax income / (expenses)	-	-	-	-	-
Profit/loss after taxation	971	565	-1	26	1 561
Other comprehensive income	-839	-214	-	-	-1 053
Comprehensive income	132	351	-1	26	508

7. Number of employees, ownership structure

The number of employees at the members of the Group was 150 on 30 September of 2019.

Composition of the Issuer's share capital (30 September 2019)

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
Amount of share capital	-	-	3 116 132 580

Number of voting rights connected to the shares (30 September 2019)

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	-

The Issuer's ownership structure (30 September 2019)

Owners	Number of shares	Ownership stake	Voting rights
Domestic private individual	41 401 352	43,84%	43,84%
Domestic institution	50 290 180	53,26%	53,26%
Foreign private individual	224 454	0,24%	0,24%
Foreign institution	771 380	0,82%	0,82%
Nominee, domestic private individual	1 158 838	1,23%	1,23%
Nominee, foreign private individual	308 280	0,33%	0,33%
Nominee, foreign institution	255 577	0,27%	0,27%
Unidentified item	18 199	0,02%	0,02%
Total	94 428 260	100%	100%

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

The Issuer's investments on 30 September 2019

Name	Registered seat	The Issuer's share
CIG Pannonia First Hungarian General Insurance Company cPlc.	1033 Budapest, Flórián tér 1.	100,0%
Pannonia PI-ETA Funeral Service Limited Liability Company	1033 Budapest, Flórián tér 1.	100,0%
MKB-Pannonia Fund Manager cPlc.	1072 Budapest, Nyár utca 12.	16,0%
CIG Pannonia Financial Intermediary cPlc.	1033 Budapest, Flórián tér 1.	95,0%
OPUS GLOBAL Plc.	1062 Budapest, Andrássy út 59.	1%

8. Information published in the period

Date	Subject, short summary
1 July 2019	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
1 July 2019	Extraordinary announcement on the acquisition of shares of OPUS GLOBAL Plc. in the Company
10 July 2019	Information related to the reduction of the share capital the minimum content of the verification of the acquisition value of shares
16 July 2019	Extraordinary announcement on the company court registry of the body members of the Company
19 July 2019	The person in charge of Investor Relations at CIG Pannonia Life Insurance Plc. has changed
31 July 2019	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
22 August 2019	Quarterly report, Q2 2019
26 August 2019	Extraordinary announcement on the company court registry of the reduction of the share capital
26 August 2019	Extraordinary announcement on the change of the body members in the Board of Directors of CIG Pannonia First Hungarian General Insurance Ltd.
2 September 2019	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
11 September 2019	The person in charge of Investor Relations at CIG Pannonia Life Insurance Plc has changed
16 September 2019	Information on share exchange
25 September 2019	Extraordinary announcement on the Company expected losses in the context of Italian cross-border activities
1 October 2019	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
24 October 2019	Extraordinary announcement of damages occurring within the framework of Italian cross-border activities
24 October 2019	Extraordinary announcement on the prohibition of the acceptance and extension of guarantees and surety bonds for Italian cross-border activities
4 November 2019	Number of voting rights and the amount of registered capital at CIG Pannonia Life Insurance Plc.
5 November 2019	Extraordinary announcement on the solvency situation of the Subsidiary of the Company
7 November 2019	Extraordinary announcement on the authorization of the Chief Executive Officer of the subsidiary of the Company

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

9. Disclaimer

The Issuer declares that the report for the first half of 2019 was not reviewed by an auditor, the report for the first three quarter of 2019 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.

19 September 2019. Budapest

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