

Factsheet 2015



The Capital Group of Powszechny Zakład Ubezpieczeń SA (PZU Group) is one of the largest financial institutions in Poland and in Central and Eastern Europe. It is headed by a Polish insurance company, PZU SA (PZU).

PZU's strategic investor is the State Treasury, which, at the end of 2014, held a 34.4% share of PZU share capital. The event, which became an additional catalyst for change and PZU's offensive turn towards modernity, was its IPO in 2010. The value of the public offer was almost 8.1 billion PLN and was the largest IPO not only in the history of the Polish capital market, but also in Central and Eastern Europe since the beginning of the economic transformations, as well as throughout the whole of Europe since 2007. PZU's shares have ended up on the accounts of 250 thousand individual investors.

PZU Group is the leader in both non-life and life insurance on the Polish market. Innovativeness, ethics in operation and adaptation to the increasingly demanding market conditions constitute the basis for PZU's rapid expansion. The year 2014 saw a clear growing trend of PZU in the non-life insurance sector thanks to the changes made to customer service and the implementation of new solutions.

Furthermore, PZU is planning on reaching a wider scope of clients thanks to its acquisition of the leader of the direct insurance market, i.e. Link4 – thus through the use of two brands.

With each year, PZU Group expands its operations in Central and Eastern Europe. PZU Group also ranks first in terms of written premiums in the non-life insurance market in Lithuania and Latvia. PZU Group satisfies the fundamental needs of ca. 16 million customers in Poland in the area of security and stability, including 12 million customers in the area of group and individually continued life insurance. PZU's customers have access to the largest sales and postsale service system among Polish insurers. It includes 414

branches, 9.1 thousand exclusive agents, 3,2 thousand multiagencies and electronic distribution channels (call centre, the Internet).

PZU Group is also an important player on other segments of the Polish financial market, such as investment fund companies, open pension funds, and employee pension plans. PZU Group is also expanding its operations in health care.

The main strategic objectives of PZU till 2020 are to stabilize financial result, broader use of the potential growth and the creation of the most innovative group in Europe. In particular, it is planned to improve a technical profitability, among others, by better pricing of the insurance portfolio. Building a culture of innovation and comprehensive use of customer knowledge will allow for a better matching products to customers' needs and for strengthening the competitive position of PZU Group on the mass and corporate insurance market. The catalyst in the area of profitability improvement will be optimizing the level of expenditures, by reducing fixed costs by c.a. 20% within 3 years (compared to 2015).

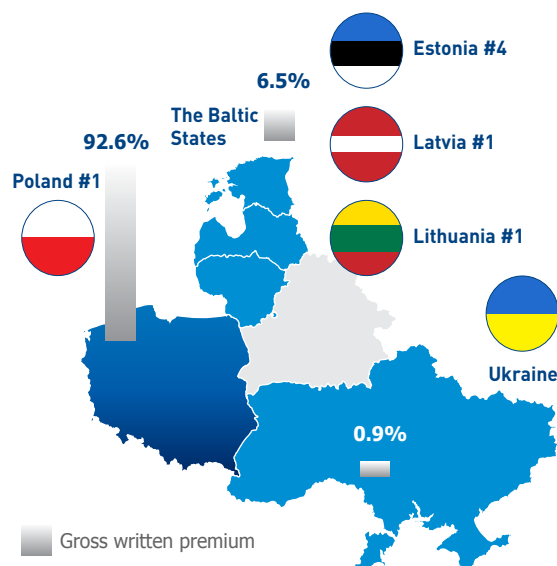
Stabilization of the financial result will be supported by new investment strategy, which allow to maintain profitability of investment activity in low interest rates environment.

As part of the implementation of strategic initiatives it is planned to continue the international expansion. The percentage of non-Polish revenues will exceed 20% by 2020. PZU's goal is to attain a magnitude of 100 bn PLN in assets under management, including another 30 bn PLN in assets that will be attract through internal, external and sector consolidation. As a result, PZU Investments will become the largest asset manager in Central Eastern Europe. Additionally, PZU intends to utilize other strategic options, i.e. in the health area.

Earnings and dividend per share



PZU Group activity in Poland and abroad



Number one on the non-life insurance market in Poland (with Link4), market share **33.0%**

Number one on the life insurance market in Poland – market share in regular premiums **43.9%**

Number one on the non-life insurance market in Lithuania **31.1%** and in Latvia **25.1%**

Number one in the ranking of mutual fund companies, share of funds' assets **11.2%**

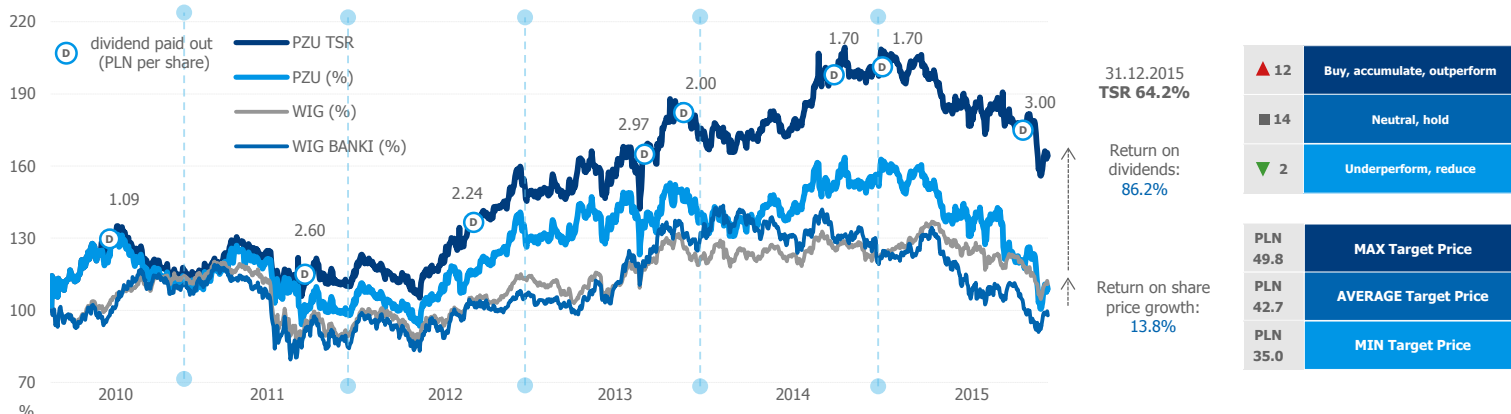
Third place on the open-ended pension fund, market share of net asset value **13.2%**

Listed	Segment	Symbol	ISIN	Sector	Initial listing	Offering price	Bloomberg Stock Code	Reuters Stock Code
WSE	main 250 PLUS	PZU	PLPZU0000011	Insurance	12/05/2010	312.50 zł	PZU PW	PZU.WA

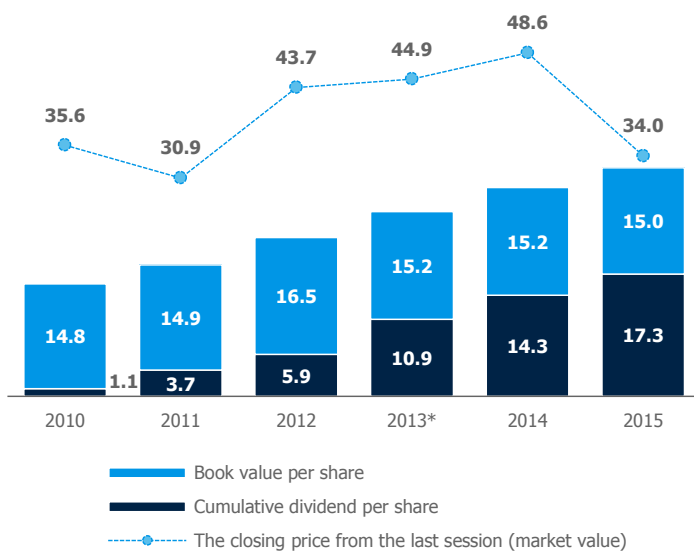
PZU in Stock Indices

WIG20	WIG30	WIG	WIGdiv	WIG-Poland	WIG20TR	Respect	CEERIUS
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Evolution of PZU's share price compared to selected indices

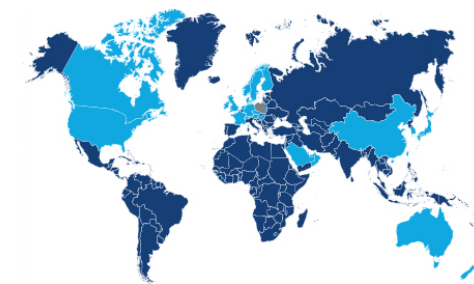
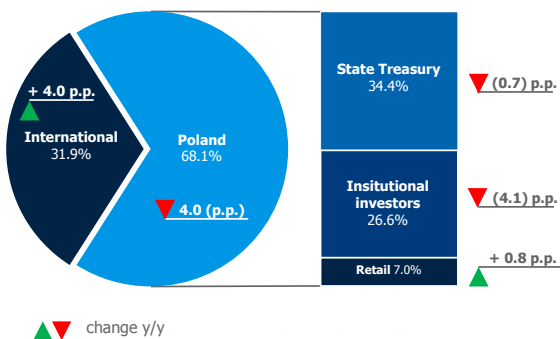


Book value per share and gross accumulated dividend per share (PLN)



* Dividend payment from surplus capital in the amount of PLN 20,00 per share in 2013 year

PZU shareholding structure



(30.0)%
PZU

(19.7)%
WIG20

(23.5)%
WIG Banki

(16.8)%
WIG-DIV

(9.6)%
WIG

FINANCIAL DATA

Consolidated financial data highlights

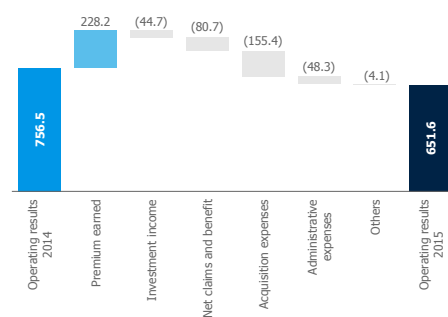
PLN m, IFRS	2015	2014	Change y/y	Q4 2015	Q4 2014	Change y/y
Profit and loss statement						
Gross written premium	18,359	16,885	8.7%	4,898	4,476	9.4%
Premium earned	17,385	16,429	5.8%	4,267	4,286	(0.4)%
Investment result	1,739	2,647	(34.3)%	329	497	(33.8)%
Interest expenses	(117)	(147)	(20.3)%	(32)	(36)	(9.7)%
Operating profit	2,939	3,693	(20.4)%	660	472	39.6%
Net profit	2,342	2,968	(21.1)%	510	404	26.3%
Balance sheet						
Equity	15,179	13,168	15.4%	15,179	13,168	15.3%
Total assets	105,429	67,573	56.0%	105,429	67,573	56.0%
Principal financial ratios						
ROE	18.0%	22.6%	(4.6) p.p.	16.1%	12.5%	3.6 p.p.
Combined ratio (COR)	94.6%	95.7%	(1.1) p.p.	92.9%	111.9%	(19.0) p.p.

Operating performance of the main segments

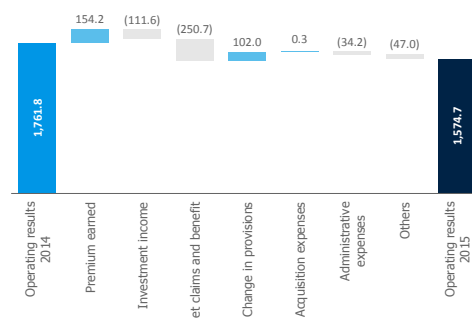
PLN m, local GAAP		2015	2014	Change y/y
Non-life insurance - Poland				
Gross written premium	mass insurance	7,309	6,560	11.4%
	corporate insurance	1,765	1,807	(2.3)%
Operating result	mass insurance	652	756	(13.9)%
	corporate insurance	312	217	43.5%
COR	mass insurance	95.8%	95.2%	0.6 p.p.
	corporate insurance	85.9%	94.3%	(8.4) p.p.
Life insurance – Poland				
Gross written premium	group and continued	6,689	6,539	(2.3)%
	individual insurance	1,234	1,269	(2.7)%
Operating result	group and continued	1,575	1,762	(10.6)%
	individual insurance	206	163	(26.3)%
Operating profit ratio	group and continued	23.5%	26.9%	(3.4)%
	individual insurance	16.7%	12.8%	3.8%
Pension insurance – Poland				
Income		119	271	(56.2)%
Operating result		81	203	(59.9)%
Foreign companies				
Gross written premium	Ukraine	168	174	(3.1)%
	Baltics countries	1,194	536	122.5%
Operating result	Ukraine	2	2	-
	Baltics countries	43	(17)	-

* Operating profit and operating profit margin net of conversion effects.

Mass insurance



Group and continued insurance



PLN 18.3 bn
gross written premium

PLN 2.3 bn
consolidated net result

18.0%
Return on Equity (ROE)

281.5%
Solvency I,
PZU Group solvency ratio

A-
/Watch Neg
PZU Rating higher
Rating of Poland
– for debt in foreign currency

MANAGEMENT

Roles and responsibilities:



- Responsible for:
- corporate insurance;
 - financial insurance;
 - agency sale of life insurance;
 - products management of life insurance.



- Responsible for:
- accountancy;
 - planning and controlling;
 - accounting operations and debt collection;
 - actuary.



- Responsible for:
- administration and purchases;
 - non-life operations (post-sales contract support);
 - legal activities.



- Responsible for:
- retail sale of non-life insurance;
 - direct channels and sales support;
 - sales network;
 - CRM;
 - products management of non-life insurance.



- Responsible for:
- foreign operations;
 - health business;
 - marketing;
 - client relation management;
 - bancassurance;
 - property management.



- Responsible for:
- investments;
 - macroeconomic analyses.



- Responsible for:
- risk management;
 - reinsurance;
 - compliance;
 - safety.



- Responsible for:
- claims handling and benefits.



- Responsible for:
- technology and IT.

IR CALENDAR

- 7 January 2016 – Extraordinary Shareholders' Meeting
- 15 March 2016 – Annual Report 2015
- 12 May 2016 – Report for Q1 2016
- 3-5 June – 20. Wall Street Conference for individual investors
- 24 August 2016 – Report for H1 2016
- 10 November 2016 – Report for Q3 2016

IR CONTACT



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