



# GRUPA PZU | Factsheet 1Q 2022



**#1**  
largest insurance  
BALANCE SHEET  
and banking  
group in CEE



**PLN 425 bn**  
aktywów



**40 tys.**  
employees



**22 mln**  
clients



**99%**  
most recognizable  
brand in Poland



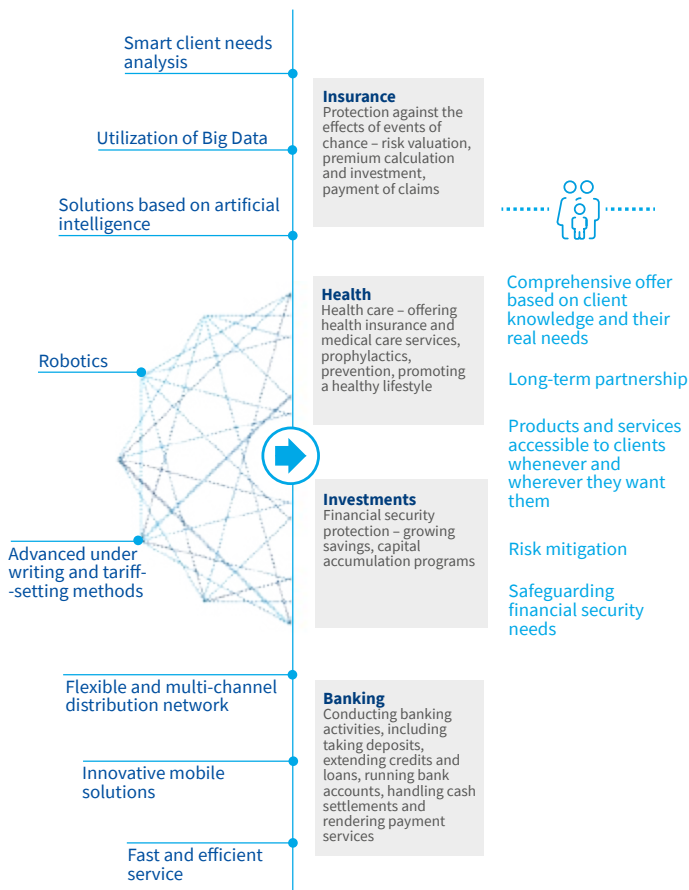
**STRONG  
BALANCE SHEET**  
Solvency II ratio above  
average for insurance  
groups in Europe

**The Powszechny Zakład Ubezpieczeń Group** is the largest financial conglomerate in Poland and Central and Eastern Europe. The Group is headed by PZU, which has the status leading entity in the conglomerate. PZU's traditions dating back to 1803. PZU's stock are listed on the Warsaw Stock Exchange (WSE) being part of the WIG20 index and WIG ESG (sustainability) index. PZU is one of the most highly valued companies and heavily traded stocks on the Polish stock exchange. At the end of March 2022, PZU's market capitalization amounted to PLN 29.2 bn. The State Treasury with a 34.19% equity stake is PZU's main shareholder.

The Group companies offer not only in life, non-life and health insurance but also in banking, investment, pension and health care products. They also render assistance services to retail clients and businesses through strategic partnerships. The Group's operations are founded on clients' trust. The Group places the client in the center of attention and integrates all areas of activity around the client. The Group's strategic ambition is to develop ecosystems, which will provide comprehensive solutions to institutional as well as individual clients. They will create new opportunities to build long-lasting relations with clients in daily life. The key elements that contribute to building an entrenched technological advantage in integrated client service include further digitization, use of artificial intelligence (AI), big data and advanced analytics, as well as mobile and omni-channel solutions. The technological transition will be supported by the use of cloud computing.

The PZU Group is committed to the development of a responsible organization, strongly emphasizing the ESG (environment, social and governance) factors in its strategy. The priority for the PZU Group is to generate benefits for its shareholders and clients in a sustainable and responsible manner. The success of the PZU Group will be built based on contemporary business models widely incorporating ESG criteria. The Group supports the development of low-carbon economy, is committed to just energy transition and encourages communities to adopt sustainable and safe lifestyles and builds a modern, responsibly-managed organization.

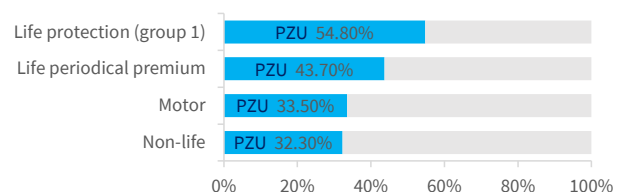
## BUSINESS MODEL



## MARKET POSITION



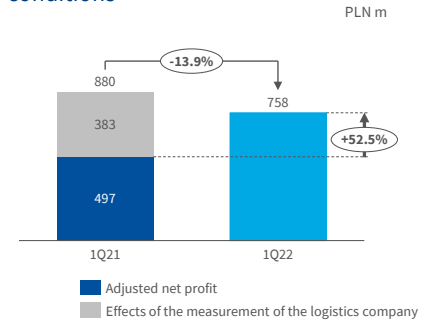
## MARKET SHARE in Poland (4Q 2021)



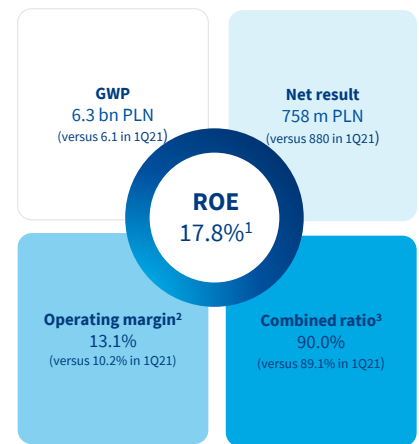
## FINANCIAL HIGHLIGHTS

PLN million	2020	2021	1Q 2021	1Q 2022
A) PZU GROUP NET OF ALIOR BANK AND BANK PEKAO				
Gross written premiums	23,866	25,080	6,148	6,253
Net result on investing activity including interest expenses	2,044	2,012	720	105
Net insurance claims and benefits paid	(15,580)	(15,731)	(3,926)	(3,690)
Acquisition expenses	(3,317)	(3,572)	(837)	(917)
Administrative expenses	(1,801)	(1,734)	(437)	(437)
Operating profit	3,941	3,635	1,035	675
Net profit attributable to equity holders of the parent company	3,106	2,732	794	517
B) Impairment attributable to equity holders of the parent company	(1,343) <sup>4</sup>	-	-	-
C) BANKS: ALIOR BANK AND BANK PEKAO				
Net profit attributable to equity holders of the parent company	149	604	86	241
<b>(A+B+C) NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>1 912</b>	<b>3 336</b>	<b>880</b>	<b>758</b>
Total assets	378,974	402,129	395,418	424,559
Equity attributable to the owners of the parent company	18,777	17,080	19,374	16,967

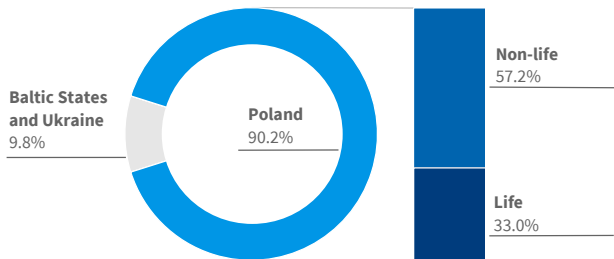
✓ Robust **net result** in challenging market conditions



✓ Business profitability surpasses strategic ambitions



### Gross Written Premium structure (1Q 2022)

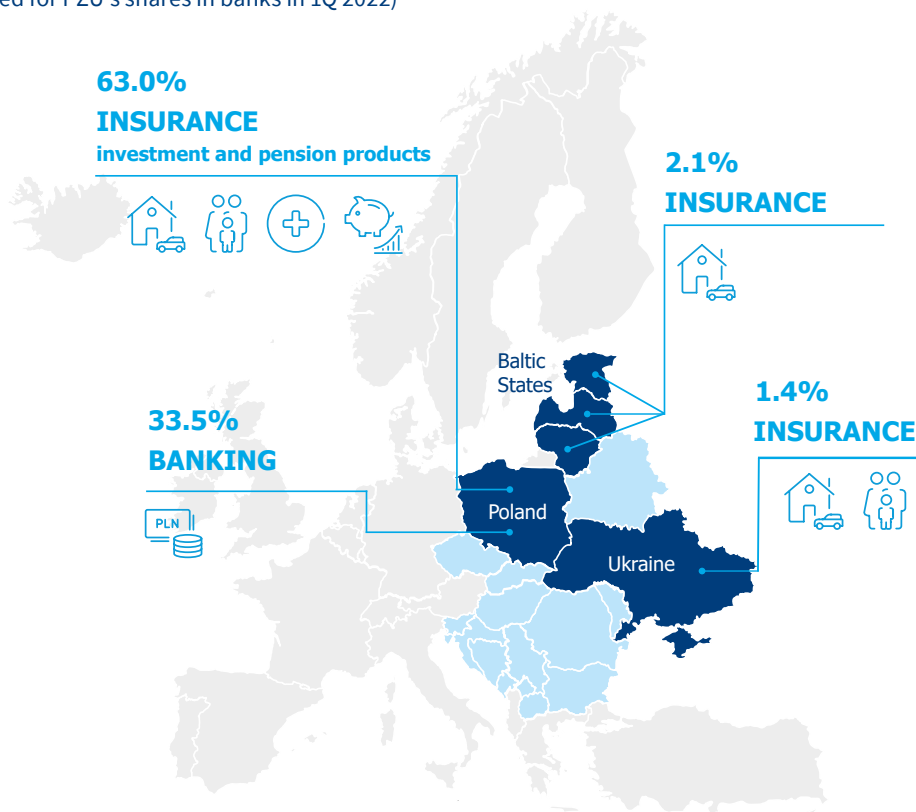


Financial strength rating and credit rating awarded to PZU by S&P

**A-**

/STABILNA/

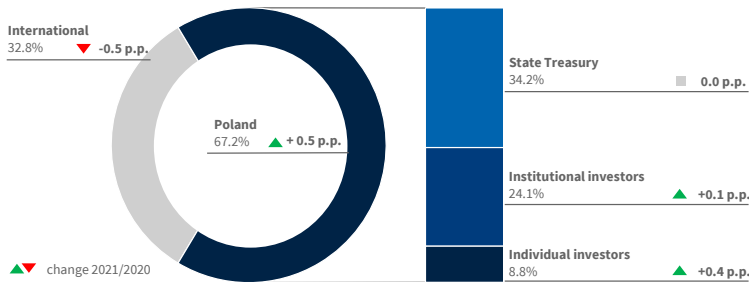
### Percentage share of business segments in the operating result (adjusted for PZU's shares in banks in 1Q 2022)



## PZU'S STOCK

Number of shares	863,523,000	P/E	9.1x	Average trading value per session	PLN 90.0 mt
Free float (%)	65.81%	P/BV	1.7x	Average number of trades per session	7,009
Market capitalization	PLN 29.2 bn	D/Y	5)	Average trading volume per session	2,670,584 shares

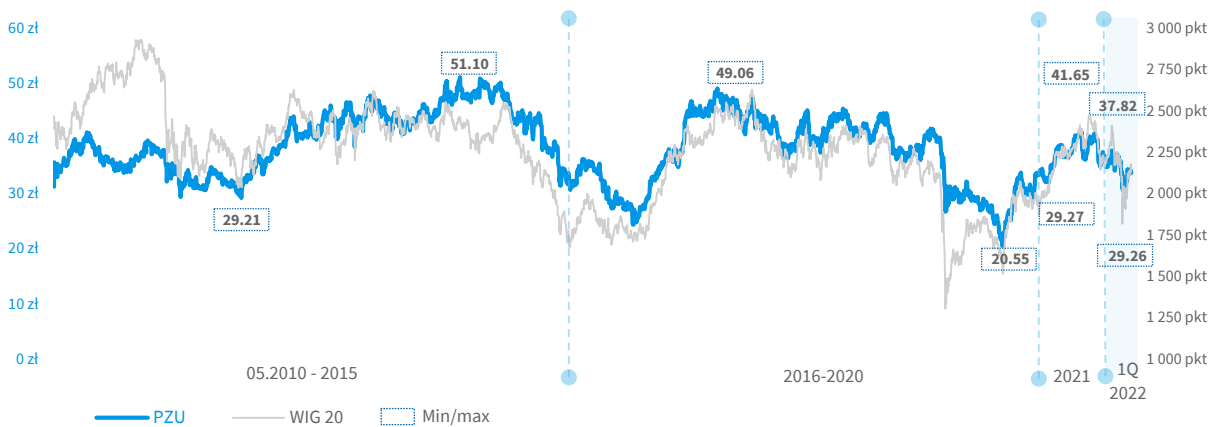
## Shareholder structure (31 December 2021)



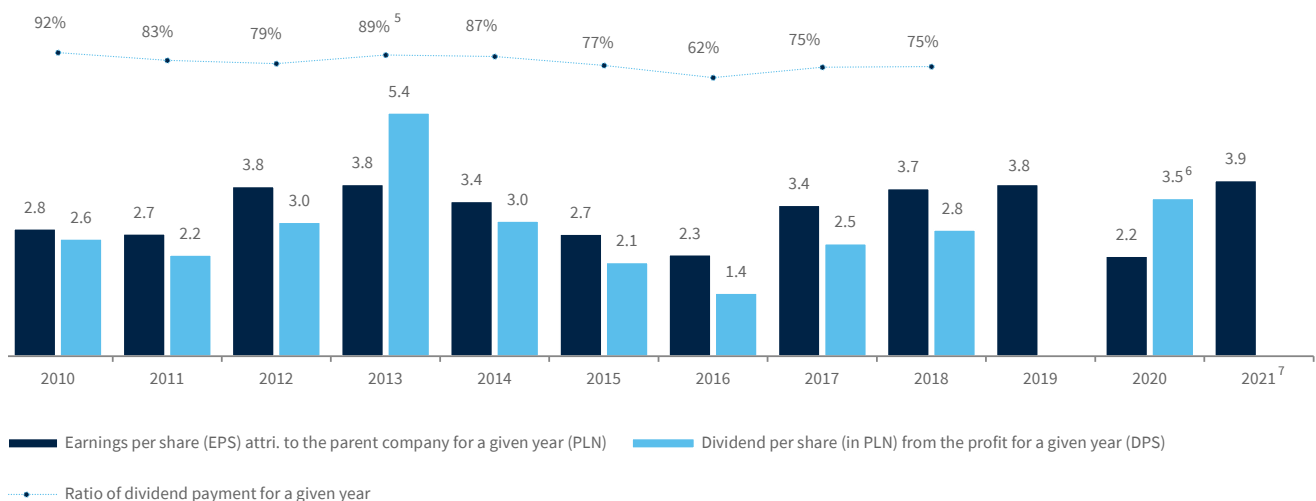
## Recommendations statistics (31 March 2022)

	▲ 3	Buy, Outperform
	■ 4	Neutral, Hold
	▼ 2	Underperform, Reduce
Highest target price	PLN 50.0	
Average target price	PLN 40.3	
Lowest target price	PLN 32.0	

## PZU's share performance - min/max share price at session closing



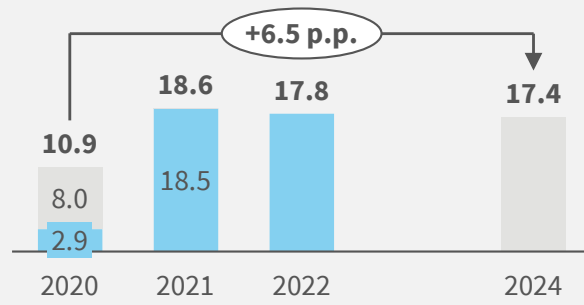
## PZU's earnings per share and dividend per share



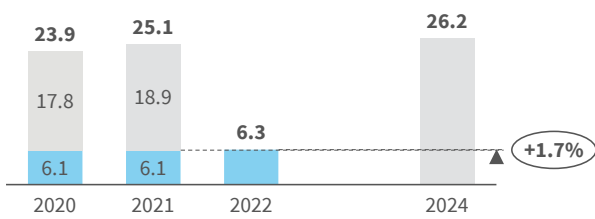
## STRATEGY EXECUTION- FINANCIAL MEASURES

ROE (%)<sup>8</sup>

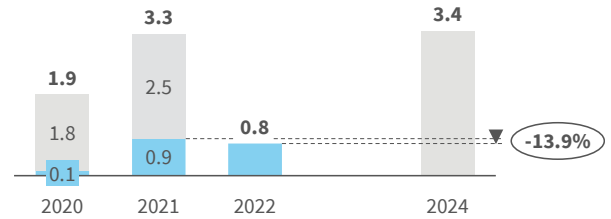
■ 1Q



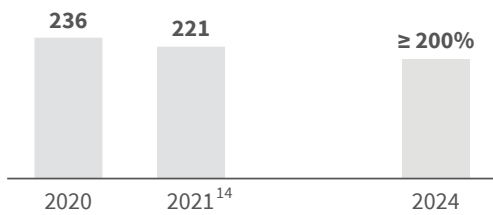
PZU'S GROSS WRITTEN PREMIUM<sup>9</sup>  
(BN PLN)



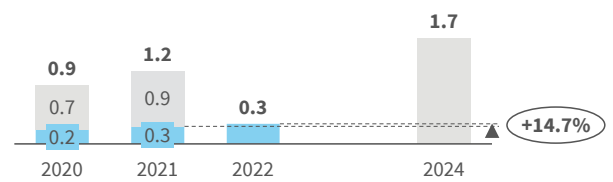
PZU'S NET PROFIT<sup>10</sup> (BN PLN)



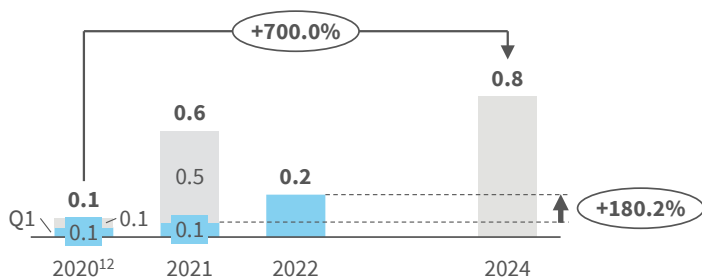
SOLVENCY II RATIO (%)



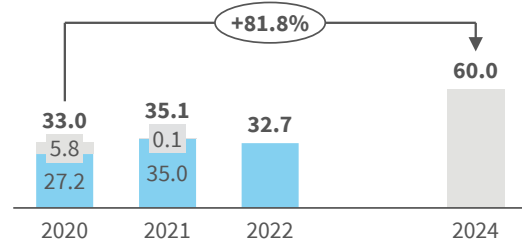
HEALTH PILLAR REVENUE (BN PLN)



BANKS' CONTRIBUTION TO PZU GROUP'S  
NET RESULT<sup>11</sup> (BN PLN)



ASSETS UNDER MANAGEMENT<sup>13</sup>  
(BN PLN)



## STRATEGY EXECUTION- ESG INDICATORS

ESG target in Senior Management objectives	Giving consideration to ESG targets in the Company's strategic objectives and handing them over for execution by Senior Management	<ul style="list-style-type: none"> <li>Targets were allocated to all WKK involved in strategy execution</li> <li>Execution of 100%</li> </ul>
55%	ESG assessment of 55% of the biggest corporate insurance clients from sectors sensitive to ESG risks	<ul style="list-style-type: none"> <li>Assessment methodology developed</li> <li>The level of the indicator will be reported from 2022</li> </ul>
500 m	Increase of the current exposure to investments supporting climate and energy transition by 500 m PLN in 2021-2024	<ul style="list-style-type: none"> <li>An investment was made for 450 m PLN</li> </ul>
70%	Percentage of key procurement processes which give consideration to ESG criteria	<ul style="list-style-type: none"> <li>Supplier segmentation was conducted</li> <li>The level of the indicator will be reported from 2022</li> </ul>
scope of emissions 1 and 2	Reaching climate neutrality of own operations thanks to reduction of emissions, purchase of green energy and offsetting CO2 emissions <sup>15</sup>	<ul style="list-style-type: none"> <li>Reduced emissions<sup>16</sup>: 26,2%</li> <li>Electricity from RES (~80%)</li> <li>Offsetting 17 thousand tons of CO2 by purchasing carbon dioxide units from the State Forests</li> </ul>
70%	Percentage of employees covered by the #Well-being program	<ul style="list-style-type: none"> <li>The #DobryStan (#Well-being) strategy was developed and implemented</li> <li>The level of the indicator will be reported from 2022</li> </ul>
10-15 m	Number of recipients of social activities in the area of safety and sustainable lifestyle during the year	<ul style="list-style-type: none"> <li>10 million recipients</li> <li>Execution of 100%</li> </ul>

### PRZYPISY:

<sup>1)</sup> ROE attributed to equity holders of the parent company, annualized; <sup>2)</sup> Margin in 1Q21 and 1Q22 for the group and individually continued insurance segment;

<sup>3)</sup> Non-life insurance in the PZU Group (Poland); <sup>4)</sup> including the impairment loss on goodwill arising from the acquisition of Alior Bank (PLN 746 million) and Bank Pekao (PLN 555 million) and the impairment loss on assets arising from the acquisition of Alior Bank (i.e. trademark and relations with clients, after incorporating the impact of deferred tax and minority interest) in the amount of PLN 42 million; <sup>5)</sup> The payout ratio net of the dividend payout from excess capital (PLN 2 per share); <sup>6)</sup> On 26 March 2020, the Polish Financial Supervision Authority (KNF) issued a decision prohibiting the disbursement of dividends in 2020 by insurance companies and banks from their 2019 profits. On 16 December 2020 the Polish Financial Supervision Authority (KNF) issued a decision allowing the disbursement of dividends in an amount equal to 100% of the 2019 profit and 50% of the 2020 profit. On 12 May 2021 the Supervisory Board issued a positive opinion on the Management Board's motion to the OGM for dividend payment of PLN 3.5 per share; <sup>7)</sup> Up to the date of preparing Report for Q1 2021, the Management Board has not adopted a resolution concerning the proposed distribution of profit for 2021; <sup>8)</sup> Przepisane właścicielom jednostki dominującej; <sup>9)</sup> PZU Group's gross written premium; <sup>10,11)</sup> Net profit attributable to equity holders of the parent company; <sup>12)</sup> Net of the impairment loss for goodwill on the acquisition of Bank Pekao and Alior Bank; <sup>13)</sup> Third party assets under management TFI PZU, Pekao TFI i Alior TFI; <sup>14)</sup> It does not incorporate the new rules set forth in the Polish FSA's circular to insurance undertakings dated 16 April 2021; <sup>15)</sup> Climate neutrality in PZU and PZU Życie in terms of emissions under scope 1 and scope 2; <sup>16)</sup> PZU and PZU Życie, location-based method



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