

# GRUPA PZU | Factsheet 2Q 2022



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



**PLN 430 bn**  
assets



**40 thou.**  
employees



**22 mln**  
clients



**98%**  
most recognizable  
brand in Poland



**STRONG  
BALANCE SHEET**  
Solvency II  
on safe level

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 June 2022, PZU's market capitalization amounted to PLN 25.9 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.

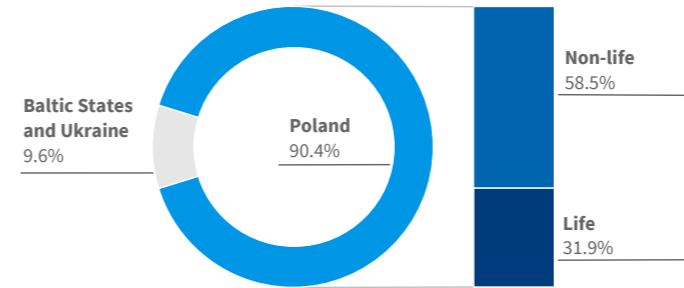
The PZU Group is committed to the development of a responsible organization, strongly emphasizing the ESG (environment, social and governance) factors in its strategy. The priority for the PZU Group is to generate benefits for its shareholders and clients in a sustainable and responsible manner. The 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.

## FINANCIAL HIGHLIGHTS

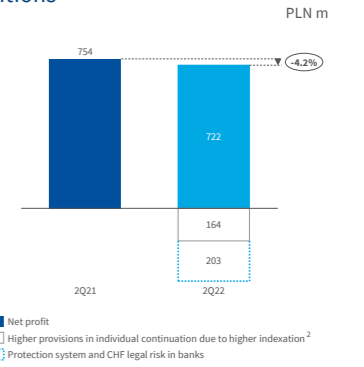
| PLN million  | 2021         | 2Q 2021*   | 1Q 2022    | 2Q 2022    |
|--|--------------|------------|------------|------------|
| A) PZU GROUP NET OF ALIOR BANK AND BANK PEKAO                                  |              |            |            |            |
| Gross written premiums   | 25 080       | 6 194      | 6 253      | 6 394      |
| Net result on investing activity including interest expenses                   | 2 012        | 597        | 105        | (157)      |
| Net insurance claims and benefits paid   | (15 731)     | (4 144)    | (3 690)    | (3 426)    |
| Acquisition expenses   | (3 572)      | (867)      | (917)      | (959)      |
| Administrative expenses  | (1 734)      | (420)      | (437)      | (456)      |
| Operating profit   | 3 635        | 751        | 675        | 795        |
| Net profit attributable to equity holders of the parent company                | 2 732        | 589        | 517        | 556        |
| B) Impairment attributable to equity holders of the parent company             |              |            |            |            |
|  | -            | -          | -          | -          |
| C) BANKS: ALIOR BANK AND BANK PEKAO  |              |            |            |            |
| Net profit attributable to equity holders of the parent company                | 604          | 165        | 241        | 166        |
| <b>(A+B+C) NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b> | <b>3 336</b> | <b>754</b> | <b>758</b> | <b>722</b> |
| Total assets   | 402,129      | 391,305    | 424,559    | 429,936    |
| Equity attributable to the owners of the parent company                        | 17,080       | 16,879     | 16,967     | 14,969     |

\*Restated data

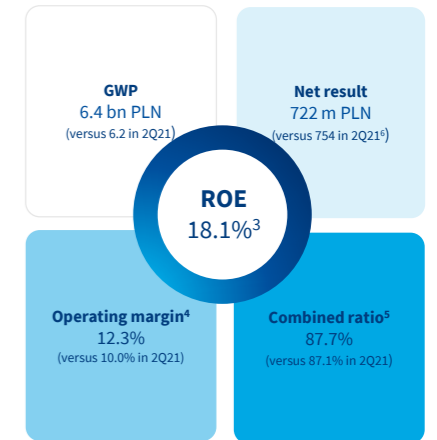
## Gross Written Premium structure (2Q 2022)



✓ Robust net result<sup>1</sup> in challenging market conditions



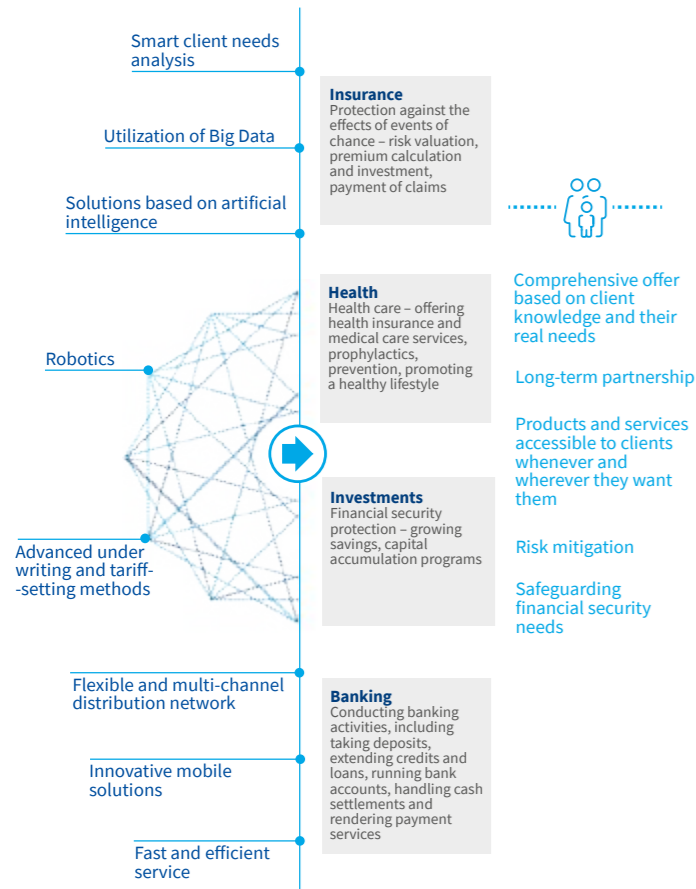
✓ Business profitability surpasses strategic ambitions



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

**A-**  
/STABLE/

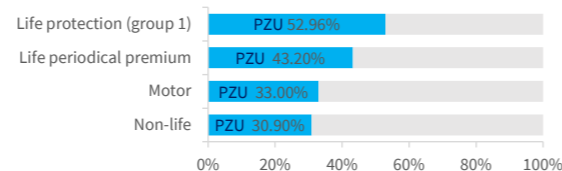
## BUSINESS MODEL



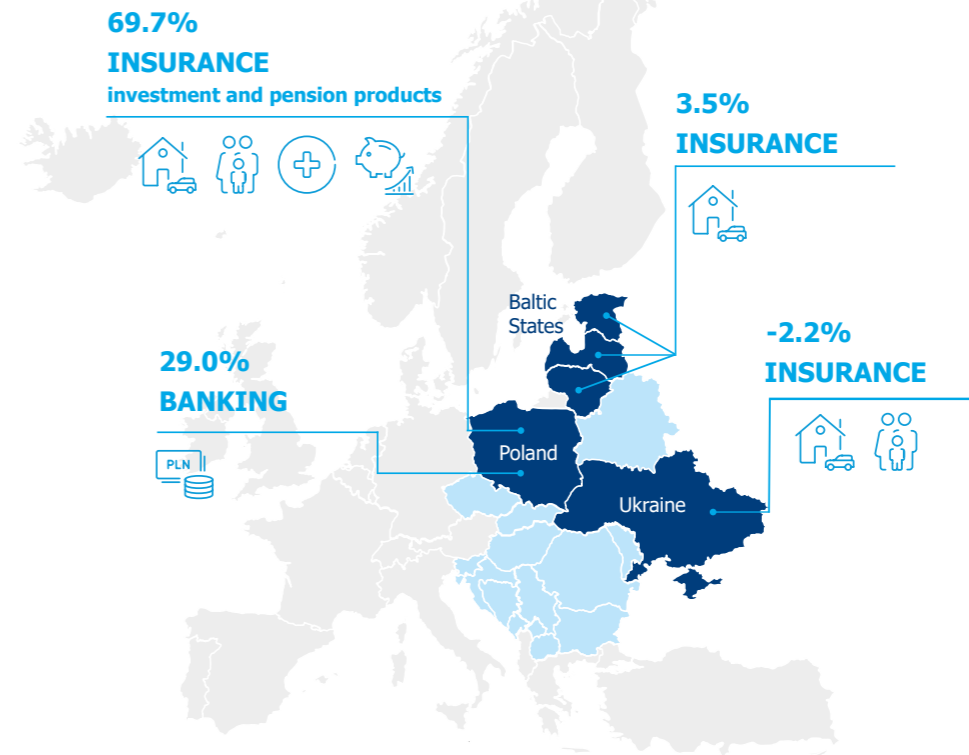
## MARKET POSITION



## MARKET SHARE in Poland (1Q 2022)



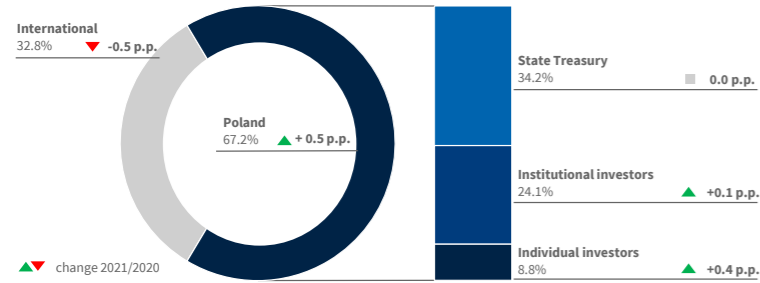
## Percentage share of business segments in the operating result (adjusted for PZU's shares in banks in 1H 2022)



## PZU'S STOCK

|                       |             |      |                   |                                      |                  |
|-----------------------|-------------|------|-------------------|--------------------------------------|------------------|
| Number of shares      | 863,523,000 | P/E  | 8.1x              | Average trading value per session    | PLN 52.3 m       |
| Free float (%)        | 65.81%      | P/BV | 1.7x              | Average number of trades per session | 4,319            |
| Market capitalization | PLN 25.9 bn | D/Y  | 5.5 <sup>7)</sup> | Average trading volume per session   | 1,678,273 shares |

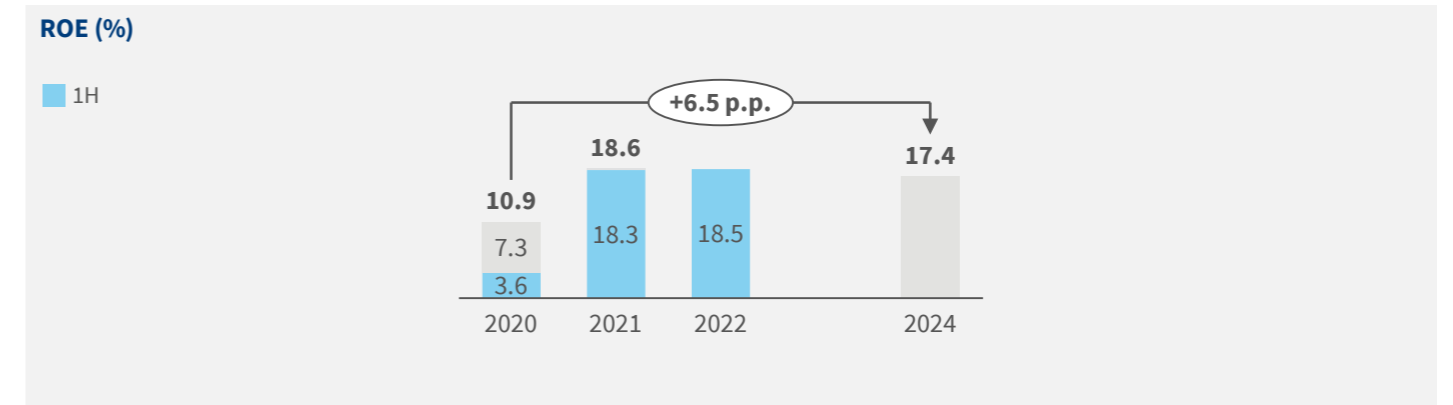
## Shareholder structure (31 December 2021)



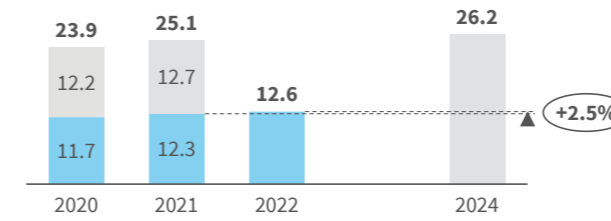
## Recommendations statistics (30 June 2022)

|                      |          |                      |
|----------------------|----------|----------------------|
| 9                    | ▲ 3      | Buy, Outperform      |
|                      | ■ 4      | Neutral, Hold        |
|                      | ▼ 2      | Underperform, Reduce |
| Highest target price | PLN 50.0 |                      |
| Average target price | PLN 39.0 |                      |
| Lowest target price  | PLN 31.0 |                      |

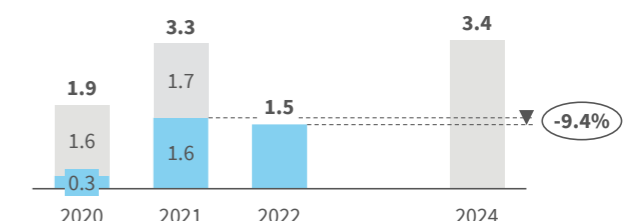
## STRATEGY EXECUTION- FINANCIAL MEASURES



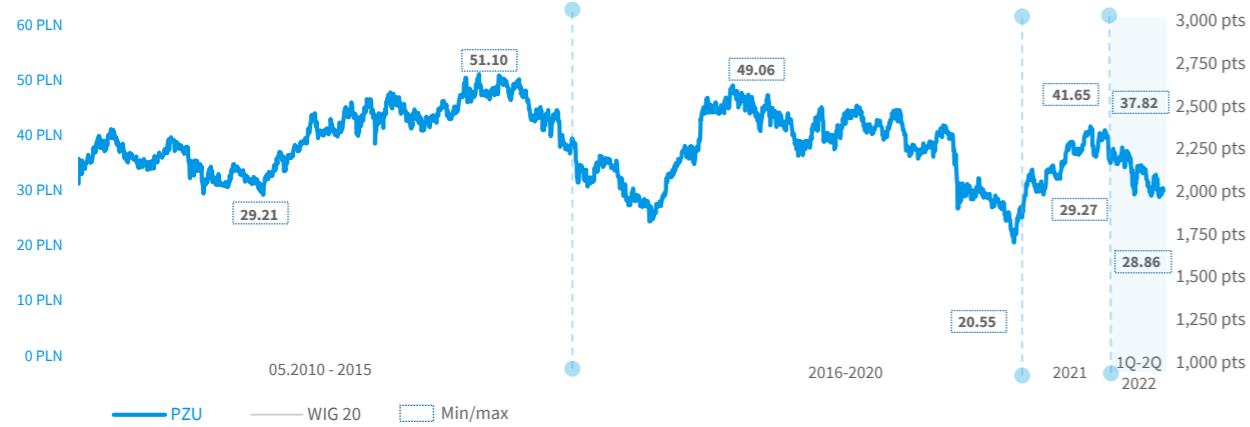
## PZU'S GROSS WRITTEN PREMIUM<sup>10</sup> (BN PLN)



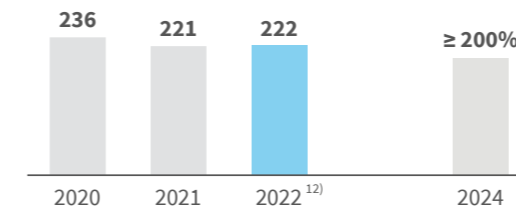
## PZU'S NET PROFIT<sup>11</sup> (BN PLN)



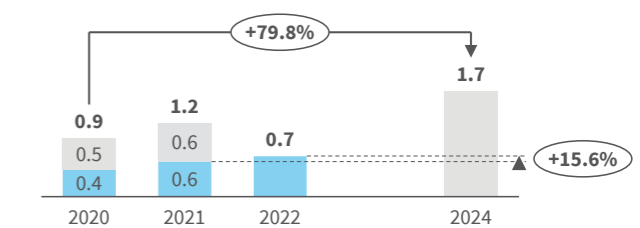
## PZU's share performance - min/max share price at session closing



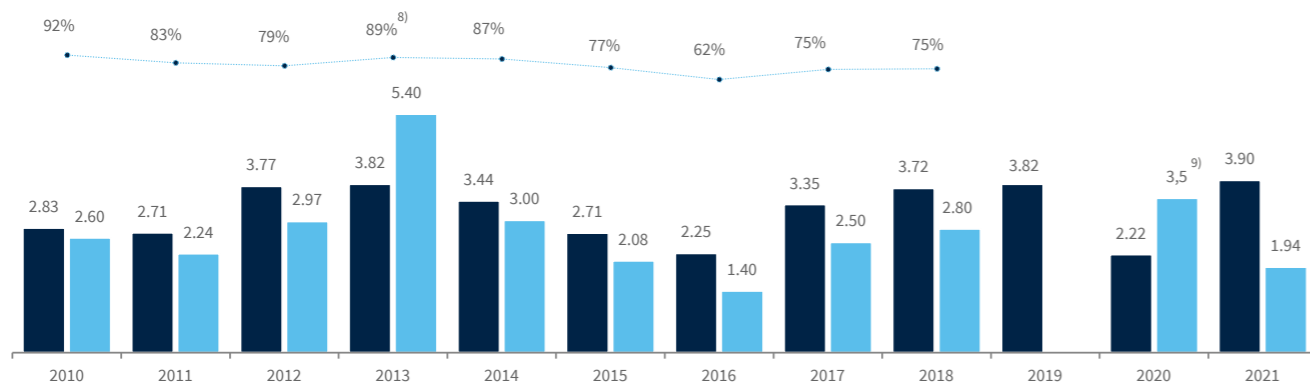
## SOLVENCY II RATIO (%)



## HEALTH PILLAR REVENUE (BN PLN)



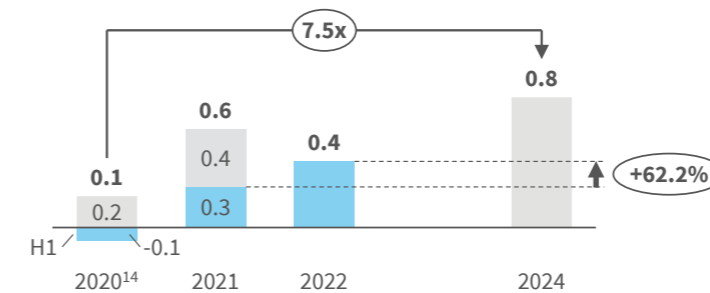
## PZU's earnings per share and dividend per share



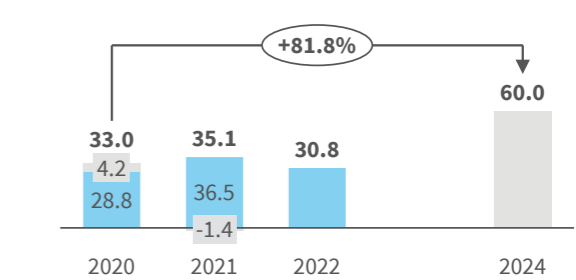
■ Earnings per share (EPS) attri. to the parent company for a given year (PLN) ■ Dividend per share (in PLN) from the profit for a given year (DPS)

● Ratio of dividend payment for a given year

## BANKS' CONTRIBUTION TO PZU GROUP'S NET RESULT<sup>13</sup> (BN PLN)



## ASSETS UNDER MANAGEMENT<sup>15</sup> (BN PLN)



## STRATEGY EXECUTION- ESG INDICATORS

| ESG target in Senior Management objectives |   | Implementation 2021  |
|--|---|--|
| 55%  | ESG assessment of 55% of the biggest corporate insurance clients from sectors sensitive to ESG risks  | <ul style="list-style-type: none"> <li>Targets were allocated to all WKK involved in strategy execution</li> <li>Execution of 100%</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>Assessment methodology developed</li> <li>The level of the indicator will be reported from 2022</li> </ul>  |
| 70%  | Percentage of key procurement processes which give consideration to ESG criteria  | <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>16</sup> | <ul style="list-style-type: none"> <li>Reduced emissions<sup>17</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>   |



### ANNOTATION:

<sup>1)</sup> Net profit and equity attributable to equity holders of the parent company, 2Q21 net profit adjusted; <sup>2)</sup> Recognition in the mathematical provisions of the impact exerted by higher indexation rates on the sums insured in the individually continued portfolio in the next 12 months (impact exerted by rising inflation); <sup>3)</sup> ROE in 2Q22 attributed to equity holders of the parent company, annualized; <sup>4)</sup> Margin in 2Q21 and 2Q22 for the group and individually continued insurance segment; <sup>5)</sup> Non-life insurance in the PZU Group (Poland); <sup>6)</sup> Adjusted result; <sup>7)</sup> stopa liczona jako dywidenda (wg daty ustalenia prawa do dywidendy) wobec ceny akcji na koniec poprzedniego raportowanego roku; <sup>8)</sup> The payout ratio net of the dividend payout from excess capital (PLN 2 per share); <sup>9)</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>10)</sup> PZU Group's gross written premium; <sup>11, 12)</sup> Net profit attributable to equity holders of the parent company; <sup>13)</sup> Data as of March 31, 2022, not subject to audit or auditor's review, indicator in accordance with the FSC circular letter to insurance companies dated 16.04.2021; <sup>14)</sup> Net of the impairment loss for goodwill on the acquisition of Bank Pekao and Alior Bank; <sup>15)</sup> Third party assets under management TFI PZU, Pekao TFI and Alior TFI; <sup>16)</sup> Climate neutrality in PZU and PZU Życie in terms of emissions under scope 1 and scope 2; <sup>17)</sup> PZU and PZU Życie, location-based method.

### CONTACT FOR INVESTORS::

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