

# GRUPA PZU | Factsheet 3Q 2022



#1

largest insurance and banking group in CEE



PLN 432 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 September 2022, PZU's market capitalization amounted to PLN 20.0 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.

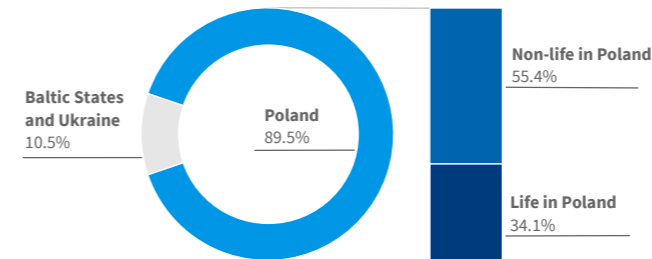
The PZU Group is committed to the development of a responsible organization, strongly emphasizing the ESG (environment, social and governance) factors in its strategy. The priority for the PZU Group is to generate benefits for its shareholders and clients in a sustainable and responsible manner. The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

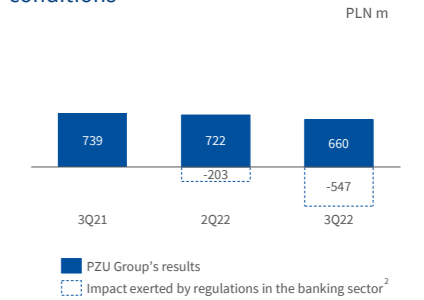
PLN million	2021	3Q 2021*	2Q 2022	3Q 2022
A) PZU GROUP NET OF ALIOR BANK AND BANK PEKAO				
Gross written premiums	25,080	5,908	6,394	6,395
Net investment result (ex banking activities)	2,012	275	(157)	232
Net insurance claims and benefits paid	(15,731)	(3,894)	(3,426)	(3,929)
Acquisition expenses	(3,572)	(921)	(959)	(1,006)
Administrative expenses	(1,734)	(403)	(456)	(479)
Operating profit	3,635	757	795	961
Net profit attributable to equity holders of the parent company	2,732	562	556	784
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	177	166	(124)
<b>(A+B+C) NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>3,336</b>	<b>739</b>	<b>722</b>	<b>660</b>
Total assets	402,129	396,433	429,936	432,449
Equity attributable to the owners of the parent company	17,080	17,440	14,969	15,575

\*Restated data

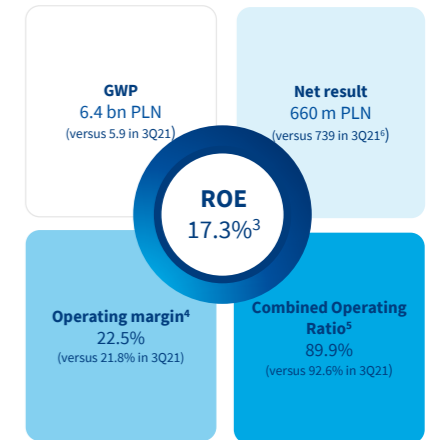
## Gross Written Premium structure (3Q 2022)



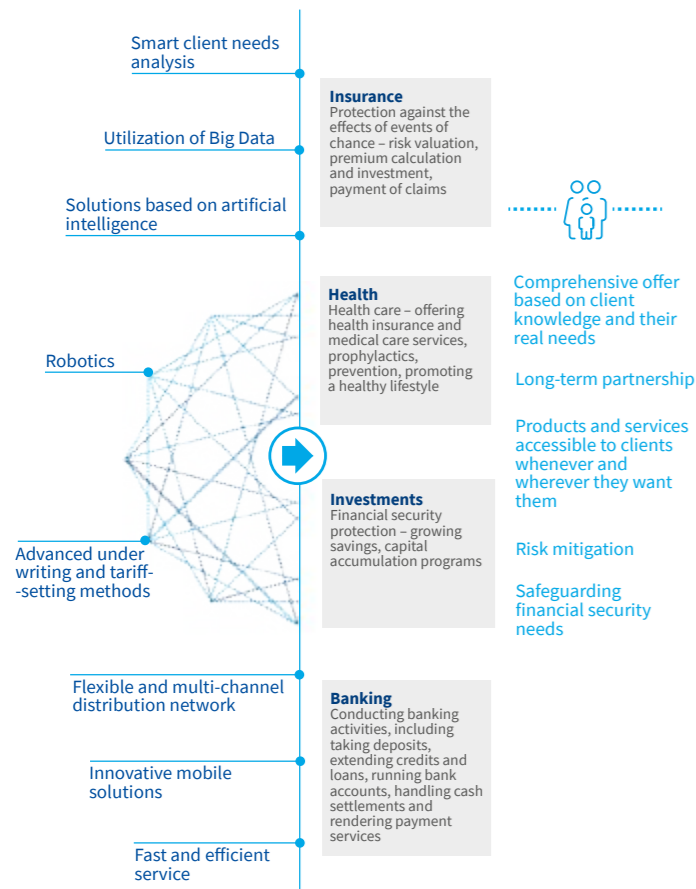
✓ Robust net result<sup>1</sup> in challenging market conditions



✓ Business profitability surpasses strategic ambitions



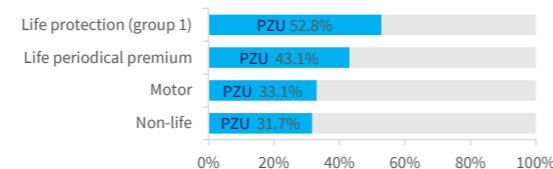
## BUSINESS MODEL



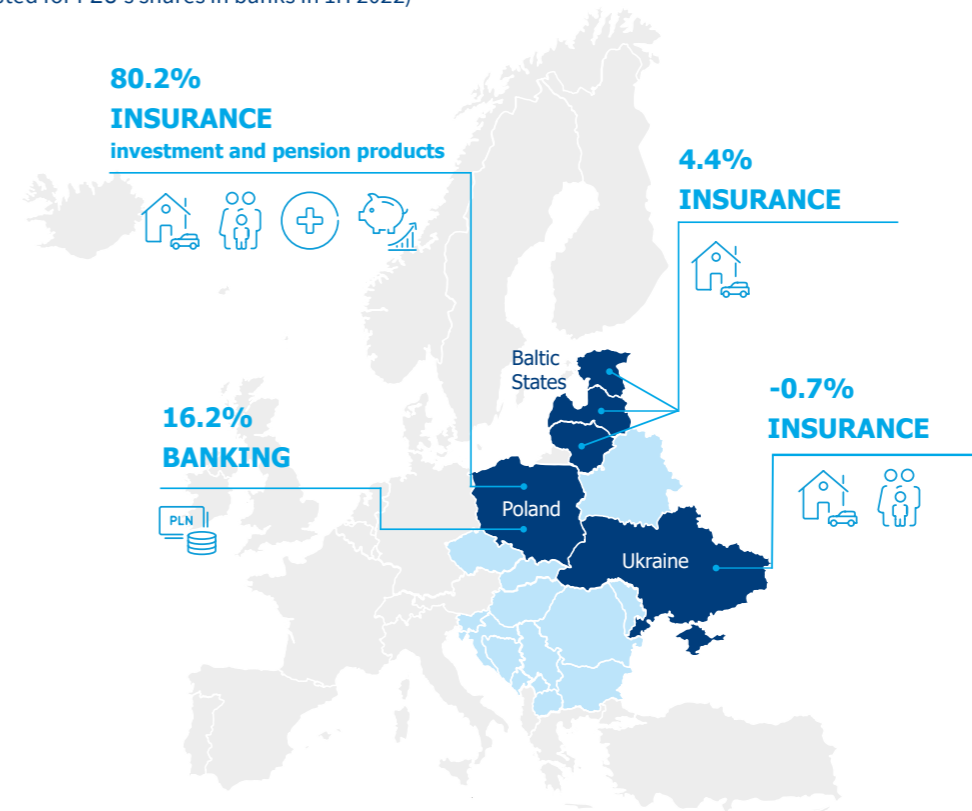
## MARKET POSITION



## MARKET SHARE in Poland (2Q 2022)



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



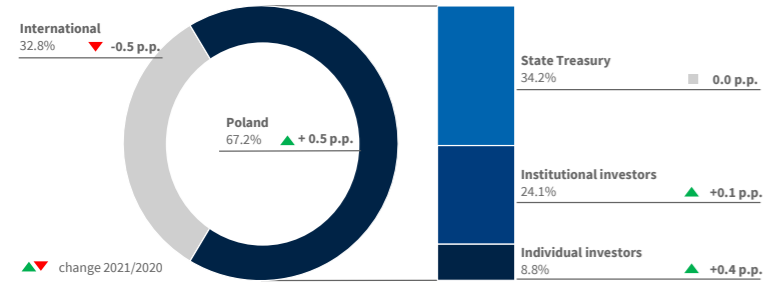
Financial strength rating and credit rating awarded to PZU by S&P

**A-**  
/STABLE/

## PZU'S STOCK

Number of shares	863,523,000	P/E	6.4x	Average trading value per session	PLN 45.8 m
Free float (%)	65.81%	P/BV	1.3x	Average number of trades per session	4,793
Market capitalization	PLN 20.0 bn	D/Y	5.5% <sup>7)</sup>	Average trading volume per session	1,609,403 shares

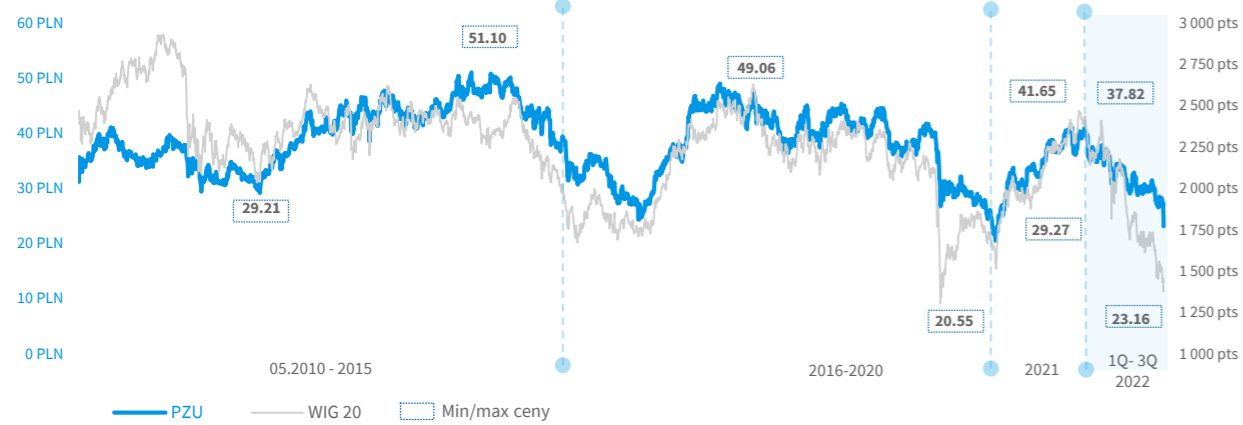
## Shareholder structure (31 December 2021)



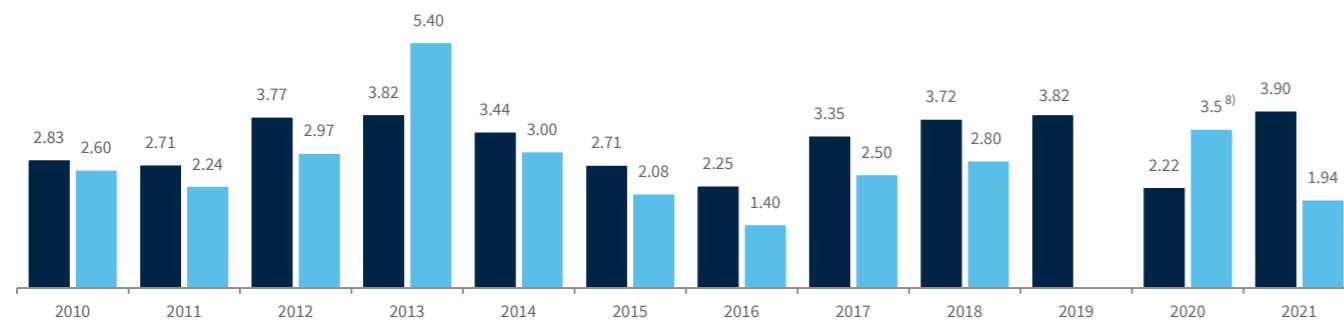
## Recommendations statistics (30 September 2022)

<b>11</b>	▲ 4	Buy, Outperform
	5	Neutral, Hold
	▼ 2	Underperform, Reduce
Highest target price		PLN 46.9
Average target price		PLN 35.4
Lowest target price		PLN 26.2

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



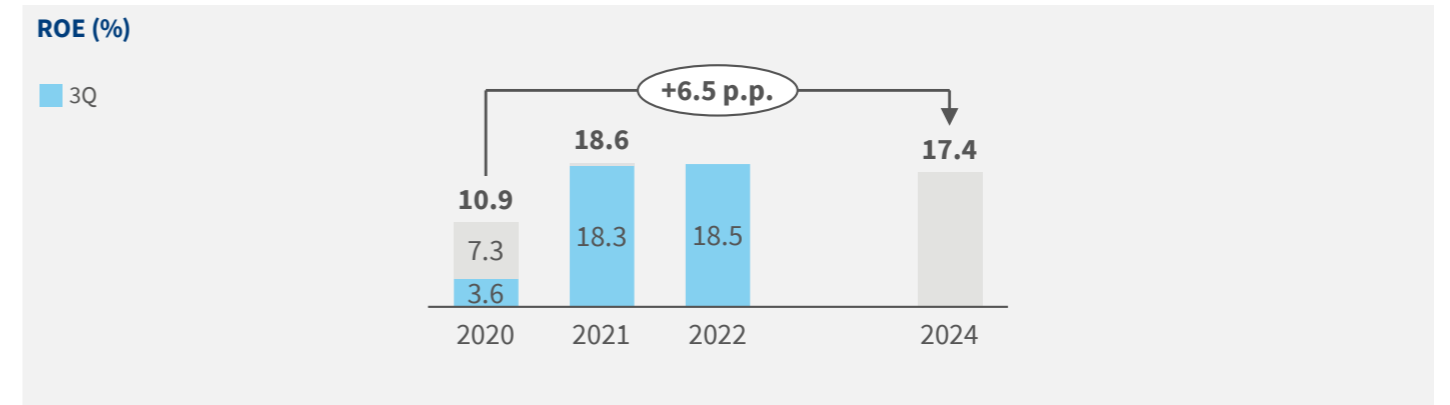
## PZU's earnings per share and dividend per share



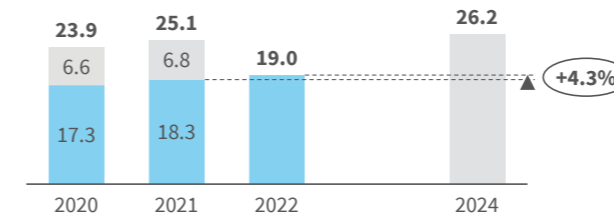
■ Earnings per share (EPS) attri. to the parent company for a given year (PLN)

■ Dividend per share (in PLN) from the profit for a given year (DPS)

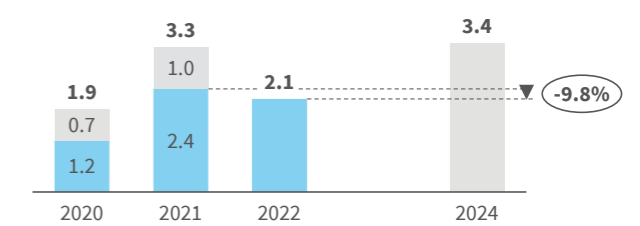
## STRATEGY EXECUTION- FINANCIAL MEASURES



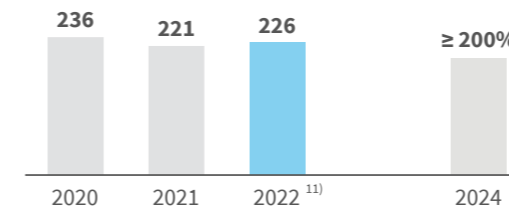
## PZU'S GROSS WRITTEN PREMIUM<sup>9</sup> (BN PLN)



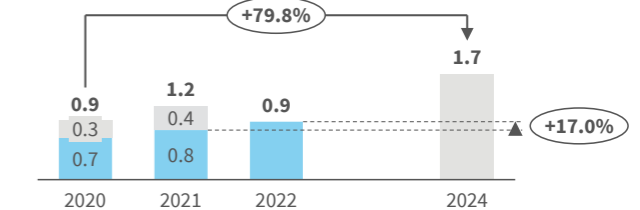
## PZU'S NET PROFIT<sup>10</sup> (BN PLN)



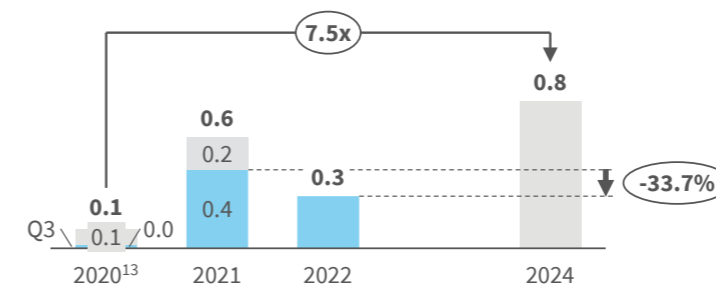
## SOLVENCY II RATIO (%)



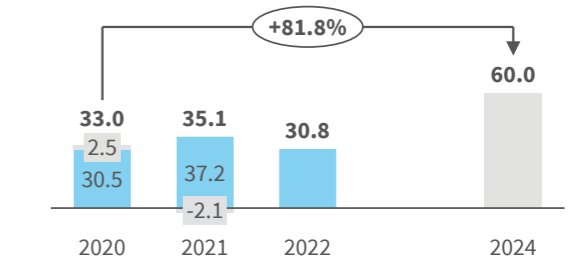
## HEALTH PILLAR REVENUE (BN PLN)



## BANKS' CONTRIBUTION TO PZU GROUP'S NET RESULT<sup>12</sup> (BN PLN)



## ASSETS UNDER MANAGEMENT<sup>14</sup> (BN PLN)



## STRATEGY EXECUTION- ESG INDICATORS

ESG targets in Senior Management objectives		Implementation 2021
55%	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>
500m	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>
70%	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>
scope of emissions 1 and 2	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>
70%	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>
10-15 m	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>
	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>



### CONTACT FOR INVESTORS::

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#### ANNOTATION:

<sup>1)</sup> Net profit and equity attributable to equity holders of the parent company, net profit for 3Q21 adjusted; <sup>2)</sup> Including the Bank Protection System, credit holidays and legal risk provision related to FX loans; <sup>3)</sup> ROE in 3Q 2022 attributed to equity holders of the parent company, annualized; <sup>4)</sup> Margin in 3Q 2021 and 3Q 2022 for the group and individually continued insurance segment; <sup>5)</sup> Non-life insurance in the PZU Group (Poland); <sup>6)</sup> Adjusted 3Q21 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> 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>9)</sup> PZU Group's gross written premium; <sup>10,12)</sup> Net profit attributable to equity holders of the parent company; <sup>11)</sup> Data for 2Q. It does not incorporate the new rules set forth in the Polish FSA's circular to insurance undertakings dated 16 April 2021; <sup>13)</sup> Net of the impairment loss for goodwill on the acquisition of Bank Pekao and Alior Bank; <sup>14)</sup> Third party assets under management TFI PZU, Pekao TFI and Alior TFI; <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.