

Warsaw, 29 March 2023

Management Board of Powszechny Zakład Ubezpieczeń Spółka Akcyjna

**Motion
to the Ordinary Shareholder Meeting of PZU SA**

**Regarding:
approval of the Financial Statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2022 prepared in accordance with Polish Accounting Standards**

Body of the motion:

We hereby move for the Ordinary Shareholder Meeting of PZU SA to approve the Financial Statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2022, prepared in accordance with Polish Accounting Standards.

Justification:

The Ordinary Shareholder Meeting should review and approve the financial statements for the past financial year. Moreover, the annual financial statements are subject to approval by the Ordinary Shareholder Meeting no later than within 6 months from the balance sheet date (pursuant to Article 395(1) and (2)(1) of the Commercial Company Code, Article 53 of the Accounting Act of 29 September 1994, and §10(1) and §18(1) of the PZU SA Articles of Association).

By Resolution No. UZ/80/2023 of 29 March 2023 the PZU SA Management Board adopted and by Resolution No. URN/15/2023 of 29 March 2023 the PZU SA Supervisory Board issued a favorable assessment of the Financial Statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2022, prepared in accordance with Polish Accounting Standards, and recommended that the PZU SA Ordinary Shareholder Meeting approve it.

Submitted on behalf of the PZU SA Management Board by:

/Tomasz Kulik/

/Maciej Rapkiewicz/

Attachment:

- 1) draft resolution of the PZU SA Shareholder Meeting to approve the Financial Statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2022 prepared in accordance with Polish Accounting Standards.

Powszechny Zakład Ubezpieczeń Spółka Akcyjna

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022 PREPARED IN
ACCORDANCE WITH POLISH ACCOUNTING STANDARDS



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Introduction to the financial statements

1. Introduction

Basic information about the Company

Until 18 November 2022, the registered office of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (“PZU”, “the Company”) was located at Al. Jana Pawła II 24 in Warsaw. As of 19 November 2022, the address of PZU's registered office has changed. The new address is Rondo Ignacego Daszyńskiego 4, 00-843 Warsaw.

The change of PZU's address also involved a change in the jurisdiction of the Commercial Division of the National Court Register. After the change of address, the competent court for PZU is the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register (before the change, it was the 12th Commercial Division).

The core business of PZU according to the Polish Classification of Business Activity and the Statistical Classification of Economic Activities in Europe is property and casualty insurance (65.12).

According to the official newsletter of the Warsaw Stock Exchange, the Company is classified in the “Finance” macro sector, “insurance companies” sector.

PZU is the parent company of Powszechny Zakład Ubezpieczeń Spółka Akcyjna Group (“PZU Group”) and prepares consolidated financial statements.

Period covered by the standalone financial statements

These standalone financial statements cover the period of 12 months from 1 January to 31 December 2022. The comparative data refers to the period from 1 January to 31 December 2021.

Format of the standalone financial statements

The standalone financial statements for 2022 include financial data presented in the format specified in Appendix No. 2 to the Finance Minister's Regulation of 5 October 2020 on the scope of information disclosed in financial statements and consolidated financial statements required in prospectuses for issuers based in the territory of the Republic of Poland, for which Polish accounting principles are applicable (i.e. “Regulation on financial statements in the prospectus”).

According to Article 45(1f) of the Accounting Act (i.e. “Accounting Act”) standalone financial statements shall be prepared in electronic form. In addition, according to Article 3 of EU Delegated Regulation No. 2019/815, issuers shall prepare their annual financial statements in XHTML format.

Going concern assumption

These standalone financial statements have been drawn up under the assumption that PZU remains a going concern in the foreseeable future, i.e. in the period of at least 12 months after the end of the reporting period.

As at the date of signing these standalone financial statements, there are no facts or circumstances that would indicate a threat to the ability of PZU to continue its activity in the period of 12 months after the end of the reporting period as a result of an intentional or an induced discontinuation or a material curtailment of its hitherto activity.

Making this assumption, in its assessment, the PZU Management Board took into account the impact of factors subject to uncertainty on the macroeconomic situation, and its own operations, including the armed conflict in Ukraine lasting from 24 February 2022, as described in section 34.1 Supplementary information and notes.

Presentation currency

Unless otherwise noted, all amounts are shown in thousands of Polish zloty in the standalone financial statements.

Discontinued operations

Both in 2022 and in 2021, PZU did not discontinue any type of operations.

Seasonal or cyclical business

The PZU's business is neither seasonal nor subject to business cycles to a significant extent.

2. Selected standalone financial data of PZU

Data from the balance sheet	31 December 2022 thous. PLN	31 December 2021 thous. PLN	31 December 2022 thous. EUR	31 December 2021 thous. EUR
Assets	45,935,032	44,466,221	9,794,459	9,667,831
Share capital	86,352	86,352	18,412	18,775
Total equity	15,824,143	15,776,367	3,374,090	3,430,092
Basic and diluted weighted average number of common shares (items)	863,523,000	863,523,000	863,523,000	863,523,000
Book value per common share (in PLN/EUR)	18.33	18.27	3.91	3.97

Data from the revenue account of non-life insurance and the general profit and loss account	1 January – 31 December 2022 thous. PLN	1 January – 31 December 2021 thous. PLN	1 January – 31 December 2022 thous. EUR	1 January – 31 December 2021 thous. EUR
Gross written premiums	14,691,723	13,388,898	3,133,711	2,924,937
Technical result of non-life insurance	1,266,929	1,268,986	270,233	277,223
Net investment result ¹⁾	1,303,073	1,558,491	277,942	340,468
Net profit (loss)	1,636,774	2,028,335	349,120	443,110
Basic and diluted weighted average number of common shares (items)	863,523,000	863,523,000	863,523,000	863,523,000
Basic and diluted earnings per common share (in PLN/EUR)	1.90	2.35	0.40	0.51

¹⁾ Including the item "Share of the net profit (loss) of related parties measured by the equity method".

Data from the cash flow statement	1 January – 31 December 2022 thous. PLN	1 January – 31 December 2021 thous. PLN	1 January – 31 December 2022 thous. EUR	1 January – 31 December 2021 thous. EUR
Net cash flows from operating activities	1,528,989	1,411,250	326,130	308,301
Net cash flows from investing activities	387,368	1,554,429	82,625	339,580
Net cash flows from financing activities	(1,926,135)	(2,943,735)	(410,840)	(643,088)
Total net cash flows	(9,778)	21,944	(2,086)	4,794

3. The exchange rate of the zloty against the euro

The following exchange rates were used in the financial statements (also for the presentation of selected financial data):

EUR / PLN	1 January – 31 December 2022	1 January – 31 December 2021	31 December 2022	31 December 2021
Average exchange rate	4.6883	4.5775	4.6899	4.5994
Highest exchange rate in the period	4.9647	4.721	n.a.	n.a.
Lowest exchange rate in the period	4.4879	4.4541	n.a.	n.a.

These exchange rates are:

for items in the balance sheet – the average exchange rates of the National Bank of Poland as of the balance sheet date;

for items in the profit and loss account and cash flow statement – the exchange rates calculated as the arithmetic average of the National Bank of Poland exchange rates in effect on the last day of each month of the period.

4. Changes in accounting policies during the financial year

In 2022, no changes were made to the accounting policies.

5. Changes in the preparation of financial statements and data comparability

In 2022, no changes were made to the preparation of financial statements.

6. Corrections of errors from previous years

The standalone financial statements do not include corrections of errors from previous years.

7. Significant events that occurred after the balance sheet date and are not included in the financial statements

No significant events occurred after the standalone date that have not been included in these standalone financial statements.

8. Significant events of previous years recognized in the financial statements of the reporting period

No significant events of previous years have occurred as of the date of signing the standalone financial statements, which should be included in the standalone financial statements.

9. Significant events related to the reporting period affecting a significant change in the structure of balance sheet items and financial result

9.1 Dividend from Powszechny Zakład Ubezpieczeń na Życie SA (“PZU Życie”)

On 27 June 2022, the Ordinary Shareholder Meeting of PZU Życie passed a resolution on the distribution of profit for the financial year 2021 in the amount of PLN 550,532 thousand as follows:

- PLN 547,449 thousand was allocated for dividends
- PLN 3,083 thousand was transferred to the Company Social Benefit Fund.

The record date was set for 1 August 2022, and the dividend payout date was set for 18 October 2022. The dividend was paid out on the record date indicated. This amount increased investment income from related parties.

9.2 Distribution of net profit for the financial year 2021

The issue is described in section 7.2.1 Supplementary information and notes.

9.3 Capital injection to PZU Zdrowie

A detailed description of the transaction is presented in section 2.4.2 Supplementary information and notes.

10. Management and supervisory bodies of PZU

10.1 PZU Management Board

From 1 January 2022, the PZU Management Board consisted of the following persons:

- Beata Kozłowska-Chyła – President of the PZU Management Board;
- Ernest Bejda – Member of the PZU Management Board;
- Małgorzata Kot – Member of the PZU Management Board;
- Krzysztof Kozłowski – Member of the PZU Management Board;
- Tomasz Kulik – Member of the PZU Management Board;
- Maciej Rapkiewicz – Member of the PZU Management Board;
- Małgorzata Sadurska – Member of the PZU Management Board;
- Krzysztof Szypuła – Member of the PZU Management Board.

On 4 February 2022, Krzysztof Szypuła tendered his resignation as a PZU Management Board Member.

On 27 April 2022, the PZU Supervisory Board adopted a resolution to appoint Piotr Nowak to the PZU Management Board and entrusted him with discharging the function of a PZU Management Board Member starting 28 April 2022 for a joint term of office encompassing three full financial years 2020-2022.

On 16 December 2022, the PZU Supervisory Board appointed the PZU Management Board for another joint term of office starting 1 January 2023 and encompassing three full financial years 2023–2025. The following persons were appointed to the Management Board for the new term:

- Beata Kozłowska-Chyła – President of the PZU Management Board;
- Ernest Bejda – Member of the PZU Management Board;
- Małgorzata Kot – Member of the PZU Management Board;
- Krzysztof Kozłowski – Member of the PZU Management Board;
- Tomasz Kulik – Member of the PZU Management Board;
- Piotr Nowak – Member of the PZU Management Board;
- Maciej Rapkiewicz – Member of the PZU Management Board;
- Małgorzata Sadurska – Member of the PZU Management Board.

As of the date of signing the standalone financial statements, the composition of the Management Board had not changed.

10.2 PZU Supervisory Board

From 1 January 2022, the PZU Supervisory Board consisted of the following persons:

- Paweł Mucha – Supervisory Board Chairman;
- Paweł Górecki – Supervisory Board Deputy Chairman;
- Robert Śnitko – Supervisory Board Secretary;
- Marcin Chludziński – Supervisory Board Member;
- Agata Górnicka – Supervisory Board Member;
- Robert Jastrzębski – Supervisory Board Member;
- Elżbieta Mączyńska-Ziemacka – Supervisory Board Member;
- Krzysztof Opolski – Supervisory Board Member;
- Radosław Sierpiński – Supervisory Board Member;
- Józef Wierzbowski – Supervisory Board Member;
- Maciej Zaborowski – Supervisory Board Member.

On 31 August 2022, Paweł Mucha submitted his resignation from serving in the capacity of Chairman of the PZU Supervisory Board, effective as of 31 August 2022.

On 1 September 2022, the Shareholder Meeting of PZU appointed Piotr Wachowiak as member of the PZU Supervisory Board.

On 27 October 2022, the PZU Supervisory Board appointed Robert Jastrzębski as the Chairman of the PZU Supervisory Board.

From 27 October 2022 to the date of signing the standalone financial statements, the PZU Supervisory Board consisted of the following persons:

- Robert Jastrzębski – Supervisory Board Chairman;
- Paweł Górecki – Supervisory Board Deputy Chairman;
- Robert Śnitko – Supervisory Board Secretary;
- Marcin Chludziński – Supervisory Board Member;
- Agata Górnicka – Supervisory Board Member;
- Elżbieta Mączyńska-Ziemacka – Supervisory Board Member;
- Krzysztof Opolski – Supervisory Board Member;
- Radosław Sierpiński – Supervisory Board Member;
- Piotr Wachowiak – Supervisory Board Member;
- Józef Wierzbowski – Supervisory Board Member;
- Maciej Zaborowski – Supervisory Board Member.

10.3 PZU Group Directors

From 1 January 2022, the following persons were PZU Group Directors:

- Aleksandra Agatowska (PZU);
- Krzysztof Kozłowski (PZU Życie);
- Bartłomiej Litwińczuk (PZU);
- Dorota Maciejka (PZU).

Krzysztof Szypuła took over the position of PZU Group Director at PZU on 4 February 2022, a position he held until 31 December 2022.

As of 15 April 2022, Małgorzata Sadurska at PZU Życie and Andrzej Jaworski at PZU were appointed as PZU Group Directors.

As of 28 April 2022, Piotr Nowak was appointed a PZU Group Director at PZU Życie.

From 28 April 2022 to 31 December 2022, the following persons were PZU Group Directors:

- Aleksandra Agatowska (PZU);
- Andrzej Jaworski (PZU);
- Krzysztof Kozłowski (PZU Życie);
- Bartłomiej Litwińczuk (PZU);
- Dorota Maciejka (PZU);
- Piotr Nowak (PZU Życie);
- Małgorzata Sadurska (PZU Życie);
- Krzysztof Szypuła (PZU).

As of 1 January 2023, Sylwia Matusiak was appointed as PZU Group Director at PZU.

As of 1 February, Małgorzata Skibińska took over the position of PZU Group Director at PZU and PZU Życie.

From 1 February 2023 to the date of signing the standalone financial statements, the following persons were PZU Group Directors:

- Aleksandra Agatowska (PZU);
- Andrzej Jaworski (PZU);
- Krzysztof Kozłowski (PZU Życie);
- Bartłomiej Litwińczuk (PZU);
- Dorota Maciejka (PZU);
- Sylwia Matusiak (PZU);
- Piotr Nowak (PZU Życie);
- Małgorzata Sadurska (PZU Życie);
- Małgorzata Skibińska (PZU and PZU Życie).

11. Audit fee payable to the audit firm auditing the financial statements

Information on the audit fee to the audit firm auditing the financial statements, presented in accordance with the provisions of section 12.a, subsection b of Part "B. Supplementary Explanatory Notes" of Appendix No. 3 to the Regulation on financial statements in the prospectus, is included under section 32.1 Supplementary information and notes.

12. Accepted accounting policies

According to Article 45 section 1a of the Accounting Act, the financial statements of issuers of securities admitted to trading on one of the regulated markets of the European Economic Area countries may be prepared in accordance with International Financial Reporting Standards and related interpretations promulgated in the form of European Commission regulations ("IFRS").

As the PZU Shareholder Meeting has not made the decision referred to in Article 45(1c) of the Accounting Act to prepare financial statements in accordance with IFRS, PZU's standalone financial statements for the financial year ended 31 December 2022 were prepared in accordance with the Accounting Act and the implementing regulations issued thereunder, among others:

- Finance Minister's Regulation of 12 April 2016 on the special accounting principles for insurance and reinsurance undertakings (i.e. "Regulation on accounting of insurers");
- Finance Minister's Regulation of 12 December 2001 on the detailed principles of recognition, valuation methods, scope of disclosure and presentation of financial instruments,

as well as the adopted accounting policies and hereinafter collectively referred to as the Polish Accounting Standards ("PAS").

Other important legal acts applicable to the standalone financial statements include the Act of 11 September 2015 on insurance and reinsurance activity (i.e. "Insurance Activity Act").

In matters not regulated by the Accounting Act and the executive acts issued on its basis, Polish Accounting Standards and/or IFRS are applied accordingly.

12.1 Intangible assets

Intangible assets are recognized if it is probable that they will result in future economic benefits that can be associated with these assets and include property rights acquired by PZU, included in fixed assets, suitable for economic use, with an expected useful life of more than one year, intended to be used for the purposes of PZU.

Intangible assets include, in particular: computer software, economic copyrights, licenses and concessions.

Intangible assets are measured at purchase prices or production costs less amortization charges and permanent impairment losses.

Intangible assets are amortized using the straight-line method over their expected useful lives in accordance with the amortization schedule adopted by PZU, which corresponds to their estimated economic useful lives, using annual amortization rates ranging from 20% to 50%.

In justified cases, after a case-by-case analysis, a different amortization rate may be used corresponding to the expected useful life of the intangible asset.

Intangible assets with a unit value not exceeding PLN 3,500 are recognized as costs in the month they are put into use.

12.2 Investments

12.2.1. Investment in real estate

Investments in real estate include: owned land, perpetual usufruct rights to land, structures and buildings, as well as separately owned premises, cooperative ownership rights to apartments, cooperative rights to commercial premises, construction investments and advances for construction investments.

Investments in real estate are valued at purchase price or production cost, taking into account revaluations made on the basis of separate regulations (the last such revaluation was made on 1 January 1995, and its effects were recognized in the revaluation reserve), less the value of accumulated depreciation as of the balance sheet date, taking into account permanent impairment losses.

Real estate is amortized using the straight-line method over their expected useful lives in accordance with the amortization schedule adopted by PZU, which corresponds to their estimated economic useful lives, using annual amortization rates for the key components of the category as shown below. In justified cases, PZU may set amortization rates individually in accordance with the applicable amortization schedule. Owned land and construction investments and advances for investments are not subject to amortization.

Asset category	Amortization rate
Cooperative ownership rights to apartments, cooperative rights to commercial premises	2.5%
Buildings and structures	1.5-10%

12.2.2. Ownership interest or shares in related parties

Ownership interest or shares in related parties are measured by the equity method.

The equity method consists in measuring the ownership interest or shares in a related party at its purchase price plus or minus, attributable to PZU, increases or decreases in the equity of the related party that occurred from the date of taking control, obtaining joint control or significant influence until the balance sheet date, with the share in increases or decreases in the equity of the related party adjusted by:

impairment of goodwill (performed using the straight-line method for a period of up to twenty years);

impairment of the difference in the valuation of the net assets at their fair values and book values attributable to the reporting period.

Differences in the valuation of net assets at their fair values and book values mainly include intangible assets and other revaluations identified during the purchase price allocation process, such as:

- trademarks – amortized using the straight-line method, most often over a period identical to the amortization period of goodwill;
- insurance – future profits from the purchased portfolio of insurance contracts (value in force) – amortized over the term of the insurance contracts;
- other revaluations to fair value of those assets and liabilities of related parties that were not measured at fair value;
- recognition of the impact of deferred tax on the net assets of the related parties resulting from the differences indicated above.

The effects of valuing shares in related parties using the equity method are recognized as follows:

- revaluations of shares in related parties to values above their purchase price are recognized in revaluation reserve;
- revaluations of shares in related parties to values below their purchase price are recognized in the profit and loss account.

Permanent impairment loss

At the end of each financial year and whenever there are indications that impairment may have occurred, shares of related parties and goodwill are subjected to impairment tests. Permanent impairment losses are recognized in the profit and loss account.

Goodwill impairment test is based on a comparison of the recoverable amount of an individual entity or cash-generating unit with its carrying amount. If the recoverable amount, expressed as the higher of either fair value less costs to sell or the present value of expected future net economic benefits, discounted using the current market rate of return for similar financial assets, is less than the carrying amount, an impairment loss is created, which is charged to the profit and loss account. For entities listed on an active market, the recoverable amount is estimated based on fair value.

Determining the recoverable amount of an individual entity or cash-generating unit requires professional judgment and evaluation of the assumptions made, among others: the economic role of the entity, the discount rate, the risk-free rate, the beta coefficient, the activity of the market in which the entities are listed, and projected cash flows.

12.2.3. Financial instruments

Financial instruments are classified at the time of purchase into the following categories:

- financial assets and financial liabilities held for trading;
- held-to-maturity financial assets;
- loans granted and own receivables;
- available-for-sale financial assets.

Financial assets and liabilities are recognized in the balance sheet at the moment when PZU becomes a party to a binding contract, under which it assumes risk and becomes a beneficiary of the benefits associated with the financial instrument. In the case of transactions concluded on an organized market, the purchase or sale of financial assets and liabilities are recognized in the books on the date of the transaction.

Financial instruments are initially recognized at fair value adjusted for transaction costs directly attributable to the purchase or issuance of the financial instrument. The fair value of a financial instrument at the time of initial recognition is usually its transaction price, unless the nature of the financial instrument indicates otherwise.

In the case of financial instruments that generate interest income, interest accrues from the day after the settlement date of the transaction.

The fair value of debt securities includes interest accrued as of the balance sheet date in accordance with the terms of issue with the full value of interest purchased but not settled, as well as interest granted but not paid.

The outflow of financial instruments is determined according to the "first-in-first-out" principle" (FIFO).

The fair values of financial instruments are determined on the basis of quotations publicly available on an active market, and if there are no such quotations – using valuation models containing references to published price quotations of the underlying financial instruments, interest rates and stock exchange indices.

The exception is shares whose fair value cannot be reliably estimated. In this situation, they are valued at purchase cost including permanent impairment losses.

Financial instruments held for trading

Financial instruments held for trading include assets acquired for the purpose of gaining economic benefits from short-term changes in prices and fluctuations in other market factors or the short duration of the acquired instrument, as well as derivatives, unless they are considered as hedging instruments.

Financial instruments held for trading also include obligations to deliver borrowed securities and other financial instruments when an entity enters into a short sale agreement.

Financial assets classified by the entity as held for trading are not reclassified to other categories.

Financial instruments held for trading are measured at fair value.

Derivatives

Derivatives are recognized at fair value on the transaction date and subsequently measured at fair value.

For derivatives quoted on an active market, the fair value is considered to be the closing price as at the balance sheet date.

The fair value of derivatives not quoted on an active market, including forward contracts and interest rate swaps (IRSs) is measured using the discounted future cash flow method. The rates from OIS curves (overnight indexed swaps), taking into account the currency of the security deposit provided for the instrument, are used to discount cash flows.

Derivatives are recognized in the balance sheet under "Other investments" of assets or under "Other liabilities" of liabilities.

Changes in the fair value of non-hedging derivatives are recognized in the profit and loss account of the reporting period.

Held-to-maturity financial assets

Held-to-maturity financial assets include financial assets not classified as loans granted and own receivables, for which the contracts entered into establish the maturity of repayment of the nominal value and specify the right to receive at fixed or determinable dates economic benefits, such as interest, provided that PZU intends and is able to hold these assets until they become mature (in particular, debt securities).

This classification is largely based on the subjective assessment of the PZU Management Board, which, in making its analysis, determines its intention and ability to hold these financial instruments until maturity. The assessment is based on an analysis of PZU's assets and financial position and the matching of its assets and liabilities.

Held-to-maturity financial assets are valued as of the balance sheet date at adjusted purchase price, considering permanent impairment losses.

Loans granted and own receivables

Loans granted and own receivables include, regardless of their maturity (payment) date, financial assets arising from the issuance of cash directly to the other party to the contract.

Loans also include buy-sell-back transactions, reverse repo and term deposits with credit institutions regardless of the maturity of the deposit.

Loans granted, including term deposits and own receivables, are recognized at adjusted purchase price including permanent impairment losses.

Received and accrued interest on term deposits with credit institutions attributable to the reporting period is shown under "Income from term deposits with credit institutions" in the general profit and loss account.

Available-for-sale financial assets

Available-for-sale financial assets include assets not classified in the categories described above, i.e.:

- financial instruments held for trading;
- held-to-maturity financial assets;
- loans granted and own receivables.

Available-for-sale financial assets are measured at fair value, and when it is not possible to determine it reliably – at purchase price, considering permanent impairment losses.

The difference between the fair value of available-for-sale financial assets and their purchase price or, in the case of debt instruments, the adjusted purchase price, is recognized in the revaluation reserve.

The effects of revaluation of available-for-sale debt instruments to adjusted purchase price are recognized in the profit and loss account.

If a permanent impairment loss on available-for-sale instruments occurs, the valuation losses previously recognized in the revaluation reserve are recognized in the general profit and loss account.

If the reason for the asset impairment loss ceases to exist, the equivalent of all or an appropriate portion of the previously made impairment loss is recognized in the general profit and loss account.

Deposits with ceding enterprises

Deposits with ceding enterprises include claims and premium deposits retained by insurance companies to which PZU provides reinsurance coverage. They are part of the payments due to PZU, but retained as collateral for future claims for damages.

Deposits with ceding enterprises are valued at the amount required to be paid, determined in accordance with the terms and conditions of the reinsurance treaty, taking into account, where the deposit is a financial instrument, also the valuation of that instrument and permanent impairment losses.

Transactions of purchase and sale of financial instruments, the commercial substance of which is different from the legal substance of the transaction

In the opinion of PZU, conditional purchase with a promise of resale and conditional sale with a promise of repurchase transactions do not imply a transfer of rights and obligations related to a given financial instrument, so the classification of the above transactions as loans or liabilities, respectively, is applied. These transactions are valued at adjusted purchase price.

Permanent impairment loss of financial assets

An assessment is performed at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired permanently.

If there is objective evidence of permanent impairment arising from loss events that occurred after the initial recognition of financial assets and causing a decrease in expected future cash flows then appropriate impairment losses are recognized against costs of the current period. No expected permanent impairment losses are recognized as a result of future events, no matter how likely they are to occur.

Objective evidence of permanent impairment includes information about the following loss events, among others:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;

- the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter liquidation, bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of the issuer's financial difficulties;
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
 - adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments or
 - adverse changes in the economic condition in a specific industry, region, etc. contributing to the deterioration of the debtors' capacity for repayment;
- a significant or prolonged decline in the fair value of an investment in an equity instrument below cost;
- adverse changes in the technology, market, economic, legal or other environment in which the issuer of an equity instrument operates, which indicate that costs of investment in that equity instrument may not be recovered.

If there is evidence of permanent impairment loss on available-for-sale financial instruments, losses previously recognized in the revaluation reserve are recognized in the profit and loss account.

The permanent impairment losses on held-to-maturity assets and loans are determined in the amount of the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted using the effective interest rate determined at initial recognition (original effective interest rate).

Permanent impairment losses on equity instruments listed on regulated markets, participation units in open-end investment funds and investment certificates of mutual funds classified as available for sale may be made if all of the following conditions are met:

the negative difference between the present value and the purchase value is at least 30% of the purchase value;

the value of the asset at the end of each of the 12 consecutive months was less than the purchase value.

No impairment loss is recognized if the events referred to above are considered to be reversible within 6 months of the balance sheet date or there are other indications of the temporary nature of the declines.

Foreign deposits

Foreign deposits are deposits located outside Poland.

The location of investments determines: in the case of assets listed on regulated markets – the country of their issuer, in the case of other investments – the place of their realization, which means, in particular:

- for debt securities, loans and receivables and other financial instruments with a guaranteed yield – the country of residence of the issuer, the country of the borrower, the country of the debtor;
- for shares and other financial instruments giving a right to participate in the capital – the registered office of that company;
- for participation units and investment certificates of mutual funds or other mutual funds – the country of residence of the manager of the said fund.

Hedge accounting

The method of recognizing the results of the valuation of the hedging item and the hedged item depends on the type of hedge.

Before a hedge is initiated, it shall be classified as a fair value hedging or cash flow hedging.

For fair value hedges, gains or losses from changes in the fair value of the hedging instrument are recognized in the profit and loss account.

Gains or losses on the fair value measurement of a cash flow hedging instrument, in the portion deemed to be an effective hedge, are recognized in the revaluation reserve. The effect of revaluation of the hedging instrument in the portion determined to be an ineffective hedge is included in income or expenses of the investment activity.

For cash flow hedging of floating rate debt financial instruments involving the conversion of a floating rate to a fixed rate (through an interest rate swap), amounts recognized in equity are reclassified to current period gains and losses in the same period or periods in which the hedged scheduled cash flows affect current period gains and losses.

12.3 Receivables

Receivables are recorded at the value established at their inception. As of the balance sheet date, receivables are recognized at the amount due, less permanent impairment losses. Allowances for uncollectible or doubtful receivables are created based on an analysis of the debtors' assets and financial situation, an analysis of the age structure of the receivables and the collection history of the receivables, thus assessing the degree of probability of payment.

12.3.1. Receivables on direct insurance

Receivables on direct insurance include amounts due from policyholders for installment premiums and past due premiums, amounts due from insurance intermediaries, i.e. insurance brokers, agents and other intermediaries, and other receivables.

Receivables from policyholders

PZU reviews receivables from policyholders to determine whether there are indications that they may be permanently impaired. A cumulative assessment of permanent impairment of receivables is performed, as a result of which a general allowance is estimated.

The general allowance is estimated on the basis of the adopted model for assessing permanent impairment in the value of receivables. In the model, the allowance is determined through a combined assessment of permanent impairment of receivables from policyholders grouped according to similar credit risk characteristics.

For matured receivables, an age structure is prepared, depending on the past due period. The general allowance is calculated in separate ranges of past due periods, based on the collectibility ratios determined through historical analysis.

For receivables before maturity, the value of the receivable that is likely to become due is determined based on a historical analysis of the percentage of the ratio of receivables that are not paid before maturity. An allowance is made against this amount of receivables in the amount of the collection rate of matured receivables for the shortest overdue period.

Impairment losses on direct insurance receivables are included in other technical expenses.

12.3.2. Reinsurance receivables

Reinsurance receivables include receivables from settlements with cedents, reinsurers and reinsurance brokers arising from inward reinsurance and outward reinsurance and retrocession. These receivables relate in particular to the reinsurers' share of claims and benefits paid by the insurer, reinsurance commissions and reinsurers' profit shares.

Impairment losses on reinsurance receivables are included in other technical expenses.

12.3.3. Other receivables

Other receivables include, among others, receivables from dividends due, receivables from the state budget, and receivables for acting as an emergency adjuster.

Impairment losses on other receivables are included in other operating expenses.

12.4 Property, plant and equipment

Property, plant and equipment include tangible assets excluding real estate, classified as investments, with an expected economic useful life of more than one year, complete, fit for use and intended for PZU's needs.

These include, in particular:

- machinery, equipment, means of transport, IT equipment and others;
- improvements to third-party fixed assets.

Property, plant and equipment components are measured at purchase price or production cost less accumulated depreciation and permanent impairment losses. Property, plant and equipment are amortized as of the first day of the month following the

month in which the asset was put into use using the straight-line method over their expected useful lives in accordance with the amortization schedule adopted by PZU, which corresponds to their estimated economic useful lives, using annual amortization rates for the key components of the category as shown below. In justified cases, PZU may set amortization rates individually in accordance with the applicable amortization schedule.

Asset category	Amortization rate for the key components of the category
Machinery and technical equipment	10% – 40%
Means of transport	14% – 33%
IT hardware	14.30% – 40%
Other non-current assets	7% – 20%

Property, plant and equipment with a unit value not exceeding PLN 3,500 are recognized as costs in the month they are put into use.

12.5 Cash

Cash mainly includes cash in hand and in current bank accounts, in addition to bills of exchange, foreign checks, and cash in transit.

Cash is recognized at nominal value.

12.6 Accrued expenses and deferred income

Prepayments and accruals include incurred and accrued costs relating in whole or in part to periods after the balance sheet date and include, in particular, costs related to insurance premiums that will be earned in later periods (i.e., among other things, acquisition costs, costs of mandatory fees, to the extent that they may have a material impact on the financial statements).

For property insurance, deferrals apply to acquisition commissions and a portion of indirect acquisition expenses related to the signing and renewals of insurance policies, in particular costs related directly to sales processes, which cannot be classified as direct acquisition expenses, in particular costs of activities related to: agreement origination processes and underwriting processes in sales units (separated by using working time questionnaires), automatic and manual entry of policies into production systems (registration of sales) and contact center operations related to the sales of policies.

12.6.1. Deferred tax assets

Deferred tax assets are recognized after offsetting against deferred tax liabilities.

12.6.2. Prepayments

Costs (including, but not limited to: IT costs, mandatory fees as required by applicable laws, etc.) are accounted for according to the passage of time or the volume of benefits, insofar as they may have a significant impact on the financial statements.

Prepayments include, among other things, accrued reinsurance income arising from business events that have occurred until the balance sheet date and will be settled in the future in accordance with contractual terms.

12.6.3. Accruals

Accruals include costs and capital expenditures pertaining to the current reporting period incurred in a subsequent period that are not recognized as liabilities or provisions, including, in particular, acquisition costs, mandatory fees and outward reinsurance.

Reinsurance accruals include accrued expenses resulting from business events occurring until the balance sheet date, which will be settled in the future in accordance with contractual terms.

12.6.4. Deferred income

Deferred income includes, among other things, deferred reinsurance commissions accounted for commensurate with the premium earned on reinsurers' participation.

12.7 Equity

12.7.1. Share capital

The share capital is recognized in the books at its nominal value and registered with the National Court Register.

12.7.2. Supplementary capital

The capital reserve is created and subject to distribution in accordance with the provisions of the Commercial Companies Code (i.e. "CCC") and PZU's Articles of Association.

The supplementary capital is created from the distribution of net profit of previous years and the transferred portion of the revaluation reserve upon settlement of the disposal or liquidation of previously revalued fixed assets.

12.7.3. Revaluation reserve

The following effects are recognized under the item:

- the effects of revaluation of share in related parties (only above purchase price) after taking into account the corresponding change in deferred tax assets or liabilities;
- the effects of revaluation of investments classified in the available-for-sale portfolio (above and below the purchase price and, in the case of debt financial instruments, the adjusted purchase price) after taking into account the corresponding change in deferred tax assets or liabilities;
- the effects of revaluation of fixed assets performed in accordance with the relevant regulations. The last such revaluation of fixed assets was carried out on 1 January 1995.

12.7.4. Retained earnings (losses)

This item includes the net profit (net loss) of previous years, including the net financial result resulting from changes in accounting principles, which was not distributed (covered) by the Shareholder Meeting.

12.8 Technical provisions

The technical provisions are created to cover current and future claims and costs that may arise from insurance contracts and inward reinsurance treaties. The provisions are made subject to the principle of prudence. If the information available does not allow to determine the value of technical provisions from inward reinsurance according to the methods referred to below, technical provisions are established in the amount documented by the cedents.

12.8.1. Provision for unearned premiums

The provision for unearned premiums is intended to cover costs which may arise after the end of the reporting period and which arise from insurance contracts concluded before the end of the reporting period.

The provision for unearned premiums is created as written premium falling in subsequent reporting periods, in proportion to the period for which the premium was written. Provision for unearned premiums is calculated at the end of each reporting period on a case-by-case basis, with the precision of one day.

For groups of insurance for which an uneven distribution of risk over time has been found, provision for unearned premiums is created in an amount depending on the distribution of this risk over time-based on statistical distributions.

The reinsurers' share of the provision for unearned premiums shall be determined in accordance with the terms and conditions of the relevant reinsurance treaties, in proportion to the reinsurance cover attributable to periods after the end of the reporting period concerned.

12.8.2. Provisions for unexpired risk

The provision for unexpired risk is recognized as an addition to the provision for unearned premiums to cover future claims, benefits and expenses in relation to insurance agreements that do not expire on the last day of the reporting period.

The provision for unexpired risk is calculated for insurance groups at the end of each reporting period.

The total amount of the provision for unexpired risk is determined for those insurance groups where the current year loss and cost ratio is greater than 100%, as a difference between the product of the provision for unearned premiums and the loss and cost ratio of the current financial year and the provision for unearned premiums for the same insurance period. Reinsurers' share in the provision for unexpired risk is determined at the amount stated in the terms and conditions of the relevant reinsurance treaties.

12.8.3. Provision for outstanding claims and benefits

Provision for outstanding claims and benefits includes:

- provision for outstanding claims and benefits for losses and accidents incurred and reported (RBNP) by the end of the reporting period (which includes a portion of the provision for capitalized value of annuities);
- provision for losses and accidents incurred by the end of the reporting period and not reported (which includes a portion of the provision for capitalized value of annuities);
- provision for claims handling expenses.

All of the above provisions except for the portion relating to the provision for capitalized value of annuities are recognized at nominal value, i.e. without discounting.

The provision for the capitalized value of annuities is subject to discounting.

Provision for claims reported but not paid

The provision for claims reported but not paid ("RBNP", Reported But Not Paid, or "1st provision") is calculated on a case-by-case basis by claims handling units or, if available information is not sufficient to assess the provision amount, at the average claim amount determined using the actuarial method. The provision recognized takes into account the insured's deductible, the expected increase in prices of goods and repair services and may not be greater than the sum insured or indemnity. The provision is updated as soon as information influencing its amount is available, on a case-by-case assessment or estimation of losses and claims.

Provision for losses and accidents incurred but not reported

The provision for losses and accidents incurred but not reported ("IBNR", Incurred But Not Reported, or "2nd provision") is recognized for losses and claims that are not reported by the balance sheet date, as at which the provision is recognized. IBNR is calculated using the loss triangle analysis method: a generalized Chain Ladder method and for a small number or value of losses the Bornhuetter-Ferguson method, broken down by the years in which the losses occurred. The calculations are based on the annual triangles of claims paid and claims reported. In the calculation of provisions, the uncertainty related to bodily injury claims is taken into account. For such claims, changes in the legal environment and uncertain jurisprudence may affect the ultimate amount of benefits paid.

Provision for claims handling expenses

The provision for claims handling expenses is determined at the end of each reporting period as the sum of the provision for direct and indirect claims handling expenses.

The provision for direct claims handling expenses for reported claims is calculated for each claim individually, and for claims incurred but not reported – using the generalized Chain Ladder method (based on the cost triangles analysis, broken down by the years in which the losses occurred).

The provision for indirect claims handling expenses is calculated using the actuarial method, as a product of the ratio of the percentage of indirect claims handling expenses in claims paid and direct claims handling expenses and the sum of provision for claims reported but not paid and the provision for losses and accidents incurred but not reported and the provision for direct claims handling expenses.

Provision for the capitalized value of annuities

The provision for the capitalized value of annuities is calculated on a case-by-case basis as the present value of an annuity (lifetime or temporary) paid in advance.

For lifetime annuities, the period in which the annuity will be payable is determined using life expectancy tables published by the Central Statistical Office. Additionally, the provision for the capitalized value of annuities is calculated taking into account the cost of future handling services at 3% of the value of benefits paid.

When calculating the provision for the capitalized value of annuities, the future increase in average annuity is estimated based on historical data and taking into account other information that may contribute to an increase in annuities in the future (for example, growing insurance awareness, legislative changes, etc.).

Both as at 31 December 2022 and 31 December 2021, a discount rate of -0.3% was assumed for all annuities.

Reinsurers' share in technical provisions

Reinsurers' share in the provisions for outstanding claims and benefits is determined at the amount stated in the terms and conditions of the relevant reinsurance treaties.

12.8.4. (Risk) equalization provision

The (risk) equalization provision is created in an amount to ensure compensation for future fluctuations in the net claims ratio, in accordance with the Regulation on accounting of insurers.

12.8.5. Provision for bonuses and discounts (profit-sharing provision)

The provision is created for insurance contracts that provide for the augmentation of future benefits, including the payment of the insured's share of profits.

The amount of the provision at the end of a given period is determined on the basis of the currently anticipated final amount of the benefit increase (or premium decrease), directly proportional to the premium earned at the end of the period.

12.8.6. Estimated salvage and subrogation

In determining the value of future claims and benefits payments, PZU estimates, using actuarial methods, the value of anticipated future reimbursements as a result of the assumption of claims against third parties (salvage), property rights to insured property (subrogation) and subsidies to cover a portion of the claims due to agricultural producers from damage caused by drought, due to the Company in accordance with the provisions of the Act on insurance of agricultural crops and livestock. In estimating the volume of salvage, subrogation and subsidies, the costs of recovering salvage and subrogation and the costs associated with obtaining subsidies are taken into account.

The basis for determining future salvage and subrogation is the annual triangles of salvage and subrogation received. The value of future salvage and subrogation is calculated using the generalized Chain Ladder method, broken down by the years in which the damages occurred.

When estimating the value of future reimbursements as a result of the assumption of claims against third parties and property rights to insured property, the share of the sum of received and estimated salvage and subrogation in the cost of claims and benefits of a given loss year may not exceed the arithmetic average of the share of received salvage and subrogation in the cost of claims and benefits of the three consecutive loss years immediately preceding the year for which the determination is made.

12.9 Other provisions

"Other provisions" item includes provisions for certain or highly probable future costs arising from past events, the amount or timing of which is uncertain, but the amount of which can be reliably estimated. In particular, provisions are made for retirement severance pays, for unused annual leave, for losses from business transactions in progress, guarantees and sureties given, losses from pending proceedings and third-party claims.

"Other provisions" item also includes deferred tax liability, after offsetting against deferred tax assets.

The cost of establishing provisions is included in net other technical costs, other operating expenses or administrative expenses, as appropriate, depending on the type of future liability.

12.9.1. Provision for retirement and disability severance pay

Under the provisions of the Act of 26 June 1974 – the Labor Code (i.e. “Labor Code”), PZU employees are entitled to receive a retirement severance payment or a disability severance payment of one month's salary upon retirement or disability retirement, respectively.

The cost of retirement and disability severance pays estimated by actuarial methods is recognized on an accrual basis using the projected unit credit valuation method.

Actuarial gains and losses are recognized in full in the period in which they occur.

12.9.2. Provision for unused annual leave

The value of the provision for unused annual leave is determined using the liability method based on the difference between the actual amount of vacation time used by employees and the amount that would have been used if the annual leave time had been taken pro rata to the elapse of time in the period when the employees are entitled to their annual leave time in accordance with applicable regulations.

12.9.3. Provision for post-mortem benefits

Under the provisions of the Labor Code, if an employee dies during the employment relationship or while receiving sickness incapacity benefit, the family is entitled to a death gratuity from the employer, the amount of which depends on the employee's period of employment with the employer and is equivalent to one to six months' salary.

The provision for post-mortem benefits is measured at the present value of the discounted cash flows.

12.10 Liabilities and special-purpose funds

12.10.1. Liabilities for reinsurers' deposits

Liabilities for reinsurers' deposits are recognized in the accounts at the amount required to be paid, in accordance with the reinsurance treaties entered into.

12.10.2. Liabilities on the issue of own debt securities and drawn loans

Liabilities on the issue of own debt securities and drawn loans are recognized at adjusted purchase price.

12.10.3. Other liabilities

Liabilities are reported at the amount payable.

12.10.4. Special-purpose funds

The “Special-purpose funds” item shows:

- the balance of the Company Social Benefits Fund, created in accordance with the Act of 4 March 1994 on the company social benefits fund, recognized against costs. The Company Social Benefits Fund is also increased from, among other things, allowances to net profit pursuant to resolutions of the Shareholder Meeting;
- the balance of the Prevention Fund, created from allowances recognized against costs in accordance with the principles set out in the Insurance Activity Act and the PZU Articles of Association.

The special-purpose fund balance is increased by any income from the investment of these funds.

12.11 Revenue from the sale of insurance services

Revenue from gross written premiums is recognized on the date the insurance contract is concluded, irrespective of when the insurance cover starts.

The reinsurers' share in the premium has been set for those groups of insurance for which reinsurance cover exists, to the extent that the premium is ceded in accordance with the relevant reinsurance treaties.

12.12 Investment activities income and expenses

12.12.1. Real estate income and maintenance expenses

Investment income on real estate, such as rents received, rents from leases and other income related to the management of real estate, is recognized under the “Investment income on real estate” item in the general profit and loss account.

Real estate maintenance expenses when the real estate is held for investment purposes are recognized under “Real estate maintenance expenses” in the general profit and loss account.

Real estate maintenance expenses when the real estate is used for own purposes are recognized in the revenue account of non-life insurance under “Administrative expenses” item.

12.12.2. Income and expenses on debt securities

The result from the valuation of debt securities to the adjusted purchase price is included in income on debt securities.

The difference between the fair value at the balance sheet date and the value at adjusted purchase price is recognized:

- for debt securities (not included in the calculation of the provision for capitalized value of annuities and bonuses and discounts) included in available-for-sale investments, under “Revaluation reserve” item;
- for debt securities included in investments held for trading, under “Unrealized investment gains” or “Unrealized investment losses” item.

Realized gains/losses on the sale/redemption of debt securities are recognized under the “Gain/loss on realization of investments” item.

12.12.3. Gains and losses on shares, participation units and investment certificates of mutual funds

Unrealized gains and losses on the valuation of shares, participation units and investment certificates of mutual funds classified in the held-for-trading portfolio are recognized in the amount of the difference between the fair value and the purchase price or the carrying amount at the end of the previous financial year (if these securities were purchased in previous years) under “Unrealized investment gains/losses” item.

Unrealized gains and losses on the valuation of shares, participation units and investment certificates of mutual funds classified in the available-for-sale investment portfolio, which are not taken into account in the determination of the technical provisions, are recognized in the revaluation reserve.

Realized gains and losses on the sale of shares, participation units and investment certificates of mutual funds are recorded under “Gain/loss on realization of investments” item.

Permanent impairment losses on deposits created during the reporting period are recognized under “Loss on revaluation of investments” item and income from the reversal of impairment losses created in previous periods is recognized under “Gain on revaluation of investments”.

Dividend income is recognized on a gross basis from the date the right to dividend arises.

12.12.4. Interest income on term deposits with credit institutions

Interest income on deposits with credit institutions is recognized on an accrual basis, whereby all interest relating to the reporting period is reported, irrespective of when it is received. If the deposit expires after the balance sheet date, interest is calculated at the effective interest rate from the day after the deposit opening date to the balance sheet date inclusive.

12.12.5. Net investment income (including costs) transferred from the general profit and loss account

Investment income taken into account in the calculation of the provision for capitalized value of annuities and the provision for bonuses and discounts is transferred from the general profit and loss account to the revenue account of non-life insurance.

Due to the aggregate investment of the insurer's own funds and the lack of segregation of these investments, the value of investment activity income to be transferred from the general profit and loss account to the revenue account of non-life insurance is determined as the product of the capitalized annuity reserve at the beginning of the month and the yield on Treasury bonds held to maturity in that month, taking into account the relevant investment activity expenses.

12.12.6. Investment activity expenses

The investment activity expenses are internal and external expenses arising from the investment activity, including deposit management costs, bank commissions, brokerage commissions and depreciation and maintenance costs of real estate, excluding depreciation and maintenance costs of real estate used for own purposes, classified as administrative costs.

12.13 Costs of claims and benefits

The costs of the reporting period include all costs of claims and benefits paid for damages and accidents arising in the reporting period and in previous periods, together with direct and indirect costs of handling claims and benefits and the change in provisions for outstanding claims and benefits, net of any salvage and subrogation and subsidies received, as well as the change in estimated salvage and subrogation and subsidies.

Reinsurers' share in claims and benefits was determined for those insurance groups, for which there is reinsurance coverage, to the extent to which reinsurers participate in the claims and benefits according to the terms and conditions of the pertinent reinsurance treaties in effect in a given period.

Total claims and benefits handling expenses include the direct and indirect expenses associated with the performance of activities that aim to process and close claims or support activities that aim to process and close claims.

12.14 Insurance activity expenses

The insurance activity expenses are recognized on an accrual basis commensurate with the revenue generated.

12.14.1. Acquisition expenses

Acquisition expenses include expenses related to the conclusion and extension of insurance agreements and inward reinsurance treaties. Direct acquisition expenses include, among others, cost of commission for insurance intermediaries, employee remuneration costs associated with the conclusion of insurance agreements, cost of attestations, expert opinions and studies related to the accepted risk, the costs of including the reinsurance treaty in the reinsurance portfolio and cedants' commissions and profit shares. Indirect acquisition expenses include costs of advertising and promoting insurance products and costs associated with the examination of applications and issuing policies.

Commission expenses are recognized in the same period in which the attributable premium underlying the commission is recognized, irrespective of when the commission is actually paid.

Acquisition expenses are deferred on the basis of the principles used to determine the premium reserve by setting off the relevant part of the expenses to the "Deferred acquisition costs" item and are then amortized to the technical insurance account over the period of insurance cover. The change in deferred acquisition costs adjusts the balance of acquisition expenses.

Acquisition expenses deferred in the balance sheet are subject to impairment testing through their inclusion in the calculation of the provision for unexpired risks.

12.14.2. Administrative expenses

Administrative expenses comprise the costs of insurance activities, not included in the expenses of acquisition, claims or investment activities, related to the collection of premiums, the management of a portfolio of insurance contracts, reinsurance treaties and the general management of the insurance company.

12.14.3. Reinsurance commissions and profit participation

The costs of insurance activities are adjusted for the value of reinsurance commissions received or receivable from brokers and reinsurers and profit shares of reinsurers and retrocessionaires (under outward reinsurance and retrocession). The value of reinsurance commissions received or receivable is adjusted for the amount of deferred reinsurance commissions, in the part relating to future reporting periods.

12.15 Transactions in foreign currencies

Assets and liabilities expressed in foreign currencies are converted at the balance sheet date using the average exchange rate of the National Bank of Poland applicable at that date.

Business transactions expressed in foreign currencies are recorded in the accounts on the day they are performed at the average exchange rate set for a given currency by the National Bank of Poland on the day preceding the day of performance of the transaction, unless a different exchange rate was set in the customs declaration or other document binding on PZU.

12.16 Income tax

Income tax shown in the profit and loss account includes the current and deferred parts.

Current income tax liabilities are calculated in accordance with the tax regulations in force in Poland.

The deferred part shown in the profit and loss account represents the difference between the balance of deferred tax liabilities and assets at the end and at the beginning of the reporting period with a reservation that deferred tax liabilities and assets related to operations charged to equity are also charged to equity.

The level of deferred tax liabilities and assets is determined using the balance sheet method using the corporate income tax rates which are expected to be in effect when the asset or liability is realized, in accordance with the provisions of tax law issued in Poland until the balance sheet date.

PZU, being subject to Polish tax law, has the ability to effectively offset tax receivables and liabilities by paying corporate income tax on a net basis. Therefore, the presentation of deferred tax liabilities and assets in the financial statements is done after offsetting.

13. Indication, explanation and quantification of significant differences between PAS and IFRS

Since PZU prepared the PZU Group's first consolidated financial statements under IFRS for the year ended 31 December 2005, and presented comparable data for the previous year therein, the PZU Group's date of transition to IFRS was 1 January 2004. Based on paragraph 17 of Appendix D of IFRS 1, indications, explanations and quantification of material differences between PAS and IFRS assume that PZU's hypothetical date of transition to IFRS for separate reporting was also 1 January 2004 (to calculate the differences between IFRS and PAS presented below), despite the fact that PZU does not prepare standalone financial statements under IFRS.

The following is a description of the material differences between the accounting principles set forth in PAS and IFRS that would affect profit or loss or equity in PZU's standalone financial statements prepared in accordance with IFRS.

13.1 Valuation measurement of subordinated entities

In the standalone financial statements under PAS, shares in subsidiaries are measured using the equity method, described in detail in section 12.2.2 Introduction to the financial statements.

In accordance with IAS 27, in standalone IFRS financial statements, shares in subsidiaries would be measured at cost including impairment losses.

13.2 Valuation of properties

In accordance with the provisions of the insurers' accounting regulation, all real estate (used for own purposes and investment) is measured at cost, less accumulated depreciation and impairment losses to date.

As of the date of transition to IFRS (i.e., 1 January 2004), the cost of owned real estate used for its own purposes was determined, with the difference charged to retained earnings. In later periods, this results in a difference in the net book value of accumulated depreciation and the amount of accrued depreciation on these real properties.

Under IFRS, real properties held for investment purposes is measured at fair value determined as of the balance sheet date, and changes in fair value during the reporting period are charged to the profit and loss account for the period.

When a real property used for its own purposes becomes an investment property, carried at fair value, depreciation continues until the date of reclassification, and the difference between the carrying amount and its fair value, determined at that date, is charged to other comprehensive income.

13.3 Revaluation reserve of property, plant and equipment

In accordance with the provisions of the Accounting Act and pursuant to separate regulations on revaluation of property, plant and equipment, in 1995 the Polish books revalued the components of property, plant and equipment, recording its effects in the revaluation reserve. This revaluation does not meet the requirements of IAS 29.

13.4 Equalization provision in non-life insurance

The provisions of the Insurers' Accounting Regulation clarify the rules for creating and using the equalization provision. This provision does not relate to specific liabilities under insurance policies. Under PAS, the movement in the reserve represents a current period expense, while under IFRS it is an allocation of net income.

13.5 Prevention fund

According to the Insurance Business Act, PZU may write off the prevention fund as an expense in the current period. In accordance with the provisions of the Insurers' Accounting Regulation, this fund is reported as special funds in liabilities.

In accordance with the provisions of IAS 37, such funds cannot be charged to current period expenses and are reported as an allocation of net income while recognizing the costs of preventive activities as they are incurred.

13.6 Company Social Benefit Fund

If the General Meeting of PZU decides to transfer a portion of the net result for the previous year to the FFO maintained by PZU, in accordance with the PAS, this fact shall be shown as a distribution of the net result of the previous year, not affecting the financial result of the fiscal year in which such distribution of the net result was made.

The above transaction meets the definition of expenses under IFRS and, in accordance with the provisions of IAS 1, is reported in the profit and loss account of the fiscal year in which a portion of the net income for the previous year was transferred to the FFO.

13.7 Actuarial gains and losses on provisions for employee benefits

In accordance with the PAS, actuarial gains and losses arising from changes in demographic and financial assumptions are included in the calculation of provisions for retirement severance pays and post-mortem benefits. These gains and losses, in accordance with the PAS, affect the financial result for the fiscal year.

Under IAS 19, actuarial gains and losses arising from changes in demographic and financial assumptions are charged to other comprehensive income.

13.8 Estimated salvage and subrogation

According to the PSR, insurance companies, in determining the final value of future claims payments and benefits, estimate the value of expected future reimbursements of the company's costs as a result of the assumption of claims against third parties (salvage), property rights to insured property (subrogation) and subsidies. When estimating the value of the company's future reimbursements for salvage and subrogation, if it has been in business for more than 3 years in a given insurance group, the share of the sum of received and estimated salvage and subrogation in the cost of claims and benefits of a given loss year may not exceed the arithmetic average of the share of received salvage and subrogation in the cost of claims and benefits of the three consecutive loss years immediately preceding the year for which the determination is made.

Under IFRS, salvage and subrogation is recognized on the balance sheet and in the income statement at estimated value if it is virtually certain that revenue will be generated from them. Therefore, the above restrictions on estimation do not apply.

13.9 Investment fund reclassification

In the standalone financial statements according to the PAS, participation units and investment certificates in investment funds, when they cannot be classified as held for trading, are classified in the category of available-for-sale financial assets and the difference between their fair value and purchase price is charged to revaluation reserve. Under IFRS 9, the valuation of participation units and investment certificates in investment funds is carried out through the profit and loss account.

13.10 Deferred tax differences

For the differences between PAS and IFRS, as described above, the related impact of deferred tax differences was also calculated and included in the calculation of all adjustments presented, as long as it was reasonable to do so.

13.11 Reconciliation of equity and net income prepared under PAS and IFRS

Description	Pt.	Net profit 1 January – 31 December 2022	Equity 31 December 2022	Net profit 1 January – 31 December 2021	Equity 31 December 2021
Standalone financial statements under PAS		1,636,774	15,824,143	2,028,335	15,776,367
Valuation measurement of subordinated entities ¹⁾	13.1	343,013	(2,136,455)	688,684	(2,288,532)
Valuation of properties	13.2, 13.3	(4,660)	46,942	(4,970)	51,603
Equalization provision in non-life insurance	13.4	31,722	537,191	36,378	505,469
Prevention fund	13.5	2,335	28,466	8,107	26,131
Company Social Benefit Fund	13.6	(6,981)	-	(7,231)	-
Actuarial gains and losses on provisions for employee benefits	13.7	4,971	-	6,201	-
Estimated salvage and subrogation	13.8	(8,284)	50,911	4,158	59,195
Investment fund reclassification	13.9	370,452	-	655,815	-
Other		(22,298)	(21,048)	(207)	(1,000)
Total adjustments		710,270	(1,493,993)	1,386,935	(1,647,134)
Financial statements under IFRS		2,347,044	14,330,150	3,415,270	14,129,233

¹⁾ PZU has never prepared and does not prepare standalone financial statements under IFRS. For the purposes of this note, it has been assumed in accordance with IAS 27 Standalone Financial Statements that deposits in subordinated entities under IFRS are measured at cost less impairment.

Balance sheet and off-balance sheet items

Assets	Note	31 December 2022	31 December 2021
I. Intangible assets, including:	1	297,878	299,215
– goodwill		-	-
II. Investments	2	40,164,786	39,250,562
1. Real property	2.3	282,935	297,328
2. Investments in related parties, including:	2.4	14,591,047	14,641,582
– investments in related parties measured by the equity method		14,118,751	13,961,463
3. Other financial investments	2.5	25,290,804	24,311,652
4. Deposits with ceding enterprises		-	-
III. Net assets of a life insurance company if the investment risk is borne by the policyholder		-	-
IV. Receivables	3	2,526,929	2,403,594
1. Receivables on direct insurance	3.1	1,917,402	1,623,557
1.1. From subordinated entities		2,777	13,839
1.2. From other entities		1,914,625	1,609,718
2. Reinsurance receivables	3.2	172,788	215,755
2.1. From subordinated entities		139,416	173,758
2.2. From other entities		33,372	41,997
3. Other receivables	3.3	436,739	564,282
3.1. Receivables from the state budget		31,846	4,511
3.2. Other receivables		404,893	559,771
a) from subordinated entities		30,564	35,365
b) from other entities		374,329	524,406
V. Other assets	4	264,576	269,278
1. Property, plant and equipment	4.1	133,856	123,443
2. Cash	4.2	130,720	145,835
3. Other assets		-	-
VI. Prepayments and accruals	5	2,680,863	2,243,572
1. Deferred tax assets	5.1	-	-
2. Deferred acquisition costs		1,756,710	1,601,223
3. Accrued interest and rents		-	-
4. Other prepayments and accruals	5.2	924,153	642,349
VII. Unpaid share capital		-	-
VIII. Treasury shares		-	-
Total assets		45,935,032	44,466,221

Equity and liabilities	Note	31 December 2022	31 December 2021
I. Equity	7	15,824,143	15,776,367
1. Share capital	7.1	86,352	86,352
2. Supplementary capital	7.3	7,694,696	7,347,436
3. Revaluation reserve	7.4	6,406,321	6,314,244
4. Other reserve capital		-	-
5. Retained earnings (losses)		-	-
6. Net profit (loss)		1,636,774	2,028,335
7. Charges to net profit during the financial year (negative figure)		-	-
II. Subordinated liabilities	8	2,333,305	2,265,739
III. Technical provisions	9	27,570,942	24,837,097
IV. Reinsurers' share in technical provisions (negative figure)	9	(3,657,686)	(2,161,952)
V. Estimated salvage and subrogation (negative figure)	10	(104,005)	(98,206)
1. Gross estimated salvage and subrogation		(107,805)	(100,985)
2. Reinsurers' share in estimated salvage and subrogation		3,800	2,779
VI. Other provisions	11	615,028	574,656
1. Provisions for pension benefits and other compulsory employee benefits	11.1	43,513	46,361
2. Deferred tax liability	11.2	554,443	512,983
3. Other provisions	11.3	17,072	15,312
VII. Liabilities for reinsurers' deposits		-	-
VIII. Other liabilities and special-purpose funds	12	1,449,961	1,755,771
1. Liabilities on direct insurance	12.1	448,296	415,398
1.1. To subordinated entities		11,974	7,636
1.2. To other entities		436,322	407,762
2. Reinsurance liabilities	12.2	193,348	184,421
2.1. To subordinated entities		16,668	18,722
2.2. To other entities		176,680	165,699
3. Liabilities on the issue of own debt securities and drawn loans	12.3	-	-
4. Liabilities to credit institutions	12.4	-	125,253
5. Other liabilities	12.5	699,867	925,033
5.1. Liabilities to the state budget		96,992	60,215
5.2. Other liabilities		602,875	864,818
a) to subordinated entities		68,133	229,394
b) to other entities		534,742	635,424
6. Special-purpose funds	12.7	108,450	105,666
IX. Prepayments and accruals	13	1,903,344	1,516,749
1. Accrued expenses		1,653,158	1,316,816
2. Negative goodwill		-	-
3. Deferred income		250,186	199,933
Total equity and liabilities		45,935,032	44,466,221

Carrying amount	15,824,143	15,776,367
Number of shares	863,523,000	863,523,000
Book value per share (in PLN)	18.33	18.27
Diluted number of shares	863,523,000	863,523,000
Diluted book value per share (in PLN)	18.33	18.27

Off-balance sheet items	Note	31 December 2022	31 December 2021
1. Contingent receivables, including:	15.1	3,045,272	3,703,939
1.1. Guarantees and sureties received		2,718	2,492
1.2. Other		3,042,554	3,701,447
2. Contingent liabilities, including:	15.2	1,144,871	1,203,395
2.1. Guarantees and sureties given		9,082	93,637
2.2. Accepted and endorsed bills of exchange		-	-
2.3. Assets subject to the obligation of resale		-	-
2.4. Other liabilities secured on assets or income		-	-
3. Reinsurance collateral instituted in favor of the insurance company		-	-
4. Reinsurance collateral instituted by the insurance company in favor of ceding companies		-	-
5. Third party assets not recognized in assets		233,081	142,495
6. Other off-balance sheet line items		-	-
Total off-balance sheet line items		4,423,224	5,049,830

Revenue account of non-life insurance

Revenue account of non-life insurance	Note	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)		12,750,016	11,917,413
1. Gross written premium	16	14,691,723	13,388,898
2. Reinsurers' share in gross written premium		1,457,523	1,060,413
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross		927,325	661,885
4. Reinsurers' share in the movement in provision for unearned premiums		443,141	250,813
II. Net investment income (including costs) transferred from the general profit and loss account		253,040	211,118
III. Other net technical income		126,101	154,370
IV. Claims and benefits (1+2)		7,894,796	7,355,786
1. Net claims and benefits paid		7,189,714	6,846,634
1.1. Gross claims and benefits paid	20	7,441,581	6,974,234
1.2. Reinsurers' share in claims and benefits paid		251,867	127,600
2. Movement in provision for outstanding claims and benefits, net of reinsurance		705,082	509,152
2.1. Movement in provision for outstanding claims and benefits, gross		1,752,173	687,124
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits		1,047,091	177,972
V. Movement in other technical provisions, net of reinsurance		-	-
1. Movement in other technical provisions, gross		-	-
2. Reinsurers' share in the movement in other technical provisions		-	-
VI. Net bonuses and discounts with the movement in provisions		4,622	4,713
VII. Insurance activity expenses	22	3,573,449	3,258,829
1. Acquisition expenses, including:	22.1	2,914,509	2,612,469
– movement in deferred acquisition costs		(155,487)	(227,561)
2. Administrative expenses	22.2	758,586	722,514
3. Reinsurance commissions and profit participation		99,646	76,154
VIII. Other net technical charges		350,198	349,676
IX. Movement in loss ratio (risk) equalization provisions		39,163	44,911
X. Technical result of non-life insurance		1,266,929	1,268,986

General profit and loss account

General profit and loss account	Note	1 January – 31 December 2022	1 January – 31 December 2021
I. Technical result of non-life insurance or life insurance		1,266,929	1,268,986
II. Investment income		1,708,221	2,375,095
1. Investment income on real estate		5,478	6,560
2. Investment income from related parties		913,606	1,589,748
2.1. On ownership interests or shares		883,144	1,579,403
2.2. On borrowings and debt securities		26,943	9,732
2.3. On other investments		3,519	613
3. Other financial investment income		641,782	520,363
3.1. On ownership interests, shares, other variable income securities, participation units and investment certificates in mutual funds		606	1,229
3.2. On debt securities and other fixed income securities		548,588	479,529
3.3. On term deposits with credit institutions		794	5
3.4. On other investments		91,794	39,600
4. Gain on revaluation of investments		1,230	11
5. Gain on realization of investments		146,125	258,413
III. Unrealized investment gains		267,541	196,994
IV. Net investment income after including costs transferred from the technical life insurance account		-	-
V. Investment activity expenses		243,138	126,026
1. Real estate maintenance expenses		2,229	2,493
2. Other investment activity expenses		31,104	33,195
3. Loss on revaluation of investments		11,352	-
4. Loss on realization of investments		198,453	90,338
VI. Unrealized investment losses		90,522	198,116
VII. Net investment income after including costs transferred to the Revenue account of non-life insurance		253,040	211,118
VIII. Other operating income	23	219,498	199,797
IX. Other operating expenses	24	583,808	477,775
X. Operating profit (loss)		2,291,681	3,027,837
XI. Extraordinary gains		-	-
XII. Extraordinary losses		-	-
XIII. Share of the profit (loss) of related parties measured by the equity method	27	(339,029)	(689,456)
XIV. Profit (loss) before tax		1,952,652	2,338,381
XV. Income tax	26	315,878	310,046
a) current part		249,183	354,667
b) deferred part		66,695	(44,621)
XVI. Other compulsory reductions in profit (increases in losses)		-	-
XVII. Net profit (loss)		1,636,774	2,028,335



Net profit (loss) (annualized)	1,636,774	2,028,335
Weighted average number of ordinary shares	863,523,000	863,523,000
Profit (loss) per ordinary share (PLN)	1.90	2.35
Weighted average diluted number of ordinary shares	863,523,000	863,523,000
Diluted earnings (losses) per ordinary share (PLN)	1.90	2.35

Statement of changes in equity

Statement of changes in equity	1 January – 31 December 2022	1 January – 31 December 2021
I. Equity at the beginning of the period (Opening Balance)	15,776,367	17,688,602
a) changes in the accepted accounting policies	-	-
II. Equity at the beginning of the period (Opening Balance), after adjustments to ensure comparability	15,776,367	17,688,602
1. Share capital at the beginning of the period	86,352	86,352
1.1. Change in share capital	-	-
a) increases	-	-
b) decreases	-	-
1.2. Share capital at the end of the period	86,352	86,352
2. Supplementary capital at the beginning of the period	7,347,436	8,458,089
2.1. Change in supplementary capital	347,260	(1,110,653)
a) additions (by virtue of):	1,297,135	953,167
- distribution of profit (above the statutorily required amount)	1,295,995	953,039
- from revaluation reserve – by sale and liquidation of fixed assets	1,140	128
b) decreases	949,875 ¹⁾	2,063,820
2.2. Supplementary capital at the end of the period	7,694,696	7,347,436
3. Revaluation reserve at the beginning of the period	6,314,244	7,225,381
a) changes in the accepted accounting policies	-	-
3.a. Revaluation reserve at the beginning of the period (Opening Balance), after adjustments to ensure comparability	6,314,244	7,225,381
3.1. Change in the revaluation reserve	92,077	(911,137)
a) additions (by virtue of):	904,081	938,487
- revaluation of financial investments measured by the equity method	314,344	17,139
- revaluation of financial investments qualified to the portfolio of available-for-sale financial assets	549,693	916,962
- revaluation of financial investments held for hedge accounting purposes	34,479	-
- disposal of available for sale instruments	5,565	4,386
b) reductions (by virtue of)	812,004	1,849,624
- revaluation of financial investments measured by the equity method	123,469	957,371
- revaluation of financial investments qualified to the portfolio of available-for-sale financial assets	669,704	549,855
- revaluation of financial investments held for hedge accounting purposes	-	182,898
- disposal of available for sale instruments	17,691	159,372
- sale of fixed assets	1,140	128
3.2. Revaluation reserve at the end of the period	6,406,321	6,314,244
4. Other reserve capital at the beginning of the period	-	-
4.1. Change in other reserve capital	-	-
a) increases	-	-
b) decreases	-	-
4.2. Other reserve capital at the end of the period	-	-
5. Retained earnings (losses) at the beginning of the period	2,028,335	1,918,780
5.1. Retained earnings at the beginning of the period	2,028,335	1,918,780
a) changes in the accepted accounting policies	-	-
5.2. Retained earnings at the beginning of the period, after adjustments to ensure comparability	2,028,335	1,918,780
a) increases	949,875 ¹⁾	2,063,820
b) decreases	2,978,210	3,982,600
- transfers to supplementary capital	1,295,995	953,039
- disbursement of dividends	1,675,235	3,022,330
- transfers/charges to the Company Social Benefit Fund	6,980	7,231

Statement of changes in equity	1 January – 31 December 2022	1 January – 31 December 2021
5.3. Retained earnings at the end of the period	-	-
5.4. Retained losses at the beginning of the period	-	-
a) changes in the accepted accounting policies	-	-
b) corrections of errors	-	-
5.5. Retained losses at the beginning of the period, after adjustments to ensure comparability	-	-
a) increases	-	-
b) decreases	-	-
5.6. Retained losses at the end of the period	-	-
5.7. Retained earnings (losses) at the end of the period	-	-
6. Net result	1,636,774	2,028,335
a) net profit	1,636,774	2,028,335
b) net loss	-	-
c) Charges to profit	-	-
III. Equity at the end of the period (Closing Balance)	15,824,143	15,776,367
IV. Equity after proposed profit distribution (loss coverage)	15,824,143	15,776,367

¹⁾ The change is described under 7.2 distribution of net profit

Cash flow statement

Cash flow statement	Note	1 January - 31 December 2022	1 January - 31 December 2021
A. Cash flows from operating activities			
I. Proceeds		16,090,563	14,858,280
1. Proceeds on direct activity and inward reinsurance		14,812,738	13,764,263
1.1. Proceeds on gross premiums		14,440,245	13,547,894
1.2. Proceeds on subrogation, salvage and claim refunds		310,343	181,473
1.3. Other proceeds on direct activity		62,150	34,896
2. Proceeds from outward reinsurance		417,372	327,521
2.1. Payments received from reinsurers for their share of claims paid		240,217	114,749
2.2. Proceeds on reinsurance commissions and profit participation		173,998	212,265
2.3. Other proceeds from outward reinsurance		3,157	507
3. Proceeds from other operating activity		860,453	766,496
3.1. Proceeds for acting as an emergency adjuster		424,786	371,208
3.2. Disposal of intangible assets and property, plant and equipment other than investments		1,652	5,766
3.3. Other proceeds	28	434,015	389,522
II. Expenditures		14,561,574	13,447,030
1. Expenditures on direct activity and inward reinsurance		11,751,182	10,903,711
1.1. Gross premium refunds		323,958	276,375
1.2. Gross claims and benefits paid		6,871,398	6,394,776
1.3. Acquisition expenditures		2,095,324	2,011,883
1.4. Administrative expenditures		1,751,069	1,513,013
1.5. Expenditures for claims handling and pursuit of subrogation		290,713	296,440
1.6. Commissions paid and profit-sharing on inward reinsurance		242,682	268,598
1.7. Other expenditures on direct activity and inward reinsurance		176,038	142,626
2. Expenditures on outward reinsurance		1,135,355	967,988
2.1. Premiums paid for reinsurance		1,115,978	967,892
2.2. Other expenditures on outward reinsurance		19,377	96
3. Expenditures on other operating activity		1,675,037	1,575,331
3.1. Expenditures for acting as an emergency adjuster		219,727	184,582
3.2. Purchase of intangible assets and property, plant and equipment other than investments		110,425	100,981
3.3. Other operating expenditures	28	1,344,885	1,289,768
III. Net cash flows from operating activities (I-II)		1,528,989	1,411,250
B. Cash flow on investing activity			
I. Proceeds		104,089,320	57,342,232
1. Sale of real estate		6,844	6,580
2. Sale of ownership interests and shares in related parties		-	-
3. Sale of ownership interests and shares in other entities and participation units and investment certificates in mutual funds		55,538	544,377
4. Realization of debt securities issued by related parties and amortization of the loans granted to these parties		-	-
5. Realization of debt securities issued by other entities		1,148,141	662,461
6. Liquidation of term deposits with credit institutions		20,978,955	3,287,781
7. Realization of other investments		80,454,839	50,712,885
8. Proceeds from real estate		710	689
9. Interest received		560,305	545,484
10. Dividends received		883,146	1,579,403
11. Other investment proceeds		842	2,572
II. Expenditures		103,701,952	55,787,803
1. Purchase of real estate		34	1,084

Cash flow statement	Note	1 January – 31 December 2022	1 January – 31 December 2021
2. Purchase of ownership interests and shares in subordinated entities		171,850	4,564
3. Purchase of ownership interests and shares in other entities, participation units and investment certificates in mutual funds		980,675	387,830
4. Purchase of debt securities issued by related parties and extension of loans to these parties		40,005	2,800
5. Purchase of debt securities issued by other entities		432,416	1,137,979
6. Purchase of term deposits with credit institutions		21,002,554	3,318,676
7. Purchase of other investments		81,051,922	50,862,675
8. Expenditures to maintain real estate		1,893	47,947
9. Other expenditures for investments		20,603	24,248
III. Net cash flows from investing activities (I-II)		387,368	1,554,429
C. Cash flows from financing activities			
I. Proceeds		2,848,029	1,576,772
1. Net proceeds from issuing shares and additional capital contributions		-	-
2. Loans, borrowings and issues of debt securities		2,848,029	1,576,772
3. Other financial proceeds		-	-
II. Expenditures		4,774,164	4,520,507
1. Dividends		1,675,235 ¹⁾	3,022,331
2. Other expenditures for distribution of profits besides disbursement of dividends		-	-
3. Purchase of treasury shares		-	-
4. Amortization of loans and borrowings and redemption of own debt securities		3,017,655	1,451,709
5. Interest on loans and borrowings and issued debt securities		81,274	46,467
6. Other financial expenditures		-	-
III. Net cash flows from financing activities (I-II)		(1,926,135)	(2,943,735)
D. Total net cash flows (A.III+/-B.III+/-C.III)		(9,778)	21,944
E. Balance sheet change in cash, including:		(15,115)	21,378
- movement in cash due to foreign exchange differences		(5,337)	(566)
F. Cash at the beginning of the period		145,835	124,457
G. Cash at the end of the period (F+/-E), including:		130,720	145,835
- restricted cash	28.1	37,578	42,697

¹⁾ The payment is described under 7.2 distribution of net profit

Technical insurance accounts – direct business

Technical account of direct insurance – total

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	11,833,581	11,010,472
1. Gross written premium	13,247,529	12,206,121
2. Reinsurers' share in gross written premium	984,562	734,325
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	731,127	840,673
4. Reinsurers' share in the movement in provision for unearned premiums	301,741	379,349
II. Net investment income (including costs) transferred from the general profit and loss account	253,040	211,118
III. Other net technical income	122,432	146,288
IV. Claims and benefits (1+2)	7,266,323	6,795,421
1. Net claims and benefits paid	6,672,670	6,364,472
1.1. Gross claims and benefits paid	6,754,253	6,434,761
1.2. Reinsurers' share in claims and benefits paid	81,583	70,289
2. Movement in provision for outstanding claims and benefits, net of reinsurance	593,653	430,949
2.1. Movement in provision for outstanding claims and benefits, gross	1,513,123	482,015
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	919,470	51,066
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	756	3,696
VII. Insurance activity expenses	3,349,247	3,023,337
1. Acquisition expenses, including:	2,675,173	2,367,256
– movement in deferred acquisition costs	(143,861)	(250,646)
2. Administrative expenses	749,920	709,729
3. Reinsurance commissions and profit participation	75,846	53,648
VIII. Other net technical charges	346,023	342,045
IX. Movement in loss ratio (risk) equalization provisions	34,169	37,319
X. Technical result of non-life insurance	1,212,535	1,166,060

Technical account of direct insurance

STATUTORY GROUP No. 1 Insurance of accident, including accident at work and occupational disease

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	472,045	454,558
1. Gross written premium	528,078	722,476
2. Reinsurers' share in gross written premium	71,612	128,582
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	16,167	242,610
4. Reinsurers' share in the movement in provision for unearned premiums	31,746	103,274
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	2,291	2,203
IV. Claims and benefits (1+2)	101,533	116,362
1. Net claims and benefits paid	92,347	93,590
1.1. Gross claims and benefits paid	92,696	93,867
1.2. Reinsurers' share in claims and benefits paid	349	277
2. Movement in provision for outstanding claims and benefits, net of reinsurance	9,186	22,772
2.1. Movement in provision for outstanding claims and benefits, gross	9,279	22,787
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	93	15
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	4	1
VII. Insurance activity expenses	202,651	177,910
1. Acquisition expenses, including:	191,373	155,729
– movement in deferred acquisition costs	377	(149,365)
2. Administrative expenses	40,948	40,285
3. Reinsurance commissions and profit participation	29,670	18,104
VIII. Other net technical charges	4,504	6,377
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	165,644	156,111

Technical account of direct insurance

STATUTORY GROUP NO. 2 Sickness Insurance

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	16,882	14,062
1. Gross written premium	16,931	17,586
2. Reinsurers' share in gross written premium	2	-
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	48	3,522
4. Reinsurers' share in the movement in provision for unearned premiums	1	(2)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	6	7
IV. Claims and benefits (1+2)	2,066	3,890
1. Net claims and benefits paid	1,819	2,212
1.1. Gross claims and benefits paid	1,819	2,212
1.2. Reinsurers' share in claims and benefits paid	-	-
2. Movement in provision for outstanding claims and benefits, net of reinsurance	247	1,678
2.1. Movement in provision for outstanding claims and benefits, gross	247	1,678
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	-	-
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	-
VII. Insurance activity expenses	1,737	1,882
1. Acquisition expenses, including:	1,259	1,301
– movement in deferred acquisition costs	4	2
2. Administrative expenses	478	581
3. Reinsurance commissions and profit participation	-	-
VIII. Other net technical charges	58	61
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	13,027	8,236

Technical account of direct insurance

STATUTORY GROUP NO. 3 Casco insurance for land vehicles, except rail vehicles

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	3,369,871	3,073,498
1. Gross written premium	3,613,877	3,171,230
2. Reinsurers' share in gross written premium	8,432	7,498
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	236,478	90,520
4. Reinsurers' share in the movement in provision for unearned premiums	904	286
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	18,990	36,115
IV. Claims and benefits (1+2)	2,048,189	2,021,238
1. Net claims and benefits paid	1,967,052	1,940,225
1.1. Gross claims and benefits paid	1,967,114	1,940,216
1.2. Reinsurers' share in claims and benefits paid	62	(9)
2. Movement in provision for outstanding claims and benefits, net of reinsurance	81,137	81,013
2.1. Movement in provision for outstanding claims and benefits, gross	80,934	81,351
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	(203)	338
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	265
VII. Insurance activity expenses	877,656	750,706
1. Acquisition expenses, including:	716,336	607,425
– movement in deferred acquisition costs	(50,209)	(13,338)
2. Administrative expenses	160,720	143,930
3. Reinsurance commissions and profit participation	(600)	649
VIII. Other net technical charges	36,878	38,360
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	426,138	299,044

Technical account of direct insurance

STATUTORY GROUP NO. 4 Casco insurance for rail vehicles

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	9,004	7,650
1. Gross written premium	12,449	13,445
2. Reinsurers' share in gross written premium	4,263	3,551
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	(552)	1,852
4. Reinsurers' share in the movement in provision for unearned premiums	266	(392)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	340	781
IV. Claims and benefits (1+2)	2,403	4,173
1. Net claims and benefits paid	2,401	1,867
1.1. Gross claims and benefits paid	2,483	1,906
1.2. Reinsurers' share in claims and benefits paid	82	39
2. Movement in provision for outstanding claims and benefits, net of reinsurance	2	2,306
2.1. Movement in provision for outstanding claims and benefits, gross	311	2,356
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	309	50
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	(4)	950
VII. Insurance activity expenses	2,334	2,090
1. Acquisition expenses, including:	2,422	2,193
– movement in deferred acquisition costs	70	(258)
2. Administrative expenses	333	269
3. Reinsurance commissions and profit participation	421	372
VIII. Other net technical charges	360	258
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	4,251	960

Technical account of direct insurance

STATUTORY GROUP NO. 5 Casco insurance for aircraft

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	16,698	13,570
1. Gross written premium	37,328	30,491
2. Reinsurers' share in gross written premium	18,099	16,515
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	5,344	(1,904)
4. Reinsurers' share in the movement in provision for unearned premiums	2,813	(2,310)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	4,494	541
IV. Claims and benefits (1+2)	8,751	14,956
1. Net claims and benefits paid	7,371	14,304
1.1. Gross claims and benefits paid	17,695	33,495
1.2. Reinsurers' share in claims and benefits paid	10,324	19,191
2. Movement in provision for outstanding claims and benefits, net of reinsurance	1,380	652
2.1. Movement in provision for outstanding claims and benefits, gross	4,867	1,081
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	3,487	429
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	4	187
VII. Insurance activity expenses	3,674	3,015
1. Acquisition expenses, including:	3,148	2,569
– movement in deferred acquisition costs	(456)	(72)
2. Administrative expenses	535	470
3. Reinsurance commissions and profit participation	9	24
VIII. Other net technical charges	1,265	4,059
IX. Movement in loss ratio (risk) equalization provisions	835	(1,115)
X. Technical result of non-life insurance	6,663	(6,991)

Technical account of direct insurance

STATUTORY GROUP NO. 6 Marine and inland marine insurance

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	25,751	23,026
1. Gross written premium	52,071	32,653
2. Reinsurers' share in gross written premium	21,078	8,747
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	17,579	3,839
4. Reinsurers' share in the movement in provision for unearned premiums	12,337	2,959
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	1,145	1,378
IV. Claims and benefits (1+2)	13,314	16,716
1. Net claims and benefits paid	10,626	19,451
1.1. Gross claims and benefits paid	10,669	20,139
1.2. Reinsurers' share in claims and benefits paid	43	688
2. Movement in provision for outstanding claims and benefits, net of reinsurance	2,688	(2,735)
2.1. Movement in provision for outstanding claims and benefits, gross	3,835	(2,535)
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	1,147	200
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	114	-
VII. Insurance activity expenses	6,244	5,447
1. Acquisition expenses, including:	5,646	5,012
– movement in deferred acquisition costs	(1,358)	(398)
2. Administrative expenses	848	650
3. Reinsurance commissions and profit participation	250	215
VIII. Other net technical charges	806	993
IX. Movement in loss ratio (risk) equalization provisions	-	1,151
X. Technical result of non-life insurance	6,418	97

Technical account of direct insurance

STATUTORY GROUP NO. 7 Insurance for items in transit

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	14,783	10,072
1. Gross written premium	21,775	15,451
2. Reinsurers' share in gross written premium	6,610	4,016
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	1,883	2,061
4. Reinsurers' share in the movement in provision for unearned premiums	1,501	698
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	245	958
IV. Claims and benefits (1+2)	3,728	5,818
1. Net claims and benefits paid	4,773	4,179
1.1. Gross claims and benefits paid	4,790	4,184
1.2. Reinsurers' share in claims and benefits paid	17	5
2. Movement in provision for outstanding claims and benefits, net of reinsurance	(1,045)	1,639
2.1. Movement in provision for outstanding claims and benefits, gross	(1,031)	1,681
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	14	42
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	(13)	18
VII. Insurance activity expenses	5,340	3,859
1. Acquisition expenses, including:	4,620	3,292
– movement in deferred acquisition costs	(322)	(443)
2. Administrative expenses	828	616
3. Reinsurance commissions and profit participation	108	49
VIII. Other net technical charges	305	507
IX. Movement in loss ratio (risk) equalization provisions	739	-
X. Technical result of non-life insurance	4,929	828

Technical account of direct insurance

STATUTORY GROUP NO. 8 Natural catastrophe insurance covering damage to property not included in groups 3-7

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	1,394,167	1,281,347
1. Gross written premium	1,785,734	1,537,707
2. Reinsurers' share in gross written premium	311,342	189,385
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	166,607	155,616
4. Reinsurers' share in the movement in provision for unearned premiums	86,382	88,641
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	17,867	5,922
IV. Claims and benefits (1+2)	704,715	655,134
1. Net claims and benefits paid	668,617	623,584
1.1. Gross claims and benefits paid	687,832	634,985
1.2. Reinsurers' share in claims and benefits paid	19,215	11,401
2. Movement in provision for outstanding claims and benefits, net of reinsurance	36,098	31,550
2.1. Movement in provision for outstanding claims and benefits, gross	151,208	51,171
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	115,110	19,621
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	(353)	506
VII. Insurance activity expenses	486,141	431,497
1. Acquisition expenses, including:	388,364	334,539
– movement in deferred acquisition costs	(30,774)	(17,438)
2. Administrative expenses	106,981	101,969
3. Reinsurance commissions and profit participation	9,204	5,011
VIII. Other net technical charges	41,318	38,721
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	180,213	161,411

Technical account of direct insurance

STATUTORY GROUP NO. 9 Insurance of other property damage (if not included in groups 3, 4, 5, 6 or 7) caused by hail or frost and other causes (such as theft), if these causes are not included in group 8

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	1,063,533	817,719
1. Gross written premium	1,354,061	1,090,547
2. Reinsurers' share in gross written premium	215,942	134,518
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	133,350	225,412
4. Reinsurers' share in the movement in provision for unearned premiums	58,764	87,102
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	7,696	5,100
IV. Claims and benefits (1+2)	486,778	337,753
1. Net claims and benefits paid	453,273	328,457
1.1. Gross claims and benefits paid	457,653	341,793
1.2. Reinsurers' share in claims and benefits paid	4,380	13,336
2. Movement in provision for outstanding claims and benefits, net of reinsurance	33,505	9,296
2.1. Movement in provision for outstanding claims and benefits, gross	27,839	9,794
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	(5,666)	498
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	(33)	307
VII. Insurance activity expenses	344,230	273,047
1. Acquisition expenses, including:	289,970	224,753
– movement in deferred acquisition costs	(17,265)	(22,660)
2. Administrative expenses	59,102	50,982
3. Reinsurance commissions and profit participation	4,842	2,688
VIII. Other net technical charges	15,960	12,671
IX. Movement in loss ratio (risk) equalization provisions	37,523	31,807
X. Technical result of non-life insurance	186,771	167,234

Technical account of direct insurance

STATUTORY GROUP No. 10 Liability insurance of all types arising out of the ownership and use of self-propelled land vehicles, including carrier's liability insurance

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	4,054,292	4,077,402
1. Gross written premium	4,071,987	4,066,066
2. Reinsurers' share in gross written premium	22,112	21,733
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	(3,278)	(29,453)
4. Reinsurers' share in the movement in provision for unearned premiums	1,139	3,616
II. Net investment income (including costs) transferred from the general profit and loss account	233,585	195,077
III. Other net technical income	54,423	81,359
IV. Claims and benefits (1+2)	3,002,591	2,971,265
1. Net claims and benefits paid	2,858,818	2,764,703
1.1. Gross claims and benefits paid	2,880,167	2,781,867
1.2. Reinsurers' share in claims and benefits paid	21,349	17,164
2. Movement in provision for outstanding claims and benefits, net of reinsurance	143,773	206,562
2.1. Movement in provision for outstanding claims and benefits, gross	167,932	195,158
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	24,159	(11,404)
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	475
VII. Insurance activity expenses	934,485	947,909
1. Acquisition expenses, including:	683,840	697,011
– movement in deferred acquisition costs	(9,512)	1,070
2. Administrative expenses	250,150	251,825
3. Reinsurance commissions and profit participation	(495)	927
VIII. Other net technical charges	223,087	222,207
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	182,137	211,982

Technical account of direct insurance

STATUTORY GROUP No. 11 Liability insurance of all types arising out of the ownership and use of aircraft, including carrier's liability insurance

Item	1 January - 31 December 2022	1 January - 31 December 2021
I. Premium income (1-2-3+4)	6,576	4,789
1. Gross written premium	17,946	12,815
2. Reinsurers' share in gross written premium	11,385	8,557
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	3,895	(2,966)
4. Reinsurers' share in the movement in provision for unearned premiums	3,910	(2,435)
II. Net investment income (including costs) transferred from the general profit and loss account	19	17
III. Other net technical income	2,135	665
IV. Claims and benefits (1+2)	741	3,288
1. Net claims and benefits paid	530	2,733
1.1. Gross claims and benefits paid	549	2,807
1.2. Reinsurers' share in claims and benefits paid	19	74
2. Movement in provision for outstanding claims and benefits, net of reinsurance	211	555
2.1. Movement in provision for outstanding claims and benefits, gross	222	579
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	11	24
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	1	9
VII. Insurance activity expenses	3,388	2,912
1. Acquisition expenses, including:	2,347	2,134
- movement in deferred acquisition costs	(183)	38
2. Administrative expenses	1,048	793
3. Reinsurance commissions and profit participation	7	15
VIII. Other net technical charges	547	1,821
IX. Movement in loss ratio (risk) equalization provisions	1	(125)
X. Technical result of non-life insurance	4,052	(2,434)

Technical account of direct insurance

STATUTORY GROUP No. 12 Marine and inland marine third party liability insurance, resulting out of the ownership and use of marine and inland marine vessels, including carrier's liability insurance

Item	1 January - 31 December 2022	1 January - 31 December 2021
I. Premium income (1-2-3+4)	2,498	2,559
1. Gross written premium	5,980	3,063
2. Reinsurers' share in gross written premium	609	626
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	2,749	(123)
4. Reinsurers' share in the movement in provision for unearned premiums	(124)	(1)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	54	150
IV. Claims and benefits (1+2)	468	854
1. Net claims and benefits paid	457	592
1.1. Gross claims and benefits paid	457	592
1.2. Reinsurers' share in claims and benefits paid	-	-
2. Movement in provision for outstanding claims and benefits, net of reinsurance	11	262
2.1. Movement in provision for outstanding claims and benefits, gross	(2)	369
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	(13)	107
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	11	-
VII. Insurance activity expenses	894	836
1. Acquisition expenses, including:	672	639
- movement in deferred acquisition costs	(367)	(62)
2. Administrative expenses	231	204
3. Reinsurance commissions and profit participation	9	7
VIII. Other net technical charges	142	67
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	1,037	952

Technical account of direct insurance

STATUTORY GROUP NO. 13 Third party liability insurance (general third party liability insurance) not included in groups 10-12

Item	1 January - 31 December 2022	1 January - 31 December 2021
I. Premium income (1-2-3+4)	756,454	712,397
1. Gross written premium	813,440	758,536
2. Reinsurers' share in gross written premium	28,117	29,921
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	27,274	17,124
4. Reinsurers' share in the movement in provision for unearned premiums	(1,595)	906
II. Net investment income (including costs) transferred from the general profit and loss account	19,436	16,024
III. Other net technical income	5,677	7,984
IV. Claims and benefits (1+2)	485,736	408,224
1. Net claims and benefits paid	354,123	344,391
1.1. Gross claims and benefits paid	367,936	348,323
1.2. Reinsurers' share in claims and benefits paid	13,813	3,932
2. Movement in provision for outstanding claims and benefits, net of reinsurance	131,613	63,833
2.1. Movement in provision for outstanding claims and benefits, gross	157,574	114,972
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	25,961	51,139
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	687
VII. Insurance activity expenses	253,545	226,605
1. Acquisition expenses, including:	203,550	183,092
- movement in deferred acquisition costs	(12,242)	(3,506)
2. Administrative expenses	51,853	45,326
3. Reinsurance commissions and profit participation	1,858	1,813
VIII. Other net technical charges	10,207	9,383
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	32,079	91,506

Technical account of direct insurance

STATUTORY GROUP NO. 14 Loan insurance

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	20,371	18,223
1. Gross written premium	21,833	19,683
2. Reinsurers' share in gross written premium	2,578	1,907
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	(1,010)	(441)
4. Reinsurers' share in the movement in provision for unearned premiums	106	6
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	230	137
IV. Claims and benefits (1+2)	1,841	1,914
1. Net claims and benefits paid	1,965	1,036
1.1. Gross claims and benefits paid	2,118	854
1.2. Reinsurers' share in claims and benefits paid	153	(182)
2. Movement in provision for outstanding claims and benefits, net of reinsurance	(124)	878
2.1. Movement in provision for outstanding claims and benefits, gross	(103)	1,087
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	21	209
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	849	247
VII. Insurance activity expenses	3,092	3,524
1. Acquisition expenses, including:	1,919	1,898
– movement in deferred acquisition costs	214	120
2. Administrative expenses	1,789	1,984
3. Reinsurance commissions and profit participation	616	358
VIII. Other net technical charges	163	32
IX. Movement in loss ratio (risk) equalization provisions	-	672
X. Technical result of non-life insurance	14,656	11,971

Technical account of direct insurance

STATUTORY GROUP NO. 15 Insurance guarantee

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	34,454	17,556
1. Gross written premium	48,121	30,936
2. Reinsurers' share in gross written premium	27,466	19,704
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	(13,675)	(10,167)
4. Reinsurers' share in the movement in provision for unearned premiums	124	(3,843)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	706	407
IV. Claims and benefits (1+2)	109,411	5,591
1. Net claims and benefits paid	(570)	4,185
1.1. Gross claims and benefits paid	4,636	6,660
1.2. Reinsurers' share in claims and benefits paid	5,206	2,475
2. Movement in provision for outstanding claims and benefits, net of reinsurance	109,981	1,406
2.1. Movement in provision for outstanding claims and benefits, gross	139,144	4,424
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	29,163	3,018
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	-
VII. Insurance activity expenses	14,595	16,147
1. Acquisition expenses, including:	12,061	12,719
– movement in deferred acquisition costs	(5,142)	(2,398)
2. Administrative expenses	10,256	10,182
3. Reinsurance commissions and profit participation	7,722	6,754
VIII. Other net technical charges	252	114
IX. Movement in loss ratio (risk) equalization provisions	(878)	878
X. Technical result of non-life insurance	(88,220)	(4,767)

Technical account of direct insurance

STATUTORY GROUP NO. 16 Insurance against various financial risks

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	109,329	83,484
1. Gross written premium	345,720	263,432
2. Reinsurers' share in gross written premium	233,601	158,215
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	106,228	122,567
4. Reinsurers' share in the movement in provision for unearned premiums	103,438	100,834
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	5,158	1,524
IV. Claims and benefits (1+2)	56,231	10,662
1. Net claims and benefits paid	24,149	13,508
1.1. Gross claims and benefits paid	30,555	15,358
1.2. Reinsurers' share in claims and benefits paid	6,406	1,850
2. Movement in provision for outstanding claims and benefits, net of reinsurance	32,082	(2,846)
2.1. Movement in provision for outstanding claims and benefits, gross	757,955	(16,067)
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	725,873	(13,221)
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	(34)	44
VII. Insurance activity expenses	61,072	54,036
1. Acquisition expenses, including:	56,540	44,235
– movement in deferred acquisition costs	(10,066)	(36,663)
2. Administrative expenses	26,755	26,461
3. Reinsurance commissions and profit participation	22,223	16,660
VIII. Other net technical charges	6,198	3,043
IX. Movement in loss ratio (risk) equalization provisions	(4,051)	4,051
X. Technical result of non-life insurance	(4,929)	13,172

Technical account of direct insurance

STATUTORY GROUP NO. 17 Legal protection insurance

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	13,681	12,707
1. Gross written premium	14,385	13,389
2. Reinsurers' share in gross written premium	-	-
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	704	682
4. Reinsurers' share in the movement in provision for unearned premiums	-	-
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	13	10
IV. Claims and benefits (1+2)	8,154	7,885
1. Net claims and benefits paid	5,088	4,957
1.1. Gross claims and benefits paid	5,088	4,957
1.2. Reinsurers' share in claims and benefits paid	-	-
2. Movement in provision for outstanding claims and benefits, net of reinsurance	3,066	2,928
2.1. Movement in provision for outstanding claims and benefits, gross	3,066	2,928
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	-	-
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	-
VII. Insurance activity expenses	5,165	4,572
1. Acquisition expenses, including:	4,049	3,592
– movement in deferred acquisition costs	(195)	(166)
2. Administrative expenses	1,116	980
3. Reinsurance commissions and profit participation	-	-
VIII. Other net technical charges	101	75
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	274	185

Technical account of direct insurance

STATUTORY GROUP NO. 18 Insurance for the provision of assistance for the benefit of persons who have fallen into difficulties while traveling or while away from home

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	453,192	385,853
1. Gross written premium	485,813	406,615
2. Reinsurers' share in gross written premium	1,314	850
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	31,336	19,922
4. Reinsurers' share in the movement in provision for unearned premiums	29	10
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	962	1,047
IV. Claims and benefits (1+2)	229,673	209,698
1. Net claims and benefits paid	219,831	200,498
1.1. Gross claims and benefits paid	219,996	200,546
1.2. Reinsurers' share in claims and benefits paid	165	48
2. Movement in provision for outstanding claims and benefits, net of reinsurance	9,842	9,200
2.1. Movement in provision for outstanding claims and benefits, gross	9,846	9,201
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	4	1
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	210	-
VII. Insurance activity expenses	143,004	117,343
1. Acquisition expenses, including:	107,057	85,123
– movement in deferred acquisition costs	(6,435)	(5,109)
2. Administrative expenses	35,949	32,222
3. Reinsurance commissions and profit participation	2	2
VIII. Other net technical charges	3,872	3,296
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	77,395	56,563

Technical insurance accounts – inward reinsurance

Technical insurance account – total inward reinsurance

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	916,435	906,941
1. Gross written premium	1,444,194	1,182,777
2. Reinsurers' share in gross written premium	472,961	326,088
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	196,198	(178,788)
4. Reinsurers' share in the movement in provision for unearned premiums	141,400	(128,536)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	3,669	8,082
IV. Claims and benefits (1+2)	628,473	560,365
1. Net claims and benefits paid	517,044	482,162
1.1. Gross claims and benefits paid	687,328	539,473
1.2. Reinsurers' share in claims and benefits paid	170,284	57,311
2. Movement in provision for outstanding claims and benefits, net of reinsurance	111,429	78,203
2.1. Movement in provision for outstanding claims and benefits, gross	239,050	205,109
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	127,621	126,906
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	3,866	1,017
VII. Insurance activity expenses	224,202	235,492
1. Acquisition expenses, including:	239,336	245,213
– movement in deferred acquisition costs	(11,626)	23,085
2. Administrative expenses	8,666	12,785
3. Reinsurance commissions and profit participation	23,800	22,506
VIII. Other net technical charges	4,175	7,631
IX. Movement in loss ratio (risk) equalization provisions	4,994	7,592
X. Technical result of non-life insurance	54,394	102,926

In 2022 and 2021, PZU conducted inward reinsurance business in all accounting classes except class 9.

Technical insurance account – inward reinsurance

ACCOUNTING CLASS NO. 1 Accident and sickness insurance (group 1, 2)

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	8,365	7,672
1. Gross written premium	5,804	8,019
2. Reinsurers' share in gross written premium	322	274
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	(2,840)	51
4. Reinsurers' share in the movement in provision for unearned premiums	43	(22)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	71	2,464
IV. Claims and benefits (1+2)	6,204	11,646
1. Net claims and benefits paid	8,237	14,666
1.1. Gross claims and benefits paid	8,283	14,852
1.2. Reinsurers' share in claims and benefits paid	46	186
2. Movement in provision for outstanding claims and benefits, net of reinsurance	(2,033)	(3,020)
2.1. Movement in provision for outstanding claims and benefits, gross	(1,956)	(2,974)
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	77	46
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	-
VII. Insurance activity expenses	346	451
1. Acquisition expenses, including:	268	340
– movement in deferred acquisition costs	116	526
2. Administrative expenses	84	116
3. Reinsurance commissions and profit participation	6	5
VIII. Other net technical charges	1	952
IX. Movement in loss ratio (risk) equalization provisions	382	-
X. Technical result of non-life insurance	1,503	(2,913)

Technical insurance account – inward reinsurance

ACCOUNTING CLASS NO. 2 Motor third party liability insurance (group 10)

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	663,337	674,132
1. Gross written premium	710,555	682,461
2. Reinsurers' share in gross written premium	22,470	17,859
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	28,013	(7,578)
4. Reinsurers' share in the movement in provision for unearned premiums	3,265	1,952
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	1,717	4,437
IV. Claims and benefits (1+2)	450,621	461,440
1. Net claims and benefits paid	431,203	409,139
1.1. Gross claims and benefits paid	433,215	410,009
1.2. Reinsurers' share in claims and benefits paid	2,012	870
2. Movement in provision for outstanding claims and benefits, net of reinsurance	19,418	52,301
2.1. Movement in provision for outstanding claims and benefits, gross	29,700	80,203
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	10,282	27,902
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	134	154
VII. Insurance activity expenses	187,662	203,900
1. Acquisition expenses, including:	185,562	196,882
– movement in deferred acquisition costs	(9,161)	4,498
2. Administrative expenses	2,384	7,184
3. Reinsurance commissions and profit participation	284	166
VIII. Other net technical charges	1,650	2,413
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	24,987	10,662

Technical insurance account – inward reinsurance

ACCOUNTING CLASS NO. 3 Other motor insurance (group 3)

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	22,755	3,723
1. Gross written premium	42,912	1,283
2. Reinsurers' share in gross written premium	954	560
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	19,429	(3,009)
4. Reinsurers' share in the movement in provision for unearned premiums	226	(9)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	508	573
IV. Claims and benefits (1+2)	12,996	1,724
1. Net claims and benefits paid	8,693	1,879
1.1. Gross claims and benefits paid	8,693	1,879
1.2. Reinsurers' share in claims and benefits paid	-	-
2. Movement in provision for outstanding claims and benefits, net of reinsurance	4,303	(155)
2.1. Movement in provision for outstanding claims and benefits, gross	4,340	(155)
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	37	-
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	73	-
VII. Insurance activity expenses	8,470	1,675
1. Acquisition expenses, including:	8,116	1,646
– movement in deferred acquisition costs	(6,033)	1,752
2. Administrative expenses	365	35
3. Reinsurance commissions and profit participation	11	6
VIII. Other net technical charges	350	571
IX. Movement in loss ratio (risk) equalization provisions	537	-
X. Technical result of non-life insurance	837	326

Technical insurance account – inward reinsurance

ACCOUNTING CLASS NO. 4 Marine, aviation and transport insurance (groups 4, 5, 6, 7)

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	8,204	9,432
1. Gross written premium	18,098	8,804
2. Reinsurers' share in gross written premium	7,442	2,610
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	5,439	(7,809)
4. Reinsurers' share in the movement in provision for unearned premiums	2,987	(4,571)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	32	(19)
IV. Claims and benefits (1+2)	2,820	2,586
1. Net claims and benefits paid	2,464	1,979
1.1. Gross claims and benefits paid	2,489	2,691
1.2. Reinsurers' share in claims and benefits paid	25	712
2. Movement in provision for outstanding claims and benefits, net of reinsurance	356	607
2.1. Movement in provision for outstanding claims and benefits, gross	878	389
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	522	(218)
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	-
VII. Insurance activity expenses	1,560	1,717
1. Acquisition expenses, including:	1,496	1,722
– movement in deferred acquisition costs	(563)	483
2. Administrative expenses	195	160
3. Reinsurance commissions and profit participation	131	165
VIII. Other net technical charges	60	201
IX. Movement in loss ratio (risk) equalization provisions	145	194
X. Technical result of non-life insurance	3,651	4,715

Technical insurance account – inward reinsurance

ACCOUNTING CLASS NO. 5 Fire and other property damage (groups 8, 9)

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	133,197	124,731
1. Gross written premium	489,146	377,340
2. Reinsurers' share in gross written premium	344,409	254,384
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	107,742	(54,328)
4. Reinsurers' share in the movement in provision for unearned premiums	96,202	(52,553)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	1,065	185
IV. Claims and benefits (1+2)	37,866	39,540
1. Net claims and benefits paid	50,874	33,511
1.1. Gross claims and benefits paid	209,781	76,198
1.2. Reinsurers' share in claims and benefits paid	158,907	42,687
2. Movement in provision for outstanding claims and benefits, net of reinsurance	(13,008)	6,029
2.1. Movement in provision for outstanding claims and benefits, gross	(6,411)	104,247
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	6,597	98,218
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	3,659	863
VII. Insurance activity expenses	7,980	8,614
1. Acquisition expenses, including:	19,385	20,429
– movement in deferred acquisition costs	(4,815)	1,066
2. Administrative expenses	4,162	3,897
3. Reinsurance commissions and profit participation	15,567	15,712
VIII. Other net technical charges	791	1,307
IX. Movement in loss ratio (risk) equalization provisions	6,660	6,237
X. Technical result of non-life insurance	77,306	68,355

Technical insurance account – inward reinsurance

ACCOUNTING CLASS NO. 6 Third party liability insurance (groups 11, 12, 13)

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	55,158	56,406
1. Gross written premium	93,214	71,835
2. Reinsurers' share in gross written premium	34,454	22,267
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	14,664	4,408
4. Reinsurers' share in the movement in provision for unearned premiums	11,062	11,246
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	79	54
IV. Claims and benefits (1+2)	70,732	44,779
1. Net claims and benefits paid	12,426	11,882
1.1. Gross claims and benefits paid	15,066	14,010
1.2. Reinsurers' share in claims and benefits paid	2,640	2,128
2. Movement in provision for outstanding claims and benefits, net of reinsurance	58,306	32,897
2.1. Movement in provision for outstanding claims and benefits, gross	65,234	39,788
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	6,928	6,891
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	-
VII. Insurance activity expenses	8,580	6,902
1. Acquisition expenses, including:	8,452	6,874
– movement in deferred acquisition costs	1,622	23
2. Administrative expenses	757	731
3. Reinsurance commissions and profit participation	629	703
VIII. Other net technical charges	90	164
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	(24,165)	4,615

Technical insurance account – inward reinsurance

ACCOUNTING CLASS NO. 7 Loan and group guarantees (groups 14, 15)

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	294	411
1. Gross written premium	14,618	13,118
2. Reinsurers' share in gross written premium	14,253	12,722
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	3,201	1,395
4. Reinsurers' share in the movement in provision for unearned premiums	3,130	1,410
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	110	181
IV. Claims and benefits (1+2)	(22)	79
1. Net claims and benefits paid	2	4
1.1. Gross claims and benefits paid	472	655
1.2. Reinsurers' share in claims and benefits paid	470	651
2. Movement in provision for outstanding claims and benefits, net of reinsurance	(24)	75
2.1. Movement in provision for outstanding claims and benefits, gross	919	1,636
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	943	1,561
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	-
VII. Insurance activity expenses	294	(73)
1. Acquisition expenses, including:	5,182	3,917
– movement in deferred acquisition costs	(968)	(788)
2. Administrative expenses	154	124
3. Reinsurance commissions and profit participation	5,042	4,114
VIII. Other net technical charges	80	414
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	52	172

Technical insurance account – inward reinsurance

ACCOUNTING CLASS NO. 8 Assistance (groups 18)

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	(10)	14
1. Gross written premium	307	291
2. Reinsurers' share in gross written premium	317	278
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	39	(7)
4. Reinsurers' share in the movement in provision for unearned premiums	39	(6)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	8	7
IV. Claims and benefits (1+2)	(75)	8
1. Net claims and benefits paid	1	1
1.1. Gross claims and benefits paid	1	1
1.2. Reinsurers' share in claims and benefits paid	-	-
2. Movement in provision for outstanding claims and benefits, net of reinsurance	(76)	7
2.1. Movement in provision for outstanding claims and benefits, gross	(305)	259
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	(229)	252
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	-
VII. Insurance activity expenses	(8)	2
1. Acquisition expenses, including:	(6)	2
– movement in deferred acquisition costs	-	-
2. Administrative expenses	3	3
3. Reinsurance commissions and profit participation	5	3
VIII. Other net technical charges	-	20
IX. Movement in loss ratio (risk) equalization provisions	-	-
X. Technical result of non-life insurance	81	(9)

Technical insurance account – inward reinsurance

ACCOUNTING CLASS NO. 10 Other (groups 16)

Item	1 January – 31 December 2022	1 January – 31 December 2021
I. Premium income (1-2-3+4)	25,135	30,420
1. Gross written premium	69,540	19,626
2. Reinsurers' share in gross written premium	48,340	15,134
3. Movement in the provision for unearned premiums and provision for unexpired risks, gross	20,511	(111,911)
4. Reinsurers' share in the movement in provision for unearned premiums	24,446	(85,983)
II. Net investment income (including costs) transferred from the general profit and loss account	-	-
III. Other net technical income	79	200
IV. Claims and benefits (1+2)	47,331	(1,437)
1. Net claims and benefits paid	3,144	9,101
1.1. Gross claims and benefits paid	9,328	19,178
1.2. Reinsurers' share in claims and benefits paid	6,184	10,077
2. Movement in provision for outstanding claims and benefits, net of reinsurance	44,187	(10,538)
2.1. Movement in provision for outstanding claims and benefits, gross	146,651	(18,284)
2.2. Reinsurers' share in the movement in the provision for outstanding claims and benefits	102,464	(7,746)
V. Movement in other technical provisions, net of reinsurance	-	-
1. Movement in other technical provisions, gross	-	-
2. Reinsurers' share in the movement in other technical provisions	-	-
VI. Net bonuses and discounts with the movement in provisions	-	-
VII. Insurance activity expenses	9,318	12,304
1. Acquisition expenses, including:	10,881	13,401
– movement in deferred acquisition costs	8,176	15,525
2. Administrative expenses	562	535
3. Reinsurance commissions and profit participation	2,125	1,632
VIII. Other net technical charges	1,153	1,589
IX. Movement in loss ratio (risk) equalization provisions	(2,730)	1,161
X. Technical result of non-life insurance	(29,858)	17,003

Additional information and explanations

1. Intangible assets

Intangible assets	31 December 2022	31 December 2021
a) costs of completed development work	-	-
b) goodwill	-	-
c) acquired concessions, patents, licenses and similar values including:	223,985	250,180
– software	219,529	245,062
d) other intangible assets	-	189
e) advances for intangible assets	73,893	48,846
Intangible assets, total	297,878	299,215

Movement in intangible assets, total	31 December 2022	31 December 2021
a) gross value of intangible assets at the beginning of the period	865,021	831,517
b) increases (by virtue of)	101,752	103,219
– purchase	62,965	52,436
– transfers	38,374	50,783
– other (including estimates)	413	-
c) reductions (by virtue of)	44,048	69,715
– sale	-	-
– liquidation	5,810	18,932
– transfers	38,238	50,783
– other (including estimates)	-	-
a) gross value of intangible assets at the end of the period	922,725	865,021
e) accumulated amortization at the beginning of the period	564,597	524,642
f) depreciation for the period (by virtue of)	57,479	39,955
– current year impairment charges	63,085	58,887
– sale	-	-
– liquidation	(5,606)	(18,932)
– other	-	-
g) accumulated amortization at the end of the period	622,076	564,597
h) impairment losses at the beginning of the period	1,209	1,209
– increases	1,562	-
– reductions	-	-
i) impairment losses at the end of the period	2,771	1,209
j) net value of intangible assets at the end of the period	297,878	299,215

Intangible assets – ownership structure	31 December 2022	31 December 2021
a) own	297,878	299,215
b) used under a rental, lease or other agreement, including a lease agreement	-	-
Intangible assets, total	297,878	299,215

Movement in intangible assets for the year ended 31 December 2022 (by type group)	a) costs of completed development work	b) goodwill	c) acquired concessions, patents, licenses and similar values	- of which computer software	d) other intangible assets	e) advances and non-tangible assets under construction	Intangible assets, total
a) gross value of intangible assets at the beginning of the period	-	-	814,724	803,269	242	50,055	865,021
b) increases (by virtue of)	-	-	37,552	35,604	-	64,200	101,752
– purchase	-	-	-	-	-	62,965	62,965
– transfers	-	-	38,374	35,604	-	-	38,374
– other (including estimates)	-	-	(822)	-	-	1,235	413
c) reductions (by virtue of)	-	-	5,576	5,343	234	38,238	44,048
– sale	-	-	-	-	-	-	-
– liquidation	-	-	5,576	5,343	234	-	5,810
– transfers	-	-	-	-	-	38,238	38,238
– other (including estimates)	-	-	-	-	-	-	-
a) gross value of intangible assets at the end of the period	-	-	846,700	833,530	8	76,017	922,725
e) accumulated amortization at the beginning of the period	-	-	564,544	558,207	53	-	564,597
f) depreciation for the period (by virtue of)	-	-	57,524	55,794	(45)	-	57,479
– current year impairment charges	-	-	63,085	61,070	-	-	63,085
– sale	-	-	-	-	-	-	-
– liquidation	-	-	(5,561)	(5,276)	(45)	-	(5,606)
– other	-	-	-	-	-	-	-
g) accumulated amortization at the end of the period	-	-	622,068	614,001	8	-	622,076
h) impairment losses at the beginning of the period	-	-	-	-	-	1,209	1,209
– increases	-	-	647	-	-	915	1,562
– reductions	-	-	-	-	-	-	-
i) impairment losses at the end of the period	-	-	647	-	-	2,124	2,771
j) net value of intangible assets at the end of the period	-	-	223,985	219,529	-	73,893	297,878

Movement in intangible assets for the year ended 31 December 2021 (by type group)	a) costs of completed development work	b) goodwill	c) acquired concessions, patents, licenses and similar values	- of which computer software	d) other intangible assets	e) advances and non-tangible assets under construction	Intangible assets, total
a) gross value of intangible assets at the beginning of the period	-	-	782,940	773,972	131	48,446	831,517
b) increases (by virtue of)	-	-	50,716	47,473	111	52,392	103,219
– purchase	-	-	44	27	-	52,392	52,436
– transfers	-	-	50,672	47,446	111	-	50,783
– other (including estimates)	-	-	-	-	-	-	-
c) reductions (by virtue of)	-	-	18,932	18,176	-	50,783	69,715
– sale	-	-	-	-	-	-	-
– liquidation	-	-	18,932	18,176	-	-	18,932
– transfers	-	-	-	-	-	50,783	50,783
– other (including estimates)	-	-	-	-	-	-	-
a) gross value of intangible assets at the end of the period	-	-	814,724	803,269	242	50,055	865,021
e) accumulated amortization at the beginning of the period	-	-	524,589	518,588	53	-	524,642
f) depreciation for the period (by virtue of)	-	-	39,955	39,619	-	-	39,955
– current year impairment charges	-	-	58,887	57,795	-	-	58,887
– sale	-	-	-	-	-	-	-
– liquidation	-	-	(18,932)	(18,176)	-	-	(18,932)
– other	-	-	-	-	-	-	-
g) accumulated amortization at the end of the period	-	-	564,544	558,207	53	-	564,597
h) impairment losses at the beginning of the period	-	-	-	-	-	1,209	1,209
– increases	-	-	-	-	-	-	-
– reductions	-	-	-	-	-	-	-
i) impairment losses at the end of the period	-	-	-	-	-	1,209	1,209
j) net value of intangible assets at the end of the period	-	-	250,180	245,062	189	48,846	299,215

2. Investments

2.1 Geographical structure of investments

Geographical structure of investments as of 31 December 2022	Domestic				Foreign – EU countries				Foreign – other countries				Total			
	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss
I. Real property ¹⁾	704,527	463,326	282,935	138,950	-	-	-	-	-	-	-	-	704,527	463,326	282,935	138,950
II. Investments in related parties ²⁾	11,170,335	18,736,026	13,288,112	800,886	1,123,850	1,103,590	1,263,766	-	204,067	63,386	39,169	-	12,498,252	19,903,002	14,591,047	800,886
III. Other financial investments	17,661,060	18,767,643	20,757,586	18,828	1,535,603	1,617,658	1,620,227	-	2,707,441	2,912,991	2,912,991	-	21,904,104	23,298,292	25,290,804	18,828
1. Shares, stocks and other variable income debt securities	775,481	910,086	910,086	18,803	-	-	-	-	-	-	-	-	775,481	910,086	910,086	18,803
– measured at fair value	762,966	910,071	910,071	6,303	-	-	-	-	-	-	-	-	762,966	910,071	910,071	6,303
– valued at cost	12,515	15	15	12,500	-	-	-	-	-	-	-	-	12,515	15	15	12,500
2. Participation units and investment certificates of mutual funds	5,133,710	8,292,114	8,292,114	25	190,923	277,085	277,085	-	378,037	583,715	583,715	-	5,702,670	9,152,914	9,152,914	25
3. Debt securities and other fixed-income securities	10,470,407	8,233,852	10,213,151	-	1,116,214	1,091,469	1,091,469	-	2,329,404	2,329,276	2,329,276	-	13,916,025	11,654,597	13,633,896	-
– measured at fair value	2,641,024	2,228,985	2,228,985	-	1,116,214	1,091,469	1,091,469	-	2,329,404	2,329,276	2,329,276	-	6,086,642	5,649,730	5,649,730	-
– valued at adjusted cost or acquisition cost	7,829,383	6,004,867	7,984,166	-	-	-	-	-	-	-	-	-	7,829,383	6,004,867	7,984,166	-
4. Participations in joint ventures of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mortgage-backed loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Other loans	1,246,576	1,240,945	1,251,589	-	228,466	226,728	229,297	-	-	-	-	-	1,475,042	1,467,673	1,480,886	-
7. Term deposits with credit institutions	34,886	34,864	34,864	-	-	-	-	-	-	-	-	-	34,886	34,864	34,864	-
8. Other investments	-	55,782	55,782	-	-	22,376	22,376	-	-	-	-	-	-	78,158	78,158	-
IV. Deposits with ceding enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	29,535,922	37,966,995	34,328,633	958,664	2,659,453	2,721,248	2,883,993	-	2,911,508	2,976,377	2,952,160	-	35,106,883	43,664,620	40,164,786	958,664

¹⁾ The presented fair value of real property results from valuation measurements carried out in 2018 and 2022, based primarily on the application of the income approach.

²⁾ In the case of companies measured by the equity method, the presented fair value of investments in subsidiaries was adopted at the level of the amount of net assets of these companies attributable to PZU as of the balance sheet date, plus the unamortized portion of goodwill as of the balance sheet date, taking into account impairment losses (except for Alior Bank and Bank Pekao, for which the stock market valuation was presented, and except for insurance companies subject to the Solvency II regime, for which the excess of assets over liabilities according to the Solvency II regime was adopted). Possible regular estimates of the fair value of investments in subordinated entities, which would be performed solely for the purposes of PZU's standalone financial reporting, are not performed mainly because of the potential significant and recurring costs of such activities and the large margin of discretion and possible error that the results would be subject to.

Structure of investments as of 31 December 2022	Domestic – net carrying amount	Foreign – EU countries – net carrying amount	Foreign – other countries – net carrying amount	Total
I. Real property	282,935	-	-	282,935
II. Investments in related parties	13,288,112	1,263,766	39,169	14,591,047
– with unlimited transferability, listed on a regulated market	7,314,572	-	-	7,314,572
– with unlimited transferability, not listed on a regulated market	5,973,540	1,263,766	39,169	7,276,475
– limited transferability	-	-	-	-
III. Other financial investments	20,757,586	1,620,227	2,912,991	25,290,804
1. Shares, stocks and other variable income debt securities	910,086	-	-	910,086
– with unlimited transferability, listed on a regulated market	910,049	-	-	910,049
– with unlimited transferability, not listed on a regulated market	37	-	-	37
– limited transferability	-	-	-	-
2. Participation units and investment certificates of mutual funds	8,292,114	277,085	583,715	9,152,914
– with unlimited transferability, listed on a regulated market	-	-	-	-
– with unlimited transferability, not listed on a regulated market	8,292,114	277,085	583,715	9,152,914
– limited transferability	-	-	-	-
3. Debt securities and other fixed-income securities	10,213,151	1,091,469	2,329,276	13,633,896
– with unlimited transferability, listed on a regulated market	10,213,151	1,091,469	2,329,276	13,633,896
– with unlimited transferability, not listed on a regulated market	-	-	-	-
– limited transferability	-	-	-	-
4. Participations in joint ventures of investment	-	-	-	-
– with unlimited transferability, listed on a regulated market	-	-	-	-
– with unlimited transferability, not listed on a regulated market	-	-	-	-
– limited transferability	-	-	-	-
5. Mortgage-backed loans	-	-	-	-
6. Other loans	1,251,589	229,297	-	1,480,886
7. Term deposits with credit institutions	34,864	-	-	34,864
8. Other investments	55,782	22,376	-	78,158
– with unlimited transferability, listed on a regulated market	-	-	-	-
– with unlimited transferability, not listed on a regulated market	55,782	22,376	-	78,158
– limited transferability	-	-	-	-
IV. Deposits with ceding enterprises	-	-	-	-
Total	34,328,633	2,883,993	2,952,160	40,164,786

Geographical structure of investments as of 31 December 2021	Domestic				Foreign – EU countries				Foreign – other countries				Total			
	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss	Purchase price	Fair value	Net carrying amount	Impairment loss
I. Real property ¹⁾	709,226	441,846	297,328	138,585	-	-	-	-	-	-	-	-	709,226	441,846	297,328	138,585
II. Investments in related parties ²⁾	10,972,169	20,602,801	13,133,499	797,380	1,140,410	998,509	1,378,259	-	197,667	105,328	129,824	-	12,310,246	21,706,638	14,641,582	797,380
III. Other financial investments	16,896,500	20,643,798	19,470,969	12,525	1,480,714	1,698,638	1,699,009	-	2,649,120	3,141,674	3,141,674	-	21,026,334	25,484,110	24,311,652	12,525
1. Shares, stocks and other variable income debt securities	19,269	1,936	1,936	12,500	-	-	-	-	-	-	-	-	19,269	1,936	1,936	12,500
– measured at fair value	6,754	1,921	1,921	-	-	-	-	-	-	-	-	-	6,754	1,921	1,921	-
– valued at cost	12,515	15	15	12,500	-	-	-	-	-	-	-	-	12,515	15	15	12,500
2. Participation units and investment certificates of mutual funds	5,114,732	7,855,043	7,855,043	25	145,408	217,290	217,290	-	254,292	435,934	435,934	-	5,514,432	8,508,267	8,508,267	25
3. Debt securities and other fixed-income securities	11,095,820	12,114,805	10,941,814	-	1,185,306	1,318,764	1,318,764	-	2,394,828	2,705,740	2,705,740	-	14,675,954	16,139,309	14,966,318	-
– measured at fair value	3,119,193	2,894,024	2,894,024	-	1,185,306	1,318,764	1,318,764	-	2,394,828	2,705,740	2,705,740	-	6,699,327	6,918,528	6,918,528	-
– valued at adjusted cost or acquisition cost	7,976,627	9,220,781	8,047,790	-	-	-	-	-	-	-	-	-	7,976,627	9,220,781	8,047,790	-
4. Participations in joint ventures of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Mortgage-backed loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6. Other loans	661,201	666,148	666,310	-	150,000	149,473	149,844	-	-	-	-	-	811,201	815,621	816,154	-
7. Term deposits with credit institutions	5,478	5,478	5,478	-	-	-	-	-	-	-	-	-	5,478	5,478	5,478	-
8. Other investments	-	388	388	-	-	13,111	13,111	-	-	-	-	-	-	13,499	13,499	-
IV. Deposits with ceding enterprises	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	28,577,895	41,688,445	32,901,796	948,490	2,621,124	2,697,147	3,077,268	-	2,846,787	3,247,002	3,271,498	-	34,045,806	47,632,594	39,250,562	948,490

¹⁾ The presented fair value of real property results from valuation measurements carried out in 2018 and 2021, based primarily on the application of the income approach.

²⁾ In the case of companies measured by the equity method, the presented fair value of investments in subsidiaries was adopted at the level of the amount of net assets of these companies attributable to PZU as of the balance sheet date, plus the unamortized portion of goodwill as of the balance sheet date, taking into account impairment losses (except for Alior Bank and Bank Pekao, for which the stock market valuation was presented, and except for insurance companies subject to the Solvency II regime, for which the excess of assets over liabilities according to the Solvency II regime was adopted). Possible regular estimates of the fair value of investments in subordinated entities, which would be performed solely for the purposes of PZU's standalone financial reporting, are not performed mainly because of the potential significant and recurring costs of such activities and the large margin of discretion and possible error that the results would be subject to.

Structure of investments as of 31 December 2021	Domestic – net carrying amount	Foreign – EU countries – net carrying amount	Foreign – other countries – net carrying amount	Total
I. Real property	297,328	-	-	297,328
II. Investments in related parties	13,133,499	1,378,259	129,824	14,641,582
– with unlimited transferability, listed on a regulated market	7,490,504	-	-	7,490,504
– with unlimited transferability, not listed on a regulated market	5,642,995	1,378,259	129,824	7,151,078
– limited transferability	-	-	-	-
III. Other financial investments	19,470,969	1,699,009	3,141,674	24,311,652
1. Shares, stocks and other variable income debt securities	1,936	-	-	1,936
– with unlimited transferability, listed on a regulated market	1,921	-	-	1,921
– with unlimited transferability, not listed on a regulated market	15	-	-	15
– limited transferability	-	-	-	-
2. Participation units and investment certificates of mutual funds	7,855,043	217,290	435,934	8,508,267
– with unlimited transferability, listed on a regulated market	-	-	-	-
– with unlimited transferability, not listed on a regulated market	7,855,043	217,290	435,934	8,508,267
– limited transferability	-	-	-	-
3. Debt securities and other fixed-income securities	10,941,814	1,318,764	2,705,740	14,966,318
– with unlimited transferability, listed on a regulated market	10,941,814	1,318,764	2,705,740	14,966,318
– with unlimited transferability, not listed on a regulated market	-	-	-	-
– limited transferability	-	-	-	-
4. Participations in joint ventures of investment	-	-	-	-
– with unlimited transferability, listed on a regulated market	-	-	-	-
– with unlimited transferability, not listed on a regulated market	-	-	-	-
– limited transferability	-	-	-	-
5. Mortgage-backed loans	-	-	-	-
6. Other loans	666,310	149,844	-	816,154
7. Term deposits with credit institutions	5,478	-	-	5,478
8. Other investments	388	13,111	-	13,499
– with unlimited transferability, listed on a regulated market	-	-	-	-
– with unlimited transferability, not listed on a regulated market	388	13,111	-	13,499
– limited transferability	-	-	-	-
IV. Deposits with ceding enterprises	-	-	-	-
Total	32,901,796	3,077,268	3,271,498	39,250,562

2.2 Movement in financial instruments by portfolio

Movement in financial instruments by portfolio for the year ended 31 December 2022	Beginning of the period	Increases, including:		Reductions, including:		End of the period
		Acquisition	Increase in value	Sale or buyout	Decline in value	
a) financial assets held for trading, including:	13,499	-	78,158	13,421	78	78,158
Shares, stocks and other variable income securities and participation units and investment certificates in mutual funds	-	-	-	-	-	-
Debt securities and other fixed-income securities	-	-	-	-	-	-
Other investments	13,499	-	78,158	13,421	78	78,158
b) financial liabilities held for trading	434,098	-	67,539	152,887	30,331	318,419
c) loans granted and own receivables, including:	948,307	71,941,554	10,891	71,253,567	1,747	1,645,438
Debt securities and other fixed-income securities	126,675	-	3,816	778	25	129,688
Mortgage-backed loans	-	-	-	-	-	-
Other loans	816,154	68,376,350	7,072	67,716,993	1,697	1,480,886
Term deposits with credit institutions	5,478	3,565,204	3	3,535,796	25	34,864
d) financial assets held to maturity, including:	7,921,115	1,370,585	194,027	1,621,389	9,861	7,854,477
Debt securities and other fixed-income securities	7,921,115	1,370,585	194,027	1,621,389	9,861	7,854,477
e) available-for-sale financial assets, including:	15,428,731	3,539,874	969,834	3,277,028	948,680	15,712,731
Shares, stocks and other variable income securities and participation units and investment certificates in mutual funds	8,510,203	988,058	727,297	44,550	118,008	10,063,000
Debt securities and other fixed-income securities	6,918,528	2,551,816	242,537	3,232,478	830,672	5,649,731
Total assets in other entities	24,311,652	76,852,013	1,252,910	76,165,405	960,366	25,290,804
Investments in related parties	13,961,463	407,573	440,947	99,687	591,545	14,118,751
Loans granted to subordinate entities	536,288	42,140	9,570	289,108	-	298,890
Other investments in subordinate entities	143,831	17,472,350	25	17,442,800	-	173,406
Total assets in subordinate entities	14,641,582	17,922,063	450,542	17,831,595	591,545	14,591,047
Total liabilities	434,098	-	67,539	152,887	30,331	318,419

Movement in financial instruments by portfolio for the year ended 31 December 2021	Beginning of the period	Increases, including:		Reductions, including:		End of the period
		Acquisition	Increase in value	Sale or buyout	Decline in value	
a) financial assets held for trading, including:	9,630	643,028	13,499	652,658	-	13,499
Shares, stocks and other variable income securities and participation units and investment certificates in mutual funds	-	-	-	-	-	-
Debt securities and other fixed-income securities	2,119	643,028	-	645,147	-	-
Other investments	7,511	-	13,499	7,511	-	13,499
b) financial liabilities held for trading	54,813	-	415,290	20,936	15,069	434,098
c) loans granted and own receivables, including:	1,294,671	47,702,210	1,627	48,049,852	348	948,307
Debt securities and other fixed-income securities	126,683	-	776	784	-	126,675
Mortgage-backed loans	-	-	-	-	-	-
Other loans	1,133,908	45,823,517	851	46,141,774	348	816,154
Term deposits with credit institutions	34,079	1,878,693	-	1,907,293	-	5,478
d) financial assets held to maturity, including:	7,659,139	828,539	147,914	703,551	10,926	7,921,115
Debt securities and other fixed-income securities	7,659,139	828,539	147,914	703,551	10,926	7,921,115
e) available-for-sale financial assets, including:	14,772,442	2,578,997	1,116,532	2,404,190	635,050	15,428,731
Shares, stocks and other variable income securities and participation units and investment certificates in mutual funds	7,659,154	1,467,762	847,012	1,425,939	37,786	8,510,203
Debt securities and other fixed-income securities	7,113,289	1,111,235	269,520	978,252	597,264	6,918,528
Total assets in other entities	23,735,882	51,752,774	1,279,572	51,810,252	646,324	24,311,652
Investments in related parties	15,457,719	96,524	62,388	-	1,655,167	13,961,463
Loans granted to subordinate entities	526,434	2,800	7,054	-	-	536,288
Other investments in subordinate entities	176,294	1,227,059	-	1,259,523	-	143,831
Total assets in subordinate entities	16,160,447	1,326,383	69,442	1,259,523	1,655,167	14,641,582
Total liabilities	54,813	-	415,290	20,936	15,069	434,098

2.3 Investment in real estate

Deposits in real estate (by group)	31 December 2022	31 December 2021
a) own land	17,084	17,217
– at purchase price	22,535	22,667
– at current value	54,959	45,217
b) the right of perpetual usufruct of land	47	110
c) buildings and structures	263,609	276,564
– at purchase price	654,266	657,590
– at current value	286,930	305,137
d) cooperative ownership right to the premises	2,088	2,223
e) construction investments	107	1,214
f) advances for construction projects	-	-
Deposits in real estate (by group), total	282,935	297,328

Movement in investment in real estate	31 December 2022	31 December 2021
a) gross value at the beginning of the period	709,227	712,340
b) increases (by virtue of)	1,908	3,344
– investments	-	1,613
– from direct purchases	1,908	1,731
– other	-	-
c) reductions (by virtue of)	6,608	6,457
– liquidation	-	-
– sale	5,501	4,711
– donations	-	-
– other	1,107	1,746
d) gross value at the end of the period	704,527	709,227
e) accumulated amortization at the beginning of the period	273,314	263,022
f) depreciation for the period (by virtue of)	9,328	10,292
– current year depreciation charges	12,484	12,446
– amortization of liquidated fixed assets	-	-
– amortization of fixed assets sold	(3,156)	(2,154)
– amortization of donated fixed assets	-	-
– other	-	-
g) accumulated amortization at the end of the period	282,642	273,314
h) impairment losses at the beginning of the period	138,585	138,596
– increases	1,236	-
– reductions	871	11
i) impairment losses at the end of the period	138,950	138,585
j) net value at the end of the period	282,935	297,328

Movement in real property value for the year ended 31 December 2022 (by type groups)	Lands and the right of perpetual usufruct of land	Buildings and structures, premises	Rights to residential and commercial premises	Construction investments	Advances for construction projects	Real property, total
a) gross value at the beginning of the period	45,125	657,590	5,298	1,214	-	709,227
b) increases (by virtue of)	-	1,908	-	-(1,107)	-	801
– investments	-	-	-	-	-	-
– from direct purchases	-	801	-	-	-	801
– transfers	-	1,107	-	-(1,107)	-	-
c) reductions (by virtue of)	182	5,232	87	-	-	501
– liquidation	-	-	-	-	-	-
– sale	182	5,232	87	-	-	5,501
– donations	-	-	-	-	-	-
d) gross value at the end of the period	44,943	654,266	5,211	107	-	704,527
e) accumulated amortization at the beginning of the period	22,347	247,892	3,075	-	-	273,314
f) depreciation for the period (by virtue of)	14	9,266	48	-	-	9,328
– current year depreciation charges	63	12,310	111	-	-	12,484
– amortization of liquidated properties	-	-	-	-	-	-
– amortization of real property sold	(49)	(3,044)	(63)	-	-	(3,156)
– amortization of donated properties	-	-	-	-	-	-
– other	-	-	-	-	-	-
g) accumulated amortization at the end of the period	22,361	257,158	3,123	-	-	282,642
h) impairment losses at the beginning of the period	5,451	133,134	-	-	-	138,585
– increases	-	1,236	-	-	-	1,236
– reductions	-	871	-	-	-	871
i) impairment losses at the end of the period	5,451	133,499	-	-	-	138,950
j) net value at the end of the period	17,131	263,609	2,088	107	-	282,935

Movement in real property value for the year ended 31 December 2021 (by type groups)	Lands and the right of perpetual usufruct of land	Buildings and structures, premises	Rights to residential and commercial premises	Construction investments	Advances for construction projects	Real property, total
a) gross value at the beginning of the period	45,556	659,970	5,467	1,347	-	712,340
b) increases (by virtue of)	19	1,712	-	1,613	-	3,344
– investments	-	-	-	1,613	-	1,613
– from direct purchases	19	1,712	-	-	-	1,731
– other	-	-	-	-	-	-
c) reductions (by virtue of)	450	4,092	169	1,746	-	6,457
– liquidation	-	-	-	-	-	-
– sale	450	4,092	169	-	-	4,711
– donations	-	-	-	-	-	-
– other	-	-	-	1,746	-	1,746
d) gross value at the end of the period	45,125	657,590	5,298	1,214	-	709,227
e) accumulated amortization at the beginning of the period	22,442	237,525	3,055	-	-	263,022
f) depreciation for the period (by virtue of)	(95)	10,367	20	-	-	10,292
– current year depreciation charges	64	12,271	111	-	-	12,446
– amortization of liquidated properties	-	-	-	-	-	-
– amortization of real property sold	(159)	(1,904)	(91)	-	-	(2,154)
– amortization of donated properties	-	-	-	-	-	-
– other	-	-	-	-	-	-
g) accumulated amortization at the end of the period	22,347	247,892	3,075	-	-	273,314
h) impairment losses at the beginning of the period	5,451	133,145	-	-	-	138,596
– increases	-	-	-	-	-	-
– reductions	-	11	-	-	-	11
i) impairment losses at the end of the period	5,451	133,134	-	-	-	138,585
j) net value at the end of the period	17,327	276,564	2,223	1,214	-	297,328

Real property (by use)	31 December 2022	31 December 2021
a) real property for own activities	273,302	285,524
b) other real property	9,633	11,804
Real property (by use), total	282,935	297,328

Investment in real estate	31 December 2022	31 December 2021
a) short-term	5,933	8,025
b) long-term	277,002	289,303
Investments in real property, total	282,935	297,328

Deposits in real property (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	282,935	297,328
b) in EUR or another currency (by currency and after conversion to PLN)	-	-
Investments in real property, total	282,935	297,328

Investment in real estate	31 December 2022	31 December 2021
Value of land in perpetual usufruct not used for own purposes	-	-
Total value of land in perpetual usufruct not used for own purposes	-	-

2.4 Investments in subordinate entities

Investments in subordinate entities (carrying amount)	31 December 2022	31 December 2021
a) shares in subsidiaries, including:	14,114,716	13,932,767
– long-term investments	14,114,716	13,932,767
b) shares in joint ventures, including:	-	-
– long-term investments	-	-
c) shares in related parties, including:	4,035	28,696
– long-term investments	4,035	28,696
d) loans granted to subsidiaries, including:	298,890	533,194
– long-term investments	298,890	533,194
e) loans granted to joint ventures, including:	-	-
– long-term investments	-	-
e) loans granted to related parties, including:	-	3,094
– long-term investments	-	-
g) debt securities of subsidiaries, including:	-	-
– long-term investments	-	-
h) debt securities of joint ventures, including:	-	-
– long-term investments	-	-
h) debt securities of related parties, including:	-	-
– long-term investments	-	-
j) other investments (by type), including:	173,406	143,831
– long-term investments	-	-
Investments in subordinate entities, total	14,591,047	14,641,582

Investments in subordinate entities measured by the equity method	31 December 2022	31 December 2021
a) shares, including:	14,118,751	13,961,463
– in subsidiaries	14,114,715	13,932,767
– in joint ventures	-	-
– in related parties	4,035	28,696
b) loans granted, including:	298,890	536,288
– to subsidiaries	298,890	533,194
– to joint ventures	-	-
– for related parties	-	3,094
c) debt securities, including:	-	-
– of subsidiaries	-	-
– of joint ventures	-	-
– of related parties	-	-
d) other, (by type), including:	173,406	143,831
d1) term deposits, including:	173,406	143,831
– in subsidiaries	173,406	143,831
– in joint ventures	-	-
– in related parties	-	-
d2) derivatives, including:	-	-
– in subsidiaries	-	-
– in joint ventures	-	-
– in related parties	-	-
d3) other, including:	-	-
– in subsidiaries	-	-
– in joint ventures	-	-
– in related parties	-	-
Investments in related parties measured by the equity method, total	14,591,047	14,641,582

Investments in subordinate entities measured by the equity method, including:	31 December 2022	31 December 2021
a) goodwill of subordinate entities	1,382,505	1,512,403
– of subsidiaries	1,369,867	1,490,877
– of joint ventures	-	-
– of related parties	12,638	21,526
a) negative goodwill of subordinate entities	-	-
– of subsidiaries	-	-
– of joint ventures	-	-
– of related parties	-	-

Movement in goodwill – subsidiaries	31 December 2022	31 December 2021
a) gross goodwill at the beginning of the period, including:	3,586,945	3,586,945
– UAB PZU Lietuva Gyvybes Draudimas	81	81
– PrJSC IC PZU Ukraine	4,361	4,361
– PrJSC IC PZU Ukraine Life Insurance	1,595	1,595
– Lietuvos Draudimas AB	436,809	436,809
– Link4	221,377	221,377
– Bank Pekao	1,757,491	1,757,491
– AAS Balta	89,559	89,559
– Alior Bank	1,075,672	1,075,672
b) increases (by virtue of)	-	-
c) reductions (by virtue of)	-	-
d) gross goodwill at the end of the period	3,586,945	3,586,945
– UAB PZU Lietuva Gyvybes Draudimas	81	81
– PrJSC IC PZU Ukraine	4,361	4,361
– PrJSC IC PZU Ukraine Life Insurance	1,595	1,595

Movement in goodwill – subsidiaries	31 December 2022	31 December 2021
– Lietuvos Draudimas AB	436,809	436,809
– Link4	221,377	221,377
– Bank Pekao	1,757,491	1,757,491
– AAS Balta	89,559	89,559
– Alior Bank	1,075,672	1,075,672
e) impairment charge of goodwill at the beginning of the period	2,096,068	1,967,442
– UAB PZU Lietuva Gyvybes Draudimas	81	81
– PrJSC IC PZU Ukraine	4,361	4,361
– PrJSC IC PZU Ukraine Life Insurance	1,595	1,595
– Lietuvos Draudimas AB	123,472	82,295
– Link4	108,227	93,469
– Bank Pekao	743,595	677,828
– AAS Balta	39,065	32,141
– Alior Bank	1,075,672	1,075,672
e) impairment charge of goodwill for the period	121,010	128,626
– Lietuvos Draudimas AB	34,614	41,177
– Link4	14,758	14,758
– Bank Pekao	65,767	65,767
– AAS Balta	5,871	6,924
– Alior Bank	-	-
g) impairment charge for goodwill for the period	-	-
e) impairment charge of goodwill at the end of the period	2,217,078	2,096,068
– UAB PZU Lietuva Gyvybes Draudimas	81	81
– PrJSC IC PZU Ukraine	4,361	4,361
– PrJSC IC PZU Ukraine Life Insurance	1,595	1,595
– Lietuvos Draudimas AB	158,086	123,472
– Link4	122,985	108,227
– Bank Pekao	809,362	743,595
– AAS Balta	44,936	39,065
– Alior Bank	1,075,672	1,075,672
i) net goodwill at the end of the period	1,369,867	1,490,877
– Lietuvos Draudimas AB	278,723	313,337
– Link4	98,392	113,150
– Bank Pekao	948,129	1,013,896
– AAS Balta	44,623	50,494
– Alior Bank	-	-

Conversion differences and amortization are reported as changes in the impairment charge of goodwill.

Movement in goodwill – related parties	31 December 2022	31 December 2021
a) gross goodwill at the beginning of the period, including:	26,908	26,908
b) increases (by virtue of)	-	-
– RUCH SA	-	-
c) reductions (by virtue of)	-	-
d) gross goodwill at the end of the period	26,908	26,908
– RUCH SA	26,908	26,908
e) impairment charge of goodwill at the beginning of the period	5,382	-
– RUCH SA	5,382	-
f) impairment charge of goodwill for the period	8,888	5,382
– RUCH SA	8,888	5,382
g) impairment charge for goodwill for the period	-	-
h) impairment charge of goodwill at the end of the period	14,270	5,382
– RUCH SA	14,270	5,382
i) net goodwill at the end of the period	12,638	21,526
– RUCH SA	12,638	21,526

2.4.1. Impairment tests of interests in subordinate entities and impairment charges of goodwill and trademark

Goodwill impairment tests prepared as at 31 December 2022 for all subordinated entities measured by the equity method wherein goodwill is part of the measurement.

The recoverable amount of individual CGUs was determined based on value in use of the entities, using the discounted dividend flow method. For the purpose of the test, 3-year financial projections were used except for Bank Pekao, where the projections were extended to 6 years to ensure normalization of financial data in view of the observed increased volatility of the legal and economic environment. The value in use was estimated at the discount rates and growth rates after the forecast period given in the table below.

Subordinated entity	31 December 2022			31 December 2021		
	Discount rate	Growth rate after the projection period	Timeframe of financial projections	Discount rate	Growth rate after the projection period	Timeframe of financial projections
Bank Pekao	12.9%	3.5%	6 years	9.7%	3.5%	3 years
Lietuvos Draudimas AB	8.6%	3.0%	3 years	5.5%	3.0%	3 years
Link4	11.7%	2.5%	3 years	8.8%	2.5%	3 years
AAS Balta	8.8%	3.0%	3 years	6.1%	3.0%	3 years

Goodwill impairment tests prepared as at 31 December 2021 for all subordinated entities measured by the equity method wherein goodwill is part of the measurement did not show that there was a need for impairment loss on goodwill.

Movement in investments in subordinate entities (by type)	31 December 2022	31 December 2021
a) beginning of the period	14,641,582	16,160,447
– interests and shares in subordinate entities	13,961,463	15,457,719
– loans granted	536,288	526,434
– other	143,831	176,294
b) increases (by virtue of)	18,372,605	1,395,825
– acquisition	17,922,063	1,326,383
– revaluation adjustments	450,542	69,442
– other	-	-
c) reductions (by virtue of)	18,423,140	2,914,690
– sale or redemption	17,831,595	1,259,523
– revaluation adjustments	591,545	1,655,167
– other	-	-
d) end of the period	14,591,047	14,641,582
– interests and shares in subordinate entities	14,118,751	13,961,463
– loans granted	298,890	536,288
– other	173,406	143,831

Shares and securities in subordinate entities	31 December 2022	31 December 2021
a) admitted to trading on the regulated market	7,314,572	7,490,504
b) not admitted to trading on the regulated market	6,804,179	6,470,959
Shares and securities in subordinate entities, total	14,118,751	13,961,463

Shares, stocks and other financial instruments in subordinate entities (long-term deposits) – by transferability	31 December 2022	31 December 2021
A. With unlimited transferability, listed on a regulated market (carrying amount)	7,314,572	7,490,504
a) shares (carrying amount):	7,314,572	7,490,504
– revaluation adjustments (for the period)	(175,932)	(552,318)
– value at the beginning of the period	7,490,504	8,042,822
– value at purchase price	8,752,306	8,781,306
b) bonds (carrying amount):	–	–
– revaluation adjustments (for the period)	–	–
– value at the beginning of the period	–	–
– value at purchase price	–	–
c) other – by type group (carrying amount):	–	–
– revaluation adjustments (for the period)	–	–
– value at the beginning of the period	–	–
– value at purchase price	–	–
A. With unlimited transferability, not listed on a regulated market (carrying amount)	7,103,069	7,007,247
a) shares (carrying amount):	6,165,789	5,849,492
– revaluation adjustments (for the period)	316,297	(901,711)
– value at the beginning of the period	5,849,492	6,751,203
– value at purchase price	2,700,194	2,280,378
b) bonds (carrying amount):	–	–
– revaluation adjustments (for the period)	–	–
– value at the beginning of the period	–	–
– value at purchase price	–	–
c) other – by type group (carrying amount):	937,280	1,157,755
Interest in subordinate entities (carrying amount)	638,390	621,467
– revaluation adjustments (for the period)	16,923	(42,227)
– value at the beginning of the period	621,467	663,694
– value at purchase price	587,530	587,455
loans granted (carrying amount)	298,890	536,288
– revaluation adjustments (for the period)	(237,398)	9,854
– value at the beginning of the period	536,288	526,434
– value at purchase price	284,843	517,276
other investments (carrying amount)	–	–
– revaluation adjustments (for the period)	–	–
– value at the beginning of the period	–	–
– value at purchase price	–	–
C. With limited transferability (carrying amount)	–	–
a) interest or shares (carrying amount)	–	–
– revaluation adjustments (for the period)	–	–
– value at the beginning of the period	–	–
– value at purchase price	–	–
b) bonds (carrying amount):	–	–
– revaluation adjustments (for the period)	–	–
– value at the beginning of the period	–	–
– value at purchase price	–	–
c) other – by type group (carrying amount):	–	–
– revaluation adjustments (for the period)	–	–
– value at the beginning of the period	–	–
– value at purchase price	–	–
Value at purchase price, total	12,324,873	12,166,415
Value at the beginning of the period, total	14,497,751	15,984,153
Revaluation adjustments (for the period), total	(80,110)	(1,486,402)
Carrying amount, total	14,417,641	14,497,751

Shares, stocks and other financial instruments in subordinate entities (short-term investments) – by transferability	31 December 2022	31 December 2021
A. With unlimited transferability, listed on a regulated market (carrying amount)	-	-
a) shares (carrying amount):	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
b) bonds (carrying amount):	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
c) other – by type group (carrying amount):	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
A. With unlimited transferability, not listed on a regulated market (carrying amount)	-	-
a) shares (carrying amount):	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
b) bonds (carrying amount):	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
c) other – by type group (carrying amount):	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
C. With limited transferability (carrying amount)	173,406	143,831
a) interest or shares (carrying amount)	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
b) bonds (carrying amount):	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
c) other – other investments (carrying amount):	173,406	143,831
c1) loans granted (carrying amount):	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
c2) term deposits (carrying amount):	173,406	143,831
– fair value	173,406	143,831
– market value	173,406	143,831
– value at purchase price	173,380	143,831
c3) derivatives (carrying amount):	-	-
– fair value	-	-
– market value	-	-
– value at purchase price	-	-
Value at purchase price, total	173,380	143,831
Value at the beginning of the period, total	143,831	84,334
Revaluation adjustments (for the period), total	29,575	59,497
Carrying amount, total	173,406	143,831

2.4.2. Loans to subsidiaries

Loan – PZU Zdrowie SA

on 23 March 2015, a loan agreement was concluded between PZU and PZU Zdrowie SA for an amount not exceeding PLN 200,000 thousand. Repayment is to be in 120 equal installments, no later than by 31 December 2030. on 23 April 2018, Amendment No. 1 to the Loan Agreement was executed, which introduced its interest rate at WIBOR 6M without a margin. By Annex No. 2 dated 1 August 2018, the possible amount of the loan was increased to PLN 295,000 thousand. The entire increased loan amount was disbursed in tranches between 2015 and 2018.

on 1 July 2019, another loan agreement was concluded between PZU and PZU Zdrowie SA for an amount not exceeding PLN 95,000 thousand. Repayment of accrued interest and loan tranches will be made in one go on 30 May 2024. The interest rate on the loan is based on WIBOR 12M plus a margin. The first tranche of the loan in the amount of PLN 30,000 thousand was disbursed on 6 December 2019. The second tranche of the loan in the amount of PLN 45,000 thousand was disbursed on 13 May 2020, and the third in the amount of PLN 20,000 thousand on 18 December 2020.

On 30 June 2022, PZU entered into an agreement with PZU Zdrowie to acquire:

- 727,273 new Class E registered common shares, with a nominal value of PLN 10.00 each, at a price of PLN 110 per share, for PLN 80,000 thousand;
- 2,696,091 new Class F registered common shares, with a nominal value of PLN 10.00 each, at a price of PLN 110 per share, for PLN 296,570 thousand.

The amount of PLN 80,000 thousand was paid, while the amount of PLN 296,570 thousand was covered as a result of contractual set-off from the receivable owed by PZU to PZU Zdrowie under the loan agreements of 23 March 2015 and 1 July 2019. The shares were registered with the National Court Register on 9 August 2022.

After the loan-to-equity conversion, PZU owns 80% of PZU Zdrowie shares.

The carrying amount of the loans with accrued interest as of 31 December 2022 was PLN 122,913 thousand (as of 31 December 2021: PLN 402,396 thousand).

Loan to TUW PZUW

on 9 November 2016, PZU and Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych (“TUW PZUW”) entered into a subordinated loan agreement in the amount of PLN 80,000 thousand, with a repayment date of 4 January 2027, and an interest rate on market terms (WIBOR 6M plus a margin). The value of the loan with accrued interest as of 31 December 2022 was PLN 80,025 thousand (as of 31 December 2021: PLN 80,004 thousand).

Shares/holdings in subordinate entities (long-term deposits) as of 31 December 2022 with financial data

a) Name (business name) of the entity, with indication of legal form	b) Registered office	c) The subject matter of the enterprise	d) Nature of the relation	e) The consolidation/measure by the equity method used, or indication that the entity is not subject to equity method of consolidation/measure	f) Date of assuming control/co-control/acquisition of significant influence	g) Value of shares/stocks at purchase price	h) Revaluation adjustments (total) ¹⁾	i) Carrying amount of stocks/shares	j) Percentage of share capital held directly by PZU	k) Share in the total number of votes at the general meeting	l) Other than under (j), (k) basis of control/co-control/significant influence
1. Bank Pekao SA („Bank Pekao”)	Warsaw	Conducting banking activities	dependent	consolidation by full method	07.06.2017	6,001,761	(589,443)	5,412,318	20.00%	20.00%	n.a.
2. Powszechny Zakład Ubezpieczeń na Życie SA („PZU Życie”)	Warsaw	Conducting life insurance business	dependent	consolidation by full method	18.12.1991	295,088	3,688,671	3,983,759	100.00%	100.00%	n.a.
3. Alior Bank SA (“Alior Bank”)	Warsaw	Conducting banking activities	dependent	consolidation by full method	18.12.2015	2,750,545	(848,291)	1,902,254	31.91%	31.91%	n.a.
4. Lietuvos Draudimas AB	Vilnius-Lithuania	Conducting non-life insurance business	dependent	consolidation by full method	31.10.2014	807,166	81,224	888,390	100.00%	100.00%	n.a.
5. Link4 Towarzystwo Ubezpieczeń SA („Link4”)	Warsaw	Conducting non-life insurance business	dependent	consolidation by full method	15.09.2014	518,482	(218,188)	300,294	100.00%	100.00%	n.a.
6. Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych (“TUW PZUW”)	Warsaw	Conducting non-life insurance business	dependent	consolidation by full method	20.11.2015	325,850	48,925	374,775	100.00%	100.00%	n.a.
7. Apdrošināšanas Akciju Sabiedrība Balta (“AAS Balta”)	Rīga-Latvia	Conducting non-life insurance business	dependent	consolidation by full method	30.06.2014	200,818	135,064	335,882	100.00%	100.00%	n.a.
8. Towarzystwo Funduszy Inwestycyjnych PZU SA („TFI PZU”)	Warsaw	Creation, representing and management of mutual funds.	dependent	consolidation by full method	27.09.2011	59,684	142,164	201,848	100.00%	100.00%	n.a.
9. Ogrodowa-Inwestycje Sp. z o.o. (“Ogrodowa Inwestycje”)	Warsaw	Business and management consulting, holding company activities	dependent	consolidation by full method	15.09.2004	142,255	(104)	142,151	100.00%	100.00%	n.a.
10. Tower-Inwestycje Sp. z o.o. („Tower Inwestycje”)	Warsaw	Other financial services, excluding insurance and pension funds.	indirectly dependent	consolidation by full method	17.08.1999	112,900	(9,225)	103,675	27.47%	27.47%	n.a.
11. PZU Pomoc SA	Warsaw	Provision of assistance services	dependent	consolidation by full method	18.03.2009	18,566	29,917	48,483	100.00%	100.00%	n.a.
12. PrJSC IC PZU Ukraine („PZU Ukraine”)	Kiev-Ukraine	Conducting non-life insurance business	dependent	consolidation by full method	01.07.2005	150,067	(150,067)	-	90.99%	90.99%	n.a.
13. PZU Centrum Operacji SA („PZU CO”)	Warsaw	Auxiliary activity associated with insurance and pension funds	dependent	consolidation by full method	27.09.2011	40,645	33,264	73,909	100.00%	100.00%	n.a.
14. UAB PZU Lietuva Gyvybes Draudimas	Vilnius-Lithuania	Conducting life insurance business	dependent	consolidation by full method	08.04.2004	40,235	(2,982)	37,253	99.34%	99.34%	n.a.
15. Pekao Financial Services Sp. z o.o. (“PFS”)	Warsaw	Transfer agent	indirectly subsidiary	consolidation by full method	04.06.2018	2,267	9,869	12,136	33.50%	33.50%	n.a.

Powszechny Zakład Ubezpieczeń Spółka Akcyjna
 Financial statements for the year ended 31 December 2022
 (in thousands of PLN)

16.	PrJSC IC PZU Ukraine Life Insurance („PZU Ukraina Życie”)	Kiev-Ukraine	Conducting life insurance business	dependent	consolidation by full method	01.07.2005	32,584	(19,337)	13,247	53.47%	53.47%	n.a.
17.	PZU Zdrowie SA (“PZU Zdrowie”)	Warsaw	Provision of medical services	dependent	consolidation by full method	02.09.2011	417,234	(149,884)	267,350	80.00%	80.00%	n.a.
18.	PZU Finance AB	Stockholm-Sweden	Financial services	dependent	consolidation by full method	02.06.2014	75,632	(73,390)	2,242	100.00%	100.00%	n.a.
19.	PZU Finanse Sp. z o.o.	Warsaw	Other financial services, excluding insurance and pension funds.	dependent	consolidation by full method	30.10.2013	4,050	1,487	5,537	100.00%	100.00%	n.a.
20.	PZU LAB SA	Warsaw	No business conducted by the Company	dependent	consolidation by full method	13.09.2011	1,700	17	1,717	100.00%	100.00%	n.a.
21.	Omicron BIS SA	Warsaw	No business conducted by the Company	dependent	consolidation by full method	21.08.2014	150	(91)	59	100.00%	100.00%	n.a.
22.	PZU Cash SA	Warsaw	Other monetary intermediation	dependent	consolidation by full method	15.09.2017	8,815	(8,815)	-	100.00%	100.00%	n.a.
23.	Sigma BIS SA	Warsaw	Advertising activity	related	consolidated by the equity method	19.08.2015	4,177	(142)	4,035	34.00%	34.00%	n.a.
24.	Tulare Investments Sp. z o.o.	Warsaw	No business conducted by the Company	dependent	consolidation by full method	15.09.2017	106	(12)	94	100.00%	100.00%	n.a.
25.	Ipsilon Sp. z o.o.	Warsaw	Provision of assistance services and medical services	dependent	consolidation by full method	02.04.2009	102	(80)	22	100.00%	100.00%	n.a.
26.	PZU Corporate Member Limited	London-UK	Investment activity	dependent	consolidation by full method	28.09.2017	1	-	1	100.00%	100.00%	n.a.
27.	RUCH S.A.	Warsaw	Retail sale of newspapers and stationery in specialized stores	related	consolidated by the equity method	03.06.2020	29,000	(29,000)	-	14.50%	14.50%	
28.	Armatura Kraków SA	Kraków	Production and sale of radiators and sanitary fittings and administration and management of the group	dependent	consolidation by full method	03.11.2020	-	7,212	7,212	100.00%	100.00%	
29.	PZU Projekt 01 SA	Warsaw	No business conducted by the Company	dependent	consolidation by full method	01.09.2020	150	(42)	108	100.00%	100.00%	
Total							12,040,030	2,078,721	14,118,751			

¹⁾ Included in “Value adjustments (total)” is the revaluation resulting from the equity method valuation, including amortization of goodwill and impairment of goodwill.

a) Name (business name) of the entity, with indication of legal form	m) Equity of the entity, including:						n) Liabilities and provisions for liabilities, including:		o) Receivables of the entity:		p) Total assets of the entity	r) Sales revenue	s) Unpaid value of shares/stocks in the entity by the issuer	t) Dividends received or due from the entity for the last fiscal year
	- share capital	- unpaid share capital (negative value)	- supplementary capital	- other equity, including:			- long-term liabilities	- short-term liabilities	- long-term	- short-term				
				- other equity	- retained earnings (losses)	- net profit (loss)								
1. Bank Pekao ^{1) 2)}	262,470	-	9,457,990	9,520,232	1,802,700	1,719,491	33,594,481	223,399,611	114,233,276	49,166,327	281,139,032	14,554,378	-	225,724
2. PZU Życie ²⁾	295,000	-	3,076,915	(288,848)	-	900,691	-	554,226	10,763	150,246	27,221,659	8,648,044	-	547,449
3. Alior Bank ^{1) 2)}	1,305,540	-	5,407,101	(1,177,358)	(48,529)	683,111	4,510,443	71,926,829	43,608,329	16,375,210	82,877,172	6,599,180	-	-
4. Lietuvos Draudimas AB ^{1) 2)}	48,537	-	10,208	(23,593)	663,218	114,549	8,934	209,957	764	342,208	2,464,617	1,583,323	-	62,679
5. Link4 ²⁾	111,356	-	278,626	(40,618)	(140,386)	(12,086)	80,469	373,128	1,247	118,800	1,144,871	1,236,900	-	-
6. TUW PZUW ²⁾	324,900	-	5,771	16,559	-	23,571	92,285	736,524	111,681	690,139	1,484,945	1,045,786	-	-
7. AAS Balta ^{1) 2)}	34,182	-	5,488	(8,715)	240,338	46,184	32,032	84,742	211	130,239	1,036,243	678,130	-	-
8. TFI PZU	15,013	-	164,730	0	(3,998)	26,442	254	50,653	-	32,641	253,422	173,770	-	39,251
9. Ogrodowa Inwestycje	142,255	-	-	(0)	(174)	70	270	3,155	-	906	146,445	14,883	-	474
10. Tower Inwestycje	411,000	-	805	(15,786)	(3,075)	(15,670)	-	2,852	11	24,262	377,245	-	-	-
11. PZU Pomoc SA	4,886	-	48,983	-	(71)	(5,315)	-	14,184	-	20,118	62,162	66,977	-	-
12. PZU Ukraina ^{1) 2)}	7,430	-	4,109	143,032	(130,702)	(23,868)	-	38,809	547	34,813	186,237	176,344	-	-
13. PZU CO	500	-	57,127	(90)	1,106	15,126	6,389	57,140	788	32,276	134,785	426,138	-	6,007
14. UAB PZU Lietuva Gyvybes Draudimas ^{1) 2)}	29,309	-	1,207	4,274	615	2,096	10,463	4,929	61	586	404,856	97,976	-	-
15. PFS	-	-	-	-	-	-	-	-	-	-	-	-	-	1,560
16. PZU Ukraina Życie ^{1) 2)}	7,153	-	6,193	13,277	16,245	(19,222)	1,883	5,466	-	5,449	201,840	54,534	-	-
17. PZU Zdrowie	56,105	-	487,810	(23)	(129,897)	(78,622)	281,959	121,901	2,004	82,145	729,504	641,091	-	-
18. PZU Finance AB ¹⁾	219	-	89,148	2,777	(71,326)	(2,532)	67,253	319	83,616	-	85,863	-	-	-
19. PZU Finance Sp. z o.o.	50	-	599	4,000	60	828	204	1,420	-	850	7,106	8,004	-	-
20. PZU LAB SA	260	-	1,440	-	(618)	635	-	2,054	-	1,011	3,556	4,327	-	-
21. Omicron BIS SA	150	-	-	-	(77)	(14)	-	11	-	4	68	-	-	-
22. PZU Cash SA	8,800	-	-	-	(7,937)	(5,345)	7,626	964	-	1,236	4,024	446	-	-
23. Sigma BIS SA	12,284	-	-	-	(3,924)	3,509	894	157,191	-	164,199	169,954	349,570	-	-
24. Tulare Investments Sp. z o.o.	5	-	-	95	(41)	(15)	-	12	-	2	56	-	-	-
25. Ipsilon Sp. z o.o.	50	-	-	50	(67)	(11)	-	10	-	3	30	-	-	-
26. PZU Corporate Member Limited ¹⁾	-	-	-	81	(2,286)	(2,800)	24,058	-	-	-	17,981	142	-	-
27. RUCH S.A.	109,290	-	391,768	4,457	(510,975)	(81,703)	2,729	263,021	-	57,567	178,587	799,503	-	-
28. Armatura Kraków SA ¹⁾	96,000	-	29,163	(284)	(119,343)	3,470	63,409	59,623	-	30,130	133,366	197,414	-	-
29. PZU Projekt 01 SA	150	-	-	-	(23)	(18)	-	10	-	5	119	-	-	-

The above figures are shown on the basis of unaudited financial statements of companies, except for PZU Życie, Alior Bank, Bank Pekao.

¹⁾ IFRS data.

²⁾ In the case of insurance entities, gross premiums written and other technical income are presented under "sales revenue"; in the case of Alior Bank and Bank Pekao, interest income and fee and commission income are presented.

Shares/stocks in subordinate entities (long-term deposits) as of 31 December 2021 with financial data

	a) Name (business name) of the entity, with indication of legal form	b) Registered office	c) The subject matter of the enterprise	d) Nature of the relation	e) The consolidation/measure by the equity method used, or indication that the entity is not subject to equity method of consolidation/measure	f) Date of assuming control/co-control/acquisition of significant influence	g) Value of shares/stocks at purchase price	h) Revaluation adjustments (total) ¹⁾	i) Carrying amount of stocks/shares	j) Percentage of share capital held directly by PZU	k) Share in the total number of votes at the general meeting	l) Other than under (j), (k) basis of control/co-control/significant influence
1.	Bank Pekao	Warsaw	Conducting banking activities	dependent	consolidation by full method	07.06.2017	6,001,761	(318,633)	5,683,128	20.00%	20.00%	n.a.
2.	PZU Życie	Warsaw	Conducting life insurance business	dependent	consolidation by full method	18.12.1991	295,088	3,411,367	3,706,455	100.00%	100.00%	n.a.
3.	Alior Bank	Warsaw	Conducting banking activities	dependent	consolidation by full method	18.12.2015	2,750,545	(960,009)	1,790,536	31.91%	31.91%	n.a.
4.	Lietuvos Draudimas AB	Vilnius-Lithuania	Conducting non-life insurance business	dependent	consolidation by full method	31.10.2014	807,166	173,170	980,336	100.00%	100.00%	n.a.
5.	Link4	Warsaw	Conducting non-life insurance business	dependent	consolidation by full method	15.09.2014	518,482	(177,616)	340,866	100.00%	100.00%	n.a.
6.	TUW PZUW	Warsaw	Conducting non-life insurance business	dependent	consolidation by full method	20.11.2015	325,850	29,069	354,919	100.00%	100.00%	n.a.
7.	AAS Balta	Riga-Latvia	Conducting non-life insurance business	dependent	consolidation by full method	30.06.2014	200,813	142,201	343,014	100.00%	100.00%	n.a.
8.	TFI PZU	Warsaw	Creation, representing and management of mutual funds. Business and management consulting, holding company activities	dependent	consolidation by full method	27.09.2011	38,403	160,423	198,826	100.00%	100.00%	n.a.
9.	Ogrodowa Inwestycje	Warsaw	Other financial services, excluding insurance and pension funds.	indirectly dependent	consolidation by full method	15.09.2004	142,255	303	142,558	100.00%	100.00%	n.a.
10.	Tower Inwestycje	Warsaw	Provision of assistance services	dependent	consolidation by full method	17.08.1999	112,900	(5,492)	107,408	27.47%	27.47%	n.a.
11.	PZU Pomoc SA	Warsaw	Conducting non-life insurance business	dependent	consolidation by full method	18.03.2009	18,566	35,740	54,306	100.00%	100.00%	n.a.
12.	PZU Ukraine	Kiev-Ukraine	Auxiliary activity associated with insurance and pension funds	dependent	consolidation by full method	01.07.2005	143,666	(71,610)	72,056	83.23%	83.23%	n.a.
13.	PZU CO	Warsaw	Conducting life insurance business	dependent	consolidation by full method	27.09.2011	40,645	24,415	65,060	100.00%	100.00%	n.a.
14.	UAB PZU Lietuva Gyvybes Draudimas	Vilnius-Lithuania	Transfer agent	indirectly subsidiary	consolidation by full method	08.04.2004	40,235	(5,743)	34,492	99.34%	99.34%	n.a.
15.	PFS	Warsaw	Conducting life insurance business	dependent	consolidation by full method	04.06.2018	2,267	9,590	11,857	33.50%	33.50%	n.a.
16.	PZU Ukraine Life	Kiev-Ukraine	Provision of medical services	dependent	consolidation by full method	01.07.2005	32,584	(1,093)	31,491	53.47%	53.47%	n.a.
17.	PZU Zdrowie	Warsaw	Financial services	dependent	consolidation by full method	02.09.2011	40,664	(40,664)	-	100.00%	100.00%	n.a.
18.	PZU Finance AB	Stockholm-Sweden	Other financial services, excluding insurance and pension funds.	dependent	consolidation by full method	02.06.2014	92,196	(71,779)	20,417	100.00%	100.00%	n.a.
19.	PZU Finanse Sp. z o.o.	Warsaw	No business conducted by the Company	dependent	consolidation by full method	30.10.2013	4,050	659	4,709	100.00%	100.00%	n.a.
20.	PZU LAB SA	Warsaw				13.09.2011	1,700	(614)	1,086	100.00%	100.00%	n.a.

a) Name (business name) of the entity, with indication of legal form	b) Registered office	c) The subject matter of the enterprise	d) Nature of the relation	e) The consolidation/measure by the equity method used, or indication that the entity is not subject to equity method of consolidation/measure	f) Date of assuming control/co-control/acquisition of significant influence	g) Value of shares/stocks at purchase price	h) Revaluation adjustments (total) ¹⁾	i) Carrying amount of stocks/shares	j) Percentage of share capital held directly by PZU	k) Share in the total number of votes at the general meeting	l) Other than under (j), (k) basis of control/co-control/significant influence
21. Omicron BIS SA	Warsaw	No business conducted by the Company	dependent	consolidation by full method	21.08.2014	150	(77)	73	100.00%	100.00%	n.a.
22. PZU Cash SA	Warsaw	Other monetary intermediation	dependent	consolidation by full method	15.09.2017	8,815	(7,952)	863	100.00%	100.00%	n.a.
23. Sigma BIS SA	Warsaw	Advertising activity	related	consolidated by the equity method	19.08.2015	1,054	(1,054)	-	34.00%	34.00%	n.a.
24. Tulare Investments Sp. z o.o.	Warsaw	No business conducted by the Company	dependent	consolidation by full method	15.09.2017	56	(48)	8	100.00%	100.00%	n.a.
25. Ipsilon Sp. z o.o.	Warsaw	Provision of assistance services and medical services	dependent	consolidation by full method	02.04.2009	77	(69)	8	100.00%	100.00%	n.a.
26. PZU Corporate Member Limited	London-UK	Investment activity	dependent	consolidation by full method	28.09.2017	1	-	1	100.00%	100.00%	n.a.
27. RUCH S.A.	Warsaw	Retail sale of newspapers and stationery in specialized stores	related	consolidated by the equity method	03.06.2020	29,000	(12,160)	16,840	14.50%	14.50%	n.a.
28. Armatura Kraków SA	Kraków	Production and sale of radiators and sanitary fittings and administration and management of the group	dependent	consolidation by full method	03.11.2020	-	-	-	100.00%	100.00%	n.a.
29. PZU Projekt 01 SA	Warsaw	No business conducted by the Company	dependent	consolidation by full method	01.09.2020	150	-	150	100.00%	100.00%	n.a.
Total						11,649,139	2,312,324	13,961,463			

¹⁾ Included in "Value adjustments (total)" is the revaluation resulting from the equity method valuation, including amortization of goodwill and impairment of goodwill.

a) Name (business name) of the entity, with indication of legal form	m) Equity of the entity, including:						n) Liabilities and provisions for liabilities, including:		o) Receivables of the entity:		p) Total assets of the entity	r) Sales revenue	s) Unpaid value of shares/stocks in the entity by the issuer	t) Dividends received or due from the entity for the last fiscal year	
	- share capital	- unpaid share capital (negative value)	- supplementary capital	- other equity, including:			- long-term liabilities	- short-term liabilities	- long-term	- short-term					
				- other equity	- retained earnings (losses)	- net profit (loss)									
1.	Bank Pekao ^{1) 2)}	262,470	-	9,473,917	10,081,041	1,857,443	2,176,558	16,947,254	208,900,429	122,905,716	48,937,457	250,566,605	9,100,353	-	225,724
2.	PZU Życie ²⁾	295,000	-	3,076,883	(215,961)	-	550,532	-	597,823	11,521	140,815	27,569,326	8,815,905	-	547,449
3.	Alior Bank ^{1) 2)}	1,305,540	-	5,403,849	(744,914)	(527,198)	481,925	3,377,418	73,460,650	44,479,742	15,438,215	83,048,372	4,278,818	-	-
4.	Lietuvos Draudimas AB ^{1) 2)}	48,537	-	10,208	81,410	605,277	120,617	8,596	169,056	1,282	260,487	2,307,933	1,245,812	-	62,679
5.	Link4 ²⁾	111,356	-	278,626	(30,432)	(141,139)	753	30,504	324,211	37	105,823	1,069,360	1,137,006	-	-
6.	TUW PZUW ²⁾	324,900	-	5,373	19,668	-	4,979	405,828	241,506	70,040	554,334	1,242,297	798,522	-	-
7.	AAS Balta ^{1) 2)}	34,182	-	5,488	40,538	203,059	37,279	19,764	76,686	230	94,453	914,719	531,205	-	-
8.	TFI PZU	13,000	-	142,506	0	4,224	38,098	258	52,462	-	24,956	250,963	190,925	-	39,251
9.	Ogrodowa Inwestycje	142,255	-	-	(0)	70	230	425	2,384	-	637	145,732	19,569	-	474
10.	Tower Inwestycje	411,000	-	805	(16,818)	1	(3,076)	167	9,567	11	22,153	397,748	-	-	-
11.	PZU Pomoc SA	4,886	-	47,703	-	25	1,184	-	11,356	11	16,367	64,667	60,840	-	-
12.	PZU Ukraina ^{1) 2)}	7,430	-	4,044	205,739	(94,843)	(35,794)	-	55,068	37,653	32,919	377,997	248,271	-	-
13.	PZU CO	500	-	43,127	(90)	1,414	19,699	3,586	56,388	221	30,348	121,465	398,788	-	6,007
14.	UAB PZU Lietuva Gyvybes Draudimas ^{1) 2)}	29,309	-	1,203	3,590	505	114	7,736	5,607	28	235	388,176	90,149	-	-
15.	PFS	-	-	-	-	-	-	-	-	-	-	-	-	-	1,560
16.	PZU Ukraina Życie ^{1) 2)}	7,153	-	1,745	33,751	6,500	9,745	1,781	10,628	-	2,449	248,520	90,361	-	-
17.	PZU Zdrowie	10,650	-	33,264	(23)	(96,321)	(33,576)	662,630	92,673	2,227	81,938	659,125	522,521	-	-
18.	PZU Finance AB ¹⁾	219	-	89,148	2,376	2,363	(73,689)	-	72,022	-	90,300	92,443	-	-	-
19.	PZU Finance Sp. z o.o.	50	-	-	4,000	(71)	730	-	966	-	824	5,677	5,240	-	-
20.	PZU LAB SA	260	-	1,440	-	(619)	1	-	4,764	-	241	5,189	2,123	-	-
21.	Omicron BIS SA	150	-	-	-	(59)	(18)	-	10	-	3	81	-	-	-
22.	PZU Cash SA	8,800	-	-	-	(2,483)	(5,454)	7,353	825	-	1,291	9,007	152	-	-
23.	Sigma BIS SA	3,100	-	-	-	(2,619)	(1,706)	59	97,215	-	88,186	96,049	190,671	-	-
24.	Tulare Investments Sp. z o.o.	5	-	-	45	(32)	(9)	1	3	-	2	13	-	-	-
25.	Ipsilon Sp. z o.o.	50	-	-	25	(55)	(12)	-	10	-	2	16	-	-	-
26.	PZU Corporate Member Limited ¹⁾	-	-	-	(100)	(393)	(1,893)	24,917	-	-	-	22,075	-	-	-
27.	RUCH S.A.	109,290	-	391,762	1,415	(459,696)	(52,180)	-	118,451	24,930	42,341	195,299	891,721	-	-
28.	Armatura Kraków SA ¹⁾	96,000	-	29,163	406	(125,161)	5,818	59,722	70,140	-	31,964	139,519	184,032	-	-
29.	PZU Projekt 01 SA	150	-	-	-	(5)	(18)	-	11	-	2	138	-	-	-

¹⁾ IFRS data.

²⁾ In the case of insurance entities, gross premiums written and other technical income are presented under "sales revenue"; in the case of Alior Bank and Bank Pekao, interest income and fee and commission income are presented.

Investments in subordinate entities (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	13,288,112	13,438,704
b) in EUR or another currency (by currency and after conversion to PLN)	1,302,935	1,202,878
b1. thousand. UAH	105,310	484,573
thous. PLN	13,248	72,056
b2. thousand. EUR	268,987	220,643
thous. PLN	1,261,524	1,014,827
b3. thousand. GBP	4,895	4,791
thous. PLN	25,921	26,275
b4. thousand. SEK	5,322	200,000
thous. PLN	2,242	89,720
Investments in subordinate entities, total	14,591,047	14,641,582

2.5 Other financial investments

Other financial investments	31 December 2022	31 December 2021
a) shares, stocks and other variable income debt securities	910,086	1,936
b) participation units and investment certificates of mutual funds	9,152,914	8,508,267
c) debt securities and other fixed-income securities	13,633,896	14,966,318
d) participations in joint ventures of investment	-	-
e) mortgage-backed loans, including:	-	-
– additionally secured by policies	-	-
f) other loans, including:	1,480,886	816,154
– for insured whose main coverage is a policy	-	-
– for insured, uninsured by policies	-	-
g) term deposits with credit institutions	34,864	5,478
j) other investments (by type)	78,158	13,499
– derivatives	78,158	13,499
Other financial investments, total	25,290,804	24,311,652

Movement in other financial deposits (by type)	31 December 2022	31 December 2021
a) beginning of the period	24,311,652	23,735,882
Shares, stocks and other variable income securities and participation units and investment certificates in mutual funds	8,510,203	7,659,154
Debt securities and other fixed-income securities	14,966,318	14,901,230
Other investments	835,131	1,175,498
b) increases (by virtue of)	78,104,923	53,032,346
– acquisition	76,852,013	51,752,774
– revaluation adjustments	1,252,910	1,279,572
– other	-	-
c) reductions (by virtue of)	77,125,771	52,456,576
– sale or redemption	76,165,405	51,810,252
– revaluation adjustments	960,366	646,324
– other	-	-
d) end of the period	25,290,804	24,311,652
Shares, stocks and other variable income securities and participation units and investment certificates in mutual funds	10,063,000	8,510,203
Debt securities and other fixed-income securities	13,633,896	14,966,318
Other investments	1,593,908	835,131

Other financial investments	31 December 2022	31 December 2021
a) long-term	22,607,083	22,799,618
b) short-term	2,683,721	1,512,034
Other financial investments, total	25,290,804	24,311,652

Other financial investments (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	20,783,187	19,514,784
b) in EUR or another currency (by currency and after conversion to PLN)	4,507,617	4,796,868
b1. thousand. EUR	384,888	411,031
thous. PLN	1,805,087	1,890,494
b2. thousand. USD	489,480	542,731
thous. PLN	2,154,591	2,203,486
b3. thousand. GBP	103,469	128,157
thous. PLN	547,939	702,888
b4. other currency thousand PLN	-	-
Other financial investments, total	25,290,804	24,311,652

Other financial investments by portfolio qualification	31 December 2022	31 December 2021
a) financial assets held for trading	78,158	259,198
c) loans granted and own receivables	1,645,438	478,982
d) financial assets held to maturity	7,854,477	7,921,115
d.) available-for-sale financial assets	15,712,731	15,652,357
Other financial investments, total	25,290,804	24,311,652

Other financial investments in financial instruments	31 December 2022	31 December 2021
a) issued by the State Treasury or international organizations of which Poland is a member	6,862,164	7,932,492
– long-term investments	5,384,480	6,995,817
– short-term deposits	1,477,684	936,675
a) guaranteed by the State Treasury or international organizations of which Poland is a member	4,282,495	4,114,023
c) issued by the National Bank of Poland	-	-
d) guaranteed by the National Bank of Poland	-	-
e) issued by a local government or an association of these units or the capital city of Warsaw	-	-
f) guaranteed by a local government or an association of these units or the capital city of Warsaw	-	-
g) other	14,146,145	12,265,137
Other financial investments in financial instruments, total	25,290,804	24,311,652

Securities (other financial investments)	31 December 2022	31 December 2021
a) admitted to trading on the regulated market	14,543,945	14,968,239
b) not admitted to trading on the regulated market	7,832,304	7,342,691
Securities (other financial investments), total	22,376,249	22,310,930

Shares, stocks and other securities with a variable amount of income (carrying amount)	31 December 2022	31 December 2021
a) shares and stocks, including:	910,086	1,936
– long-term investments	910,086 ¹⁾	1,936
c) debt securities, including:	-	-
– long-term investments	-	-
c) other (by type)	-	-
Shares, stocks and other variable income debt securities, total	910,086	1,936

¹⁾ Long-term deposits mainly include PKN Orlen shares in the amount of PLN 909,708 thousand acquired in 2022.

Movement in investments in shares, stocks and other securities with a variable amount of income (by type)	31 December 2022	31 December 2021
a) beginning of the period	1,936	2,408
Shares, stocks and other variable income debt securities	1,936	2,408
b) increases (by virtue of)	916,036	4,402
– acquisition	757,013 ¹⁾	4,277
– value adjustment	159,023	125
– other	-	-
c) reductions (by virtue of)	7,886	4,874
– divestment	825	4,380
– value adjustment	7,061	494
– other	-	-
d) end of the period	910,086	1,936
Shares, stocks and other variable income debt securities	910,086	1,936

¹⁾ Increases by virtue of purchases mainly include PKN Orlen shares in the amount of PLN 756,212 thousand acquired in 2022.

The above table does not include participation units and investment certificates in mutual funds, which are presented in item II.3 of the balance sheet assets.

Shares, stocks and other financial instruments with variable income amount (long-term deposits) – by transferability	31 December 2022	31 December 2021
A. With unlimited transferability, listed on a regulated market (carrying amount)	910,049	-
a) shares (carrying amount):	910,049	-
– revaluation adjustments (for the period)	910,049	-
– value at the beginning of the period	-	-
– value at purchase price	762,944	-
b) bonds (carrying amount):	-	-
– revaluation adjustments (for the period)	-	-
– value at the beginning of the period	-	-
– value at purchase price	-	-
c) other – by type group (carrying amount):	-	-
mortgage bonds (carrying amount)	-	-
– revaluation adjustments (for the period)	-	-
– value at the beginning of the period	-	-
– value at purchase price	-	-
participation units in open-ended funds (carrying amount)	-	-
– revaluation adjustments (for the period)	-	-
– value at the beginning of the period	-	-
– value at purchase price	-	-
A. With unlimited transferability, not listed on a regulated market (carrying amount)	9,152,951	8,510,203
a) shares (carrying amount):	37	1,936
– revaluation adjustments (for the period)	(1,899)	(472)
– value at the beginning of the period	1,936	2,408
– value at purchase price	12,537	19,269
b) bonds (carrying amount):	-	-
– revaluation adjustments (for the period)	-	-
– value at the beginning of the period	-	-
– value at purchase price	-	-
c) other – by type group (carrying amount):	9,152,914	8,508,267
Participation units and investment certificates of mutual funds (carrying amount)	9,152,914	8,508,267
– revaluation adjustments (for the period)	644,647	851,521
– value at the beginning of the period	8,508,267	7,656,746
– value at purchase price	5,702,670	5,514,432
Loans (carrying amount)	-	-
– revaluation adjustments (for the period)	-	-
– value at the beginning of the period	-	-
– value at purchase price	-	-

Shares, stocks and other financial instruments with variable income amount (long-term deposits) – by transferability	31 December 2022	31 December 2021
C. With limited transferability (carrying amount)	-	-
a) interest or shares (carrying amount)	-	-
– revaluation adjustments (for the period)	-	-
– value at the beginning of the period	-	-
– value at purchase price	-	-
b) bonds (carrying amount):	-	-
– revaluation adjustments (for the period)	-	-
– value at the beginning of the period	-	-
– value at purchase price	-	-
c) other – by type group (carrying amount):	-	-
– revaluation adjustments (for the period)	-	-
– value at the beginning of the period	-	-
– value at purchase price	-	-
Value at purchase price, total	6,478,151	5,533,701
Value at the beginning of the period, total	8,510,203	7,659,154
Revaluation adjustments (for the period), total	1,552,797	851,049
Carrying amount, total	10,063,000	8,510,203

In 2022 and 2021, there were no shares, stocks and other financial instruments with variable income that constitute short-term deposits.

2.5.1. Other loans

Other loans	31 December 2022		31 December 2021	
	Carrying amount	Security type	Carrying amount	Security type
Buy-sell-back transactions	1,072,950	Debt securities	452,205	Debt securities
Asset-backed loans, other than mortgages	407,936	Mainly pledges on stocks, debt portfolios, as well as on bank accounts, other loans and other	363,949	Mainly pledges on stocks, debt portfolios, as well as on bank accounts, other loans and other
Total other loans	1,480,886		816,154	

2.5.2. Exposure to debt securities issued by corporations and local government units

Debt securities by issuer classification	31 December 2022	31 December 2021
Foreign banks	900,569	1,012,333
Energy and fuel	399,155	463,040
Financial and insurance activities	355,806	427,673
Transportation and storage	241,192	269,894
Manufacturing	189,397	210,597
Companies from the WIG-Banks Index	129,689	126,675
Information and telecommunications	121,660	132,670
Real property management	84,600	182,020
Mining and quarrying (including: Companies from the WIG-Mining Index)	62,713	69,557
Utilities	-	43,291
Financial services, excluding insurance and pension funds.	4,457	-
Total	2,489,238	2,937,750

2.5.3. Securities issued by governments other than the Polish government

Country	31 December 2022	31 December 2021
Indonesia	116,200	123,572
Romania	87,007	97,307
Columbia	72,349	72,140
Panama	63,750	70,861
Brazil	63,015	64,759
Mexico	58,143	70,383
Hungary	55,060	40,871
Saudi Arabia	45,186	52,238
Kazakhstan	45,166	55,138
Dominican Republic	44,244	48,201
Peru	42,233	53,370
SOUTH AFRICA	42,157	51,988
Uruguay	41,983	51,028
Azerbaijan	41,882	28,273
Paraguay	40,283	45,176
Qatar	39,119	42,784
Philippines	39,005	44,228
Morocco	24,483	23,701
Croatia	22,196	23,282
Chile	22,182	6,410
Serbia	15,112	17,262
UAE	11,860	15,029
Trinidad and Tobago	7,077	6,786
Uzbekistan	6,591	6,455
Guatemala	6,284	6,426
Vietnam	4,338	4,427
Honduras	2,992	4,394
Kuwait	1,298	1,341
Russia	-	85,598
Total	1,061,195	1,213,428

2.5.4. Term deposits with credit institutions

Term deposits with credit institutions (by maturity) - with a remaining payment period from the balance sheet date	31 December 2022	31 December 2021
a) up to 3 months	34,864	5,478
b) 3 months to 1 year	-	-
c) 1 to 5 years	-	-
d) over 5 years	-	-
Term deposits with credit institutions, total	34,864	5,478

Term deposits with credit institutions (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	17,135	5,478
b) in Eur or another currency in domestic banks (by currency and after conversion to PLN)	17,729	-
b1. thousand. EUR	1,677	-
thous. PLN	7,866	-
b2. thousand. USD	2,241	-
thous. PLN	9,863	-
b3. other	-	-
b) in Eur or another currency in foreign banks (by currency and after conversion to PLN)	-	-
Term deposits with credit institutions, total	34,864	5,478

2.5.5. Derivatives

In its investing activities, PZU uses derivatives as a tool to limit risk (with or without hedge accounting) and to efficiently manage the portfolio. For the purposes of investment activities, PZU sets investment limits and a catalog of permitted instruments in defined investment portfolios. In terms of derivatives, the catalog includes: forward rate agreements (FRAs), forward contracts for sovereign bonds, short interest forward contracts, stock index forward contracts, stock price forward contracts, reciprocal interest payment swap agreements, standard commodity futures and standard derivatives.

The use of derivatives for efficient portfolio management, has no significant impact on changes in PZU's risk profile, nor does it result in additional risk exposures, as derivatives and their underlying instruments are subject to aggregate investment limits. The Company does not enter into derivative transactions whose underlying instruments are not covered by the risk management system.

The main type of risk associated with derivatives occurring at PZU is market risk, which includes interest rate risk and the risk of changes in the price of various instruments.

As of 31 December 2022, PZU held the following derivative instruments and achieved the following results on derivative transactions in 2022:

Type of risk being hedged	Purpose of acquisition / issuance	Scope and nature of the instrument	Currency	Date of pricing, maturity, expiration or execution of the instrument	Possibility of early settlement – period or day – if any	Ability to exchange or swap for another asset or liability	Additional security related to this instrument, accepted or deposited	Nominal value as of 31 December 2022 currency 000s	Nominal value as of 31 December 2022 converted into PLN PLN 000s	Quantity as of 31 December 2022	Position type as of 31 December 2022 (short / long)	Assets – carrying amount in PLN thousand.	Liabilities – carrying amount in PLN thousand.	Result realized in 2022 PLN 000s	Unrealized result in 2022 in PLN thousand.
Foreign exchange risk	trade	Forward	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	11,344	-
Foreign exchange risk	trade	Forward	EUR	2023-01-12	Yes	None	None	-	-	1	n/a	500	-	-	500
Foreign exchange risk	trade	Forward	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(4,463)	-
Foreign exchange risk	trade	Forward	USD	2023-01-23	Yes	None	None	-	-	1	n/a	365	-	-	365
Foreign exchange risk	securing the cash flow	CIRS	EUR	2029-05-14	Yes	None	None	10,000	46,899	1	n/a	-	8,205	-	(923)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2027-02-02	Yes	None	None	20,000	85,782	1	n/a	-	12,597	-	(1,810)
Foreign exchange risk	securing the cash flow	CIRS	GBP	2029-05-02	Yes	None	None	3,000	14,967	1	n/a	-	2,069	-	567
Foreign exchange risk	securing the cash flow	CIRS	EUR	2026-02-04	Yes	None	None	23,000	98,735	1	n/a	-	12,450	-	(2,082)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2024-11-04	Yes	None	None	20,000	86,056	1	n/a	-	11,470	-	(1,817)
Foreign exchange risk	securing the cash flow	CIRS	USD	2026-04-05	Yes	None	None	24,000	92,460	1	n/a	-	22,712	-	(8,203)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2028-06-05	Yes	None	None	21,000	90,231	1	n/a	-	15,582	-	(1,901)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2025-01-07	Yes	None	None	22,750	97,664	1	n/a	-	11,192	-	(2,059)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2026-03-10	Yes	None	None	7,717	33,052	1	n/a	-	4,450	-	(698)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2024-04-10	Yes	None	None	2,000	8,589	1	n/a	-	942	-	(181)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2027-11-13	Yes	None	None	22,900	98,203	1	n/a	-	16,702	-	(2,093)
Foreign exchange risk	securing the cash flow	CIRS	GBP	2026-01-14	Yes	None	None	18,600	92,734	1	n/a	-	10,936	-	3,514
Foreign exchange risk	securing the cash flow	CIRS	EUR	2025-05-14	Yes	None	None	5,300	22,726	1	n/a	-	3,096	-	(480)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2029-05-14	Yes	None	None	5,000	21,486	1	n/a	-	3,460	-	(453)
Foreign exchange risk	securing the cash flow	CIRS	USD	2026-03-15	Yes	None	None	12,500	47,943	1	n/a	-	13,195	-	(4,273)
Foreign exchange risk	securing the cash flow	CIRS	USD	2026-06-15	Yes	None	None	5,000	19,241	1	n/a	-	4,601	-	(1,709)

Type of risk being hedged	Purpose of acquisition / issuance	Scope and nature of the instrument	Currency	Date of pricing, maturity, expiration or execution of the instrument	Possibility of early settlement – period or day – if any	Ability to exchange or swap for another asset or liability	Additional security related to this instrument, accepted or deposited	Nominal value as of 31 December 2022 currency 000s	Nominal value as of 31 December 2022 converted into PLN PLN 000s	Quantity as of 31 December 2022	Position type as of 31 December 2022 (short / long)	Assets – carrying amount in PLN thousand.	Liabilities – carrying amount in PLN thousand.	Result realized in 2022 PLN 000s	Unrealized result in 2022 in PLN thousand.
Foreign exchange risk	securing the cash flow	CIRS	EUR	2025-08-15	Yes	None	None	8,000	34,324	1	n/a	–	4,799	-	(724)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2025-12-15	Yes	None	None	15,500	66,539	1	n/a	–	9,736	-	(1,403)
Foreign exchange risk	securing the cash flow	CIRS	GBP	2028-08-16	Yes	None	None	19,000	94,946	1	n/a	–	13,549	-	3,589
Foreign exchange risk	securing the cash flow	CIRS	EUR	2024-01-18	Yes	None	None	22,000	94,853	1	n/a	–	9,477	-	(1,991)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2026-01-19	Yes	None	None	22,000	94,552	1	n/a	–	12,705	-	(1,991)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2026-05-20	Yes	None	None	15,000	64,325	1	n/a	–	9,774	-	(1,358)
Foreign exchange risk	securing the cash flow	CIRS	GBP	2026-04-21	Yes	None	None	18,500	92,347	1	n/a	–	10,623	-	3,478
Foreign exchange risk	securing the cash flow	CIRS	USD	2025-04-23	Yes	None	None	5,000	19,265	1	n/a	–	4,283	-	(1,709)
Foreign exchange risk	securing the cash flow	CIRS	EUR	2025-02-27	Yes	None	None	7,500	32,307	1	n/a	–	3,918	-	(679)
Foreign exchange risk	securing the cash flow	CIRS	GBP	2026-01-29	Yes	None	None	17,500	87,494	1	n/a	–	10,169	-	3,306
Foreign exchange risk	securing the cash flow	CIRS	EUR	2029-01-29	Yes	None	None	7,500	32,271	1	n/a	–	5,464	-	(679)
Foreign exchange risk	securing the cash flow	CIRS	GBP	2028-05-30	Yes	None	None	0	0	1	n/a	–	–	(3,261)	-
Foreign exchange risk	securing the cash flow	CIRS	GBP	2028-07-31	Yes	None	None	14,000	70,242	1	n/a	–	10,755	-	2,645
Foreign exchange risk	securing the cash flow	CIRS	USD	2025-04-01	Yes	None	None	25,000	95,450	1	n/a	–	22,421	-	(8,545)
Foreign exchange risk	securing the cash flow	CIRS	GBP	2026-02-02	Yes	None	None	5,000	24,465	1	n/a	–	3,425	-	945
Foreign exchange risk	securing the cash flow	CIRS	GBP	2025-04-04	Yes	None	None	8,000	38,230	1	n/a	–	5,994	-	1,511
Foreign exchange risk	securing the cash flow	CIRS	USD	2023-03-08	Yes	None	None	0	0	1	n/a	–	–	(3,076)	-
Foreign exchange risk	securing the cash flow	CIRS	USD	2025-05-08	Yes	None	None	8,000	30,433	1	n/a	–	7,293	-	(2,734)
Foreign exchange risk	securing the cash flow	CIRS	GBP	2023-11-15	Yes	None	None	3,000	14,548	1	n/a	–	1,675	-	567
Foreign exchange risk	securing the cash flow	CIRS	USD	2025-03-16	Yes	None	None	20,000	75,145	1	n/a	–	18,622	-	(6,836)
Foreign exchange risk	trade	CIRS	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(178)	-

Type of risk being hedged	Purpose of acquisition / issuance	Scope and nature of the instrument	Currency	Date of pricing, maturity, expiration or execution of the instrument	Possibility of early settlement – period or day – if any	Ability to exchange or swap for another asset or liability	Additional security related to this instrument, accepted or deposited	Nominal value as of 31 December 2022 currency 000s	Nominal value as of 31 December 2022 converted into PLN PLN 000s	Quantity as of 31 December 2022	Position type as of 31 December 2022 (short / long)	Assets – carrying amount in PLN thousand.	Liabilities – carrying amount in PLN thousand.	Result realized in 2022 PLN 000s	Unrealized result in 2022 in PLN thousand.
Foreign exchange risk	trade	FX Swap	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25,267	-
Foreign exchange risk	trade	FX Swap	EUR	2023-01-12	Yes	None	None	21,500	100,833	1	n/a	5,362	-	381	5,362
Foreign exchange risk	trade	FX Swap	EUR	2023-01-23	Yes	None	None	20,000	93,798	1	n/a	4,335	-	54	4,335
Foreign exchange risk	trade	FX Swap	EUR	2023-03-13	Yes	None	None	10,000	46,899	1	n/a	249	-	(29)	249
Foreign exchange risk	trade	FX Swap	EUR	2023-01-17	Yes	None	None	3,000	14,070	1	n/a	809	-	(25)	809
Foreign exchange risk	trade	FX Swap	EUR	2023-03-15	Yes	None	None	32,000	150,077	1	n/a	610	-	(45)	610
Foreign exchange risk	trade	FX Swap	EUR	2023-03-20	Yes	None	None	4,000	18,760	1	n/a	72	-	(16)	72
Foreign exchange risk	trade	FX Swap	EUR	2023-02-27	Yes	None	None	4,000	18,760	1	n/a	281	-	5	281
Foreign exchange risk	trade	FX Swap	EUR	2023-01-30	Yes	None	None	13,500	63,314	1	n/a	2,453	-	(302)	2,453
Foreign exchange risk	trade	FX Swap	EUR	2023-01-24	Yes	None	None	23,000	107,868	1	n/a	4,763	-	(336)	4,763
Foreign exchange risk	trade	FX Swap	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(105,810)	-
Foreign exchange risk	trade	FX Swap	USD	2023-01-12	Yes	None	None	2,000	8,804	1	n/a	1,165	-	64	1,165
Foreign exchange risk	trade	FX Swap	USD	2023-03-13	Yes	None	None	50,000	220,090	1	n/a	4,637	-	(2,050)	4,637
Foreign exchange risk	trade	FX Swap	USD	2023-03-06	Yes	None	None	42,000	184,876	1	n/a	2,077	-	(777)	2,077
Foreign exchange risk	trade	FX Swap	USD	2023-03-09	Yes	None	None	101,100	445,022	1	n/a	32,511	-	(2,057)	32,512
Foreign exchange risk	trade	FX Swap	USD	2023-06-12	Yes	None	None	20,000	88,036	1	n/a	215	-	348	215
Foreign exchange risk	trade	FX Swap	USD	2023-04-14	Yes	None	None	46,000	202,483	1	n/a	3,144	-	(823)	3,144
Foreign exchange risk	trade	FX Swap	USD	2023-03-10	Yes	None	None	27,000	118,849	1	n/a	-	78	400	(78)
Foreign exchange risk	trade	FX Swap	USD	2023-03-01	Yes	None	None	103,000	453,385	1	n/a	14,610	-	(707)	14,609
Equity risk	trade	Option	PLN	2022-06-23	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	4,383	-
TOTAL									4,354,428			78,158	318,419	(81,709)	40,871

As of 31 December 2021, PZU held the following derivative instruments and achieved the following results on derivative transactions in 2022:

Type of risk being hedged	Purpose of acquisition / issuance	Scope and nature of the instrument	Currency	Date of pricing, maturity, expiration or execution of the instrument	Possibility of early settlement – period or day – if any	Ability to exchange or swap for another asset or liability	Additional security related to this instrument, accepted or deposited	Nominal value as of 31 December 2021 currency 000s	Nominal value as of 31 December 2021 converted into PLN PLN 000s	Quantity as of 31 December 2021	Position type as of 31 December 2021 (short / long)	Assets – carrying amount in PLN thousand.	Liabilities – carrying amount in PLN thousand.	Result realized in 2021 PLN 000s	Unrealized result in 2021 in PLN thousand.
Foreign exchange risk	trade	Forward	EUR	2022-01-14	Yes	None	None	-	-	1	n/a	656	-	-	656
Foreign exchange risk	trade	Forward	EUR	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(48)	-
Foreign exchange risk	trade	Forward	USD	2022-03-14	Yes	None	None	-	-	1	n/a	16	-	-	16
Foreign exchange risk	trade	Forward	USD	2022-01-07	Yes	None	None	-	-	1	n/a	-	160	-	(160)
Foreign exchange risk	trade	Forward	USD	2022-01-10	Yes	None	None	-	-	1	n/a	-	58	-	(58)
Foreign exchange risk	trade	Forward	USD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7,225	-
Foreign exchange risk	trade	Forward	GBP	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	-
Foreign exchange risk	securing the cash flow	CIRS	EUR	2029-05-14	Yes	None	None	10,000	45,994	1	n/a	-	8,755	-	136
Foreign exchange risk	securing the cash flow	CIRS	PLN	2027-02-02	Yes	None	None	20,000	85,782	1	n/a	-	12,584	-	308
Foreign exchange risk	securing the cash flow	CIRS	PLN	2029-05-02	Yes	None	None	3,000	14,967	1	n/a	-	2,895	-	(1,056)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-02-04	Yes	None	None	23,000	98,735	1	n/a	-	11,615	-	354
Foreign exchange risk	securing the cash flow	CIRS	PLN	2024-11-04	Yes	None	None	20,000	86,056	1	n/a	-	10,761	-	299
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-04-05	Yes	None	None	24,000	92,460	1	n/a	-	15,822	-	(7,370)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2028-06-05	Yes	None	None	21,000	90,231	1	n/a	-	16,113	-	323
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-01-07	Yes	None	None	22,750	97,664	1	n/a	-	10,197	-	343
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-03-10	Yes	None	None	7,717	33,052	1	n/a	-	4,217	-	119
Foreign exchange risk	securing the cash flow	CIRS	PLN	2024-04-10	Yes	None	None	2,000	8,589	1	n/a	-	888	-	31
Foreign exchange risk	securing the cash flow	CIRS	PLN	2023-05-11	Yes	None	None	0	0	1	n/a	-	-	-	-
Foreign exchange risk	securing the cash flow	CIRS	PLN	2027-11-13	Yes	None	None	22,900	98,203	1	n/a	-	16,567	-	352
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-01-14	Yes	None	None	18,600	92,734	1	n/a	-	15,999	-	(6,547)

Type of risk being hedged	Purpose of acquisition / issuance	Scope and nature of the instrument	Currency	Date of pricing, maturity, expiration or execution of the instrument	Possibility of early settlement – period or day – if any	Ability to exchange or swap for another asset or liability	Additional security related to this instrument, accepted or deposited	Nominal value as of 31 December 2021 currency 000s	Nominal value as of 31 December 2021 converted into PLN PLN 000s	Quantity as of 31 December 2021	Position type as of 31 December 2021 (short / long)	Assets – carrying amount in PLN thousand.	Liabilities – carrying amount in PLN thousand.	Result realized in 2021 PLN 000s	Unrealized result in 2021 in PLN thousand.
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-05-14	Yes	None	None	5,300	22,726	1	n/a	–	2,957	-	82
Foreign exchange risk	securing the cash flow	CIRS	PLN	2029-05-14	Yes	None	None	5,000	21,486	1	n/a	–	3,532	-	77
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-03-15	Yes	None	None	12,500	47,943	1	n/a	–	9,208	-	(3,804)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-06-15	Yes	None	None	5,000	19,241	1	n/a	–	3,171	-	(1,524)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-08-15	Yes	None	None	8,000	34,324	1	n/a	–	4,553	-	123
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-12-15	Yes	None	None	15,500	66,539	1	n/a	–	9,205	-	239
Foreign exchange risk	securing the cash flow	CIRS	PLN	2028-08-16	Yes	None	None	19,000	94,946	1	n/a	–	18,987	-	(6,686)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2024-01-18	Yes	None	None	22,000	94,853	1	n/a	–	9,135	-	339
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-01-19	Yes	None	None	22,000	94,552	1	n/a	–	12,007	-	339
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-05-20	Yes	None	None	15,000	64,325	1	n/a	–	9,423	-	231
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-04-21	Yes	None	None	18,500	92,347	1	n/a	–	15,626	-	(6,535)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-04-23	Yes	None	None	5,000	19,265	1	n/a	–	2,932	-	(1,523)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-02-27	Yes	None	None	7,500	32,307	1	n/a	–	3,643	-	116
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-06-27	Yes	None	None	0	0	1	n/a	–	–	-	–
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-01-29	Yes	None	None	17,500	87,494	1	n/a	–	15,028	-	(6,181)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2029-01-29	Yes	None	None	7,500	32,271	1	n/a	–	5,533	-	115
Foreign exchange risk	securing the cash flow	CIRS	PLN	2028-05-30	Yes	None	None	6,050	30,574	1	n/a	–	6,644	-	(2,156)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2028-07-31	Yes	None	None	14,000	70,242	1	n/a	–	15,791	-	(5,015)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-04-01	Yes	None	None	25,000	95,450	1	n/a	–	16,023	-	(7,614)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-02-02	Yes	None	None	5,000	24,465	1	n/a	–	4,970	-	(1,760)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-04-04	Yes	None	None	8,000	38,230	1	n/a	–	8,282	-	(2,815)

Type of risk being hedged	Purpose of acquisition / issuance	Scope and nature of the instrument	Currency	Date of pricing, maturity, expiration or execution of the instrument	Possibility of early settlement – period or day – if any	Ability to exchange or swap for another asset or liability	Additional security related to this instrument, accepted or deposited	Nominal value as of 31 December 2021 currency 000s	Nominal value as of 31 December 2021 converted into PLN PLN 000s	Quantity as of 31 December 2021	Position type as of 31 December 2021 (short / long)	Assets – carrying amount in PLN thousand.	Liabilities – carrying amount in PLN thousand.	Result realized in 2021 PLN 000s	Unrealized result in 2021 in PLN thousand.
Foreign exchange risk	securing the cash flow	CIRS	PLN	2023-03-08	Yes	None	None	17,000	65,034	1	n/a	-	6,908	-	(5,246)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-05-08	Yes	None	None	8,000	30,433	1	n/a	-	5,213	-	(2,436)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-01-15	Yes	None	None	0	0	1	n/a	-	-	1,141	-
Foreign exchange risk	securing the cash flow	CIRS	PLN	2023-11-15	Yes	None	None	3,000	14,548	1	n/a	-	2,527	-	(1,056)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2025-03-16	Yes	None	None	20,000	75,145	1	n/a	-	13,811	-	(6,032)
Foreign exchange risk	securing the cash flow	CIRS	PLN	2026-02-23	Yes	None	None	0	0	1	n/a	-	-	-	-
Foreign exchange risk	trade	CIRS	PLN	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	248	-
Interest rate risk	trade	FX Swap		2022-01-14	Yes	None	None	19,700	90,608	1	n/a	49	-	34	49
Interest rate risk	trade	FX Swap		2022-02-04	Yes	None	None	7,500	34,496	1	n/a	162	-	68	162
Interest rate risk	trade	FX Swap		2022-02-10	Yes	None	None	7,000	32,196	1	n/a	543	-	(51)	543
Interest rate risk	trade	FX Swap		2022-01-13	Yes	None	None	5,000	22,997	1	n/a	127	-	(28)	127
Interest rate risk	trade	FX Swap		2022-02-17	Yes	None	None	1,000	4,599	1	n/a	51	-	(3)	51
Interest rate risk	trade	FX Swap		2022-02-18	Yes	None	None	8,700	40,015	1	n/a	616	-	(60)	616
Interest rate risk	trade	FX Swap		2022-02-22	Yes	None	None	10,500	48,294	1	n/a	761	-	(108)	761
Interest rate risk	trade	FX Swap		2022-02-24	Yes	None	None	9,000	41,395	1	n/a	925	-	(284)	925
Interest rate risk	trade	FX Swap		2022-02-28	Yes	None	None	2,000	9,199	1	n/a	190	-	14	190
Interest rate risk	trade	FX Swap		2022-01-28	Yes	None	None	1,500	6,899	1	n/a	16	-	(23)	16
Interest rate risk	trade	FX Swap		2022-01-19	Yes	None	None	11,000	50,593	1	n/a	-	144	(11)	(144)
Interest rate risk	trade	FX Swap		2022-02-03	Yes	None	None	4,000	18,398	1	n/a	123	-	(11)	123
Interest rate risk	trade	FX Swap		2022-02-08	Yes	None	None	2,000	9,199	1	n/a	34	-	5	34
Interest rate risk	trade	FX Swap		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	(1,782)	-
Interest rate risk	trade	FX Swap		2022-01-13	Yes	None	None	950	3,857	1	n/a	-	59	3	(59)
Interest rate risk	trade	FX Swap		2022-02-28	Yes	None	None	75,000	304,500	1	n/a	9,089	-	821	9,089
Interest rate risk	trade	FX Swap		2022-03-10	Yes	None	None	105,000	426,300	1	n/a	111	21,490	1,777	(21,380)
Interest rate risk	trade	FX Swap		2022-03-21	Yes	None	None	1,100	4,466	1	n/a	32	-	(28)	32
Interest rate risk	trade	FX Swap		2022-03-04	Yes	None	None	42,000	170,520	1	n/a	-	13,232	844	(13,232)
Interest rate risk	trade	FX Swap		2022-06-10	Yes	None	None	157,000	637,420	1	n/a	-	67,431	2,901	(67,431)
Interest rate risk	trade	FX Swap		n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	27,001	-
Equity risk	trade	Option	PLN	2022-06-23	n/a	n/a	n/a	27,000	27,000	n/a	n/a	n/a	4,383	-	(4,385)
TOTAL									4,096,158			13,501	438,479	39,649	(164,889)

2.5.6. Hedge accounting

In 2022 and 2021, PZU applied hedge accounting using cash flow hedging. Cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable planned transaction and could affect profit or loss.

PZU hedges foreign currency cash flows generated by the portfolios of fixed-rate bonds denominated in EUR, USD or GBP using cross-currency interest rate swaps (CIRS).

	Currency	31 December 2022 Maturity					31 December 2021 Maturity				
		Up to 3 months	Over 3 months up to 1 year	Over 1 year to 5 years	Over 5 years	Total	Up to 3 months	Over 3 months up to 1 year	Over 1 year to 5 years	Over 5 years	Total
Par value	EUR/PLN	-	-	1,002,077	204,011	1,206,088	-	-	733,722	372,797	1,106,519
Par value	USD/PLN	-	-	437,979	0	437,979	-	-	444,971	-	444,971
Par value	GBP/PLN	-	15,887	357,989	190,645	564,521	-	-	349,818	210,728	560,546

Impact of the hedge relationship on the balance sheet and the financial result	31 December 2022	31 December 2021
Hedging instruments		
Par value	2,208,588	2,112,036
Carrying amount – assets (fair value)	-	-
Carrying amount – liabilities (fair value)	318,343	331,523
Amounts of write-offs increasing and decreasing the revaluation reserve, including:	42,567	(225,797)
Change in the fair value of the hedging instrument, on the basis of which hedge inefficiency is estimated	13,182	(295,751)
Amounts written off from revaluation reserve and included in financial income or expenses	(29,385)	(69,954)
Hedge inefficiency amount recognized in the profit and loss account	63	613
Hedged items		
Amount equal to the change in the fair value of a hypothetical derivative representing the hedged item, which forms the basis for estimating hedge inefficiency in the period	(13,119)	296,364
Balance of the hedge accounting capital item for relations, for which hedge accounting will be continued after the end of the reporting period	(126,812)	(169,378)

2.6 Information on the risk load of deposits

The purpose of risk management is to ensure that PZU, in pursuit of its business objectives, monitors and manages its portfolios in a manner that is safe and appropriate to the scale of the risks incurred.

The main elements of PZU's risk management strategy include:

- risk management organizational structure, in which the Supervisory Board, the Management Board, the Risk Committee, the Asset and Liability Management Committee, the Investment Risk Committee, the Investment Committee (the "Committees"), the Investment Division and the Risk Department play key roles;
- processes involving the identification, measurement and assessment, monitoring and controlling, reporting and management measures pertaining to various risks;
- the system of limits and restrictions on the acceptable level of risk established by the Supervisory Board, the Management Board and the relevant Committees.

The Supervisory Board, the Management Board and the Committees, based on the regulations in place at the Company, supervise the implementation of the primary objective of the risk management policy, which is to increase the effectiveness of the implementation of tasks and the achievement of objectives through the use of appropriate control mechanisms and obtaining information on threats to the achievement of the set goals and objectives. The risk appetite and accompanying limit system take into account all relevant factors related to investment risk. The Company's primary investment risk management tools include:

- VaR limits – Value at Risk, Value at Risk, a measure of risk quantifying by means of a standard formula or economic capital model for market risk the potential loss that, over a horizon of one year under normal market conditions, will not be exceeded with a probability of 99.5%;
- bpv limits – basis point value, i.e., the change in the value of financial instruments and the portfolio if interest rate curves shift by 1 basis point upward;
- equity exposure limits taking into account equity derivative exposures;
- item limit for all foreign currencies combined;
- position limits in a single foreign currency;
- commitment limits;
- limits on the value of net credit exposure weighted by period to maturity.

Investment risk reports are prepared on a daily basis for operational purposes and periodically (monthly, quarterly) for management purposes. Recipients of periodic reports are primarily the Supervisory Board, Management Board and Committees.

The following provides information on PZU's most significant investment risks. The following statements also take into account the primary risk arising from the conversion based on the underlying instruments (the "look through approach") for funds in which PZU, together with PZU Life, is the sole owner (SFIO Universum, FIZ Non-Public Assets BIS1, FIZ Non-Public Assets BIS2, FIZ Real Estate Sector 2).

2.6.1. Interest rate risk

Interest rate risk – it is defined as the possibility of incurring a loss as a result of changes in the value of financial instruments or other assets and a change in the present value of projected cash flows from liabilities, caused by changes in the term structure of market rates or in the volatility of risk-free market interest rates. The following table presents financial instruments exposed to interest rate risk.

Interest rate risk	31 December 2022 (PLN million)	31 December 2022 (% of investments)	31 December 2021 (PLN million)	31 December 2021 (% of investments)
Financial instruments in the held-for-trading and available-for-sale instrument portfolios	6921.0	17.2%	9,366.3	24.0%
Financial instruments in the held-to-maturity portfolio	7984.1	19.9%	8,022.4	20.6%
Debt securities held in the loan portfolio	0.0	0.0%	25.4	0.1%
Debt and money investment funds	216.0	0.5%	257.7	0.7%

2.6.2. Equity risk

Share price risk – it is defined as the possibility of incurring loss as a result of changes in the values of assets, liabilities and financial instruments caused by changes in the level or in the volatility of market prices of equities.

Equity risk	31 December 2022 (PLN million)	31 December 2022 (% of investments)	31 December 2021 (PLN million)	31 December 2021 (% of investments)
Financial instruments exposed to share price risk including:	16,200.9	40.3%	15,462.8	39.6%
– unlisted shares	7,790.1	19.4%	7,449.3	19.1%
– listed shares	8,279.1	20.6%	7,921.4	20.3%
– other investments	–	–	–	–
– equity funds	131.8	0.3%	92.1	0.2%

2.6.3. Property risk

Property risk – it is defined as the possibility of incurring loss as a result of changes in the values of assets, liabilities and financial instruments caused by changes in the market prices of real property or in the volatility of market prices of real property.

Property risk	31 December 2022 (PLN million)	31 December 2022 (% of investments)	31 December 2021 (PLN million)	31 December 2021 (% of investments)
Value of investments exposed to property risk including:	282.9	0.7%	297.3	0.8%
– real property	282.9	0.7%	297.3	0.8%

2.6.4. Credit risk

Credit risk is defined as the risk of a loss or adverse change in the financial situation resulting from fluctuations in the trustworthiness and creditworthiness of issuers of securities, counterparties and all debtors, materializing through a counterparty's default on a liability or an increase in credit spread.

Assets with credit risk by rating category as of 31 December 2022 and 31 December 2021 are shown below. The presentation makes the following assumptions:

- Credit risk exposures arising from conditional transactions are presented as an exposure to the issuer of the underlying securities.
- investment ratings according to Fitch rating agency were adopted (in the absence of a Fitch rating, Standard&Poors or EuroRating ratings were used).

Assets subject to credit risk on 31 December 2022 (PLN million)	AAA	AA	A	BBB	BB	lower than BB or no rating	Total
Debt securities	–	39	13,656	655	–	555	14,905
– held to maturity	–	–	7,984	–	–	–	7,984
– available for sale	–	39	5,125	486	–	–	5,650
– measured at fair value	–	–	547	169	–	555	1,271
– loans	–	–	–	–	–	–	–
Bank deposits and contingent trans. on treas. securities	–	–	2,635	–	–	99	2,734
Mortgage loans	–	–	–	–	–	–	–
Other loans	–	–	–	113	–	2,701	2,814
Derivatives	–	–	138	–	–	120	258
Reinsurers' share in net claims provisions	–	–	–	–	–	–	–
Deposits with ceding enterprises	–	–	–	–	–	–	–
Reinsurance receivables	–	–	–	–	–	–	–
Total credit risk assets	–	39	16,429	768	–	3,475	20,711

Assets subject to credit risk on 31 December 2021 (PLN million)	AAA	AA	A	BBB	BB	lower than BB or no rating	Total
Debt securities	-	47	12,264	3,029	688	1,386	17,414
- held to maturity	-	-	8,048	-	-	-	8,048
- available for sale	-	43	3,778	2,604	494	-	6,919
- measured at fair value	-	4	438	425	194	1,386	2,447
- loans	-	-	-	-	-	-	-
Bank deposits and contingent trans. on treas. securities	-	-	1,697	144	2	478	2,321
Mortgage loans	-	-	-	-	-	-	-
Other loans	-	-	-	-	100	1,748	1,848
Derivatives	-	-	14	2	-	-	16
Reinsurers' share in net claims provisions	-	-	-	-	-	-	-
Deposits with ceding enterprises	-	-	-	-	-	-	-
Reinsurance receivables	-	-	-	-	-	-	-
Total credit risk assets	-	47	13,975	3,175	790	3,612	21,599

As of 31 December 2022, the maximum potential credit loss for PZU was PLN 1,029.6 million (as of 31 December 2021: PLN 1,252.1 million). This amount was calculated on the basis of the average cumulative probability of a default event over a 10-year horizon for a given rating group, as published by the Standard & Poor's rating agency, presented in the table below:

Credit risk assets	AAA	AA	A	BBB	BB	lower than BB or no rating
Coefficients for conversion as of 31 December 2022 (%)	0.69	0.68	1.15	3.10	11.24	23.50
Coefficients for conversion as of 31 December 2021 (%)	0.70	0.70	1.20	3.24	11.64	24.62

2.6.5. Concentration risk

Concentration risk	31 December 2022 (PLN million)	31 December 2022 (% of investments)	31 December 2021 (PLN million)	31 December 2021 (% of investments)
Treasury securities issued by the State Treasury of the Republic of Poland together with contingent transactions on these securities	12,729.1	31.7%	12,986.3	33.3%
Capital group risk – investments in subordinate entities	14,591.0	36.3%	14,641.6	37.6%

2.6.6. Foreign exchange risk

Foreign exchange risk – it is defined as the possibility of incurring loss as a result of changes in the value of assets, liabilities and financial instruments, caused by changes in the level or in the volatility of currency exchange rates.

PZU is exposed to foreign exchange risk arising from currency mismatches in technical provisions, the value of which is dependent on foreign exchange rates and assets denominated in foreign currencies, in particular: securities, investments in financial institutions, units in investment funds and derivative instruments, i.e. fx forward, fx swap, interest rate-currency swap, whose underlying instruments are foreign exchange rates.

Foreign exchange risk	31 December 2022 (PLN million)	31 December 2021 (PLN million)
Value of assets denominated in foreign currencies	6,407.0	6,634.4
Foreign currency position from derivatives	(7,845.1)	(7,715.8)
Value of technical provisions denominated in foreign currencies at own interest	(1,342.9)	(1,032.6)
Currency mismatch	(2,781.0)	(2,114.0)

3. Receivables

Geographical structure of receivables	31 December 2022				31 December 2021			
	Domestic	Foreign – EU countries	Foreign – other countries	Total	Domestic	Foreign – EU countries	Foreign – other countries	Total
I. Receivables on direct insurance	1,886,899	16,634	13,869	1,917,402	1,600,234	12,323	11,000	1,623,557
1. Receivables from policyholders	1,787,284	16,614	13,864	1,817,762	1,527,465	12,244	10,995	1,550,704
2. Receivables from intermediaries	96,494	11	4	96,509	71,686	70	4	71,760
3. Other receivables	3,121	9	1	3,131	1,083	9	1	1,093
II. Reinsurance receivables	154,682	1,648	16,458	172,788	206,696	3,864	5,195	215,755
III. Other receivables	193,108	240,189	3,442	436,739	212,068	350,771	1,444	564,283
1. Receivables from the state budget	31,846	-	-	31,846	4,511	-	-	4,511
2. Other receivables	161,262	240,189	3,442	404,893	207,557	350,771	1,444	559,772
Total receivables	2,234,689	258,471	33,769	2,526,929	2,018,998	366,958	17,639	2,403,595

3.1 Receivables on direct insurance

Receivables on direct insurance	31 December 2022	31 December 2021
a) receivables from policyholders, including:	1,817,762	1,550,704
– from subordinate entities	1,954	13,837
– domestic	1,954	13,837
– foreign	–	–
– from other entities	1,815,808	1,536,867
– domestic	1,785,330	1,513,628
– foreign	30,478	23,239
b) receivables from insurance intermediaries, including:	96,509	71,760
– from subordinate entities	17	2
– domestic	17	2
– foreign	–	–
– from other entities	96,492	71,758
– domestic	96,477	71,684
– foreign	15	74
c) other receivables, including:	3,131	1,093
– from subordinate entities	806	–
– domestic	806	–
– foreign	–	–
– from other entities	2,325	1,093
– domestic	2,315	1,083
– foreign	10	10
Receivables on direct insurance (net), total	1,917,402	1,623,557
d) impairment losses	607,559	588,287
Receivables on direct insurance (gross), total	2,524,961	2,211,844

Direct insurance receivables – with a remaining term from the balance sheet date	31 December 2022	31 December 2021
a) up to 3 months ¹⁾	1,144,668	1,100,746
b) 3 months to 1 year	743,293	512,986
c) 1 to 5 years	29,441	9,825
d) over 5 years	–	–
Receivables on direct insurance, total	1,917,402	1,623,557

¹⁾ As of 31 December 2022, the value of past due net direct insurance receivables was: PLN 257,338 thousand (31 December 2021: PLN 255,484 thousand).

Receivables on net direct insurance	31 December 2022	31 December 2021
a) from subsidiaries	1,971	13,834
b) from joint ventures	–	–
c) from related parties	805	6
d) from a major investor	–	–
e) from a shareholder of a joint venture	–	–
f) from the parent company	–	–
g) other	1,914,626	1,609,717
Receivables on direct insurance, total	1,917,402	1,623,557

Receivables on direct insurance (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	1,435,082	1,357,543
b) in EUR or another currency (by currency and after conversion to PLN)	482,320	266,014
b1. thousand. EUR	8,934	1,767
thous. PLN	41,899	8,129
b2. thousand. USD	100,055	63,518
thous. PLN	440,420	257,885
b3. other	–	–
Receivables on direct insurance, total	1,917,402	1,623,557

Balance of co-insurance settlements	31 December 2022	31 December 2021
Balance of co-insurance settlements	547,776	349,092

3.2 Reinsurance receivables

Reinsurance receivables	31 December 2022	31 December 2021
a) current receivables in active reinsurance, including:	141,088	175,472
– from cedents in the domestic market	126,954	175,338
– from foreign cedents	14,134	134
a) current receivables in passive reinsurance, including:	8,145	13,978
– from domestic reinsurers	4,219	5,282
– from foreign reinsurers	3,926	8,696
c) current receivables from retro-assignees, including:	23,555	26,305
– domestic	23,509	26,076
– foreign	46	229
d) time-settled reinsurance commission receivables	–	–
e) receivables from reinsurers' share of losses paid out	–	–
Receivables on reinsurance (net), total	172,788	215,755
f) impairment losses	186	188
Receivables on reinsurance (gross), total	172,974	215,943

Reinsurance receivables	31 December 2022	31 December 2021
a) from subsidiaries	139,417	173,758
b) from joint ventures	–	–
c) from related parties	–	–
d) from a major investor	–	–
e) from a shareholder of a joint venture	–	–
f) from the parent company	–	–
g) other	33,371	41,997
Receivables on reinsurance, total	172,788	215,755

Reinsurance receivables	31 December 2022	31 December 2021
a) current receivables in active reinsurance, including:	141,089	175,470
– from subsidiary cedents	139,416	173,758
– from cedents being joint ventures	–	–
– from cedents that are related parties	–	–
– from a cedent that is a significant investor	–	–
– from a transferor who is a shareholder of a joint venture	–	–
– from the ceding parent company	–	–
a) current receivables in passive reinsurance, including:	8,144	13,979
– from subsidiary reinsurers	–	–
– from cedents being joint ventures	–	–
– from reinsurers that are related parties	–	–
– from a reinsurer that is a significant investor	–	–
– from a reinsurer who is a shareholder of a joint venture	–	–
– from the reinsuring parent company	–	–
c) current receivables from retro-assignees, including:	23,555	26,306
– from subsidiary	–	–
– from cedents being joint ventures	–	–
– from those being related parties	–	–
– from one that is a significant investor	–	–
– from one that is a shareholder of a joint venture	–	–
– from one that is the parent company	–	–
d) other	–	–
Receivables on reinsurance, total	172,788	215,755

Net reinsurance receivables – with a remaining term from the balance sheet date	31 December 2022	31 December 2021
a) up to 3 months	96,535	118,652
b) 3 months to 1 year	67,029	91,896
c) 1 to 5 years	9,224	5,207
d) over 5 years	–	–
Receivables on reinsurance (net), total	172,788	215,755

Receivables on reinsurance (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	159,414	209,173
b) in EUR or another currency (by currency and after conversion to PLN)	13,374	6,582
b1. thousand. EUR	596	1,269
thous. PLN	2,795	5,838
b2. thousand. USD	44	129
thous. PLN	193	525
b3. thousand. UAH	82,194	901
thous. PLN	10,340	134
b4. other currencies	–	–
Receivables on reinsurance, total	172,788	215,755

3.3 Other receivables

Other receivables	31 December 2022	31 December 2021
a) receivables from the state budget	31,846	4,511
b) settlements under guarantees and letters of credit	–	–
c) other receivables, including:	404,893	559,771
receivables from unsettled placement transactions and security deposits	263,857	420,013
FFO settlements	58,412	50,329
receivables for acting as an emergency adjuster	26,752	33,094
prevention settlements	18,437	15,248
receivables from direct claims handling on behalf of other insurance undertakings	15,679	12,541
retained guarantee deposits	11,495	11,398
receivables from settlements within the Tax Capital Group	2,776	1,048
bailiffs' seizures	1,320	2,437
receivables from shortages and damages	1,074	1,251
prepayments to suppliers	518	812
Total other receivables (net)	436,739	564,282
d) impairment losses	32,462	28,175
Total other receivables (gross)	469,201	592,457

Other receivables	31 December 2022	31 December 2021
a) from subsidiaries	30,564	35,365
b) from joint ventures	–	–
c) from related parties	–	–
d) from a major investor	–	–
e) from a shareholder of a joint venture	–	–
f) from the parent company	–	–
g) other	406,175	528,917
Other receivables, total	436,739	564,282

Other receivables – with a remaining repayment period from the balance sheet date	31 December 2022	31 December 2021
a) up to 3 months	102,247	500,654
b) 3 months to 1 year	265,364	1,644
c) 1 to 5 years	15,909	17,219
d) over 5 years	53,219	44,765
Other receivables, total	436,739	564,282

Other receivables (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	205,793	224,318
b) in EUR or another currency (by currency and after conversion to PLN)	230,946	339,964
b1. thousand. EUR	49,030	73,909
thous. PLN	229,948	339,935
b2. thousand. USD	227	7
thous. PLN	998	29
b3. thousand. CHF	-	-
thous. PLN	-	-
b4. other currencies	-	-
Other receivables, total	436,739	564,282

3.4 Other information on receivables

3.4.1. Movement in allowances for receivables by type of receivables

Movement in allowances for receivables by type of receivables	31 December 2022	31 December 2021
a) beginning of the period (by receivable type)	616,650	642,239
Impairment charges receivables under direct insurance	588,287	626,845
impairment charges on reinsurance receivables	188	744
Impairment charges on other receivables	28,175	14,650
b) increases (by virtue of)	46,814	31,611
Impairment charges receivables under direct insurance	35,115	15,622
impairment charges on reinsurance receivables	34	477
Impairment charges on other receivables	11,665	15,512
c) reductions (by virtue of)	23,257	57,200
– use of impairment charges	3,805	3,296
Impairment charges receivables under direct insurance	-	1,246
impairment charges on reinsurance receivables	-	856
Impairment charges on other receivables	3,805	1,194
– release of impairment charges for repayment and other titles	19,452	53,904
Impairment charges receivables under direct insurance	15,843	52,934
impairment charges on reinsurance receivables	36	177
Impairment charges on other receivables	3,573	793
d) end of the period (by receivable type)	640,207	616,650
Impairment charges receivables under direct insurance	607,559	588,287
impairment charges on reinsurance receivables	186	188
Impairment charges on other receivables	32,462	28,175

3.4.2. Information on overdue receivables (by title)

Overdue receivables (by title)	31 December 2022	31 December 2021
a) up to 3 months	206,614	216,429
– receivables on direct insurance	195,409	189,019
– reinsurance receivables	7,036	21,889
– other receivables	4,169	5,521
b) over 3 months	80,626	80,048
– receivables on direct insurance	61,929	66,465
– reinsurance receivables	15,052	1,868
– other receivables	3,645	11,715
Total overdue receivables (by title), including:	287,240	296,477
a) up to 3 months	206,614	216,429
b) over 3 months	80,626	80,048

As of 31 December 2022, the value of receivables overdue more than 1 year was: PLN 5,062 thousand (31 December 2021: PLN 17,998 thousand).

4. Other assets

4.1 Property, plant and equipment

Property, plant and equipment	31 December 2022	31 December 2021
a) plant and machinery	39,879	41,600
b) means of transport	64,420	66,160
c) other fixed assets	9,957	8,208
d) fixed assets under construction	19,600	7,475
e) advances for fixed assets under construction	-	-
f) provisions	-	-
g) recoveries after damage	-	-
Property, plant and equipment, total	133,856	123,443

Property, plant and equipment – ownership structure	31 December 2022	31 December 2021
a) own	133,856	123,443
b) foreign	-	-
Property, plant and equipment, total	133,856	123,443

Fixed assets (balance sheet) – ownership structure	31 December 2022	31 December 2021
a) own	133,856	123,443
b) used under a rental, lease or other agreement, including a lease agreement	-	-
Total balance sheet fixed assets	133,856	123,443

Fixed assets (shown off balance sheet)	31 December 2022	31 December 2021
a) used under a rental, lease or other agreement, including a lease agreement, including:	233,081	142,495
Lease	233,081	142,495
Fixed assets shown off balance sheet, total	233,081	142,495

In 2022 and 2021, PZU did not incur costs for construction in progress and fixed assets for its own use.

Movement in fixed assets (by type group) for the year ended 31 December 2022	Plant and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Advances for fixed assets under construction	Inventories	Recoveries after damage	Property, plant and equipment, total
a) gross value of fixed assets at the beginning of the period	185,982	95,251	69,101	7,475	-	-	-	357,809
b) increases (by virtue of)	13,722	10,509	4,781	14,223	-	-	-	43,235
- investments	-	-	-	-	-	-	-	-
- from direct purchases	302	-	1,574	41,155	-	-	-	43,031
- transfers	13,358	10,384	3,190	-(26,932)	-	-	-	-
- other (including estimates)	62	125	17	-	-	-	-	204
c) reductions (by virtue of)	29,217	2,627	1,080	2,098	-	-	-	35,022
- liquidation	28,619	-	364	-	-	-	-	28,983
- sale	583	2,627	400	-	-	-	-	3,610
- other	15	-	316	2,098	-	-	-	2,429
d) gross value of fixed assets at the end of the period	170,487	103,133	72,802	19,600	-	-	-	366,022
e) accumulated amortization at the beginning of the period	144,382	29,091	60,893	-	-	-	-	234,366
f) depreciation for the period (by virtue of)	(13,774)	9,622	1,952	-	-	-	-	(2,200)
- current year depreciation charges	15,012	11,107	2,873	-	-	-	-	28,992
- amortization of liquidated fixed assets	(28,287)	-	(359)	-	-	-	-	(28,646)
- amortization of fixed assets sold	(540)	(1,556)	(557)	-	-	-	-	(2,653)
- other	41	71	(5)	-	-	-	-	107
g) accumulated amortization at the end of the period	130,608	38,713	62,845	-	-	-	-	232,166
h) impairment losses at the beginning of the period	-	-	-	-	-	-	-	-
- increases	-	-	-	-	-	-	-	-
- reductions	-	-	-	-	-	-	-	-
i) impairment losses at the end of the period	-	-	-	-	-	-	-	-
j) net value of fixed assets at the end of the period	39,879	64,420	9,957	19,600	-	-	-	133,856

Movement in fixed assets (by type group) for the year ended 31 December 2021	Plant and machinery	Means of transport	Other fixed assets	Fixed assets under construction	Advances for fixed assets under construction	Inventories	Recoveries after damage	Property, plant and equipment, total
a) gross value of fixed assets at the beginning of the period	170,854	89,517	69,358	14,081	-	-	336	344,146
b) increases (by virtue of)	19,982	28,933	2,313	46,194	-	-	1,253	98,675
– investments	-	-	-	-	-	-	-	-
– from direct purchases	2,153	-	832	46,194	-	-	-	49,179
– transfers	17,763	28,611	1,159	-	-	-	-	47,533
– other (including estimates)	66	322	322	-	-	-	1,253	1,963
c) reductions (by virtue of)	4,854	23,199	2,570	52,800	-	-	1,589	85,012
– liquidation	4,646	327	2,315	-	-	-	-	7,288
– sale	115	22,872	48	-	-	-	1,589	24,624
– transfers	-	-	-	47,533	-	-	-	47,533
– other	93	-	207	5,267	-	-	-	5,567
d) gross value of fixed assets at the end of the period	185,982	95,251	69,101	7,475	-	-	-	357,809
e) accumulated amortization at the beginning of the period	132,130	33,496	59,965	-	-	-	-	225,591
f) depreciation for the period (by virtue of)	12,252	(4,405)	928	-	-	-	-	8,775
– current year depreciation charges	16,993	9,705	2,883	-	-	-	-	29,581
– amortization of liquidated fixed assets	(4,611)	(33)	(2,313)	-	-	-	-	(6,957)
– amortization of fixed assets sold	(89)	(14,278)	(48)	-	-	-	-	(14,415)
– other	(41)	201	406	-	-	-	-	566
g) accumulated amortization at the end of the period	144,382	29,091	60,893	-	-	-	-	234,366
h) impairment losses at the beginning of the period	-	-	-	-	-	-	-	-
– increases	-	-	-	-	-	-	-	-
– reductions	-	-	-	-	-	-	-	-
i) impairment losses at the end of the period	-	-	-	-	-	-	-	-
j) net value of fixed assets at the end of the period	41,600	66,160	8,208	7,475	-	-	-	123,443

4.2 Cash

Cash	31 December 2022	31 December 2021
a) cash at bank and in hand	130,720	145,835
b) other cash	-	-
Total cash	130,720	145,835

Restricted cash is described in section 28.1 of Additional information and explanations.

Cash – currency structure	31 December 2022	31 December 2021
a) in Polish currency	116,276	123,766
b) EUR or another currency (by currency and after conversion to PLN)	14,444	22,069
b1. thousand. EUR	2,596	2,860
thous. PLN	12,174	13,153
b2. thousand. USD	440	2,141
thous. PLN	1,938	8,693
b3. thousand. HUF	-	-
thous. PLN	-	-
b4. thousand. GBP	43	21
thous. PLN	228	117
b5. other	104	107
Total cash	130,720	145,835

5. Prepayments and accruals

5.1 Deferred tax assets

Movement in deferred tax assets	31 December 2022	31 December 2021
1. Deferred tax assets at the beginning of the period, including:	700,529	587,403
a) through profit or loss¹⁾	583,032	525,314
b) related to equity²⁾	117,497	62,089
c) relating to goodwill or negative goodwill	-	-
2. Additions	253,446	125,374
a) applied to the financial result of the period due to negative temporary differences (by virtue of)	85,234	69,966
– formation of temporary differences, including:	85,234	69,966
accrued expenses	82,276	36,869
financial instruments	-	23,628
impairment charges on real property	-	-
other provisions	2,958	9,469
– changes in tax rates	-	-
– unrecognized temporary difference of the previous period	-	-
b) applied to the financial result of the period due to tax losses (by virtue of)	-	-
c) applied to equity due to negative temporary differences (by virtue of)	168,212	55,408
– formation of temporary differences, including:	168,212	55,408
financial instruments	168,212	55,408
– changes in tax rates	-	-
– unrecognized temporary difference of the previous period	-	-
d) relative to equity in connection with tax losses (by virtue of)	-	-
e) related to goodwill or negative goodwill due to deductible temporary differences (by virtue of)	-	-
3. Reductions	49,638	12,248
a) applied to the financial result of the period due to negative temporary differences (by virtue of)	49,638	12,248
– reversal of temporary differences, including:	49,638	12,248
insurance receivables	116	91
financial instruments	38,270	-

Movement in deferred tax assets	31 December 2022	31 December 2021
other provisions	10,962	3,913
accrued expenses	-	2,066
other temporary differences	290	6,178
- changes in tax rates	-	-
- impairment charges on deferred tax assets	-	-
b) applied to the financial result of the period due to tax losses (by virtue of)	-	-
c) applied to equity due to negative temporary differences (by virtue of)	-	-
- reversal of temporary differences, including:	-	-
financial instruments	-	-
- changes in tax rates	-	-
- impairment charges on deferred tax assets	-	-
d) relative to equity in connection with tax losses (by virtue of)	-	-
e) related to goodwill or negative goodwill due to deductible temporary differences (by virtue of)	-	-
4. Deferred tax assets at the end of the period, total, including:	904,337	700,529
a) through profit or loss³⁾	618,628	583,032
b) related to equity²⁾	285,709	117,497
c) relating to goodwill or negative goodwill	-	-

¹⁾ Refers to cumulative changes in deferred tax assets charged to earnings in 2021 and earlier years.

²⁾ Refers to the revaluation reserve.

³⁾ Refers to the cumulative impact of changes in deferred tax assets charged to earnings in 2022 and earlier years.

Deferred tax assets and liabilities are presented net of the appropriate amounts arising from deductible and taxable temporary differences.

Additional information on negative temporary differences	31 December 2022	31 December 2021
a) a negative temporary differences at the beginning of the period, including:	3,686,997	3,091,597
financial instruments	1,555,981	1,139,989
accrued expenses	1,526,333	1,295,135
insurance receivables	416,689	444,546
other temporary differences	1,460	4,791
impairment charges on real property	133,450	133,461
other provisions	53,084	73,675
b) negative temporary differences at the end of the period, including:	4,759,666	3,686,997
financial instruments	2,239,883	1,555,981
accrued expenses	1,904,640	1,526,333
insurance receivables	429,569	416,689
other temporary differences	139	1,460
impairment charges on real property	135,325	133,450
other provisions	50,110	53,084
negative temporary differences expiring within 1 year	4,164,053	3,095,752
negative temporary differences expiring in more than 1 year	595,613	591,245

5.2 Other active prepayments and accruals

Other prepayments and accruals	31 December 2022	31 December 2021
a) reinsurance prepayments and accruals ¹⁾	766,831	529,814
b) costs related to the direct costs of claims handling	45,743	52,235
c) IT expenses	67,448	45,333
d) other	44,131	14,967
Other prepayments and accruals, total	924,153	642,349

¹⁾ The item of reinsurance accruals mainly includes the gross accrued premium for active reinsurance in the amount of PLN 657,049 thousand (31 December 2021: PLN 449,666 thousand).

6. Movements in impairment losses

Movements in impairment losses in the year ended 31 December 2022.

Item	Impairment charges as of 1 January 2022, including:		Establishments, including:		Dissolutions, including:		Uses, including:		Impairment charges as of 31 December 2022, including:	
	- through profit or loss	- through equity	- through profit or loss	- through equity	- through profit or loss	- through equity	- through profit or loss	- through equity	- through profit or loss	- through equity
I. Intangible assets	1,209	-	-	-	1,562	-	-	-	2,771	-
II. Investments	946,141	2,349	11,045	-	(871)	-	-	-	956,315	2,349
1. Real property	136,236	2,349	1,236	-	(871)	-	-	-	136,601	2,349
2. Investments in subordinate entities	797,380	-	3,506	-	-	-	-	-	800,886	-
3. Other financial investments	12,525	-	6,303	-	-	-	-	-	18,828	-
a) shares, stocks and other variable income debt securities	12,500	-	6,303	-	-	-	-	-	18,803	-
b) participation units and investment certificates of mutual funds	25	-	-	-	-	-	-	-	25	-
c) debt securities and other fixed-income securities	-	-	-	-	-	-	-	-	-	-
d) participations in joint ventures of investment	-	-	-	-	-	-	-	-	-	-
e) mortgage-backed loans	-	-	-	-	-	-	-	-	-	-
f) other loans	-	-	-	-	-	-	-	-	-	-
g) term deposits with credit institutions	-	-	-	-	-	-	-	-	-	-
j) other investments (by type)	-	-	-	-	-	-	-	-	-	-
4. Deposits with ceding enterprises	-	-	-	-	-	-	-	-	-	-
III. Net assets of a life insurance company if the investment risk is borne by the policyholder	-	-	-	-	-	-	-	-	-	-
IV. Receivables	616,650	-	46,814	-	(19,453)	-	(3,804)	-	640,207	-
1. Receivables on direct insurance	588,287	-	35,115	-	(15,843)	-	-	-	607,559	-
2. Reinsurance receivables	188	-	34	-	(36)	-	-	-	186	-
3. Other receivables	28,175	-	11,665	-	(3,574)	-	(3,804)	-	32,462	-
3.1. Receivables from the budget	-	-	-	-	-	-	-	-	-	-
3.2. Other receivables	28,175	-	11,665	-	(3,574)	-	(3,804)	-	32,462	-
V. Other assets, including	-	-	-	-	-	-	-	-	-	-
1. Property, plant and equipment	-	-	-	-	-	-	-	-	-	-
2. Other assets	-	-	-	-	-	-	-	-	-	-
VI. Prepayments and accruals	86	-	65	-	(86)	-	-	-	65	-
1. Deferred tax assets	-	-	-	-	-	-	-	-	-	-
2. Deferred acquisition costs	-	-	-	-	-	-	-	-	-	-
3. Accrued interest and rents	-	-	-	-	-	-	-	-	-	-
4. Other prepayments and accruals	86	-	65	-	(86)	-	-	-	65	-

Movements in impairment losses in the year ended 31 December 2021.

Item	Impairment charges as of 1 January 2021, including:		Establishments, including:		Dissolutions, including:		Uses, including:		Impairment charges as of 31 December 2021, including:	
	- through profit or loss	- through equity	- through profit or loss	- through equity	- through profit or loss	- through equity	- through profit or loss	- through equity	- through profit or loss	- through equity
I. Intangible assets	1,209	-	-	-	-	-	-	-	1,209	-
II. Investments	946,176	2,349	-	-	(35)	-	-	-	946,141	2,349
1. Real property	136,247	2,349	-	-	(11)	-	-	-	136,236	2,349
2. Investments in subordinate entities	797,380	-	-	-	-	-	-	-	797,380	-
3. Other financial investments	12,549	-	-	-	(24)	-	-	-	12,525	-
a) shares, stocks and other variable income debt securities	12,500	-	-	-	-	-	-	-	12,500	-
b) participation units and investment certificates of mutual funds	49	-	-	-	(24)	-	-	-	25	-
c) debt securities and other fixed-income securities	-	-	-	-	-	-	-	-	-	-
d) participations in joint ventures of investment	-	-	-	-	-	-	-	-	-	-
e) mortgage-backed loans	-	-	-	-	-	-	-	-	-	-
f) other loans	-	-	-	-	-	-	-	-	-	-
g) term deposits with credit institutions	-	-	-	-	-	-	-	-	-	-
j) other investments (by type)	-	-	-	-	-	-	-	-	-	-
4. Deposits with ceding enterprises	-	-	-	-	-	-	-	-	-	-
III. Net assets of a life insurance company if the investment risk is borne by the policyholder	-	-	-	-	-	-	-	-	-	-
IV. Receivables	642,239	-	31,611	-	(53,904)	-	(3,296)	-	616,650	-
1. Receivables on direct insurance	626,845	-	15,622	-	(52,934)	-	(1,246)	-	588,287	-
2. Reinsurance receivables	744	-	477	-	(177)	-	(856)	-	188	-
3. Other receivables	14,650	-	15,512	-	(793)	-	(1,194)	-	28,175	-
3.1. Receivables from the budget	-	-	-	-	-	-	-	-	-	-
3.2. Other receivables	14,650	-	15,512	-	(793)	-	(1,194)	-	28,175	-
V. Other assets, including	-	-	-	-	-	-	-	-	-	-
1. Property, plant and equipment	-	-	-	-	-	-	-	-	-	-
2. Other assets	-	-	-	-	-	-	-	-	-	-
VI. Prepayments and accruals	15	-	71	-	-	-	-	-	86	-
1. Deferred tax assets	-	-	-	-	-	-	-	-	-	-
2. Deferred acquisition costs	-	-	-	-	-	-	-	-	-	-
3. Accrued interest and rents	-	-	-	-	-	-	-	-	-	-
4. Other prepayments and accruals	15	-	71	-	-	-	-	-	86	-

6.1 Carrying amount of interest accrued on assets subject to impairment losses

As of 31 December 2022 and 31 December 2021, there was no interest accrued on assets subject to impairment losses.

7. Equity

7.1 Share capital

Share capital structure as of 31 December 2022 and 31 December 2021

Series/ issue	Nominal value of one share	Type of shares	Type of share preference	Type of limitation on rights to shares	Number of shares	Value of series/issue at nominal value (PLN)	Capital coverage	Date of registration	Right to dividends (as of)
A	PLN 0.1	bearer	none	none	604,463,200	60,446,320	cash	23.01.1997	27.12.1991
B	PLN 0.1	bearer	none	none	259,059,800	25,905,980	in-kind contribution	31.03.1999	01.01.1999
Total					863,523,000	86,352,300			

Shareholder structure as of 31 December 2022

No.	Shareholder's name	Number of shares and votes	Percentage held in the share capital and in the total number of votes at the Shareholder Meeting
1.	State Treasury	295,217,300	34.1875%
2.	Funds managed by Nationale Nederlanden Powszechnie Towarzystwo Emerytalne Spółka Akcyjna ¹⁾	49,223 000	5.7003%
3.	Other shareholders	519,082,700	60.1122%
	Total	863,523,000	100.0000%

¹⁾ Number of shares held by the funds at the Extraordinary Shareholder Meeting of PZU held on 1 September 2022.

On 5 January 2023, PZU SA received a notification from Powszechnie Towarzystwo Emerytalne Allianz Polska S.A. regarding an increase in the share of PZU SA's share capital and total number of votes above 5% in total by funds managed by PTE Allianz Polska S.A., i.e. Allianz Polska Otwarty Fundusz Emerytalny (Open-ended Pension Fund), Allianz Polska Dobrowolny Fundusz Emerytalny (Voluntary Pension Fund) and Drugi Allianz Polska Otwarty Fundusz Emerytalny.

Accordingly, the current shareholder structure is as follows:

No.	Shareholder's name	Number of shares and votes	Percentage held in the share capital and in the total number of votes at the Shareholder Meeting
1.	State Treasury	295,217,300	34.1875%
2.	Funds managed by Nationale Nederlanden Powszechne Towarzystwo Emerytalne Spółka Akcyjna ¹⁾	49,223 000	5.7003%
3.	Allianz Polska Otwarty Fundusz Emerytalny, Allianz Polska Dobrowolny Fundusz Emerytalny and Drugi Allianz Polska Otwarty Fundusz Emerytalny	48,183,212	5.5798%
4.	Other shareholders	470,899 488	54.5324%
	Total	863,523,000	100.0000%

¹⁾ Number of shares held by the funds at the Extraordinary Shareholder Meeting of PZU held on 1 September 2022.

Shareholder structure as of 31 December 2021

No.	Shareholder's name	Number of shares and votes	Percentage held in the share capital and in the total number of votes at the Shareholder Meeting
1.	State Treasury	295,217,300	34.1875%
2.	Funds managed by Nationale Nederlanden Powszechne Towarzystwo Emerytalne Spółka Akcyjna ¹⁾	45,167,000	5.2305%
3.	Other shareholders	523,138,700	60.5820%
	Total	863,523,000	100.0000%

¹⁾ Number of shares provided by the funds at the Extraordinary Shareholder Meeting of PZU held on 12 October 2021.

7.2 Distribution of net profit

7.2.1. Distribution of net profit for the financial year 2021

On 29 June 2022, the Annual General Meeting of PZU distributed net profit for fiscal year 2021 in the amount of PLN 2,028,335 thousand plus the amount of PLN 949,875 thousand transferred from the reserve capital created from net profit for fiscal year 2020, totaling PLN 2,978,210 thousand, allocating:

- PLN 1,675,235 thousand for the payment of dividends, or PLN 1.94 per share;
- PLN 1,295,995 thousand for supplementary capital;
- PLN 6,980 thousand for the Company Social Benefit Fund.

The record date was set at 29 September 2022 and the dividend disbursement date was set for 20 October 2022. The profit distribution is consistent with the PZU Group's Capital and Dividend Policy for 2021-2024, as adopted on 24 March 2021, and takes into account the recommendations contained in the Polish Financial Supervision Authority's (KNF) stance on the dividend policy in 2022 issued on 9 December 2021.

7.2.2. Proposed distribution of the 2022 profit

As at the date of signing these standalone financial statements, the PZU Management Board has not adopted a resolution in the matter of the proposed distribution of the 2022 profit.

7.3 Supplementary capital

Supplementary capital	31 December 2022	31 December 2021
a) share premium account	538,139	538,139
b) created by law	28,784	28,784
c) created in accordance with the statute or contract, in excess of the statutorily required (minimum) value	7,119,263	6,773,143
d) from shareholder surcharges	-	-
e) other	8,510	7,370

Total supplementary capital	7,694,696	7,347,436
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7.4 Revaluation reserve

Revaluation reserve	31 December 2022	31 December 2021
a) due to revaluation of fixed assets	8,441	9,632
b) deferred tax assets	(518,757)	(543,992)
c) foreign exchange translation differences of foreign branches	–	–
d) other (by type):	6,916,637	6,848,604
– on account of revaluation of financial investments measured by the equity method	4,158,131	3,967,256
– on account of revaluation of financial investments held for hedge accounting purposes	(310,763)	(50,406)
– on account of revaluation of financial investments qualified to the portfolio of available-for-sale financial assets	3,069,269	2,931,754
Revaluation reserve, total	6,406,321	6,314,244

Revaluation reserve of financial instruments (gross)	1 January – 31 December 2022	1 January – 31 December 2021
1. Opening balance	6,848,604	7,755,871
2. Increases, due to:	1,099,389	1,056,807
a) effects of revaluation of available-for-sale financial assets, including:	1,027,374	986,240
– periodic valuation gains	1,020,504	980,825
– amounts written off as of the date of derecognition (i.e., sales, for example)	6,870	5,415
– revaluation amounts written off to the profit and loss account in the event of permanent impairment	–	–
– valuation gains determined as of the date of reclassification of assets to the available-for-sale category (from the held-to-maturity category)	–	–
– amounts settled in case of reclassification of assets to the held-to-maturity category (reclassification back to HTM, after the period referred to in Par. 8(4) of the Financial Instruments Regulation)	–	–
b) resulting from the application of hedge accounting:	72,015	70,567
– amounts settled in the case of hedging the fair value of an interest-bearing financial instrument	–	–
– periodic valuation of hedged items and hedging instruments in connection with hedging changes in cash flows	72,015	70,567
– periodic valuation of hedged items and hedging instruments in connection with hedging of net investment in foreign operations	–	–
c) other	–	–
d) determination, revaluation and impairment charges to profit or loss of deferred tax liabilities and assets	–	–
3. Reductions, due to:	1,031,356	1,964,074
a) effects of revaluation of available-for-sale financial assets, including:	1,031,356	1,738,277
– periodic valuation losses	1,009,515	1,541,521
– amounts written off as of the date of derecognition (i.e., sales, for example)	21,841	196,756
– valuation losses determined as of the date of reclassification of assets to the available-for-sale category (from the held-to-maturity category)	–	–
– amounts settled in case of reclassification of assets to the held-to-maturity category (reclassification back to HTM, after the period referred to in Par. 8(4) of the Financial Instruments Regulation)	–	–
b) resulting from the application of hedge accounting:	–	225,797
– amounts settled in the case of hedging the fair value of an interest-bearing financial instrument	–	–
– periodic valuation of hedged items and hedging instruments in connection with hedging changes in cash flows	–	225,797
– periodic valuation of hedged items and hedging instruments in connection with hedging of net investment in foreign operations	–	–
c) other	–	–
d) determination, revaluation and impairment charges to profit or loss of deferred tax liabilities and assets	–	–

4. Closing balance sheet

6,916,637

6,848,604

8. Subordinated liabilities

On 30 June 2017, PZU issued subordinated bonds with the total nominal value of PLN 2,250,000 thousand. The bonds redemption date is 29 July 2027, with the option of early redemption by 29 June 2022.

The issued bonds have the following parameters:

Parameter	Value
Total nominal value of the bonds	PLN 2,250,000 thousand
Nominal value and issue price per one bond	PLN 100,000
Redemption date	29 July 2027
Interest rate	WIBOR 6M + 1.80% margin
Interest payment dates	29 January and 29 July of each year, beginning on 29 January 2018 and ending on 29 July 2027
Early redemption option	29 July 2022
Collateral	None

The bonds have the form of a document, they are entered into the depository for securities of the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych SA, "KDPW"), and they are listed in alternative systems operated by BondSpot SA and WSE. As at 31 December 2022, the carrying amount of the subordinated bonds was PLN 2,333,305 thousand, and their fair value was PLN 2,269,564 thousand (as at 31 December 2021: carrying amount PLN 2,265,739 thousand and fair value PLN 2,273,875 thousand).

9. Technical provisions

Technical provisions	31 December 2022	31 December 2021
a) provision for premiums	7,539,664	7,055,481
– gross provisions	8,965,710	8,038,385
– reinsurers' share	1,426,046	982,904
b) provision for unexpired risk:	-	-
– gross provisions	-	-
– reinsurers' share	-	-
– life insurance provision	-	-
– gross provisions	-	-
– reinsurers' share	-	-
d) provision for outstanding claims and benefits:	15,702,614	14,991,733
– gross provisions	17,928,742	16,169,749
– reinsurers' share	2,226,128	1,178,016
e) provisions for bonuses and discounts for the insured:	7,779	3,895
– gross provisions	13,291	4,927
– reinsurers' share	5,512	1,032
f) provisions for (risk) equalization	663,199	624,036
g) provisions for reimbursement of contributions to members	-	-
h) other technical provisions referred to in the articles	-	-
– gross provisions	-	-
– reinsurers' share	-	-
i) provisions for life insurance if the deposit (investment) risk is borne by the policyholder	-	-
– gross provisions	-	-
– reinsurers' share	-	-
Total technical provisions	23,913,256	22,675,145

Technical provisions in life insurance – gross (currency structure)	31 December 2022	31 December 2021
a) provision for premiums	8,965,710	8,038,385
– in Polish currency	8,965,710	8,038,385
– in Euro or another currency (per currencies and converted into PLN)	-	-
b) provision for unexpired risk:	-	-
– in Polish currency	-	-
– in Euro or another currency (per currencies and converted into PLN)	-	-
– life insurance provision	-	-
– in Polish currency	-	-
– in Euro or another currency (per currencies and converted into PLN)	-	-
d) provision for outstanding claims and benefits:	17,928,742	16,169,749
– in Polish currency	16,000,914	14,650,033
– in Euro or another currency (per currencies and converted into PLN)	1,927,828	1,519,716
d1. thousand. EUR	311,758	259,100
thous. PLN	1,462,112	1,191,704
d2. thousand. GBP	55,806	56,513
thous. PLN	295,532	309,953
d3. thousand. CZK	76,447	97,616
thous. PLN	14,846	18,059
d4. thousand. SEK	11,792	-
thous. PLN	4,968	-
d5. thousand. CHF	783	-
thous. PLN	3,734	-
d6. thousand. UAH	287,313	-
thous. PLN	36,144	-
d7. thousand. USD	25,102	-
thous. PLN	110,492	-
e) provisions for bonuses and discounts for the insured:	13,291	4,927
– in Polish currency	13,291	4,927
– in Euro or another currency (per currencies and converted into PLN)	-	-
f) provisions for (risk) equalization:	663,199	624,036
– in Polish currency	663,199	624,036
– in Euro or another currency (per currencies and converted into PLN)	-	-
g) provisions for reimbursement of contributions to members:	-	-
– in Polish currency	-	-
– in Euro or another currency (per currencies and converted into PLN)	-	-
h) other technical provisions referred to in the articles:	-	-
– in Polish currency	-	-
– in Euro or another currency (per currencies and converted into PLN)	-	-
i) provisions for life insurance if the deposit (investment) risk is borne by the policyholder:	-	-
– in Polish currency	-	-
– in Euro or another currency (per currencies and converted into PLN)	-	-
Total technical provisions	27,570,942	24,837,097
Reinsurers' share in technical provisions (currency structure)	31 December 2022	31 December 2021
a) reinsurers' share in provision for premiums	1,426,046	982,904
– in Polish currency	1,426,046	982,904
– in Euro or another currency (per currencies and converted into PLN)	-	-
b) reinsurers' share in provision for unexpired risk:	-	-
– in Polish currency	-	-
– in Euro or another currency (per currencies and converted into PLN)	-	-
c) reinsurers' share in provision for life insurance:	-	-
– in Polish currency	-	-
– in Euro or another currency (per currencies and converted into PLN)	-	-
d) reinsurers' share in provision for outstanding claims and benefits:	2,226,128	1,178,016
– in Polish currency	1,641,172	690,908

Reinsurers' share in technical provisions (currency structure)	31 December 2022	31 December 2021
- in Euro or another currency (per currencies and converted into PLN)	584,956	487,108
d1. thousand. EUR	103,764	94,460
thous. PLN	486,641	434,459
d2. thousand. USD	19,798	10,781
thous. PLN	87,147	43,772
d3. thousand. UAH	82,003	56,315
thous. PLN	10,316	8,374
d4. other	852	503
e) reinsurers' share in provisions for bonuses and discounts for the insured:	5,512	1,032
- in Polish currency	5,512	1,032
- Euro or another currency (per currencies and converted into PLN)	-	-
f) reinsurers' share in other technical provisions referred to in the articles:	-	-
- in Polish currency	-	-
- in Euro or another currency (per currencies and converted into PLN)	-	-
g) reinsurers' share in provision for life insurance if the deposit (investment) risk is borne by the policyholder:	-	-
- in Polish currency	-	-
- in Euro or another currency (per currencies and converted into PLN)	-	-
Total reinsurers' share in technical provisions	3,657,686	2,161,952

In the case of property and non-life insurance, inflation added to the increase in average claims paid. Nonetheless, there were no increases in terms of direct claims handling expenses. The maintained levels of technical provisions are adequate to cover the potential excessive inflation of claims. In the case of annuity provisions, higher indexation is compensated with higher discount rate.

9.1 Provision for unearned premiums and provision for unexpired risk

Provision for unearned premiums and provision for unexpired risk	31 December 2022	31 December 2021
a) provision for premiums	7,539,664	7,055,481
- gross provisions	8,965,710	8,038,385
- reinsurers' share	1,426,046	982,904
b) provision for unexpired risk:	-	-
- gross provisions	-	-
- reinsurers' share	-	-
Total provision for unearned premiums and provision for unexpired risk	7,539,664	7,055,481

9.2 Provision for outstanding claims and benefits

9.2.1. Gross value of provisions for outstanding claims and benefits

Gross value of provisions for outstanding claims and benefits	Provisions as at 31 December 2022	Value of provisions relating to losses incurred in the current year
Accident and sickness insurance (groups 1 and 2)	193,595	74,118
MTPL insurance (group 10)	11,954,605	2,100,238
Other motor insurance (group 3)	951,547	433,936
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	69,368	34,629
Insurance against fire and other property damage (groups 8 and 9)	1,220,753	610,764
Third party liability (groups 11, 12, 13)	2,292,557	390,734
Credit and suretyship (groups 14 and 15)	174,424	147,787
Assistance (group 18)	71,965	40,516
Legal assistance insurance (group 17)	19,574	4,956
Other (group 16)	980,354	809,782
Total gross provisions for outstanding claims and benefits	17,928,742	4,647,460

Gross value of provisions for outstanding claims and benefits	Provisions as at 31 December 2021	Value of provisions relating to losses incurred in the current year
Accident and sickness insurance (groups 1 and 2)	186,026	77,284
MTPL insurance (group 10)	11,750,286	2,008,161
Other motor insurance (group 3)	870,509	428,983
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	60,244	27,050
Insurance against fire and other property damage (groups 8 and 9)	1,046,681	443,373
Third party liability (groups 11, 12, 13)	2,069,530	378,698
Credit and suretyship (groups 14 and 15)	31,794	7,399
Assistance (group 18)	62,423	34,991
Legal assistance insurance (group 17)	16,508	4,705
Other (group 16)	75,748	24,873
Total gross provisions for outstanding claims and benefits	16,169,749	3,435,517

9.2.2. Reinsurers' share in provision for outstanding claims and benefits

Reinsurers' share in provision for outstanding claims and benefits	Provisions as at 31 December 2022	Value of provisions relating to losses incurred in the current year
Accident and sickness insurance (groups 1 and 2)	258	178
MTPL insurance (group 10)	612,184	17,640
Other motor insurance (group 3)	257	93
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	6,862	6,273
Insurance against fire and other property damage (groups 8 and 9)	508,427	294,622
Third party liability (groups 11, 12, 13)	181,230	15,026
Credit and suretyship (groups 14 and 15)	48,961	35,033
Assistance (group 18)	29	16
Legal assistance insurance (group 17)	-	-
Other (group 16)	867,920	758,713
Total reinsurers' share	2,226,128	1,127,594

Reinsurers' share in provision for outstanding claims and benefits	Provisions as at 31 December 2021	Value of provisions relating to losses incurred in the current year
Accident and sickness insurance (groups 1 and 2)	89	77
MTPL insurance (group 10)	577,730	13,718
Other motor insurance (group 3)	467	360
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	1,373	1,169
Insurance against fire and other property damage (groups 8 and 9)	392,557	163,880
Third party liability (groups 11, 12, 13)	148,344	18,180
Credit and suretyship (groups 14 and 15)	17,620	4,373
Assistance (group 18)	254	2
Legal assistance insurance (group 17)	-	-
Other (group 16)	39,582	15,168
Total reinsurers' share	1,178,016	216,927

9.3 Total provisions for the capitalized value of annuities before discounts and gross allowances

Total provisions for the capitalized value of annuities before discounts and gross allowances	Provisions as at 31 December 2022	Reinsurers' share
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	9,904,469	393,835
Other motor insurance (group 3)	-	-
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	-	-
Insurance against fire and other property damage (groups 8 and 9)	-	-
Third party liability (groups 11, 12, 13)	837,873	281
Credit and suretyship (groups 14 and 15)	-	-
Assistance (group 18)	-	-
Legal assistance insurance (group 17)	-	-
Other (group 16)	-	-
Total gross provisions	10,742,342	394,116

Total provisions for the capitalized value of annuities before discounts and gross allowances	Provisions as at 31 December 2021	Reinsurers' share
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	9,716,209	412,107
Other motor insurance (group 3)	-	-
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	-	-
Insurance against fire and other property damage (groups 8 and 9)	-	-
Third party liability (groups 11, 12, 13)	753,542	4,540
Credit and suretyship (groups 14 and 15)	-	-
Assistance (group 18)	-	-
Legal assistance insurance (group 17)	-	-
Other (group 16)	-	-
Total gross provisions	10,469,751	416,647

10. Estimated salvage, subrogation and grants

10.1 Gross estimated salvage, subrogation and grants

Gross estimated salvage, subrogation and grants	31 December 2022	31 December 2021
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	45,662	38,975
Other motor insurance (group 3)	41,156	45,393
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	265	-
Insurance against fire and other property damage (groups 8 and 9)	13,627	12,191
Third party liability (groups 11, 12, 13)	-	-
Credit and suretyship (groups 14 and 15)	7,095	4,426
Assistance (group 18)	-	-
Legal assistance insurance (group 17)	-	-
Other (group 16)	-	-
Total gross estimated salvage, subrogation and grants	107,805	100,985

10.2 Reinsurers' share in estimated salvage, subrogation and grants

Reinsurers' share in estimated salvage, subrogation and grants	31 December 2022	31 December 2021
Accident and sickness insurance (groups 1 and 2)	-	-
MTPL insurance (group 10)	36	23
Other motor insurance (group 3)	11	55
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	10	-
Insurance against fire and other property damage (groups 8 and 9)	98	270
Third party liability (groups 11, 12, 13)	-	-
Credit and suretyship (groups 14 and 15)	3,645	2,431
Assistance (group 18)	-	-
Legal assistance insurance (group 17)	-	-
Other (group 16)	-	-
Total reinsurers' share	3,800	2,779

11. Other provisions

11.1 Provisions for pension benefits and other compulsory employee benefits

Provisions for pension benefits and other compulsory employee benefits	31 December 2022	31 December 2021
a) provisions for pension benefits	8,937	11,336
b) other obligatory employee benefits (per title):	34,576	35,025
provisions for vacations	26,158	24,635
provision for post-mortem benefits	8,418	10,390
Total provisions for pension benefits and other compulsory employee benefits	43,513	46,361

Movement in provisions for pension benefits and other compulsory employee benefits	31 December 2022	31 December 2021
a) reserves at the beginning of the period (per title)	46,361	53,830
provisions for pension benefits	11,336	15,110
provisions for vacations	24,635	25,502
provision for post-mortem benefits	10,390	13,218
b) increases (by virtue of)	3,120	537
provisions for pension benefits	-	-
provisions for vacations	3,120	537
provision for post-mortem benefits	-	-
c) utilization (by virtue of)	2,515	2,183
provisions for pension benefits	873	693
provisions for vacations	1,597	1,404
provision for post-mortem benefits	45	86
d) reversal (by virtue of)	3,453	5,823
provisions for pension benefits	1,526	3,081
provisions for vacations	-	-
provision for post-mortem benefits	1,927	2,742
e) provision at the end of the reporting period (per title)	43,513	46,361
provisions for pension benefits	8,937	11,336
provisions for vacations	26,158	24,635
provision for post-mortem benefits	8,418	10,390

Provisions for pension benefits and other compulsory employee benefits (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	43,513	46,361
b) Euro or another currency (per currency and converted into PLN)	-	-
Total provisions for pension benefits and other compulsory employee benefits	43,513	46,361

11.2 Deferred tax liability

Deferred tax assets and liabilities are presented net of the appropriate amounts arising from deductible and taxable temporary differences.

Movement in the provision for deferred tax liability	31 December 2022	31 December 2021
1. Provision for deferred tax liability at the beginning of the reporting period, including:	1,213,512	1,141,270
a) through profit or loss¹⁾	552,023	538,929
b) through equity²⁾	661,489	602,341
c) through goodwill or negative goodwill	-	-
2. Increases	246,977	113,482
a) through profit or loss from positive temporary differences (by virtue of)	104,000	54,334
- occurrence of temporary differences, including:	104,000	54,334
Prepayments and accruals	34,226	44,461
other temporary differences	-	-
financial instruments	69,774	9,873

Movement in the provision for deferred tax liability	31 December 2022	31 December 2021
– changes in tax rates	-	-
– unrecognized temporary difference of the previous period	-	-
b) through equity in relation to positive temporary differences (by virtue of)	142,977	59,148
– occurrence of temporary differences, including:	142,977	59,148
financial instruments	142,977	59,148
– changes in tax rates	-	-
– unrecognized temporary difference of the previous period	-	-
c) through goodwill or negative goodwill in relation to positive temporary differences (by virtue of)	-	-
3. Reductions	1,709	41,240
a) through profit or loss in relation to positive temporary differences (by virtue of)	1,709	41,240
– reversal of temporary differences (utilization of the provision of deferred tax liability), including:	1,709	41,240
Financial instruments and other calculations	1,709	41,240
– changes in tax rates	-	-
– release of provision when it is impossible to use it	-	-
b) through equity in relation to positive temporary differences (by virtue of)	-	-
– reversal of temporary differences (utilization of the provision of deferred tax liability)	-	-
financial instruments	-	-
– changes in tax rates	-	-
– release of provision when it is impossible to use it	-	-
c) through goodwill or negative goodwill in relation to positive temporary differences (by virtue of)	-	-
4. Total provision for deferred tax liability at the end of the reporting period	1,458,780	1,213,512
a) through profit or loss³⁾	654,314	552,023
b) through equity²⁾	804,466	661,489
c) through goodwill or negative goodwill	-	-

¹⁾ Pertains to cumulative changes in provisions for deferred tax liabilities recognized in the financial result of 2021 and earlier years.

²⁾ Refers to the revaluation reserve.

³⁾ Pertains to cumulative impact of provisions for deferred tax liabilities recognized in the financial result of 2022 and earlier years.

Additional information on positive temporary differences	31 December 2022	31 December 2021
a) positive temporary differences at the beginning of the reporting period	6,386,907	6,006,686
financial instruments	3,885,208	3,521,936
Prepayments and accruals	2,278,728	2,251,623
other temporary differences	222,971	233,127
b) positive temporary differences at the end of the reporting period, including:	7,677,792	6,386,907
financial instruments	4,774,943	3,885,208
Prepayments and accruals	2,688,873	2,278,728
other temporary differences	213,976	222,971
Positive temporary differences expiring within 1 year	7,463,806	6,163,928
Positive temporary differences expiring over a period of 1 year	213,986	222,979

Provision for deferred tax liability (currency structure)¹⁾	31 December 2022	31 December 2021
a) in Polish currency	554,443	512,983
b) Euro or another currency (per currency and converted into PLN)	-	-
Total provision for deferred tax liability	554,443	512,983

¹⁾ Provision for deferred tax liability is presented net minus the deferred tax asset presented in the 5.1 Additional information and explanations section.

11.3 Other provisions

Other provisions	31 December 2022	31 December 2021
a) provisions for reinsurance settlements	2,804	716
b) provision for disputed claims and potential liabilities under concluded insurance contracts	-	-
c) provision for restructuring costs	6,071	6,120
d) provision for other administrative procedures	629	468

e) other provisions	7,568	8,008
Total other provisions	17,072	15,312

"Provisions for reinsurance settlements" only include provisions for the shares of reinsurers in technical provisions who are in arrears with payments to PZU or who are reasonably suspected to may have problems with the payment of their obligations in the future.

Movement in other provisions	31 December 2022	31 December 2021
a) at the end of the reporting period (per title)	15,312	29,348
Provision for restructuring costs	6,120	6,168
Provisions for reinsurance settlements	716	1,662
other provisions	8,476	21,518
b) increases (by virtue of)	5,233	3,454
Provision for restructuring costs	-	-
Provisions for reinsurance settlements	2,919	478
other provisions	2,314	2,976
c) utilization (by virtue of)	1,417	6,791
Provision for restructuring costs	48	21
Provisions for reinsurance settlements	-	-
other provisions	1,369	6,770
d) reversal (by virtue of)	2,056	10,699
Provision for restructuring costs	1	27
Provisions for reinsurance settlements	831	1,424
other provisions	1,224	9,248
e) at the end of the reporting period (per title)	17,072	15,312
Provision for restructuring costs	6,071	6,120
Provisions for reinsurance settlements	2,804	716
other provisions	8,197	8,476

Other provisions (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	17,072	15,312
b) Euro or another currency (per currency and converted into PLN)	-	-
Total other provisions	17,072	15,312

12. Other liabilities and special-purpose funds

Structure of liabilities by geography	31 December 2022				31 December 2021			
	Domestic	Foreign – EU countries	Foreign – other countries	Total	Domestic	Foreign – EU countries	Foreign – other countries	Total
I. Liabilities for reinsurers' deposits	-	-	-	-	-	-	-	-
II. Liabilities on direct insurance	413,407	31,381	3,508	448,296	375,101	39,024	1,273	415,398
1. Liabilities to policyholders	87,549	317	455	88,321	74,583	210	397	75,190
2. Liabilities to insurance intermediaries	192,292	1,051	39	193,382	161,838	1,249	37	163,124
3. Other liabilities on account of insurance	133,566	30,013	3,014	166,593	138,680	37,565	839	177,084
III. Reinsurance liabilities	129,449	33,804	30,095	193,348	151,364	23,811	9,246	184,421
IV. Liabilities on the issue of own debt securities and drawn loans	-	-	-	-	-	-	-	-
V. Liabilities to loan institutions	-	-	-	-	125,253	-	-	125,253
VI. Other liabilities	429,576	222,284	48,007	699,867	478,682	443,975	2,376	925,033
1. Liabilities to the state budget	96,992	-	-	96,992	60,215	-	-	60,215
2. Other liabilities	332,584	222,284	48,007	602,875	418,467	443,975	2,376	864,818
Total liabilities	972,432	287,469	81,610	1,341,511	1,130,400	506,810	12,895	1,650,105

12.1 Liabilities on direct insurance

Liabilities on direct insurance	31 December 2022	31 December 2021
a) liabilities to policyholders, including:	88,321	75,190
– to subordinated entities	111	55
– domestic	111	55
– foreign	-	-
– to other entities	88,210	75,135
– domestic	87,438	74,528
– foreign	772	607
b) liabilities to insurance intermediaries, including:	193,382	163,124
– to subordinated entities	5,383	1,945
– domestic	5,383	1,945
– foreign	-	-
– to other entities	187,999	161,179
– domestic	186,909	159,893
– foreign	1,090	1,286
c) other liabilities on account of insurance, including:	166,593	177,084
– to subordinated entities	6,480	5,636
– domestic	5,872	5,127
– foreign	608	509
– to other entities	160,113	171,448
– domestic	127,694	133,553
– foreign	32,419	37,895
Total liabilities on direct insurance	448,296	415,398

Liabilities on direct insurance	31 December 2022	31 December 2021
a) subsidiaries	11,208	7,466
b) joint subsidiaries	-	-
c) associates	766	170
d) significant investor	-	-
e) partner of joint subsidiary	-	-
f) parent company	-	-
g) other	436,322	407,762
Total liabilities on direct insurance	448,296	415,398

Liabilities on direct insurance – with a remaining repayment period from the balance sheet date	31 December 2022	31 December 2021
a) up to 3 months	448,296	415,398
b) 3 months to 1 year	-	-
c) 1 to 5 years	-	-
d) over 5 years	-	-
Total liabilities on direct insurance	448,296	415,398

Liabilities on direct insurance (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	410,617	374,795
b) Euro or another currency (per currency and converted into PLN)	37,679	40,603
b1. thousand. EUR	6,959	8,697
thous. PLN	32,635	40,002
b2. thousand. USD	599	88
thous. PLN	2,638	357
b3. thousand. GBP	355	22
thous. PLN	1,878	123
b4. thousand. CHF	6	-
thous. PLN	27	1
b5. other currencies in thousand PLN	501	119
Total liabilities on direct insurance	448,296	415,398

12.2 Reinsurance liabilities

Total reinsurance liabilities	31 December 2022	31 December 2021
a) current accounts in inward reinsurance, including:	17,177	19,143
– assignors from domestic market	5,875	11,889
– foreign assignors	11,302	7,254
b) current accounts in outward reinsurance, including:	72,518	35,055
– domestic reinsurers	19,921	9,442
– foreign reinsurers	52,597	25,613
c) liabilities on account of retrocession, including:	103,653	130,223
– domestic retrocessionaires	103,653	130,033
– foreign retrocessionaires	-	190
d) liabilities on reinsurance premiums calculated over time	-	-
Total reinsurance liabilities	193,348	184,421

Reinsurance liabilities	31 December 2022	31 December 2021
a) current liabilities in inward reinsurance, including those to:	17,177	19,143
– assignors that are subsidiaries	16,668	18,722
– assignors that are joint subsidiaries	-	-
– assignors that are associates	-	-
– assignor that is the significant investor	-	-
– assignor that is the partner in the joint subsidiary	-	-
– assignor that is the parent company	-	-
b) current liabilities in outward reinsurance, including to:	72,518	35,055
– reinsurers that are subsidiaries	-	-
– reinsurers that are joint subsidiaries	-	-
– reinsurers that are associates	-	-
– reinsurer that is the significant investor	-	-
– reinsurer that is the partner in the joint subsidiary	-	-
– reinsurer that is the parent company	-	-
b) current liabilities to retrocessionaires, including to:	103,653	130,223
– retrocessionaires that are subsidiaries	-	-
– retrocessionaires that are joint subsidiaries	-	-
– retrocessionaires that are associates	-	-
– retrocedent that is the significant investor	-	-
– retrocedent that is the partner in the joint subsidiary	-	-
– retrocedent that is the parent company	-	-
d) other	-	-
Total reinsurance liabilities	193,348	184,421

Liabilities on reinsurance – with a remaining repayment period from the balance sheet date	31 December 2022	31 December 2021
a) up to 3 months	77,079	85,814
b) 3 months to 1 year	96,366	95,014
c) 1 to 5 years	19,903	3,593
d) over 5 years	-	-
Total reinsurance liabilities	193,348	184,421

Liabilities on reinsurance (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	124,575	142,395
b) Euro or another currency (per currency and converted into PLN)	68,773	42,026
b1. thousand. EUR	5,731	2,473
thous. PLN	26,879	11,373
b2. thousand. USD	6,951	5,783
thous. PLN	30,597	23,477
b3. thousand. UAH	89,801	48,265
thous. PLN	11,297	7,177
b4. other currencies	-	-
Total reinsurance liabilities	193,348	184,421

12.3 Liabilities on the issue of own financial instruments and drawn loans

As at 31 December 2022 and 31 December 2021, there were no liabilities on the issue of own financial instruments and drawn loans.

12.4 Liabilities to credit institutions

Liabilities to loan institutions – with a remaining repayment period from the balance sheet date	31 December 2022	31 December 2021
a) up to 3 months	-	125,253
b) 3 months to 1 year	-	-
c) 1 to 5 years	-	-
d) over 5 years	-	-
Total liabilities to loan institutions	-	125,253

Liabilities to loan institutions – with a remaining repayment period from the balance sheet date	31 December 2022	31 December 2021
a) in Polish currency	-	125,253
b) Euro or another currency (per currency and converted into PLN)	-	-
Total liabilities to loan institutions	-	125,253

12.5 Other liabilities

Other liabilities	31 December 2022	31 December 2021
a) liabilities to the state budget	96,992	60,215
CIT	62,293	26,096
tax liabilities, referred to in the Act of 15 January 2016 on Some Financial Institutions (i.e. "Tax on certain financial institutions")	16,704	16,119
personal income tax (PIT)	10,477	10,349
VAT	7,344	7,595
other	174	57
b) other liabilities	602,875	864,818
– valuation of derivatives	318,419	438,481
– estimated non-insurance liabilities	52,590	51,374
– retained guarantee deposits	47,185	44,554
– liabilities on outstanding investment transactions and collateral margins	38,774	182,673

Other liabilities	31 December 2022	31 December 2021
– liabilities on the settlements of the Tax Group	37,523	30,476
– settlements of direct claims handling	28,941	30,550
– ZUS premiums and benefits	16,473	14,572
– liabilities to the Insurance Guarantee Fund	13,590	13,413
– liabilities on account of donations	12,700	16,317
– liabilities on the construction of the Central Register of Vehicles and Drivers (CEPiK)	3,561	3,606
– settlements with shareholders on the dividend	2,668	2,667
– liabilities on account of legal representation	1,500	1,681
– other	28,951	34,454
Other liabilities, total	699,867	925,033

Other liabilities	31 December 2022	31 December 2021
a) subsidiaries	66,531	226,404
b) joint subsidiaries	-	-
c) associates	1,602	2,990
d) significant investor	-	-
e) partner of joint subsidiary	-	-
f) parent company	-	-
g) other	631,734	695,639
Other liabilities, total	699,867	925,033

Other liabilities – with a remaining repayment period from the balance sheet date	31 December 2022	31 December 2021
a) up to 3 months	699,867	925,033
b) 3 months to 1 year	-	-
c) 1 to 5 years	-	-
d) over 5 years	-	-
Other liabilities, total	699,867	925,033

All derivatives held by PZU are qualified as liabilities for trading and are presented in other liabilities.

Other liabilities (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	697,386	923,399
b) Euro or another currency (per currency and converted into PLN)	2,481	1,634
b1. thousand. USD	74	13
thous. PLN	325	54
b2. thousand. EUR	118	53
thous. PLN	552	245
b3. other currency thousand PLN	1,604	1,335
Other liabilities, total	699,867	925,033

12.6 Other information on liabilities

12.6.1. Liabilities secured on the assets of the issuer and related parties

As at 31 December 2022 and 31 December 2021, there were no liabilities secured on the assets of the issuer.

12.6.2. Information on overdue liabilities

As at 31 December 2022 and 31 December 2021, there were no overdue liabilities.

12.6.3. Liabilities to the state budget or local government units for obtaining ownership of buildings and structures

As at 31 December 2022 and 31 December 2021, there were no liabilities to the state budget or local government units for obtaining ownership of buildings and structures.

12.7 Special-purpose funds

Special-purpose funds	31 December 2022	31 December 2021
a) Prevention fund	35,144	32,262
b) Company Social Benefit Fund	73,306	73,404
Total special-purpose funds	108,450	105,666

13. Prepayments and accruals

Prepayments and accruals	31 December 2022	31 December 2021
a) accrued expenses, including:	1,653,158	1,316,816
– long-term	22,549	1,134
– short-term (per title):	1,630,609	1,315,682
– accrued reinsurance income and expenses	1,088,612	749,768
– accrued expenses of direct insurance commissions	309,142	315,299
– accrued payroll expenses	88,591	137,630
– accrued awards for employees	54,441	82,814
– other accruals	89,823	30,171
b) negative goodwill	-	-
c) prepayments, including:	250,186	199,933
– deferred reinsurance commissions	248,262	196,547
– investment returns	1,877	2,664
– perpetual usufruct of land received free of charge	47	110
– other	-	612
Total prepayments	1,903,344	1,516,749

Movement in prepayments and accruals	31 December 2022	31 December 2021
At the beginning of the reporting period (per title)	1,516,749	1,279,471
accrued expenses	1,316,816	1,208,398
Prepayments	199,933	71,073
a) additions (by virtue of):	7,332,972	5,853,677
accrued expenses	4,676,309	4,129,367
Prepayments	2,656,663	1,724,310
b) reductions (by virtue of)	6,946,377	5,616,399
accrued expenses	4,339,967	4,020,949
Prepayments	2,606,410	1,595,450
At the end of the reporting period (per title)	1,903,344	1,516,749
accrued expenses	1,653,158	1,316,816
Prepayments	250,186	199,933

14. Solvency of the insurance company

Pursuant to Article 284(1) and Article 488(3)(1) of the Insurance Activity Act, the PZU Group is obligated to prepare and publish an annual solvency and financial condition report at the group level drafted in accordance with the principles of Solvency II. For the 2022 report, the publication deadline is no later than 14 weeks after the year end, that is until 7 April 2023. Pursuant to Article 290 sec. 1 of the Insurance Activity Act, a solvency and financial condition report of an insurance undertaking is audited by an audit firm.

15. Off-balance sheet items

15.1 Contingent receivables

Contingent receivables	31 December 2022	31 December 2021
a) received sureties and guarantees, including:	2,718	2,492
– from subsidiaries	-	-
b) other (per type):	3,042,554	3,701,447
– bills of exchange on account of granted insurance guarantee ²⁾	-	-
– other bills of exchange, including:	-	-
– from subsidiaries	-	-
– other contingent receivables ¹⁾	3,042,554	3,701,447
Total contingent receivables	3,045,272	3,703,939

¹⁾ This item includes chiefly: security received in the form of a mortgage on the debtor's assets, other contingent receivables, etc.

²⁾ Only quantitative records of bills of exchange are kept, which amounted to 276 units as at 31 December 2022 and 31 December 2021.

Contingent receivables (currency structure)	31 December 2022	31 December 2021
a) received sureties and guarantees:	2,718	2,492
– in Polish currency	2,718	2,492
– Euro or another currency (per currencies and converted into PLN)	-	-
b) other (per type):	3,042,554	3,701,447
– in Polish currency	2,444,284	3,645,652
– in Euro or another currency (per currencies and converted into PLN)	598,270	55,795
b1. thousand. EUR	127,566	115,070
thous. PLN	598,270	529,251
Total contingent receivables	3,045,272	3,703,939

15.1.1. Guarantees received

The table below presents the received bid bonds and performance bonds (mainly required for insurance tender proceedings) received under the guarantee lines.

Bank	Date of the guarantee line agreement	Amount of the guarantee line	Line renewability	Amount of active guarantees as at 31 December 2022	Amount of active guarantees as at 31 December 2021
Bank Millennium SA	Monday, October 7, 2013	15,000	Yes	9,068	9,362
Bank Pekao SA	28 September 2018 ¹⁾	15,000 ¹⁾	Yes	2,659	86,324
Total				11,727	95,686

¹⁾ 23 December 2022 amendment to agreement decreased the guarantee line line to PLN 15,000 thousand

15.2 Contingent liabilities

Contingent liabilities, by virtue of	31 December 2022	31 December 2021
a) granted sureties and guarantees, including:	9,082	93,637
– from subsidiaries	2,659	85,954
b) accepted and endorsed bills of exchange	-	-
c) assets subject to the obligation of resale	-	-
d) other liabilities secured on assets or income	-	-
e) other (per type):	1,135,789	1,109,758
– disputed claims, not recognized by the insurer referred by creditors to legal proceedings	1,078,921	928,056
– contingent liabilities under underwriting agreements	-	-
– other contingent liabilities ¹⁾	56,868	181,702
Total contingent liabilities	1,144,871	1,203,395

¹⁾ As at 31 December 2022 “other contingent liabilities” showed liabilities on unpaid loan tranches of PLN 56,868 thousand (31 December 2021: PLN 151,550 thousand).

Contingent liabilities (currency structure)	31 December 2022	31 December 2021
a) granted sureties and guarantees:	9,082	93,637
– in Polish currency	2,659	7,683
– in Euro or another currency (per currencies and converted into PLN)	6,423	85,954
a1. thousand. EUR	1,370	18,688
thous. PLN	6,423	85,954
b) accepted and endorsed bills of exchange	-	-
c) assets subject to the obligation of resale	-	-
d) other liabilities secured on assets or income (per type)	-	-
e) other (per type):	1,135,789	1,109,758
– disputed claims, not recognized by the insurer referred by creditors to legal proceedings:	1,078,921	928,056
– in Polish currency	1,078,921	928,056
– in Euro or another currency (per currencies and converted into PLN)	-	-
other contingent liabilities:	56,868	181,702
– in Polish currency	56,541	181,382
– in Euro or another currency (per currencies and converted into PLN)	327	320
Total contingent liabilities	1,144,871	1,203,395

15.3 Other off-balance sheet line items

Other off-balance sheet line items on	31 December 2022	31 December 2021
Other off-balance sheet line items (per type):	233,081	142,495
third party assets not recognized in assets, including:	233,081	142,495
– from subsidiaries	19,151	24,002
Total other off-balance sheet line items	233,081	142,495

Other off-balance sheet line items (currency structure)	31 December 2022	31 December 2021
a) in Polish currency	233,081	142,495
b) Euro or another currency (per currency and converted into PLN)	-	-
Total other off-balance sheet line items	233,081	142,495

16. Premiums in property and personal insurance

Gross written premiums in property and personal insurance	1 January – 31 December 2022	1 January – 31 December 2021
a) in direct insurance, including:	13,247,529	12,206,120
– under agreements concluded outside the Republic of Poland, including:	54,957	38,120
– under agreements concluded in European Union states	22,333	20,400
b) in indirect insurance	1,444,194	1,182,778
Total gross written premiums	14,691,723	13,388,898

16.1 Gross written premiums in direct insurance

Gross written premiums in direct property and personal insurance (per accounting classes)	1 January – 31 December 2022	1 January – 31 December 2021
a) accident and sickness insurance (group 1 and 2)	545,009	740,061
b) motor third party liability insurance (group 10)	4,071,987	4,066,066
c) other motor insurance (group 3)	3,613,877	3,171,230
d) marine, aviation and transport insurance (groups 4, 5, 6, 7)	123,623	92,040
e) insurance against fire and other property damage (groups 8 and 9)	3,139,795	2,628,254
f) TPL insurance (groups 11, 12, 13)	837,366	774,414
g) credit and suretyship (groups 14, 15)	69,954	50,619
h) assistance (group 18)	485,813	406,615
i) legal protection (group 17)	14,385	13,389
j) other (group 16)	345,720	263,432
Total gross written premiums in direct insurance (per accounting classes)	13,247,529	12,206,120

Gross written premiums in direct property and personal insurance with obligatory TPL, per accounting classes	1 January – 31 December 2022	1 January – 31 December 2021
Group 8	230,059	241,742
Group 9	408,451	327,157
Group 10	3,993,447	3,989,847
Group 11	15,954	9,904
Group 13	192,102	202,545
Total gross written premiums in direct property and personal insurance with obligatory TPL, per accounting classes	4,840,013	4,771,195

16.2 Gross written premiums in indirect insurance

Gross written premiums in indirect property and personal insurance	1 January – 31 December 2022	1 January – 31 December 2021
a) accident and sickness insurance (group 1 and 2)	5,804	8,019
b) motor third party liability insurance (group 10)	710,555	682,461
c) other motor insurance (group 3)	42,912	1,284
d) marine, aviation and transport insurance (groups 4, 5, 6, 7)	18,098	8,804
e) insurance against fire and other property damage (groups 8 and 9)	489,146	377,340
f) TPL insurance (groups 11, 12, 13)	93,214	71,835
g) credit and suretyship (groups 14, 15)	14,618	13,118
h) assistance (group 18)	307	291
i) legal protection (group 17)	-	-
j) other (group 16)	69,540	19,626
Total gross written premiums in indirect insurance (per accounting classes)	1,444,194	1,182,778

Gross written premiums in indirect property and personal insurance with obligatory TPL, per accounting classes	1 January – 31 December 2022	1 January – 31 December 2021
Group 8	(150)	782
Group 9	-	-
Group 10	709,582	681,554
Group 11	481	355
Group 13	16,392	23,108
Total gross written premiums in indirect property and personal insurance with obligatory TPL, per accounting classes	726,305	705,799

17. Gross earned premium

17.1 Gross earned premiums in direct insurance

Gross earned premiums in direct property and personal insurance (per accounting classes)	1 January – 31 December 2022	1 January – 31 December 2021
a) accident and sickness insurance (group 1 and 2)	528,794	493,930
b) motor third party liability insurance (group 10)	4,075,265	4,095,519
c) other motor insurance (group 3)	3,377,399	3,080,710
d) marine, aviation and transport insurance (groups 4, 5, 6, 7)	99,369	86,192
e) insurance against fire and other property damage (groups 8 and 9)	2,839,838	2,247,226
f) TPL insurance (groups 11, 12, 13)	803,448	760,379
g) credit and suretyship (groups 14, 15)	84,639	61,227
h) assistance (group 18)	454,477	386,693
i) legal protection (group 17)	13,681	12,707
j) other (group 16)	239,492	140,865
Total gross earned premiums in direct property and personal insurance	12,516,402	11,365,448

Gross earned received premiums in direct property and personal insurance with obligatory TPL, per insurance group	1 January – 31 December 2022	1 January – 31 December 2021
Group 8	226,336	237,967

Group 9	400,906	215,332
Group 10	3,997,397	4,021,034
Group 11	11,288	11,828
Group 13	200,721	209,413
Total gross earned received premiums in direct property and personal insurance	4,836,648	4,695,574

17.2 Gross earned premiums in indirect insurance

Gross earned premiums in indirect property and personal insurance (per accounting classes)	1 January – 31 December 2022	1 January – 31 December 2021
a) accident and sickness insurance (group 1 and 2)	8,644	7,967
b) motor third party liability insurance (group 10)	682,542	690,040
c) other motor insurance (group 3)	23,483	4,293
d) marine, aviation and transport insurance (groups 4, 5, 6, 7)	12,659	16,613
e) insurance against fire and other property damage (groups 8 and 9)	381,404	431,668
f) TPL insurance (groups 11, 12, 13)	78,550	67,427
g) credit and suretyship (groups 14, 15)	11,417	11,723
h) assistance (group 18)	268	297
i) legal protection (group 17)	-	-
j) other (group 16)	49,029	131,537
Total gross earned premiums in indirect property and personal insurance	1,247,996	1,361,565

Gross earned received premiums in indirect property and personal insurance with obligatory TPL, per insurance group	1 January – 31 December 2022	1 January – 31 December 2021
Group 8	670	421
Group 9	-	-
Group 10	681,706	689,201
Group 11	421	307
Group 13	22,293	26,473
Total gross earned received premiums in indirect property and personal insurance	705,090	716,402

18. Reinsurance settlements

Reinsurance settlements	1 January – 31 December 2022	1 January – 31 December 2021
a) insurance premium received from abroad	59,266	291,272
b) reinsurance premiums transferred abroad	761,947	689,712
c) balance of outward reinsurance	1,872,047	1,401,965
d) balance of inward reinsurance	2,390,923	1,951,263
e) liabilities and receivables from outward reinsurance, including:	(144,472)	(124,993)
– receivables from reinsurers secured under guarantees of financial institutions	-	-
f) liabilities and receivables from inward reinsurance, including:	123,912	156,327
– receivables to assignors secured under guarantees of financial institutions	-	-
– receivables to retrocedents secured under guarantees of financial institutions	-	-

19. Amount of gross claims and benefits paid

Amount of gross claims and benefits paid	1 January – 31 December 2022	1 January – 31 December 2021
a) in direct insurance, including:	6,754,253	6,434,761
- claims handling expenses	723,187	729,887
b) in indirect insurance, including:	687,328	539,473
- claims handling expenses	31,027	31,242
Total amount of gross claims and benefits paid	7,441,581	6,974,234

19.1 Amount of gross claims and benefits paid

Gross claims and benefits paid in direct property and personal insurance (per accounting classes)	1 January – 31 December 2022	1 January – 31 December 2021
a) accident and sickness insurance (group 1 and 2)	94,515	96,082
b) motor third party liability insurance (group 10)	2,880,167	2,781,866
c) other motor insurance (group 3)	1,967,114	1,940,216
d) marine, aviation and transport insurance (groups 4, 5, 6, 7)	35,637	59,724
e) insurance against fire and other property damage (groups 8 and 9)	1,145,485	976,777
f) TPL insurance (groups 11, 12, 13)	368,942	351,722
g) credit and suretyship (groups 14, 15)	6,754	7,513
h) assistance (group 18)	219,996	200,546
i) legal protection (group 17)	5,088	4,957
j) other (group 16)	30,555	15,358
Total gross claims and benefits paid in direct property and personal insurance (per accounting classes)	6,754,253	6,434,761

Gross claims and benefits paid in indirect property and personal insurance (per accounting classes)	1 January – 31 December 2022	1 January – 31 December 2021
a) accident and sickness insurance (group 1 and 2)	8,283	14,852
b) motor third party liability insurance (group 10)	433,215	410,009
c) other motor insurance (group 3)	8,693	1,879
d) marine, aviation and transport insurance (groups 4, 5, 6, 7)	2,489	2,691
e) insurance against fire and other property damage (groups 8 and 9)	209,781	76,198
f) TPL insurance (groups 11, 12, 13)	15,066	14,010
g) credit and suretyship (groups 14, 15)	472	655
h) assistance (group 18)	1	1
i) legal protection (group 17)	-	-
j) other (group 16)	9,328	19,178
Total gross claims and benefits paid in indirect property and personal insurance (per accounting classes)	687,328	539,473

19.2 Claims handling expenses

Claims handling expenses in direct property and personal insurance (per accounting classes)	1 January – 31 December 2022	1 January – 31 December 2021
a) accident and sickness insurance (group 1 and 2)	15,510	18,671
b) motor third party liability insurance (group 10)	369,416	363,738
c) other motor insurance (group 3)	131,462	137,170
d) marine, aviation and transport insurance (groups 4, 5, 6, 7)	1,147	1,305
e) insurance against fire and other property damage (groups 8 and 9)	113,606	106,558
f) TPL insurance (groups 11, 12, 13)	65,330	67,249
g) credit and suretyship (groups 14, 15)	1,047	1,524
h) assistance (group 18)	20,985	28,598
i) legal protection (group 17)	3,976	4,065
j) other (group 16)	708	1,009
Total claims handling expenses in direct insurance (per accounting classes)	723,187	729,887

Claims handling expenses in indirect property and personal insurance (per accounting classes)	1 January – 31 December 2022	1 January – 31 December 2021
a) accident and sickness insurance (group 1 and 2)	32	638
b) motor third party liability insurance (group 10)	28,033	27,519
c) other motor insurance (group 3)	146	112
d) marine, aviation and transport insurance (groups 4, 5, 6, 7)	30	198
e) insurance against fire and other property damage (groups 8 and 9)	1,055	936
f) TPL insurance (groups 11, 12, 13)	1,605	1,610
g) credit and suretyship (groups 14, 15)	-	-
h) assistance (group 18)	-	-
i) legal protection (group 17)	-	-
j) other (group 16)	126	229
Total claims handling expenses in indirect insurance (per accounting classes)	31,027	31,242

20. Supplementary data for the technical insurance account

20.1 Supplementary data for the technical insurance account for the year ended 31 December 2022

Direct and indirect insurance, total for the year ended 31 December 2022	Gross written premium	Gross earned premium	Gross claims and benefits (payouts)	Claims handling expenses	Salvage, subrogation and subsidies	Net reinsurance balance	Operating (acquisition and administrative) expenses
Accident and sickness insurance (groups 1 and 2)	550,813	537,438	87,256	15,542	-	139,123	234,409
MTPL insurance (group 10)	4,782,542	4,757,807	2,959,041	397,449	43,108	1,416,446	1,121,936
Other motor insurance (group 3)	3,656,789	3,400,882	1,884,950	131,632	40,775	74,798	885,537
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	141,721	112,028	37,420	1,177	471	91,858	20,072
Insurance against fire and other property damage (groups 8 and 9)	3,628,941	3,221,242	1,268,200	114,664	27,598	1,812,569	867,965
Third party liability (groups 11, 12, 13)	930,580	881,998	321,269	66,936	4,197	208,095	268,909
Credit and suretyship (groups 14 and 15)	84,572	96,056	18,159	1,047	11,980	96,519	31,361
Assistance (group 18)	486,120	454,745	199,748	20,985	736	2,104	143,003
Legal assistance insurance (group 17)	14,385	13,681	1,112	3,976	-	-	5,165
Other (group 16)	415,260	288,521	39,150	834	101	421,458	94,739
Total direct and indirect insurance	14,691,723	13,764,398	6,816,305	754,242	128,966	4,262,970	3,673,096

Direct insurance for the year ended 31 December 2022	Gross written premium	Gross earned premium	Gross claims and benefits (payouts)	Claims handling expenses	Salvage, subrogation and subsidies	Net reinsurance balance	Operating (acquisition and administrative) expenses
Accident and sickness insurance (groups 1 and 2)	545,009	528,794	79,005	15,510	-	124,897	234,057
MTPL insurance (group 10)	4,071,987	4,075,265	2,543,630	369,416	32,879	68,206	933,990
Other motor insurance (group 3)	3,613,877	3,377,399	1,875,978	131,462	40,326	8,879	877,055
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	123,623	99,369	34,895	1,147	405	69,317	18,381
Insurance against fire and other property damage (groups 8 and 9)	3,139,795	2,839,838	1,059,324	113,606	27,445	1,090,538	844,417
Third party liability (groups 11, 12, 13)	837,366	803,448	307,331	65,330	3,719	93,096	259,700
Credit and suretyship (groups 14 and 15)	69,954	84,639	17,414	1,047	11,707	75,032	26,025
Assistance (group 18)	485,813	454,477	199,747	20,985	736	1,803	143,006
Legal assistance insurance (group 17)	14,385	13,681	1,112	3,976	-	-	5,165
Other (group 16)	345,720	239,492	29,948	708	101	340,279	83,295
Total direct insurance	13,247,529	12,516,402	6,148,384	723,187	117,318	1,872,047	3,425,091

Indirect insurance for the year ended 31 December 2022	Gross written premium	Gross earned premium	Gross claims and benefits (payouts)	Claims handling expenses	Salvage, subrogation and subsidies	Net reinsurance balance	Operating (acquisition and administrative) expenses
Accident and sickness insurance (groups 1 and 2)	5,804	8,644	8,251	32	-	14,226	352
MTPPL insurance (group 10)	710,555	682,542	415,411	28,033	10,229	1,348,240	187,946
Other motor insurance (group 3)	42,912	23,483	8,972	170	449	65,919	8,482
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	18,098	12,659	2,525	30	66	22,541	1,691
Insurance against fire and other property damage (groups 8 and 9)	489,146	381,404	208,876	1,058	153	722,031	23,548
Third party liability (groups 11, 12, 13)	93,214	78,550	13,938	1,606	478	114,999	9,209
Credit and suretyship (groups 14 and 15)	14,618	11,417	745	-	273	21,487	5,336
Assistance (group 18)	307	268	1	-	-	301	(3)
Legal assistance insurance (group 17)	-	-	-	-	-	-	-
Other (group 16)	69,540	49,029	9,202	126	-	81,179	11,444
Total indirect insurance	1,444,194	1,247,996	667,921	31,055	11,648	2,390,923	248,005

20.2 Supplementary data for the technical insurance account for the year ended 31 December 2021

Direct and indirect insurance, total for the year ended 31 December 2021	Gross written premium	Gross earned premium	Gross claims and benefits (payouts)	Claims handling expenses	Salvage, subrogation and subsidies	Net reinsurance balance	Operating (acquisition and administrative) expenses
Accident and sickness insurance (groups 1 and 2)	748,081	501,898	91,623	19,309	1	244,645	198,352
MTPPL insurance (group 10)	4,748,527	4,785,558	2,845,192	391,257	44,573	1,351,724	1,152,902
Other motor insurance (group 3)	3,172,513	3,085,002	1,853,376	137,282	48,563	12,211	753,036
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	100,844	102,805	63,106	1,503	2,194	69,167	16,953
Insurance against fire and other property damage (groups 8 and 9)	3,005,594	2,678,894	973,692	107,494	28,210	1,147,346	736,569
Third party liability (groups 11, 12, 13)	846,249	827,806	299,155	68,859	2,282	162,896	239,793
Credit and suretyship (groups 14 and 15)	63,737	72,950	15,681	1,524	9,036	74,572	30,824
Assistance (group 18)	406,906	386,991	172,625	28,598	676	1,473	117,350
Legal assistance insurance (group 17)	13,389	12,707	892	4,065	-	-	4,572
Other (group 16)	283,058	272,402	33,337	1,238	39	289,195	84,632
Total direct and indirect insurance	13,388,898	12,727,013	6,348,679	761,129	135,574	3,353,229	3,334,983

Direct insurance for the year ended 31 December 2021	Gross written premium	Gross earned premium	Gross claims and benefits (payouts)	Claims handling expenses	Salvage, subrogation and subsidies	Net reinsurance balance	Operating (acquisition and administrative) expenses
Accident and sickness insurance (groups 1 and 2)	740,062	493,930	77,409	18,671	1	221,973	197,896
MTPL insurance (group 10)	4,066,066	4,095,519	2,454,655	363,738	36,526	59,382	948,836
Other motor insurance (group 3)	3,171,230	3,080,710	1,851,096	137,170	48,050	8,721	751,355
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	92,040	86,192	60,603	1,305	2,184	56,494	15,071
Insurance against fire and other property damage (groups 8 and 9)	2,628,254	2,247,226	898,261	106,558	28,041	675,599	712,243
Third party liability (groups 11, 12, 13)	774,414	760,379	286,410	67,249	1,937	70,084	232,188
Credit and suretyship (groups 14 and 15)	50,619	61,227	14,836	1,524	8,846	55,939	26,783
Assistance (group 18)	406,615	386,693	172,624	28,598	676	1,180	117,345
Legal assistance insurance (group 17)	13,389	12,707	892	4,065	-	-	4,572
Other (group 16)	263,432	140,865	14,388	1,009	39	252,593	70,696
Total direct insurance	12,206,121	11,365,448	5,831,174	729,887	126,300	1,401,965	3,076,985

Indirect insurance for the year ended 31 December 2021	Gross written premium	Gross earned premium	Gross claims and benefits (payouts)	Claims handling expenses	Salvage, subrogation and subsidies	Net reinsurance balance	Operating (acquisition and administrative) expenses
Accident and sickness insurance (groups 1 and 2)	8,019	7,968	14,214	638	-	22,672	456
MTPL insurance (group 10)	682,461	690,039	390,537	27,519	8,047	1,292,342	204,066
Other motor insurance (group 3)	1,283	4,292	2,280	112	513	3,490	1,681
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	8,804	16,613	2,503	198	10	12,673	1,882
Insurance against fire and other property damage (groups 8 and 9)	377,340	431,668	75,431	936	169	471,747	24,326
Third party liability (groups 11, 12, 13)	71,835	67,427	12,745	1,610	345	92,812	7,605
Credit and suretyship (groups 14 and 15)	13,118	11,723	845	-	190	18,633	4,041
Assistance (group 18)	291	298	1	-	-	293	5
Legal assistance insurance (group 17)	-	-	-	-	-	-	-
Other (group 16)	19,626	131,537	18,949	229	-	36,602	13,936
Total indirect insurance	1,182,777	1,361,565	517,505	31,242	9,274	1,951,264	257,998

21. Information on the claims handling processes

Information on the claims handling processes for the year ended 31 December 2022 (data for direct insurance)	Average claim handling time	Value of losses incurred in the reporting period under insurance contracts concluded in this period, including:	
		Claims and benefits paid for these losses	Provision established at the end of the financial year for unpaid claims and benefits
Accident and sickness insurance (groups 1 and 2)	9.46	23,144	28,757
MTPL insurance (group 10)	44.71	634,407	701,991
Other motor insurance (group 3)	17.60	684,942	264,358
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	63.34	5,742	17,480
Insurance against fire and other property damage (groups 8 and 9)	12.01	480,204	173,322
Third party liability (groups 11, 12, 13)	27.58	54,532	154,795
Credit and suretyship (groups 14 and 15)	90.71	1,484	1,004
Assistance (group 18)	14.87	81,379	28,416
Legal assistance insurance (group 17)	38.71	87	1,409
Other (group 16)	30.99	1,136	11,237
Total (average)	23.19	1,967,057	1,382,769

Information on the claims handling processes for the year ended 31 December 2021 (data for direct insurance)	Average claim handling time	Value of losses incurred in the reporting period under insurance contracts concluded in this period, including:	
		Claims and benefits paid for these losses	Provision established at the end of the financial year for unpaid claims and benefits
Accident and sickness insurance (groups 1 and 2)	10.14	18,641	32,017
MTPL insurance (group 10)	46.76	632,858	680,209
Other motor insurance (group 3)	15.68	702,723	252,790
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	80.35	34,120	17,078
Insurance against fire and other property damage (groups 8 and 9)	9.88	476,999	154,111
Third party liability (groups 11, 12, 13)	23.77	51,459	151,653
Credit and suretyship (groups 14 and 15)	51.95	7,128	2,502
Assistance (group 18)	22.70	67,872	22,995
Legal assistance insurance (group 17)	40.26	93	1,251
Other (group 16)	26.59	1,163	14,239
Total (average)	22.74	1,993,056	1,328,845

22. Insurance activity expenses

Net insurance activity expenses	1 January - 31 December 2022	1 January - 31 December 2021
(a) direct insurance	3,349,247	3,023,337
(b) indirect insurance	224,202	235,492
Total net insurance activity expenses	3,573,449	3,258,829

Insurance activity expenses (by type)	1 January – 31 December 2022	1 January – 31 December 2021
I. Administrative expenses	758,586	722,514
1. Internal:	495,254	474,112
(a) consumption of materials and energy	29,595	14,441
(b) remuneration and insurance with other benefits	421,696	417,969
(c) amortization	42,632	41,346
(d) other administrative expenses	1,331	356
2. External:	263,332	248,402
(a) third-party services	147,386	131,716
(b) commissions on premium collections	41,971	47,492
(c) advertising	53,810	48,563
(d) other expenses	20,165	20,631
II. Acquisition expenses	2,914,509	2,612,469
1. Internal:	422,420	388,203
(a) consumption of materials and energy	21,221	15,036
(b) remuneration and insurance with other benefits, classified as acquisition expenses	364,874	339,238
(c) commissions on direct activity	-	-
(d) amortization	36,325	33,929
(e) other acquisition expenses	-	-
2. External:	2,647,576	2,451,827
(a) remuneration and insurance with other benefits, classified as acquisition expenses	-	-
(b) commissions on direct activity, including:	2,251,710	2,109,394
- commissions on acquisition	1,131,247	1,108,491
- commissions on policy renewals	1,068,285	947,618
- commissions on servicing insurance or reinsurance contracts	52,178	53,285
(c) commissions on indirect activity	248,772	219,877
(d) third-party services	92,979	82,581
(e) advertising	41,348	28,067
(f) other expenses	12,767	11,908
3. Movement in deferred acquisition expenses	(155,487)	(227,561)
III. Expenditures for claims handling and pursuit of subrogation	754,242	761,129
1. Internal:	323,429	334,474
(a) consumption of materials and energy	11,155	10,587
(b) remuneration for experts and claim adjusters, and other remuneration related to claims handling and pursuit of subrogation	288,631	300,110
(c) amortization	23,643	23,777
2. External:	430,813	426,655
(a) third-party services	221,672	210,504
(b) other expenses	209,141	216,151
IV. Investment activity expenses	243,139	126,026
1. Internal:	9,436	8,658
(a) consumption of materials and energy	745	824
(b) employee remuneration and insurance with other benefits	7,056	6,467
(c) amortization	1,635	1,367
2. External:	233,703	117,368
(a) third-party services	23,414	26,472
(b) other expenses ¹⁾	210,289	90,896

The item 'other expenses' shows, among other things, the loss on realization and revaluation of investments

22.1 Acquisition expenses

Acquisition expenses	1 January - 31 December 2022	1 January - 31 December 2021
(a) incurred in the reporting period, including:	3,069,996	2,840,030
- value of acquisition commissions from direct insurance	2,251,710	2,109,394
(b) carried forward to future reporting periods	1,756,710	1,601,223

22.2 Administrative expenses

Administrative expenses	1 January - 31 December 2022	1 January - 31 December 2021
(a) consumption of materials and energy	29,595	14,441
(b) third-party services	93,576	83,153
(c) taxes and charges	12,021	13,788
(d) remuneration	327,567	324,215
(e) insurance and other benefits	94,129	93,754
(f) amortization	42,632	41,346
(g) other, including:	159,066	151,817
commissions on premium collections	41,971	47,492
advertising	53,810	48,563
business trips	1,331	356
property insurance	1,309	1,044
Total administrative expenses	758,586	722,514

23. Other operating income

Other operating income	1 January - 31 December 2022	1 January - 31 December 2021
(a) financial income	11,118	1,829
(b) income from acting as an emergency adjuster	16,048	15,279
(c) income from direct claims handling	144,471	156,793
(d) other operating income, including:	47,861	25,896
foreign exchange gains	24,490	9,646
compensations received	2,035	2,339
re-invoiced expenses	7,657	4,350
revenue from financial intermediation for PZU Group entities	4,796	4,315
income from reversal of impairment losses and provisions for future expenses	3,274	2,338
other	5,609	2,908
Total	219,498	199,797

24. Other operating expenses

Other operating expenses	1 January - 31 December 2022	1 January - 31 December 2021
(a) financial expenses	153,376	48,357
(b) expenses due to acting as an emergency adjuster	974	676
(c) expenses due to direct claims handling	155,420	171,771
(d) levy on financial institutions	194,996	199,608
(e) other operating expenses, including:	78,691	57,363
foreign exchange losses	27,012	11,724
expenses subject to re-invoicing	9,681	8,033
donations	17,728	9,731
receivables written off	3,661	4,192
other	20,609	23,683
Total	583,457	477,775

25. Interest income and expenses

The two following notes present interest as determined for the reporting period in accordance with the accrual principle.

25.1 Interest income calculated using interest rates as specified in contracts

Interest income calculated using interest rates as specified in contracts concluded in 2022	Interest accreted and realized in 2022	Interest accreted and unrealized in 2022 (by maturity from balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
(a) Investments in related parties	17,374	-	13,088	-
(b) Other financial investments, including:	375,038	35,243	211,183	-
- debt securities and other fixed-income securities	307,538	32,501	208,549	-
- shares in investment joint ventures	-	-	-	-
- mortgage-backed loans	-	-	-	-
- other loans	66,706	2,742	2,634	-
- term deposits with credit institutions	794	-	-	-
- other investments	-	-	-	-
(c) receivables	-	-	-	-
Total interest income	392,412	35,243	224,271	-

Interest income calculated using interest rates as specified in contracts concluded in 2021	Interest accreted and realized in 2021	Interest accreted and unrealized in 2021 (by maturity from balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
(a) Investments in related parties	2,681	-	7,664	-
(b) Other financial investments, including:	298,504	29,427	167,298	-
- debt securities and other fixed-income securities	283,826	28,200	167,503	-
- shares in investment joint ventures	-	-	-	-
- mortgage-backed loans	-	-	-	-
- other loans	14,673	1,227	(205)	-
- term deposits with credit institutions	5	-	-	-
- other investments	-	-	-	-
(c) receivables	-	-	-	-
Total interest income	301,185	29,427	174,962	-

25.2 Interest expenses calculated using interest rates as specified in contracts

Interest expenses calculated using interest rates as specified in contracts concluded in 2022	Interest accreted and realized in 2022	Interest accreted and unrealized in 2022 (by maturity from balance sheet date)		
		up to 3 months	from 3 to 12 months	over 12 months
(a) Liabilities for reinsurers' deposits	-	-	-	-
(b) Other liabilities, including:	63,316	-	87,154	-
- direct insurance liabilities	-	-	-	-
- reinsurance liabilities	-	-	-	-
- liabilities on the issue of own debt securities and drawn loans	61,684	-	87,154	-
- liabilities to credit institutions	1,632	-	-	-
- other liabilities	-	-	-	-
Total interest expenses in 2022, including:	63,316	-	87,154	-
- liabilities held for sale	-	-	-	-
- current liabilities	1,632	-	-	-
- non-current liabilities	61,684	-	87,154	-

Interest expenses calculated using interest rates as specified in contracts concluded in 2021	Interest accreted and realized in 2021	Interest accreted and unrealized in 2021 (by maturity from balance sheet date)		

	Interest accreted and realized in 2021	up to 3 months	from 3 to 12 months	over 12 months
(a) Liabilities for reinsurers' deposits	-	-	-	-
(b) Other liabilities, including:	26,781	-	20,228	-
- direct insurance liabilities	-	-	-	-
- reinsurance liabilities	-	-	-	-
- liabilities on the issue of own debt securities and drawn loans	26,591	-	20,228	-
- liabilities to credit institutions	190	-	-	-
- other liabilities	-	-	-	-
Total interest expenses in 2021, including:	26,781	-	20,228	-
- liabilities held for sale	-	-	-	-
- current liabilities	190	-	-	-
- non-current liabilities	26,591	-	20,228	-

26. Income tax

26.1 Tax Group

The Tax Group Agreement was signed on 20 September 2017 and it covers 13 companies: PZU, PZU Życie, Link4, PZU CO, PZU Pomoc SA, Ogrodowa-Inwestycje, PZU Zdrowie, Tulare Investments Sp. z o.o., PZU Cash SA, Ipsilon Sp. z o.o., PZU Finanse Sp. z o.o., PZU LAB SA, Omicron BIS SA. The Tax Group was established for a period of 3 years – from 1 January 2018 to 31 December 2020 – and the Head of the First Mazowiecki Tax Office issued a registration decision on 21 November 2017. As of 1 January 2021, the Tax Group additionally includes PZU Projekt 01 SA, as a result of another Tax Group Agreement dated 22 September 2020 (registration decision of 11 December 2020), which is effective for the period from 1 January 2021 to 31 December 2023.

For the Tax Group Agreement, PZU is the parent company and represents the Tax Group. The Tax Group performs settlements with the Tax Office on a monthly basis. PZU pays advances for corporate income tax that are due from all the companies to the Tax Office, while the companies transfer the CIT advances related to their business activities to PZU.

26.2 Current income tax

Current income tax	1 January – 31 December 2022	1 January – 31 December 2021
1. Profit (loss) before tax	1,952,652	2,338,381
2. Differences between gross profit (loss) and income tax base (by title)	(439,479)	(384,123)
2(a) Expenses and losses not recognized as deductible by tax law	1,420,985	1,372,199
Accrued outward reinsurance expenses	342,620	22,329
Accrued losses on investments	667,147	965,873
Accrued bonuses and allowances for prizes, along with provisions for employee benefits	(1,135)	46,107
Accrued and deferred acquisition expenses	39,079	(27,977)
Impairment losses for insurance, reinsurance and subrogation receivables	50,096	32,145
Donations	17,728	9,731
Provision for probable losses	50,961	58,951
Asset levy	195,347	199,608
Real property impairment losses	1,543	-
Other	57,599	65,432
2(b) Income not included in the tax base	1,736,522	1,825,794
Accrued gains on investments	539,997	451,419
Dividends	820,465	1,510,730
Other technical income – reversal of impairment losses and others	111,529	95,913
Accrued outward reinsurance income/expenses	178,536	(325,238)
Accrued income from direct claims handling	(6,506)	2,661
Premium income from contracts relating to previous years	92,501	90,309
2(c) Other changes in the tax base	(123,942)	69,472
Realization of accrued gains/losses on investments from previous years	(117,923)	93,155

Current income tax	1 January – 31 December 2022	1 January – 31 December 2021
Payments due to natural persons for mandate contracts and bonuses accrued in the previous year	(2,649)	(2,204)
Increases/decreases in tax income from unexplained payments	16,579	(1,045)
Realization of other expenses/income	(3,074)	(9,684)
Exempt income	(16,875)	(10,750)
3. Income tax base	1,513,173	1,954,258
4. Income tax at the rate of 19%	287,503	371,309
5. Other tax increases, waivers, exemptions, deductions and reductions	(38,320)	(16,642)
6. Current income tax recognized (reported) in the tax return for the period, including:	249,183	354,667
- reported in the profit and loss account	249,183	354,667
- pertaining to items that decreased or increased equity	-	-
- pertaining to items that decreased or increased goodwill or negative goodwill	-	-

Income tax by the type of activity	1 January – 31 December 2022	1 January – 31 December 2021
Differences between gross profit (loss) and income tax base	(439,479)	(384,123)
- for technical activities	72,314	161,807
- for extraordinary profits and losses	-	-
- other	(511,793)	(545,930)
Income tax base	1,513,173	1,954,258

Regulations governing corporate income tax, personal income tax, value added tax, corporate income tax or contributions to social security undergo frequent changes. The applicable regulations contain confusing provisions, which result in differences of opinion concerning their legal interpretation between various state authorities and enterprises. Tax and other settlements (e.g. regarding customs or foreign currencies) may be inspected by authorities, which may levy high fines and any additional liabilities assessed during the inspection bear interest. Owing to these phenomena, tax risk in Poland is higher than in some countries with more developed tax systems. Tax settlements may be inspected for a period of five years. As a result, amounts reported in the financial statements may change at a later date after the final amounts are determined by tax authorities.

26.3 Deferred income tax

Deferred income tax reported in the profit and loss account	1 January – 31 December 2022	1 January – 31 December 2021
- decrease (increase) due to origination and reversal of temporary differences	66,695	(44,621)
- decrease (increase) due to tax rate changes	-	-
- decrease (increase) due to previously unrecognized tax loss, tax allowance or temporary difference of previous period	-	-
- decrease (increase) due to write-off of deferred tax assets or inability to use deferred tax liabilities	-	-
- other components of deferred tax (by title)	-	-
Total deferred income tax	66,695	(44,621)

In 2021 and 2022, there was no income tax relating to discontinued operations or to profit (loss) on extraordinary operations.

Deferred income tax reported outside the profit and loss account	1 January – 31 December 2022	1 January – 31 December 2021
Total amount of deferred tax	518,757	543,992
- recognized in equity	518,757	543,992
- recognized in goodwill or negative goodwill	-	-

27. Share of the net profit (loss) of related parties measured by the equity method

Share of the net profit (loss) of related parties measured by the equity method	1 January – 31 December 2022	1 January – 31 December 2021
Share of the net profit (loss) of related parties measured by the equity method, including:	(339,029)	(689,456)
- impairment of subordinate entities' goodwill	(129,898)	(128,626)
- impairment of subordinate entities' negative goodwill	-	-
- write-off of the difference in net asset valuation	(209,131)	(560,830)

28. Notes on the cash flow statement

The item 'proceeds from other operating activity' includes the following:

Proceeds from other operating activity – selected data	1 January – 31 December 2022	1 January – 31 December 2021
Proceeds from reimbursements of advance CIT payments – participation in the Tax Group	283,942	227,754
Other proceeds	144,759	131,708
Reimbursements of regulatory expenses	423	25,188
Proceeds on the ZFŚS and FP account	4,891	4,872
Total proceeds from other operating activity	434,015	389,522

The item 'expenses from other operating activity' includes the following:

Expenses on other operating activity – selected data	1 January – 31 December 2022	1 January – 31 December 2021
CIT	302,715	495,971
Other expenses	519,616	333,009
Levy on some financial institutions	194,761	199,627
Expenses on reimbursements of advance CIT payments – participation in the Tax Group	216,079	168,332
Expenses on the ZFŚS and FP account	68,273	59,111
VAT	26,691	22,968
Donations	16,751	10,750
Total expenses on other operating activity	1,344,886	1,289,768

28.1 Restricted cash

The cash flow statement shows restricted cash pertaining to the cash of the Preventive Fund, ZFŚS (Company Social Benefit Fund) and VAT split-payments. The restrictions are due to the fact that pursuant to the Polish regulations and the internal PZU regulations that are based on them, this cash may be spent only for specific purposes as part of preventive activities, social activities, or regulatory settlements, respectively.

29. Other notes and explanations

29.1 Capital expenditure incurred and planned in the next 12 months from the balance sheet date

Capital expenditure incurred for the financial year	2022	2021
Capital expenditure incurred, including:	104,951	97,685
- expenditures on non-financial fixed assets	62,408	54,236

Capital expenditure planned in the next 12 months from the balance sheet date ¹⁾	31 December 2022	31 December 2021
Capital expenditure planned in the next 12 months from the balance sheet date, including:	169,695	141,342
- expenditures on non-financial fixed assets	111,116	76,660

¹⁾ The data was not audited by the statutory auditor.

30. Disputes

PZU participates in a number of litigations, arbitration disputes and administrative proceedings. Typical litigations involving PZU include disputes pertaining to concluded insurance contracts, disputes concerning labor relationships and disputes relating to contractual obligations. Typical administrative proceedings involving PZU include proceedings related to the possession of real properties. Such proceedings and litigation are usually of a typical and repetitive nature and usually no particular case is of material importance to PZU.

In addition, PZU is a party to proceedings before the President of the Office of Competition and Consumer Protection (UOKiK).

Estimates of the provision amounts for individual cases take into account all information available on the preparation date of the standalone financial statements, however their value may change in the future. Disputed claims are taken into account in the process of establishing technical provisions for known losses, considering the probability of an unfavorable outcome of the dispute and estimating the probable awarded amount.

In 2022 and up to the date of signing the standalone financial statements, PZU was not involved in any material proceedings pending before a court, an arbitration body or a public administration authority which concerned any PZU's liabilities or receivables.

As at 31 December 2022, the total value of the disputes in all 151,465 cases (as at 31 December 2021: 177,056 cases) pending before courts, arbitration bodies and public administration authorities in which PZU takes part, was PLN 3,549,881 thousand (as at 31 December 2021: PLN 3,445,313 thousand). This amount included PLN 3,172,796 thousand (as at 31 December 2021: PLN 3,030,940 thousand) relating to liabilities, and PLN 377,085 thousand (as at 31 December 2021: PLN 414,373 thousand) relating to PZU's receivables.

30.1 Resolutions of the Ordinary Shareholder Meeting of PZU to distribute the profit earned in the financial year 2006

On 30 July 2007, an action was brought by Manchester Securities Corporation ("MSC") with its registered office in New York against PZU to repeal Resolution No. 8/2007 adopted by the Company's Ordinary Shareholder Meeting on 30 June 2007 to distribute PZU's profit for the financial year 2006 as contradicting good practices and aimed at harming the plaintiff as a shareholder of PZU.

The challenged resolution of the Ordinary Shareholder Meeting of PZU distributed the 2006 net profit of PLN 3,280,883 thousand as follows:

- PLN 3,260,883 thousand was transferred to supplementary capital;
- PLN 20,000 thousand was transferred to the Company Social Benefit Fund.

In its judgment of 22 January 2010, the Regional Court in Warsaw repealed the aforementioned resolution adopted by PZU's Ordinary Shareholder Meeting in its entirety. PZU has used all the available appeal measures, including a cassation appeal to the Supreme Court which, on 27 March 2013, dismissed the cassation appeal. The judgment is final and non-appealable.

PZU believes that repealing the aforementioned resolution of the PZU's Ordinary Shareholder Meeting will not give rise to shareholders' claim for a dividend payout by PZU.

As the judgment repealing Resolution No. 8/2007 became final, on 30 May 2012, Ordinary Shareholder Meeting of PZU adopted a resolution to distribute the profit for the financial year 2006 in a manner that reflects the distribution of profit in the repealed Resolution No. 8/2007. MSC filed an objection against the resolution of 30 May 2012 and the objection was recorded in the minutes.

On 20 August 2012, a copy of a statement of claim filed by MSC with the Regional Court in Warsaw was delivered to PZU. In the statement of claim, the Manchester Securities Corporation demanded that the resolution on the distribution of profit for the financial year 2006 adopted on 30 May 2012 by the PZU Ordinary Shareholder Meeting be repealed. According to the plaintiff, the value of the litigation is PLN 5,054 thousand. PZU then submitted a statement of defense requesting to dismiss the statement of claim in its entirety.

On 17 December 2013, the Regional Court passed a judgment in which it accepted the claim in its entirety and awarded the costs of proceedings from PZU to MSC. On 4 March 2014, PZU filed an appeal against the above judgment, contesting it in its entirety. On 11 February 2015, the Appellate Court in Warsaw handed down a judgment that changed the judgment of the Regional Court of 17 December 2013 in its entirety, dismissed MSC's claim and charged MSC with the court expenses. The Appellate Court's judgment is final and non-appealable. MSC challenged the Appellate Court's judgment in its entirety in a cassation appeal of 9 June 2015. PZU filed its reply to the cassation appeal.

By decision of 19 April 2016, the Supreme Court refused to review MSC's cassation appeal. According to the provisions of the Code of Civil Procedure, the Supreme Court's ruling is final non-appealable and ends the proceedings in the case.

In the meantime on 16 December 2014, MSC summoned PZU to pay PLN 264,865 thousand as compensation in connection with repealing Resolution No. 8/2007 adopted by the PZU Ordinary Shareholder Meeting on 30 June 2007 to distribute PZU's profit for the financial year 2006. PZU refused to effect the performance on account of its groundlessness.

On 23 September 2015, a copy of the statement of claim with attachments was delivered to PZU in the case launched by MSC against PZU for payment of PLN 169,328 thousand with statutory interest from 2 January 2015 to the date of payment and the costs of the trial. The statement of claim includes a demand to pay compensation for depriving MSC and J.P. Morgan (MSC acquired the claim from J.P. Morgan) as minority shareholders of PZU of their share in profits for the financial year 2006 in connection with the adoption of Resolution No. 8/2007 on 30 June 2007 by the PZU Ordinary Shareholder Meeting. The case is pending before the Regional Court in Warsaw. On 18 December 2015, PZU's attorney submitted a statement of defense, requesting to dismiss the claim in its entirety. On 1 April 2016, MSC filed a pleading in which it responded to PZU's assertions, allegations and petitions and raised new arguments in the case. On 30 June 2016, PZU filed a response to MSC's most recent pleading along with requests for evidence. In its decision of 21 July 2016, the Court referred the case to a mediation procedure, to which PZU did not agree. In subsequent court sessions, evidentiary hearings have taken place. On 6 April 2022, the Regional Court in Warsaw issued an order admitting evidence in the form of an opinion of a scientific institute to determine the amount of the damage sustained by MSC and J.P. Morgan, in the form of loss of profit, as a result of the adoption of Resolution No. 8/2007 by the PZU Ordinary Shareholder Meeting on 30 June 2007, excluding from distribution the profit for the 2006 financial year and the non-payment of this profit in 2007.

The Management Board of PZU believes that MSC's claims are groundless. As a result, as at 31 December 2022, no changes were made to the presentation of PZU's equity that could potentially stem from the repeal of the resolution 8/2007 adopted by PZU's Ordinary Shareholder Meeting on distribution of profit for the financial year 2006, including the line items "Supplementary capital" and "Retained earnings (losses)", and the funds in the Company Social Benefit Fund were not adjusted.

30.1.1. Other demands for payment pertaining to the distribution of PZU's profit for the 2006 financial year

On 13 November 2018 the Regional Court in Warsaw served a copy of the statement of claim lodged by Wspólna Reprezentacja SA in restructuring, which pertained to a claim against PZU for payment of PLN 34,117 thousand with statutory interest from 1 October 2015 to the payment date with court expenses. The claim comprises a claim for payment of damages for depriving the shareholders of their share of profits for the 2006 financial year. The plaintiff claims that the claims for damages were transferred by the shareholders to the plaintiff based on mandate agreements together with a fiduciary transfer of receivables and the claim pursued by the statement of claim is the total damage caused to the shareholders. PZU does not accept the claims as unjustified and submitted its statement of defense, requesting the claim to be dismissed in its entirety. PZU did not consent to mediation. In subsequent court sessions, evidentiary hearings have taken place.

30.2 Notification of PZU's claim to the bankruptcy estate of companies of the PBG Group

PZU is a creditor of PBG SA ("PBG") and Hydrobudowa Polska SA ("Hydrobudowa") on account of insurance guarantees (contractual guarantees) issued and paid out.

In 2012, bankruptcy proceedings were initiated against PBG and Hydrobudowa. On 21 September 2012, PZU joined the proceedings by notifying its claims to the bankruptcy estate of the two companies.

PBG and Hydrobudowa belong to the same group in which PBG is the parent company. The two companies provided sureties for each other's liabilities. As a consequence, all claims submitted against the bankruptcy estate of Hydrobudowa in the amount of PLN 100,996 thousand were concurrently submitted against the bankruptcy estate of PBG.

On 8 October 2015, the Bankruptcy Court announced a decision in which it approved the composition with PBG's creditors and on 20 July 2016 it issued a decision to close the bankruptcy proceedings. The decision is final.

Following the execution of the composition and reduction of claims to 20.93% of the reported figures, PZU received 206,139 PBG's bonds with the nominal value of PLN 20,614 thousand and 24,241,560 PBG shares with the nominal value of PLN 24,242 thousand. The carrying amount of PBG's shares as at 31 December 2022 was zero (PLN 800 thousand as at 31 December 2021). The bonds, whose carrying amount was assessed to be zero, were recognized in off-balance sheet records only as at 31 December 2022 and 31 December 2021.

The first list of claims presented by Hydrobudowa's trustee in bankruptcy to the judge commissioner contained PZU SA's claims in the amount of PLN 16,198 thousand and the fourth supplementary list of claims contained PZU SA's claims in the amount of PLN 15,944 thousand. Accordingly, the total value of claims pursued by PZU on this account was PLN 32,142 thousand. In respect of claims for the amount of over PLN 66,699 thousand, on 24 October 2018 PZU filed an objection to the judge commissioner against the refusal to accept the submitted claim. With the decision of 23 January 2020 the Court accepted PZU's objection and increased PZU's claim on the fourth supplementary list of claims to PLN 82,643 thousand. The final list of claims submitted against the bankruptcy estate of Hydrobudowa has not been determined yet. Bankruptcy proceedings against Hydrobudowa are pending and the determination of the final list of claims is merely an initial step in these proceedings that precedes the drafting of the distribution plan (after the liquidation of the bankruptcy estate).

30.3 Other matters

30.3.1. Inspections by the KNF Office

During the period from 27 July to 25 September 2020 KNF conducted an inspection of PZU's operations and assets in the claims handling area. On 7 January 2021, PZU received a recommendation to refrain from breaching the interests of parties entitled to indemnification under motor TPL insurance, consisting in applying in the calculation of the indemnification using the cost estimate method out-of-date, unreliable data on the man-hour rates in the car repair market that do not match the actual repair costs from the place of residence, seat or the injured party or the place of repair of the vehicle. On 19 February 2021, PZU informed KNF about implementing the recommendations and, on 19 March 2021 provided KNF, on its request, with additional documents and explanations pertaining to the implementation of the recommendation.

On 19 April 2021, KNF summoned PZU to present additional documents and explanations, deciding that the evidence presented earlier had not allowed it to consider the recommendation satisfied. On 30 April 2021, PZU provided additional explanations and documents. KNF set the requirements and dates for providing the evidence of implementation.

On 7 December 2021, PZU submitted a report on the implementation of the recommendation. On 28 January 2022, KNF asked for additional clarification and documents, which were provided by PZU on 14 February 2022. On 25 March 2022, KNF submitted a letter stating that the evidence submitted by PZU was insufficient to conclude that the recommendation had been implemented. On 8 April 2022, PZU sent a response to KNF, supplementing the documentation on the implementation of the recommendation. Following KNF's call of 10 June 2022, PZU provided additional clarification on 24 June 2022, and on 21 July 2022, a meeting was held between PZU and KNF representatives to discuss the process of implementing the recommendation. On 29 July, 30 September and 14 October 2022, PZU submitted additional documentation and explanations to KNF.

During the period from 11 January 2022 to 10 March 2022, KNF conducted an inspection of PZU's operations and assets in terms of the solvency capital requirement. On 4 April 2022, PZU received the inspection report, to which it submitted objections, additional explanations and documents on 15 April 2022. On 8 June 2022, PZU received 2 recommendations after the inspection, which will be implemented starting with reports prepared as of 31 December 2022. On 6 February 2023, PZU informed that the recommendations were implemented.

31. Headcount

Average headcount by occupational group	1 January – 31 December 2022		1 January – 31 December 2021	
	Average annual headcount (in full-time equivalents)	Average annual number of persons employed (in persons)	Average annual headcount (in full-time equivalents)	Average annual number of persons employed (in persons)
(a) Supervisory Board	-	11	-	11
(b) Management Board	-	8	-	8
(c) Total headcount, including:	6,824	9,165	7,125	9,408
- management	324	557	340	567
- advisors	4	5	4	5
- actuaries	5	6	5	6
- other employees	6,491	8,597	6,777	8,830
- including agents in permanent positions	-	-	-	-
(d) Number of non-permanent agents in persons	n/a	7,969	n/a	8,469

32. Contracts for audit and review of financial statements

32.1 Audit fee payable to the audit firm auditing the financial statements

Audit fee payable to the audit firm auditing the financial statements	1 January – 31 December 2022	1 January – 31 December 2021
(a) mandatory audit of annual financial statements/consolidated financial statements	1,476	994
(b) other assurance services, including review of financial statements/consolidated financial statements	1,220	988
(c) tax consulting services	-	-
(d) other services	-	-
Total	2,696	1,982

The table above presents the amounts due to the PZU Group's audit firm for the audit of PZU's financial statements, paid or payable for the period, plus VAT, determined in accordance with the accrual principle.

32.2 Dates of conclusion and duration of contracts concluded with the audit firm auditing the financial statements

On 18 February 2014, the PZU Supervisory Board selected KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp. K. with its registered office in Warsaw, ul. Inflancka 4A, 00-189 Warsaw, entered by the National Chamber of Statutory Auditors in the list of audit firms under no. 3546 as an entity auditing financial statements for the years 2014-2016, and on 27 April 2017, the PZU Supervisory Board exercised the option of extending this cooperation to include the years 2017-2018. On 23 May 2019, after the Polish Financial Supervision Authority gave a permit to PZU to extend for another two years the maximum period for the engagement for KPMG Audyt to audit PZU's standalone and consolidated financial statements, the PZU Supervisory Board made the decision to select KPMG Audyt again as the audit firm to audit the 2019-2020 financial statements.

In connection with Article 49 of the Act of 31 March 2020 amending the Act on special solutions connected with preventing, counteracting and combating COVID-19, other infectious diseases and crises caused by them and certain other acts, which extended the maximum period of uninterrupted engagement to carry out statutory audit to ten years by abolishing the limit set forth in Article 134 sec. 1 of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision, on 28 May 2020, the PZU Supervisory Board gave its consent to renew the engagement for KPMG Audyt for reviews and audits of the standalone financial statements of PZU and the consolidated financial statements of the PZU Group for years 2021-2022 with an extension option to 2023 („Order for Reviews and Audits”). On 7 April 2021, the PZU Supervisory Board agreed to exercise the option and extend the Order for Reviews and Audits to 2023.

To enable performance of the work described above, relevant annexes to the previously signed agreements were concluded.

The existing cooperation with KPMG Audyt, pertaining to the reviews and audits of the standalone financial statements of PZU and consolidated financial statements of the PZU Group has continued without interruption since 2014.

On 24 August 2022, the Supervisory Board passed a resolution on the selection of PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. as the audit firm to conduct audits and reviews of financial statements and audits of reports on the solvency and financial condition of PZU and the PZU Group for the five fiscal years, ending on 31 December 2024, 31 December 2025, 31 December 2026, 31 December 2027 and 31 December 2028, respectively, with an option to extend the contract for two more years, ending on 31 December 2029 and 31 December 2030.

33. Related party transactions

33.1 Transactions with Members of the PZU Management Board, Directors of the PZU Group and Members of the PZU Supervisory Board

In 2022 and in 2021, there were no transactions between PZU and members of the PZU's key management (Members of the PZU Management Board, higher level managers and Members of the PZU Supervisory Board) and their cohabitants, spouses, relatives or relatives by affinity up to the second degree, adoptees or adopters, and persons over whom they had guardianship or curatorship, or other persons with whom members of the PZU's key management are personally related – other than transactions under non-life insurance contracts entered into on the arm's length basis.

In 2022 and in 2021, there were no material transactions between PZU and entities where members of the PZU's key management, their cohabitants, spouses, relatives or relatives by affinity up to the second degree, adoptees or adopters, and persons over whom they had guardianship or curatorship, directly or indirectly have at least 20% of the votes at the Shareholder Meeting – other than transactions under non-life insurance contracts entered into on the arm's length basis.

33.1.1. Information on the value of outstanding advances, credits, loans, guarantees, sureties, pensions and benefits of a similar nature or other contracts obliging to provide benefits

In 2022 and in 2021, there were no outstanding advances, credits, loans, guarantees, sureties and other contracts obliging to provide benefits, relating to members of the PZU's key management. There were also no liabilities arising from pensions and benefits of a similar nature for previous managers or liabilities incurred in connection with such pensions.

33.1.2. Compensation of Members of the PZU Management Board, Directors of the PZU Group and Members of the PZU Supervisory Board, paid or payable or potentially payable

The following tables present the compensation of members of the PZU's key management who performed their functions for at least one day in 2022 or 2021. The figures are presented in thousands of PLN.

Compensation and other short-term employee benefits paid by PZU	1 January – 31 December 2022		1 January – 31 December 2021	
		including part of variable compensation for 2017-2021		including part of variable compensation for 2017-2020
Management Board, of which:	15,462	7,084	14,332	5,849
Beata Kozłowska-Chyła	1,823	712	1,479	465
Ernest Bejda	1,744	670	1,350	370
Małgorzata Kot	1,701	626	1,153	173
Krzysztof Kozłowski	1,317	243	405	-
Tomasz Kulik	2,036	962	1,788	808
Piotr Nowak	731	-	n/a	n/a
Maciej Rapkiewicz	2,036	962	1,788	808
Małgorzata Sadurska	2,050	976	1,801	822
Krzysztof Szypuła	717	626	1,153	173
Marcin Eckert	466	466	1,316 ¹⁾	645
Aleksandra Agatowska	38	38	94	94
Adam Brzozowski	154	154	711 ²⁾	454
Elżbieta Häuser-Schöneich	154	154	711 ³⁾	454
Roger Hodgkiss	179	179	179	179
Paweł Surówka	316	316	404	404
High-level managers (PZU Group Directors), including:	3,288	1,286	2,370	1,180
Aleksandra Agatowska	799	354	673	267
Andrzej Jaworski	308	-	n/a	n/a
Bartłomiej Litwińczuk	804	375	705	313
Dorota Macieja	804	375	705	313
Krzysztof Szypuła	391	-	n/a	n/a
Małgorzata Kot	20	20	90	90
Roman Pałac	103	103	138	138
Tomasz Karusewicz	59	59	59	59
Supervisory Board, of which:	2,381	-	2,134	-
Robert Jastrzębski	224	-	203	-
Paweł Górecki	224	-	203	-
Robert Śnitko	224	-	203	-
Marcin Chludziński	205	-	187	-
Agata Górnicka	205	-	187	-
Elżbieta Mączyńska-Ziemacka	205	-	187	-
Krzysztof Opolski	224	-	203	-
Radosław Sierpiński	241 ⁴⁾	-	41	-
Piotr Wachowiak	68	-	n/a	-
Józef Wierzbowski	205	-	187	-
Maciej Zaborowski	205	-	187	-
Paweł Mucha	151	-	112	-
Maciej Łopiński	n/a	n/a	89	-
Tomasz Kuczur	n/a	n/a	145	-

¹⁾ Including a severance pay of PLN 246 thousand.

²⁾ Including a non-competition fee of PLN 257 thousand.

³⁾ Including a non-competition fee of PLN 257 thousand.

⁴⁾ Including PLN 36 thousand for serving as a member of the Scientific Council at PZU Zdrowie SA.

In 2022, PZU Management Board Members were paid part of the benefits for 2017-2021 under the variable compensation system. The payout of the remaining part of the bonus for 2019-2022 may be made in subsequent periods. A provision has been recognized for these benefits with the total amount of PLN 19,948 thousand as at 31 December 2022 (including the employer's burdens; as at 31 December 2021: PLN 17,897 thousand).

Compensation and other short-term employee benefits paid by other PZU Group entities	1 January – 31 December 2022 (PLN 000s)		1 January – 31 December 2021 (PLN 000s)	
		including part of variable compensation for 2017-2021		including part of variable compensation for 2017-2020
Management Board, of which:	27	27	119	119
Małgorzata Kot	27	27	119	119
High-level managers (PZU Group Directors), including:	4,897	1,892	3,325	1,540
Aleksandra Agatowska	1,194	527	980	370
Andrzej Jaworski	462	-	n/a	n/a
Bartłomiej Litwińczuk	1,203	558	1,024	437
Dorota Macieja	1,203	558	1,024	437
Krzysztof Szypuła	586	-	n/a	n/a
Roman Pałac	157	157	205	204
Tomasz Karusewicz	92	92	92	92

Total estimated value of non-cash benefits granted by PZU and PZU's subsidiaries	1 January – 31 December 2022 (PLN 000s)		1 January – 31 December 2021 (PLN 000s)	
Management Board, of which:		1,785		1,482
Beata Kozłowska-Chyła		265		218
Ernest Bejda		193		155
Małgorzata Kot		224		189
Krzysztof Kozłowski		189		44
Tomasz Kulik		273		178
Piotr Nowak		110		n/a
Maciej Rapkiewicz		211		185
Małgorzata Sadurska		312		217
Krzysztof Szypuła		8		136
Marcin Eckert		n/a		160
High-level managers (PZU Group Directors), including:		942		587
Aleksandra Agatowska		270		214
Andrzej Jaworski		74		n/a
Bartłomiej Litwińczuk		238		185
Dorota Macieja		200		173
Krzysztof Szypuła		160		n/a
Tomasz Karusewicz		n/a		15 ¹⁾

¹⁾ Benefits brought forward from PZU and PZU Życie.

Compensation of Members of the PZU Management Board, Directors of the PZU Group and Members of the PZU Supervisory Board, paid or payable or potentially payable	1 January – 31 December 2021	1 January – 31 December 2020
(a) classified as expenses	28,775	24,349
(b) arising from incentive or bonus programs based on the issuer's equity	-	-

33.2 Transactions with subsidiaries

As of 31 December 2022, income and expense transactions with subsidiaries were as follows:

Transactions with subsidiaries	Income							Expenses							
	on insurance premium	on real property	on ownership interests or shares	on borrowings and debt securities	on acting as an emergency adjuster	on other sources	Total	on claims and benefits	on reinsurance commissions and profit sharing	on telephone and IT services	on bulk printing services	on finance	on commissions	other	Total
PZU Życie	1,221	-	547,449	-	-	1,499	550,169	337	-	221	-	-	-	-	558
Tower Inwestycje	15	-	-	-	-	-	15	-	-	-	-	-	-	-	-
PZU CO	152	31	6,007	-	-	723	6,913	22	-	59,007	8,727	1,595	18,261	3,003	90,615
Armatura Kraków SA	118	-	-	346	-	-	464	3	-	-	-	-	-	25	28
TFI PZU	555	915	39,251	-	-	1,723	42,444	151	-	-	-	-	-	16,691	16,842
Ogrodowa Inwestycje	80	-	474	-	-	34	588	3	-	1	-	59	-	4,490	4,553
PrJSC IC PZU Ukraine	4,677	-	-	-	13	320	5,010	7,750	561	-	-	-	-	357	8,668
AAS Balta	25,353	-	-	-	5	331	25,689	2,223	2,659	-	-	-	-	92	4,974
Lietuvos Draudimas AB	42,673	-	62,679	-	23	977	106,352	4,809	3,905	-	-	-	-	222	8,936
PZU Corporate Member Limited	-	-	-	555	-	-	555	-	-	-	-	-	-	909	909
PZU Pomoc SA	8,941	115	-	-	-	30	9,086	6	-	1,819	121	28,251	5	1,629	31,831
PZU Zdrowie	5	-	-	17,087	-	2,630	19,722	-	-	-	-	1	-	1,168	1,169
PZU LAB SA	3	-	-	-	-	8	11	-	-	-	-	42	-	-	42
PZU Finanse Sp. z o.o.	10	97	-	-	-	130	237	-	-	-	66	-	-	-	66
Omicron BIS SA	-	2	-	-	-	-	2	-	-	-	-	-	-	-	-
Link4	739,870	-	-	3,370	-	12,993	756,233	401,584	207,665	-	-	-	-	28,020	637,269
Alior Bank	213	-	-	-	-	5	218	753	-	-	-	-	45,017	34	45,804
TUW PZUW	608,876	24	-	6,465	9,859	871	626,095	221,611	31,057	-	-	-	-	2,963	255,631
Bank Pekao	5,606	13	225,724	-	-	8,347	239,690	919	-	279	2,777	527	83,925	445	88,872
PZU Cash SA	7	1	-	-	-	7	15	-	-	-	-	2	-	-	2
Tulare Investments Sp. z o.o.	-	1	-	-	-	-	1	-	-	-	-	-	-	-	-
PZU Projekt 01 SA	-	1	-	-	-	-	1	-	-	-	-	-	-	-	-
PFS	194	-	1,560	-	-	-	1,754	-	-	-	-	-	1,747	52	1,799
Total	1,438,569	1,200	883,144	27,823	9,900	30,628	2,391,264	640,171	245,847	61,327	11,691	30,477	148,955	60,100	1,198,568

As of 31 December 2022, transactions with subsidiaries related to balance sheet items were as follows:

Transactions with subsidiaries	Receivables					Liabilities						
	on insurance premium	on reinsurance	on CIT	other	Total	towards policyholders	towards intermediaries	other for insurance	for reinsurance	on CIT	other	Total
PZU Życie	178	-	23	74	275	-	-	-	-	23,484	-	23,484
Tower Inwestycje	6	-	-	-	6	-	-	-	-	-	-	-
PZU CO	-	-	1,199	405	1,604	-	353	2,272	-	-	8,764	11,389
Armatura Kraków SA	133	-	-	-	133	-	-	9	-	-	25	34
TFI PZU	9	-	-	160	169	-	-	-	-	-	1,351	1,351
Ogrodowa Inwestycje	-	-	42	-	42	-	-	-	-	264	235	499
PrJSC IC PZU Ukraine	-	14,134	-	219	14,353	-	-	21	11,297	-	5,731	17,049
AAS Balta	-	-	-	69	69	-	-	112	-	-	-	112
Lietuvos Draudimas AB	-	-	-	586	586	-	-	475	-	-	2	477
PZU Corporate Member Limited	-	-	-	-	-	-	-	-	-	-	1	1
PZU Pomoc SA	1,164	-	337	398	1,899	3	-	2,106	-	-	1,944	4,053
Ipsilon Sp. z o.o.	-	-	-	-	-	-	-	-	-	3	-	3
PZU Zdrowie	2	-	-	619	621	3	-	662	-	12,264	103	13,032
PZU LAB SA	-	-	-	2,030	2,030	-	-	-	-	285	-	285
PZU Finanse Sp. z o.o.	-	-	-	36	36	-	-	-	-	22	47	69
PZU Finance AB	-	-	-	-	-	-	-	-	-	-	-	-
Omicron BIS SA	-	-	-	-	-	-	-	-	-	4	-	4
Link4	4	-	1,175	138	1,317	-	-	2	-	-	747	749
Alior Bank	305	-	-	16	321	-	4	-	-	-	77	81
TUW PZUW	-	125,282	-	18,340	143,622	-	-	47	5,371	-	1	5,419
Bank Pekao	153	-	-	4,701	4,854	105	5,026	6	-	-	5,322	10,459
PZU Cash SA	-	-	-	-	-	-	-	-	-	1,191	4,494	5,685
Tulare Investments Sp. z o.o.	-	-	-	-	-	-	-	-	-	2	-	2
PZU Projekt 01 SA	-	-	-	-	-	-	-	-	-	5	-	5
PFS	-	-	-	-	-	-	-	3	-	-	42	45
Total	1,954	139,416	2,776	27,791	171,937	111	5,383	5,715	16,668	37,524	28,886	94,287

As of 31 December 2021, income and expense transactions with subsidiaries were as follows:

Transactions with subsidiaries	Income							Expenses							
	on insurance premium	on real property	on ownership interests or shares	on borrowings and debt securities	on acting as an emergency adjuster	on other sources	Total	on claims and benefits	on reinsurance commissions and profit sharing	on telephone and IT services	on bulk printing services	on finance	on commissions	other	Total
PZU Życie	1,212	-	1,214,143	-	-	1,597	1,216,952	531	-	178	-	-	-	19	728
Tower Inwestycje	20	-	1,904	-	-	-	1,924	18	-	-	-	-	-	-	18
PZU CO	153	52	5,876	-	-	113	6,194	4	-	55,186	6,090	764	15,400	1,672	79,116
Armatura Kraków SA	95	-	-	11	-	29	135	2	-	-	-	-	-	-	2
TFI PZU	1,150	1,559	59,588	-	-	547	62,844	194	-	9	-	-	-	20,476	20,679
Ogrodowa Inwestycje	74	-	4,317	-	-	-	4,391	10	-	-	-	1	-	5,148	5,159
PrJSC IC PZU Ukraine	957	-	-	-	95	12	1,064	21,990	(1,331)	-	-	-	-	1,424	22,083
AAS Balta	20,909	-	55,308	-	55	144	76,416	14,264	2,403	-	-	-	-	94	16,761
Lietuvos Draudimas AB	32,267	-	68,673	-	436	314	101,690	11,896	2,689	-	-	-	-	164	14,749
PZU Corporate Member Limited	-	-	-	2,208	-	-	2,208	-	-	-	-	-	-	-	-
PZU Pomoc SA	2,459	163	-	-	-	34	2,656	24	-	1,599	176	31,696	-	1,757	35,252
PZU Zdrowie	27	-	-	4,146	-	1,100	5,273	11	-	-	-	-	-	1,228	1,239
PZU LAB SA	3	-	-	-	-	3	6	-	-	-	-	23	-	50	73
PZU Finanse Sp. z o.o.	6	95	-	-	-	1	102	-	-	-	-	-	-	-	-
Omicron BIS SA	-	2	-	-	-	-	2	-	-	-	-	-	-	-	-
Link4	679,528	-	-	667	-	13,663	693,858	367,130	192,533	-	-	-	-	27,267	586,930
Alior Bank	22,896	-	-	-	-	13	22,909	667	-	-	-	12	78,888	177	79,744
TUW PZUW	443,060	25	-	2,600	9,321	76	455,082	87,268	24,424	-	-	-	-	2,018	113,710
Bank Pekao	5,574	12	168,505	-	-	4,933	179,024	927	-	296	629	571	183,309	2,709	188,441
PZU Cash SA	5	2	-	-	-	6	13	-	-	-	-	-	-	-	-
Tulare Investments Sp. z o.o.	-	2	-	-	-	-	2	-	-	-	-	-	-	-	-
PZU Projekt 01 SA	-	2	-	-	-	-	2	-	-	-	-	-	-	-	-
PFS	218	-	1,089	-	-	-	1,307	-	-	-	-	-	1,380	161	1,541
Total	1,210,613	1,914	1,579,403	9,632	9,907	22,585	2,834,054	504,936	220,718	57,268	6,895	33,067	278,977	64,364	1,166,225

As of 31 December 2021, transactions with subsidiaries related to balance sheet items were as follows:

Transactions with subsidiaries	Receivables					Liabilities						
	on insurance premium	on reinsurance	on CIT	other	Total	towards policyholders	towards intermediaries	other for insurance	for reinsurance	on CIT	other	Total
PZU Życie	171	-	-	87	258	-	-	8	-	22,495	-	22,503
PZU CO	4	-	149	6	159	-	324	1,804	-	-	12,131	14,259
Armatura Kraków SA	106	-	-	-	106	-	-	8	-	-	-	8
TFI PZU	90	-	-	13	103	-	1	-	-	-	1,819	1,820
Ogrodowa Inwestycje	-	-	-	-	-	-	-	-	-	260	5	265
PrJSC IC PZU Ukraine	-	134	-	113	247	-	-	82	7,254	-	2	7,338
AAS Balta	-	-	-	73	73	-	-	44	-	-	-	44
Lietuvos Draudimas AB	-	-	-	386	386	-	-	383	-	-	15	398
PZU Corporate Member Limited	-	-	-	-	-	-	-	-	-	-	1	1
PZU Pomoc SA	910	-	455	2	1,367	4	-	2,565	-	-	189	2,758
Ipsilon Sp. z o.o.	-	-	-	-	-	-	-	-	-	2	-	2
PZU Zdrowie	19	-	-	136	155	2	-	532	-	5,026	86,026	91,586
PZU LAB SA	-	-	414	4,303	4,717	-	-	-	-	-	-	-
PZU Finanse Sp. z o.o.	-	-	30	-	30	-	-	-	-	-	-	-
PZU Finance AB	-	-	-	-	-	-	-	-	-	-	89,720	89,720
Omicron BIS SA	-	-	-	-	-	-	-	-	-	3	-	3
Link4	4	-	-	158	162	-	-	1	-	1,470	921	2,392
Alior Bank	12,039	-	-	2	12,041	-	1	-	-	-	174	175
TUW PZUW	-	173,624	-	24,753	198,377	-	-	28	11,468	-	-	11,496
Bank Pekao	488	-	-	4,282	4,770	47	1,619	10	-	-	4,801	6,477
PZU Cash SA	-	-	-	1	1	-	-	-	-	1,216	-	1,216
Tulare Investments Sp. z o.o.	-	-	-	-	-	-	-	-	-	2	-	2
PZU Projekt 01 SA	-	-	-	-	-	-	-	-	-	2	-	2
PFS	6	-	-	-	6	-	-	-	-	-	-	-
Total	13,837	173,758	1,048	34,315	222,958	53	1,945	5,465	18,722	30,476	195,804	252,465

At the stage of acquisition of the shares in Alior Bank and Bank Pekao, respectively, PZU filed with KNF the Representations on Liabilities referred to in Article 25h(3) of the Banking Law, according to which, acting as a strategic investor, it should ensure, without limitation, that:

- The Banks will be managed in such a way as to maintain at all times liquidity, own funds and solvency ratios on a stable level as required by the law, guaranteeing the Banks' ability to satisfy their liabilities;
- appropriate capital support without undue delay in the event of a decline or threat of decline of capital adequacy ratios or liquidity of the Banks below the level required by the law and regulations and recommendations of Polish banking regulatory authorities. Each support for the Banks, however, requires PZU's analysis aimed to maintain the trust to PZU, through maintaining, even in a crisis situation, a high level of solvency of PZU and the PZU Group as a whole;
- as part of the powers vested in PZU as a shareholder, all decisions pertaining to dividend payout and reinvestment of the Banks' profits will take into account the Banks' development needs and stability and safety of the funds deposited in the Banks by their clients. In particular, in a situation when the Banks' liquidity or capital position required by law or recommendations of competent banking regulatory authorities for the banking sector in Poland are at threat, no dividend will be paid out, and retained earnings will be allocated for increasing the Banks' own funds.

33.2.1. Loans from PZU Życie

PZU and PZU Życie entered into the Master Agreement for Cash Loan Transactions on 7 August 2013. Loans are granted in Polish zlotys (PLN), for a fixed period, not exceeding 12 months. The value of loans granted by each party may not exceed PLN 1 billion. Loans as granted are shown under 'Investments in related parties' in the assets and loans as received – under 'Liabilities on the issue of own debt securities and drawn loans' in the liabilities.

In 2022 and 2021, PZU did not grant any loans to PZU Życie and did not receive any loans from PZU Życie.

33.2.2. Granting of sureties or guarantees for loans or borrowings by PZU or its subsidiaries

On 2 November 2020, PZU entered with with Alior Bank into Annex no. 1 to the Mandate Agreement to Provide Unfunded Credit Protection from Time to Time. In addition, PZU entered into Annex no. 1 to the Master Agreement to Provide Counter Guarantees from Time to Time.

Annex no. 1 to the Mandate Agreement to Provide Unfunded Credit Protection from Time to Time defines the rules for PZU to issue insurance guarantees for unfunded credit protection within an exposure limit under instructions from, and in favor of, Alior Bank. The maximum exposure limit for the guarantees issued pursuant to Annex no. 1 to the Mandate Agreement to Provide Unfunded Credit Protection from Time to Time is PLN 4,000 million. The limit is in force for a period of 3 years and is a revolving limit, meaning that the expiry of a guarantee makes the "freed up" amount available within the limit minus any possible disbursements under a guarantee.

The fee for extending the guarantee will depend, among other things, on portfolio amortization and the premium for a counter guarantee. At present, it is not possible to state the amount of the fee for a guarantee since it will depend on the amount of the guaranteed sum and the quality of the portfolio collateralizing the guarantee. The issuance of every guarantee will be preceded by an application from Alior Bank and an evaluation and valuation of the portfolio presented for that guarantee. Alior Bank will present a declaration of voluntary submission to enforcement in the form of a notary deed to collateralize the payment of the fee for a guarantee under the executed Annex no. 1 to the Mandate Agreement to Provide Unfunded Credit Protection from Time to Time.

The maximum term of the guarantees issued under Annex no. 1 to the Mandate Agreement to Provide Unfunded Credit Protection from Time to Time is 5 years. Alior Bank's share of the due and payable receivables by virtue of the accounts receivable is 10%.

Annex no. 1 to the Mandate Agreement to Provide Unfunded Credit Protection from Time to Time contemplates contractual penalties that may be due to PZU from Alior Bank if Alior Bank breaches certain obligations stemming from Annex no. 1 to the Agreement. The total maximum amount of contractual penalties cannot exceed PLN 3 million. Annex no. 1 to the Agreement does not rule out the possibility of pursuing damages exceeding the sum total of the contractual penalties.

Annex no. 1 to the Master Agreement to Provide Counter Guarantees from Time to Time defines the rules for the Counterparty to provide counter guarantees under instructions from PZU issued in favor of Alior Bank. The available counter guarantee limit is PLN 2,600 million. The available limit will be reduced each time when each counter-guarantee is extended, by the guaranteed amount

specified in the counter-guarantee; the available counter-guarantee limit is renewable, which means that the limit is renewed when a counter-guarantee expires.

33.2.3. Loans to subordinated entities

Loans to subordinated entities are described in section 2.4.2.

33.3 Transactions with affiliated entities

As of 31 December 2022, income and expense transactions with affiliated entities were as follows:

Transactions with affiliated entities	Income			Expenses	
	on borrowings and debt securities	on other sources	Total	other	Total
Sigma BIS SA	29	2	31	16,000	16,000
Ruch SA	-	-	-	199	199
Total	29	2	31	16,199	16,199

As of 31 December 2022, transactions with affiliated entities related to balance sheet items were as follows:

Transactions with affiliated entities	Receivables		Liabilities		
	on insurance premium	Total	other on insurance	on other accounts	Total
Sigma BIS SA	-	-	765	1,537	2,302
Ruch SA	-	-	-	7	7
Total	-	-	765	1,544	2,309

As of 31 December 2021, income and expense transactions with affiliated entities were as follows:

Transactions with affiliated entities	Income			Expenses	
	on insurance premium	on borrowings and debt securities	Total	other	Total
Sigma BIS SA	101	6	107	11,623	11,623
Ruch SA	-	1	1	172	172
Total	101	7	108	11,795	11,795

As of 31 December 2021, transactions with affiliated entities related to balance sheet items were as follows:

Transactions with affiliated entities	Receivables		Liabilities		
	on insurance	Total	other	on other	Total
	premium		on insurance	accounts	
Sigma BIS SA	-	-	170	2,980	3,150
Ruch SA	-	-	-	10	10
Total	-	-	170	2,990	3,160

34. Other information

34.1 Conflict in Ukraine

Due to the Russian Federation's invasion of Ukraine and the armed conflict lasting since 24 February 2022, PZU's Management Board assessed the impact of this situation on the PZU's operations, business continuity, financial position and going concern.

As at 31 December 2022, the measure by the equity method of the Ukrainian company: PrJSC IC PZU Ukraine and PrJSC IC PZU Ukraine Life Insurance was PLN 0 thousand and PLN 13,248 thousand, and as of 31 December 2021 – PLN 72,056 thousand i 31,491 thousand, respectively. Except for the assets of companies operating in Ukraine, as at 31 December 2022, PZU did not have any debt exposure to markets affected by military actions or sanctions (Russia, Belarus, Ukraine). As at 31 December 2021, PZU had the following debt exposure to markets affected by military actions or sanctions (Russia, Belarus, Ukraine) – bonds issued by the governments of Russia, which according to the valuation as at that date, equaled 85,598 thousand. Due to the escalating political situation, by 22 February 2022, all bonds issued by the Russian government were sold (the realized loss of PLN 8,668 thousand burdened the 2022 performance).

With martial law in effect throughout Ukraine as of 24 February 2022, and active hostilities carried out in the east and south of the country, as well as the risk of air strikes conducted throughout the territory, Ukrainian companies controlled by PZU are working with wartime considerations in mind:

- operational processes are carried out with ongoing alignment to the situation, all important processes are executed (onsite and remotely), while ensuring the continuation and execution of critical processes, all IT systems are accessible;
- Ukraine has been divided into three zones - red (occupied territories - conclusion of agreements is prohibited), blue (territories adjacent to the occupied territories or recaptured from the Russian Federation - conclusion of agreements is possible under the strict control of underwriters) and green (western and central parts of Ukraine - no restrictions on sales);
- PZU Ukraine's sales processes are conducted on a limited basis - offices are closed wherever there are hostilities, the company sells both new and renewal insurance in all three main business lines (in motor, property and personal insurance) through all channels. In 2022, the largest share of sales came from motor insurance – compulsory TPL, Green Card and MOD – as well as health and travel (accident) insurance;
- Sales processes of the new business PZU Ukraine Life were initially halted in all sales channels, but as of June 2022 the company resumed sales through the banking channel of short-term products with limited risk and additional territorial restrictions on underwriting and insurance amounts, and as of July 2022 resumed sales of new business policies not requiring underwriting, with restrictions on risk and insurance amounts, in the agency and brokerage sales channels;
- the functionality of the full cycle of claims handling is ensured - in PZU Ukraine Life payments are made with complete documentation and withdrawal amounts payments are made as far as possible. PZU Ukraine carries out MOD and TPL insurance payouts in accordance with the terms of insurance contracts and applicable legislation - the company carries out payouts only if it has a complete set of documents, while the declaration of martial law throughout the country excludes the insurer's liability for losses incurred due to acts of war;
- the contact center and hotline are running without interruptions (LLC SOS Services Ukraine);
- companies maintain a personnel policy ensuring that labor relations are matched with the actual status of employees who are non-working, mobilized, staying abroad, to whom the companies currently cannot offer work due to limited

operations, apply “suspension of employment contracts” – in accordance with the regulations following from Ukraine’s Act on the organization of labor relations during martial law of 15 March 2022;

- the liquidity of the companies is ensured, and employee and other obligations, including administrative and tax obligations, are serviced on an ongoing basis to the extent technically possible;
- companies have revised liquidity management, increasing the amount of cash held in current accounts and short-term deposits with banks belonging to foreign banking groups;
- the companies focus on ensuring cybersecurity, information security and physical server security.

In addition, as of 24 February 2022, the NBU has introduced and maintained restrictions affecting the conduct of business in Ukraine, including:

- a temporary ban on the purchase of foreign currencies;
- a ban on international money transfers from Ukraine.

In late 2022, the National Bank of Ukraine (‘NBU’) eased the above restrictions; among other things, it decided to partially lift the ban on international payments from reinsurance to non-residents. An insurer using reinsurance to make a foreign payment was each time required to obtain prior approval of the NBU, which checked the compliance with a number of requirements (including a transparent ownership structure, flawless reputation, compliance with solvency and capital adequacy ratios and operation riskiness) before granting such approval. On 18 January 2023, PZU Ukraine received confirmation from the NBU that the conditions stipulated in the NBU Resolution were met and was granted one-time approval to pay a portion of its reinsurance liabilities towards non-residents as specified. Under this approval, PZU Ukraine paid a portion of its reinsurance liabilities between 27 January and 2 February 2023.

On 14 February 2023, the NBU Resolution of 10 February 2023, authorizing insurers to settle international reinsurance liabilities (except for the mandatory MTPL insurance) once they are entered into the list of insurers entitled to perform reinsurance operations with non-resident reinsurers. An insurer may be entered into this list provided that it meets the applicable requirements as at the date of applying to the NBU and during the period of being included in this list, as confirmed by the NBU’s decision on meeting the requirements. PZU Ukraine meets these requirements and on 17 February 2023 it applied to the NBU for inclusion in the above list of insurers. It was entered onto the list under the resolution of 13 March 2023.

In addition, as part of the so-called “wartime regulation” of the market, on 6 March 2022, the NBU adopted Resolution No. 39 on the regulation of the activity of non-banking financial services market participants, non-banking financial groups, payment market participants, debt collection companies and legal entities licensed to provide money transport services to banks, under which sanctions will not be applied for violations of regulatory criteria and standards for capital adequacy, solvency, liquidity, profitability, asset quality and risk of the insurer’s business during the martial law period. The martial law has been extended until 20 May 2023.

In addition, rating agencies changed Ukraine’s ratings several times during 2022. The current ratings are as follows:

- as of 19 August 2022 according to S&P Global Ratings, Ukraine’s long-term and short-term foreign currency sovereign ratings are at CCC+/C, respectively;
- as of 17 August 2022 according to Fitch Ratings, the rating for long-term and short-term foreign currency liabilities (confirmed on 20 January 2023) is CC/C;
- as of 10 February 2023 according to Moody’s Investors Service, the long-term foreign currency and hryvnia ratings of the Ukrainian government, as well as the rating of unhedged foreign currency debt, were downgraded to Ca from Caa3, and the outlook was changed from negative to stable.

Due to the aforementioned extraordinary circumstances, the Ukrainian companies controlled by PZU failed to meet the sales targets set for 2022. As at the date of signing the standalone financial statements, the assessment of the possibility of maintaining business continuity (materialization of the risk of the full loss of operational capabilities) of the Ukrainian companies controlled by PZU is subject to uncertainty due to the following potential threats, among others:

- long-term continuation and escalation of hostilities (about 16% of Ukraine is covered by hostilities);
- the continuation of long-range weapons fire on civilian and military facilities, including critical infrastructure facilities, leading to significant losses among the population and disruptions in the supply of utility services such as energy, heating and water supply;
- lack of access to key systems, including by destroying the companies’ physical infrastructure;

- cessation of the handling of all internal money transfers by the Ukrainian banking system;
- unavailability of employees.

PZU analyzes the developments on an ongoing basis and examines forward-looking scenarios for the run of events. Due to the situation in Ukraine, the valuation of assets and liabilities (especially technical provisions) of Ukrainian companies, which are PZU subsidiaries, requires a number of assumptions and is subject to significant uncertainty.

34.2 PZU's planned bond issue

On 15 February 2022 the PZU Management Board adopted a resolution on submitting a motion to the PZU Shareholder Meeting in the matter of issuing subordinated bonds on the domestic market. The contemplated issue was closely related to PZU's planned early redemption of the series A subordinated bonds issued on 30 June 2017 with a total nominal value of PLN 2,250 million with a maturity date of 29 July 2027 (Series A Bonds). The terms and conditions for the issue of Series A Bonds contemplated PZU's early redemption option on 29 July 2022.

In connection with the planned redemption of the Series A Bonds, PZU intended to issue a new issue of subordinated bonds to replace them and their parameters will be similar to the Series A Bonds. The contemplated issue would be for subordinated bonds on the domestic market with a total nominal value of no more than PLN 3,000 million whose proceeds would be treated as tier 2 own funds according to the Insurance Activity Act and Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

On 25 February 2022, PZU's Supervisory Board gave a positive opinion on the Management Board's motion on the issue of the bonds, and on 25 March 2022, PZU's Shareholder Meeting approved the bond issue.

On 31 May 2022, in connection with the unfavorable market situation the PZU Management Board made the decision to discontinue work on the bond issue and, as a consequence, not to take advantage of the option of early redemption of Series A bonds.

Signatures of the PZU Management Board Members:

Name	Position	
Beata Kozłowska-Chyła	President of the PZU Management Board	signed with a qualified electronic signature
Tomasz Kulik	Member of the PZU Management Board	signed with a qualified electronic signature
Ernest Bejda	Member of the PZU Management Board	signed with a qualified electronic signature
Małgorzata Kot	Member of the PZU Management Board	signed with a qualified electronic signature
Krzysztof Kozłowski	Member of the PZU Management Board	signed with a qualified electronic signature
Piotr Nowak	Member of the PZU Management Board	signed with a qualified electronic signature
Maciej Rapkiewicz	Member of the PZU Management Board	signed with a qualified electronic signature
Małgorzata Sadurska	Member of the PZU Management Board	signed with a qualified electronic signature

Person responsible for keeping the accounts

Katarzyna Łubkowska	Director of the Accounting Department	signed with a qualified electronic signature
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Actuary supervising the actuarial function

Paweł Chadysz	Director for Insurance Risk	signed with a qualified electronic signature
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Warsaw, Wednesday, March 29, 2023

RESOLUTION NO. ... /2023

ADOPTED BY THE ORDINARY SHAREHOLDER MEETING

OF POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA

on 2023

to approve the Financial Statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2022 prepared in accordance with the Polish Accounting Standards

Pursuant to Article 395 § 2 Item 1 of the Commercial Company Code and § 18 Item 1 of the PZU SA Articles of Association, the Ordinary Shareholder Meeting of PZU SA hereby resolves as follows:

§ 1

The Ordinary Shareholder Meeting of PZU SA, after a review, approves the Financial Statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the year ended 31 December 2022 prepared in accordance with the Polish Accounting Standards including:

- 1) balance sheet prepared as at 31 December 2022, showing total balance sheet value of PLN 45,935,032 thousand (forty-five billion nine hundred and thirty-five million thirty-two thousand Polish zloty);
- 2) revenue account of non-life insurance for the period from 1 January to 31 December 2022, showing a technical result to be transferred to the general profit and loss account in the amount of PLN 1,266,929 thousand (one billion two hundred sixty-six million nine hundred twenty-nine thousand Polish zloty);
- 3) general profit and loss account for the period from 1 January to 31 December 2022, showing a net profit of PLN 1,636,774 thousand (one billion six hundred thirty-six million seven hundred seventy-four thousand Polish zloty);
- 4) statement of changes in equity, showing an increase in equity during the financial year ended 31 December 2022 by the amount of PLN 47,776 thousand (forty-seven million seven hundred and seventy-six thousand Polish zloty);
- 5) cash flow statement, showing a decrease in cash in the course of the financial year ended 31 December 2022 by PLN 15,115 thousand (fifteen million one hundred and fifteen thousand Polish zloty);
- 6) notes to the Financial Statements for the year ended 31 December 2022.

§ 2

This resolution shall come into force at the time of its adoption.

Chairperson

of the Ordinary Shareholder Meeting of PZU SA