PZU Group’s financial results

in 3Q23

Warsaw, 23 November 2023

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1. Main achievements of the PZU Group

Solid results, return on equity exceeds strategic ambitions

Net profit

PLN 1.46 bn

(vs. PLN 0.73 bn in 3Q22)

aROE[1]

22.5%

(vs. 13.6% in 3Q22)

Insurance service result

PLN 1.03 bn

(COR[2] 85.9%, Margin[3] 25.8%)

- High profitability of non-life insurance retained in the new reporting standard – combined ratio at **85.9%**
- **Margin in the group and individually continued insurance segment 25.8%** – a return to pre-pandemic levels

Result on investment portfolio

PLN 737 m

(+26.2% vs. 3Q22)

- Continued **favorable interest rate levels** for refinancing maturing tranches of sovereign bonds
- Result on **equity instruments** portfolio PLN +106 m y/y, result on own property portfolio PLN +21 m y/y
- High interest income maintained at stable level

Contribution of banks to Group result

PLN 523 m

(vs. PLN -124 m in 3Q22)

- Continued growth in interest income due to a series of interest rate hikes in 2022, last year's recognition by banks of the effect of credit holidays and regulatory expenses[4]

1. aROE in 3Q23, attributable to owners of the parent company, annual return on equity excluding the cumulative effect of change in discount rates for valuation of insurance liabilities
2. Non-life insurance in PZU Group (Poland)
3. Margin for group and individually continued insurance segment
4. Expenses associated with joining the bank's Commercial Bank Protection System and Bank Pekao's creation of legal risk allowances for foreign currency mortgage loans

Sales growth, scale development, high profitability

Insurance revenue – 3Q23

PLN 4.2 bn (+12.8%)
non-life insurance in Poland

PLN 2.0 bn (+2.2%)
life insurance in Poland

PLN 0.7 bn (+15.4%)
foreign operations

Sales growth

Very good sales results

Rapidly growing sales of non-life insurance, health and investment products

Assets under management 3Q23

PLN 48.0 bn (+56.0% y/y)

Strong position in the asset management market

Net sales of investment funds by TFI PZU **PLN 2.24 bn** after 9 months of 2023

ECSs assets doubled y/y

The result on the main portfolio in 3Q23

PLN 737 m
(+26.2% r/r)

Positive impact of interest rates

Optimal conditions for reinvestment of a long-term bond portfolio

High net interest margin of banking business

Positive impact of interest rate changes on **PZU's standalone result**

Health Pillar Revenue 3Q23

PLN 406 m (+20.9% y/y)

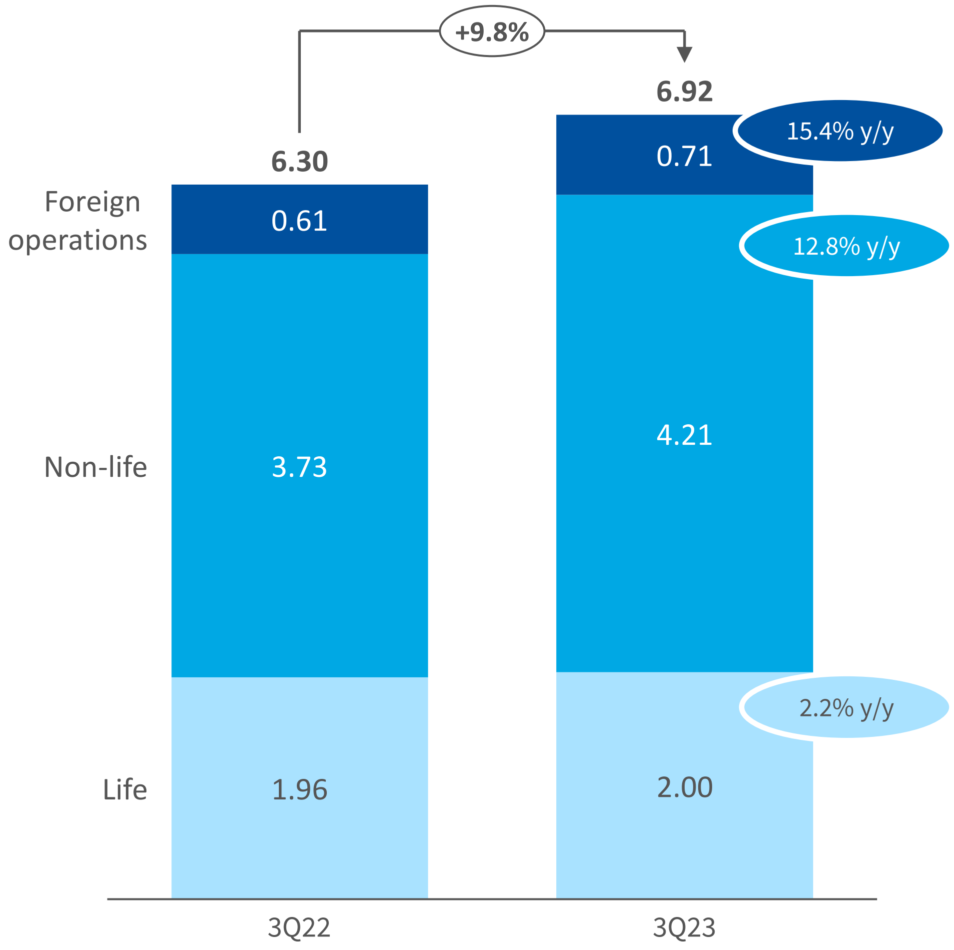
Rapid growth of the Health Pillar

Revenue growth of 20.9% y/y, including a 22.8% y/y increase in sales of own facilities and 19.5% y/y increase in insurance and subscriptions

Systematic increase in the number of contracts: 3.41 m (+7.7% y/y) at the end of September 2023

Sales increases over the past few quarters support the growth of insurance revenue

Gross insurance revenue under IFRS 17 (bn PLN)



Increase (y/y) in insurance revenue to PLN 6.9 bn (+9.8% y/y)

Non-life insurance (in Poland)

y/y increase in insurance revenue to 4.2 bn (+12.8% y/y) **reflects significantly higher dynamics of non-life insurance sales** during the first quarters of 2023 and the last months of 2023 (mainly MOD and non-motor insurance):

- **MOD insurance** (+16.1% y/y): **increase in the number of contracts** (recovery in the leasing market, better availability of vehicles, higher imports of used cars) **and higher value of** insured vehicles
- **An increase in** revenue from **non-motor insurance** (+17.9% y/y) thanks to the conclusion of several large contracts, mainly in the corporate segment

Life insurance[1]

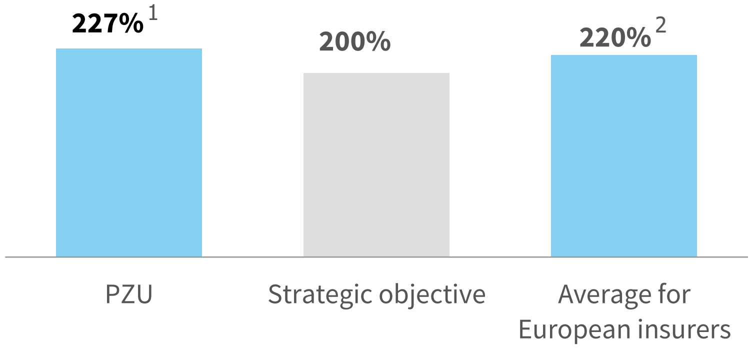
- An increase in individual protection insurance revenue by 17.5% y/y, mainly due to strong sales of profit-sharing protection insurance – PZU Gwarantowane Jutro
- Dynamic growth of new sales (APE +22.2% y/y), growth of protection insurance sales in the banking channel as a result of the recovery of the mortgage and cash loan markets

Foreign insurance

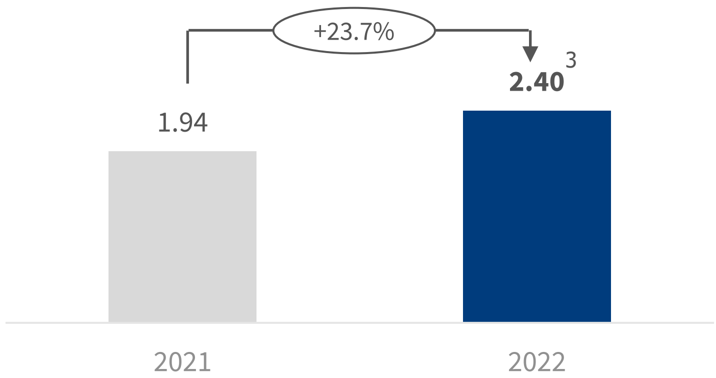
- High increase in revenue from motor insurance sales, mainly in Lithuania and Latvia, due to rate increases and portfolio development, growth of revenues from health and other property insurance

High level of security of operations, "A-" rating by S&P

The Solvency II ratio for the PZU Group compared to the average for European insurers (%)



Dividend paid per share (PLN)



- Solvency II ratio as of June 30, 2023 at high levels – significantly higher than assumed in the strategy: **227%**[1]
- S&P Global Ratings at **A- with a stable outlook** confirmed by the agency on 27 June 2023
- **Dividend of PLN 2.40 per share[3], translates into a dividend yield of 6%**[4]
- **Increase in PZU's standalone result to PLN 3.6 bn** (86% of consolidated result) – due to the positive impact of the change in interest rates on the valuation of banks
- **Safe and diversified investment portfolio:**
  - ✓ increased share of portfolios providing high levels of profitability including investment grade corporate debt
  - ✓ high share of bonds valued using the amortized cost method
  - ✓ low exposure to shares
  - ✓ closed currency position

1. As at 30 June 2023, the calculation according to the existing methodology, i.e., own funds are adjusted by dividends calculated on the basis of the interim result. It does not take into account the new rules included in the KNF's circular letter to insurance companies dated 16 April 2021, according to which, starting from 1Q21 a new element in the calculation of company and group solvency in interim periods is an adjustment for the entire amount of dividends expected for the year.
2. Average for 12 European insurers, data as of 30 June 2023.
3. On 7 June 2023, the Ordinary Shareholder Meeting of PZU adopted a resolution on distribution of PZU's net profit, in which it decided to distribute the profit generated in 2022 increased by the amount transferred from the supplementary capital created from the profit generated in 2021. The amount of PLN 2.1 bn was designated for the dividend payment. The dividend record date was set for 7 September 2023 and the dividend payout date was set for 28 September 2023.
4. Based on the stock price as of 28 September 2023

Sustainable development

Good Team – summary of the Super Bonus

- On 18 September 2023, a press conference was held to summarize 2 years of the nationwide prevention program Good Team PZU. The main goal of the program is to activate children and young people from all over the country in physical activity and to equalize opportunities for children from smaller towns to practice sports. More than 132,000 young players have received support so far. The event was attended by representatives of PZU, Iga Świątek and young players from clubs that received funding under the additional competition – the Super Bonus.
- Organizations that were not among the beneficiaries of this year's edition of the program were given an additional chance to win a prize in the form of equipment or sportswear worth PLN 10,000. To use it, they had to prepare and submit photos of their “celebrations” to a vote of Internet users. The campaign received a huge response, with as many as half a million votes cast in the poll.

PZU Group launches **electrification of the vehicle fleet**

- PZU has started the process of electrifying its vehicle fleet. To this end, it is working with VivaDrive, a Polish technology company that specializes in software for fleet electrification.
- The VivaDrive solution uses advanced technologies such as AI and Big Data to optimize the fleet electrification process. The tool used creates a digital twin of the fleet, analyzing fleet data to provide personalized recommendations for electric vehicle (EV) deployment and charging infrastructure.

New “responsible” funds of TFI PZU

- TFI PZU has launched two more funds that are part of the sustainable investment trend. The first one focuses on shares of companies whose activities contribute to the Sustainable Development Goals (SDGs), including tackling climate change and its effects. The second one focuses primarily on bonds issued to finance projects pursuing environmental or social goals.
- Both funds are compliant with Article 8 of the SFDR Regulation, meaning that they promote environmental and social aspects through their investment policies. And while their investment goal is not “sustainable investment” within the meaning of Article 9 of the SFDR Regulation, such investments account for a minimum of 50% of the funds' net asset value.

We are consistently meeting strategic goals for development in the mutual insurance market

One of the goals of the PZU Group's Strategy for 2021–2024 is further development in the mutual insurance market. We are successfully building the PZU Group's position in this market, as evidenced by the record number of policyholders at TUW PZUW. The purchase of Polski Gaz TUW and Polski Gaz TUW na Życie is also another important step towards achieving our strategic goals.

Record number of policyholders at TUW PZUW

TUW Polski Zakład Ubezpieczeń Wzajemnych is growing each year above plans and expectations and has more than 600 members. The number was doubled in less than four years. This proves that it can respond to market expectations and is growing successfully despite market perturbations related to pandemics and war.

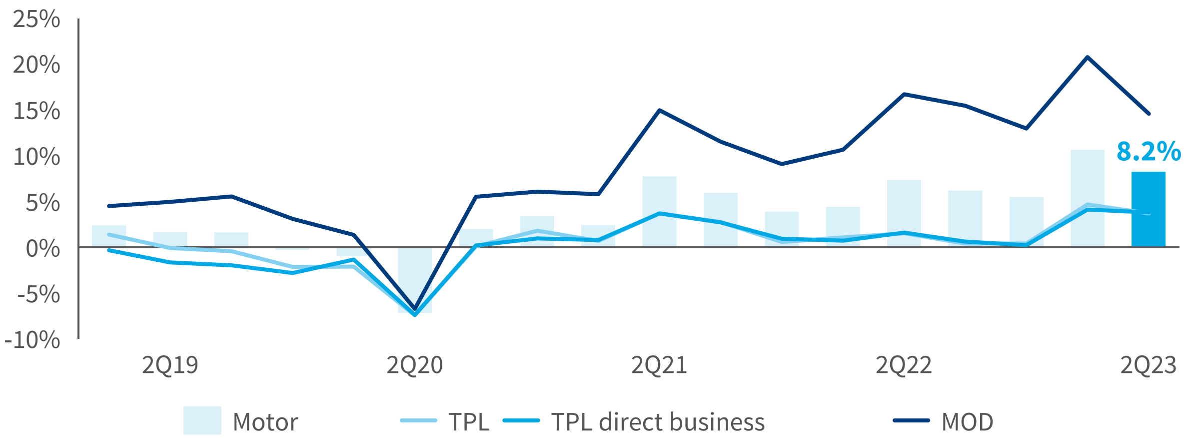
We are building a position as the insurer of first choice for corporate clients

The purchase of Polski Gaz TUW and Polski Gaz TUW na Życie is an important step toward achieving the PZU Group's strategic goals, which include increasing insurance revenue and assets under management. The implementation of this transaction will allow for an increase in written premiums and also in the value of managed funds accumulated by EPS participants.

2. Business development

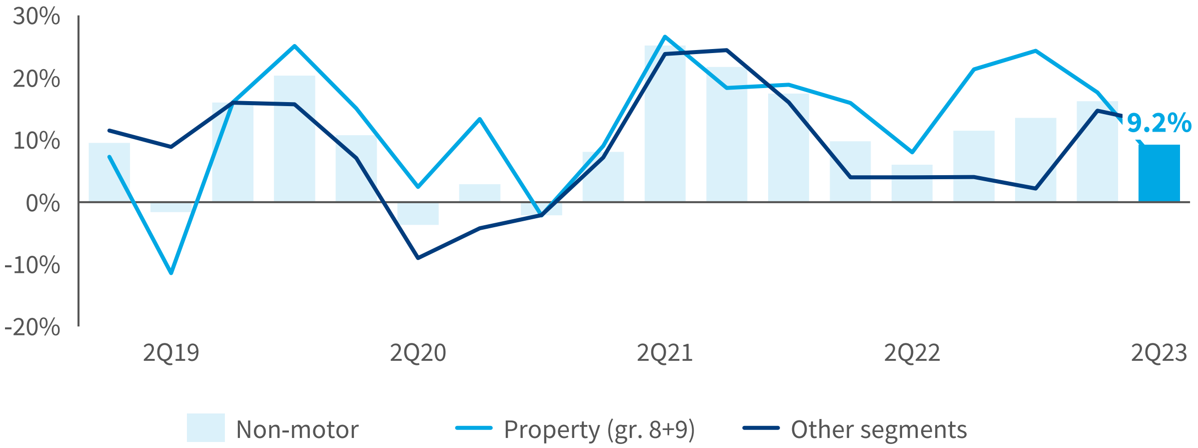
Trends in the non-life insurance market in Poland

Motor insurance market dynamics[1], y/y

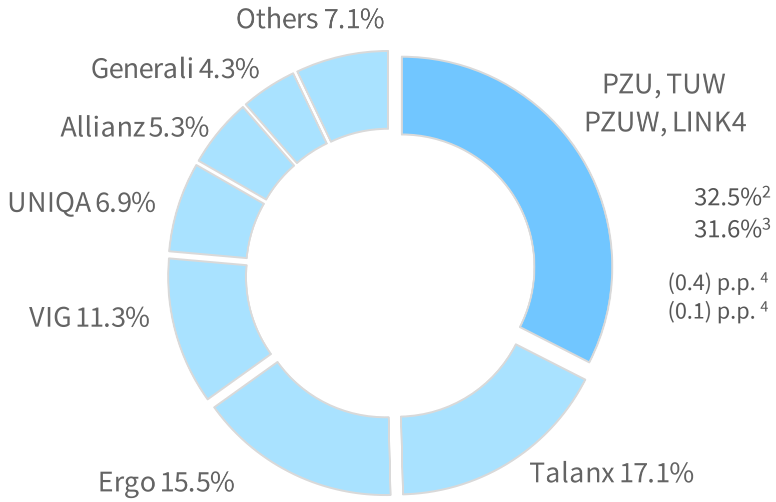


- **High, but deccelerating (compared to 1Q23) dynamics in the motor insurance market (gross written premium +8.2% y/y)**. Similarly to 1Q, growth mainly visible in MOD insurance (+14.6% y/y), TPL premium +3.7% y/y (+3.8% on direct business). Premium in TPL is rising due to **an increase in average prices (+3.7% y/y)[1]** accompanied by a slight increase in the number of TPL policies (+0.04% y/y)
- **Continued growth in non-motor insurance (+9.2% y/y).** Non-life insurance (+6.0% y/y), general TPL insurance (+18.9% y/y) and accident insurance (+13.2% y/y) were the biggest contributors to growth in value terms
- **PZU Group's market share in non-life insurance (direct business) after 2Q23** was **31.6%**
- **High share of PZU Group's technical result in the technical result of the market at 44.4%** [1]

Non-motor insurance market dynamics[1], y/y



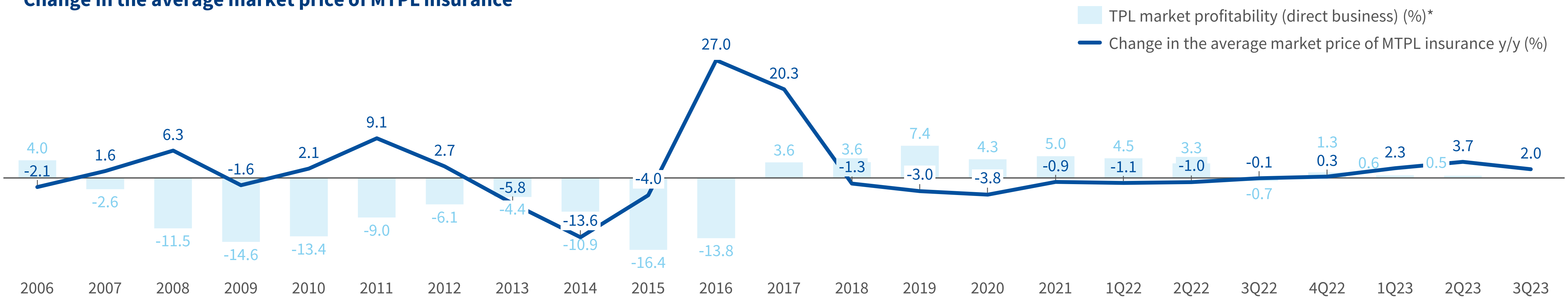
Market shares after 2Q23[2]



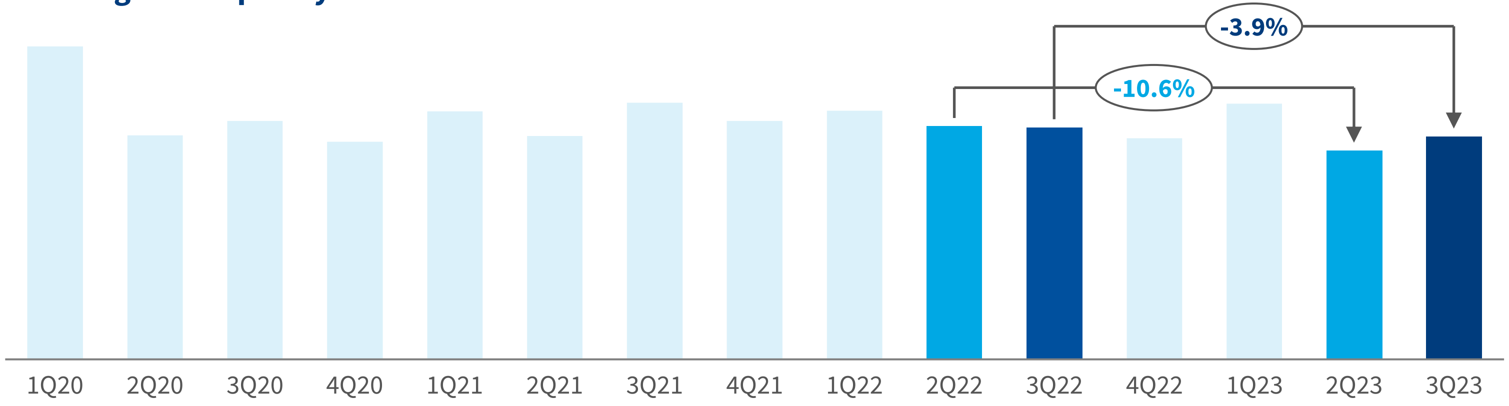
1. According to the KNF's report after 2Q23
2. According to the KNF's report after 2Q23; i.e., market and market share including PZU's inward reinsurance to LINK4 and TUW PZUW
3. PZU Group's market share in non-life insurance on direct business after 2Q23
4. Change in share y/y, respectively: including PZU's inward reinsurance to LINK4 and TUW PZUW and from direct business

Motor insurance market in Poland – change in average price and frequency of claims

Change in the average market price of MTPL insurance[1]



Change in frequency of claims in motor insurance[1]



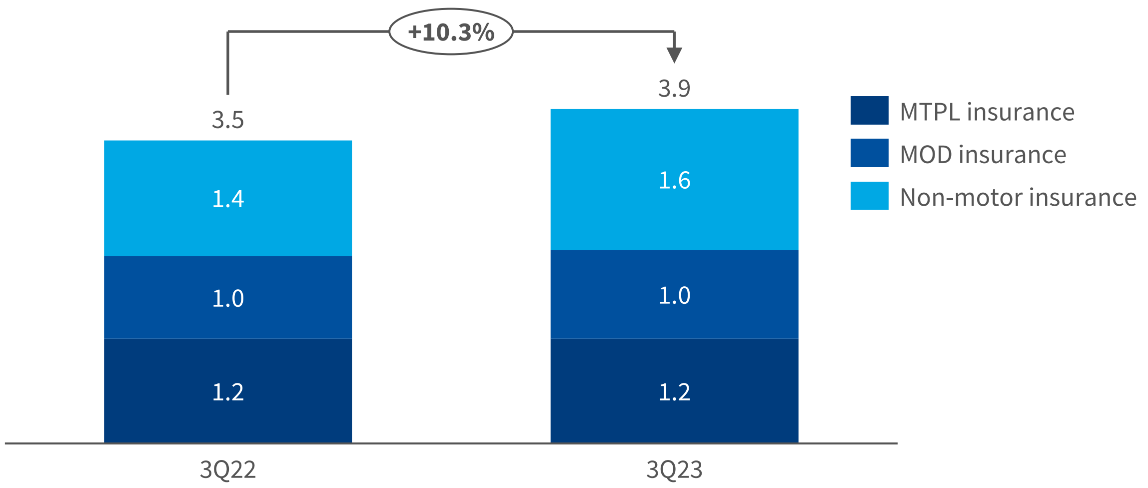
- **Another quarter with a continuation of increases in the average price of MTPL insurance,** initiated in the previous period, but with decreasing y/y dynamics
- **Sustained lower frequency of claims** (compared to the pre-pandemic period), which can be combined with a permanent change in the working model (popularization of hybrid solutions) and changes in the tariff of fines and penalty points translating into greater caution among drivers. In September 2023, there was a significant increase in the number of accidents, which could mark the beginning of a new trend

1. Data based on the Quarterly Bulletin of the Polish Financial Supervision Authority (KNF), 3Q23/3Q22 dynamics of the frequency of claims and average price based on estimates

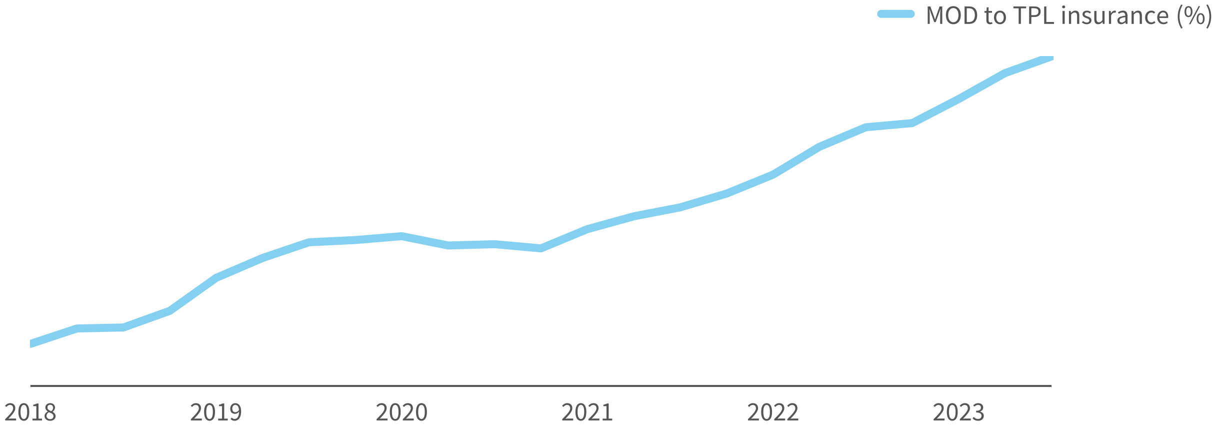
* Profitability calculated as Technical result of non-life insurance \ Premiums, latest available data for 2Q23

PZU Group – non-life insurance in Poland

PZU Group gross written premiums[1] in 3Q23, value (PLN bn) and dynamics



Ratio of MOD to TPL policies (%)[2]



- **Emphasis on non-motor insurance products, with higher contribution to the result, lower cyclicality and greater predictability**, at the expense of motor insurance products
- **Non-motor insurance as the main driver of growth (up +22.1% y/y) –** growth particularly evident in insurance against fire and other damage to property and general TPL. Premium dynamics in 3Q23 well above competition[3]
- **Higher motor insurance sales (+3.1% y/y)**, in particular thanks to **MOD insurance** – increase in written premiums by 7.0% y/y **as a result of an increase in average premiums** (as a consequence of the increase in sums insured against the rising value of vehicles)
- Lower premium dynamics from motor insurance against competition[3] - portfolio growing in volume in an environment of higher new car supply

1. Gross written premium – external
2. PZU, based on active policies, standardized ratio
3. 3. 3Q23/3Q22 based on estimates

PZU SA – product and service initiatives: non-life insurance

Changes in PZU Gospodarstwo Rolne, PZU Firma and PZU Dom

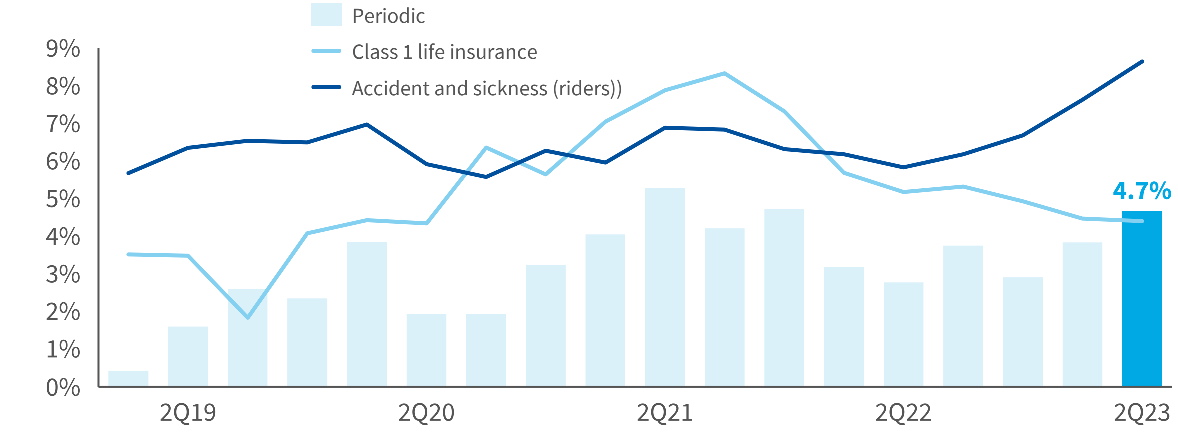
- A guide for individual clients and businesses on how to protect themselves from fire has been developed – the material attains the goals of sustainable development.

Changes in PZU Uprawy

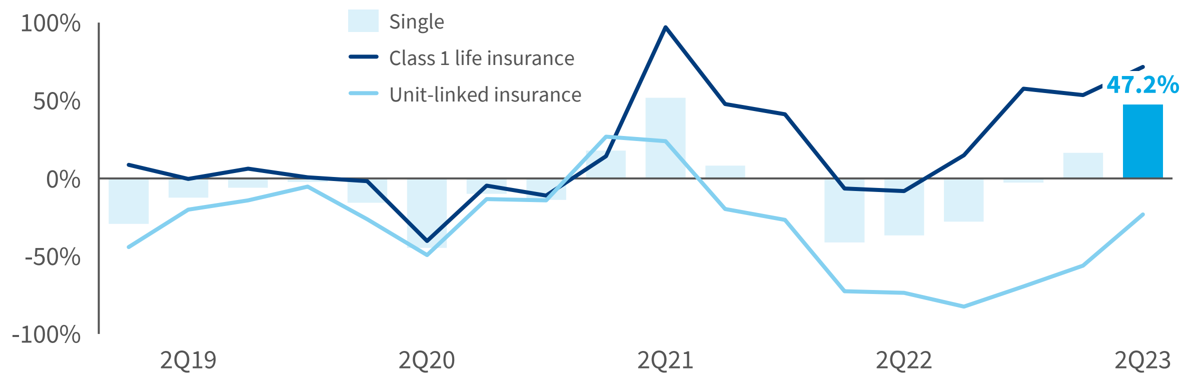
- Introduction of the possibility of abolishing the deductible in subsidized insurance in such a way that the premium for the abolished deductible will also be reduced thanks to a surcharge from the state budget.
- Introduction of an additional liability limit of 35% in the risk of adverse effects of winter. This applies to total damage to winter cereal and rapeseed crops incurred before 15 April.
- Adding the ability to forward the offer to the myPZU service with the payment scheme “Transfer.”

Life insurance market in Poland

Growth rate of periodic premium insurance market[1], y/y

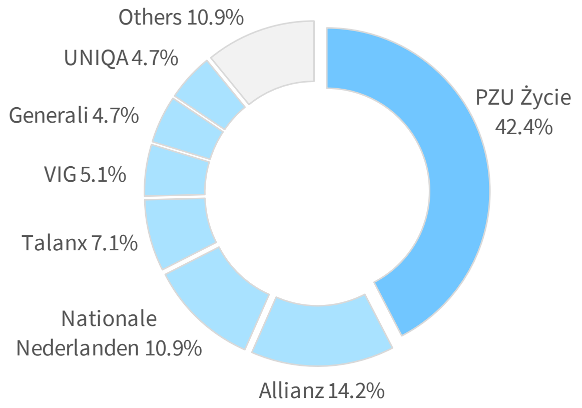


Growth rate of single premium insurance market[1], y/y



- **Periodic premium insurance market** (84% of the market) **grew in 2Q with a growth rate of 4.7% y/y** – biggest impact by value: Class V insurance – **accident and illness insurance (PLN +155 m, +8.6% y/y) and** Class I **life insurance (PLN +82 m, +4.4% y/y)**; negative unit-linked dynamics persisted (PLN -23 m, -2.6% y/y)
- **Dynamic growth in insurance with single premiums** (16% of the market) **+47.2% y/y**. Growth in Class I life insurance written premiums (PLN +318 m, +71.7% y/y), with lower rates of decline in unit-linked sales (PLN -27 m y/y, -23.1% y/y)
- **PZU Group's growing share in the single-premium insurance market** (26.0% in 1H23, **12.2% in 1H22** – impact of the introduction of a new individual life and endowment insurance with guaranteed sums insured in the second half of 2022; product offered in PZU branches and in cooperation with PZU Group banks
- PZU Group's stable share of the periodically paid insurance market after 2Q23 at the level of **42.4%**

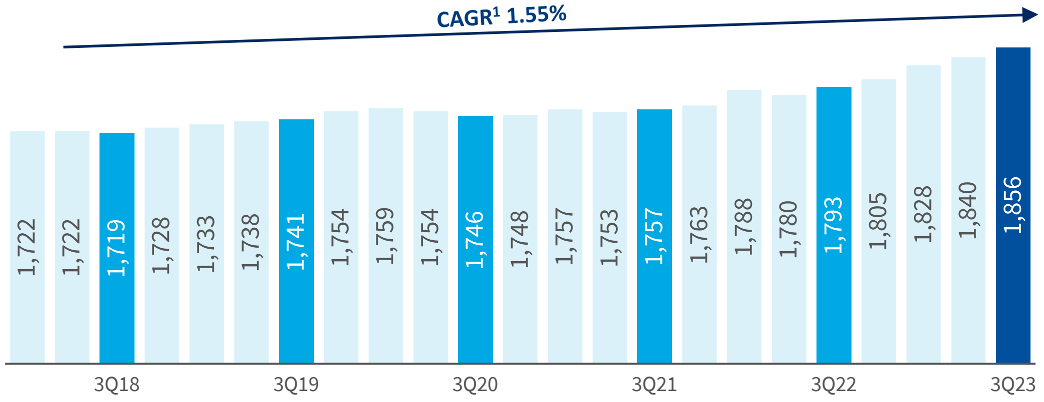
Market shares in periodic premiums[2] after 2Q23



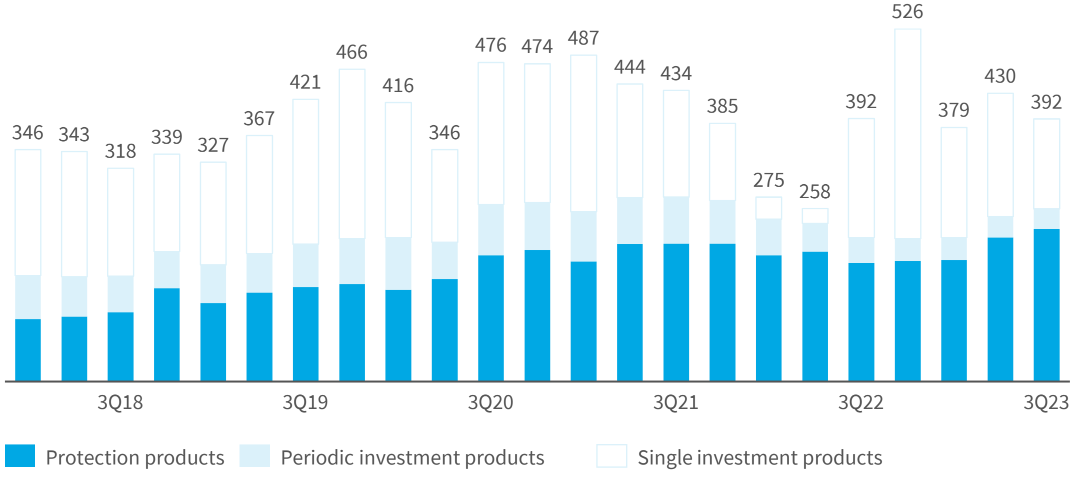
1. According to the KNF's report after 2Q 23
2. PZU Group's share of gross written premiums from insurance premiums paid periodically as reported by the KNF after 2Q 23

PZU Życie – life insurance

PZU Życie gross written premiums from group insurance and IC (PLN m)



PZU Życie gross written premiums from individual insurance[2] (PLN m)



Group and individually continued insurance

- Development of **health insurance portfolio**, as a consequence of acquiring new entities while increasing average premiums (impact of cyclical portfolio tariff-setting in response to the rising cost of medical services)
- **Higher s**ales of **type P group insurance with riders**
- Continued growth in revenue **from riders** to continued insurance

Individual insurance

- Development of individual protection insurance portfolio, mainly type J
- **Maintaining high sales, individual life and endowment insurance introduced in the second half of 2022** with a guaranteed sum insured available at **Bezpieczny Zysk PZU branches** and offered in cooperation with PZU Group banks **– Pewny Profit** and PZU **Bezpieczne Jutro** and PZU **Stabilne Jutro** in partnership with VeloBank.
- **3Q growth in premiums from bank protection products**, mainly insurance offered in cooperation **with Alior Bank** to mortgage loans and loans
- **Recovery in sales of individual investment banking products,** mainly **Multi kapitał** offered in cooperation with Alior bank;
- Lower written premium from individual investment insurance in own channels as a result of significantly lower sales of IKE (The Individual Retirement Account) and withdrawal of the Cel na Przyszłość product from the offer (impact of the Polish FSA's product interventions)

1. 3Q18 – 3Q23
2. Banking SPE in 3Q22 presented in protection products; transfer to one-time investment products occurred in 4Q22 , also for the previous period

PZU Życie – Product initiatives: life insurance

PZU Na Życie Plus group life insurance – process improvements
3Q23

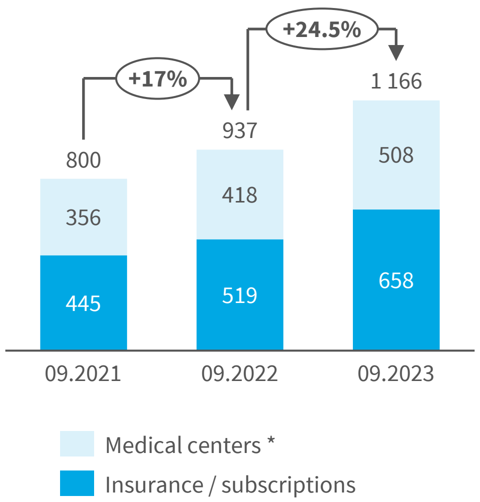
- New system solutions to improve the process of selling and servicing insurance contracts, including the introduction of a mechanism of indexation of the protection part and anniversary tariff-setting at PZU Na Życie Plus.
- Process and product modification – "diamond field" to remove the grace period for new persons acceding to the group life insurance contract in order to increase participation in large work establishments.

Individual protection and unit-linked insurance – change in minimum premiums
3Q23

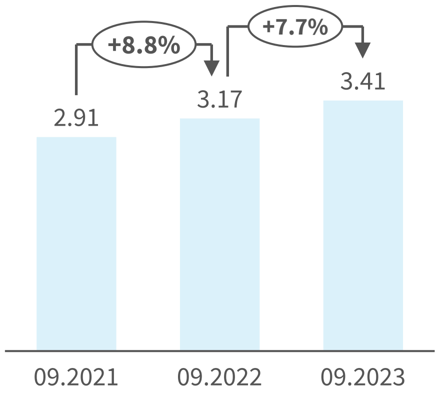
- Increase in the minimum amount of regular premiums.

Development of the scale of operations of the health pillar

Revenue (PLN m)

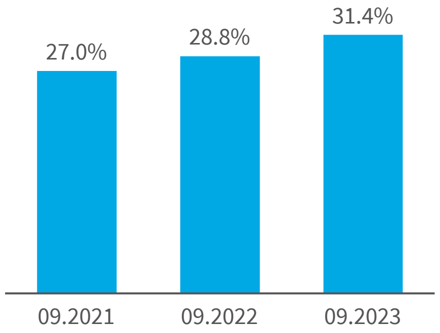


Number of contracts at the end of the period (m)

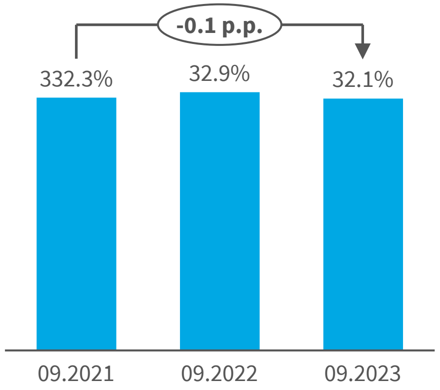


- **High revenue growth** (mainly in terms of **outpatient contracts** and **riders to continued insurance**), reflecting high medical services inflation, significantly higher than general inflation
- **Systematic increase in the number of health product contracts in 3Q 23**, thanks to the sale of more health riders to protection products (allowing access to specialists, outpatient rehabilitation, selected tests and treatments, among others)
- Maintaining a high level of portfolio renewals – despite high medical inflation

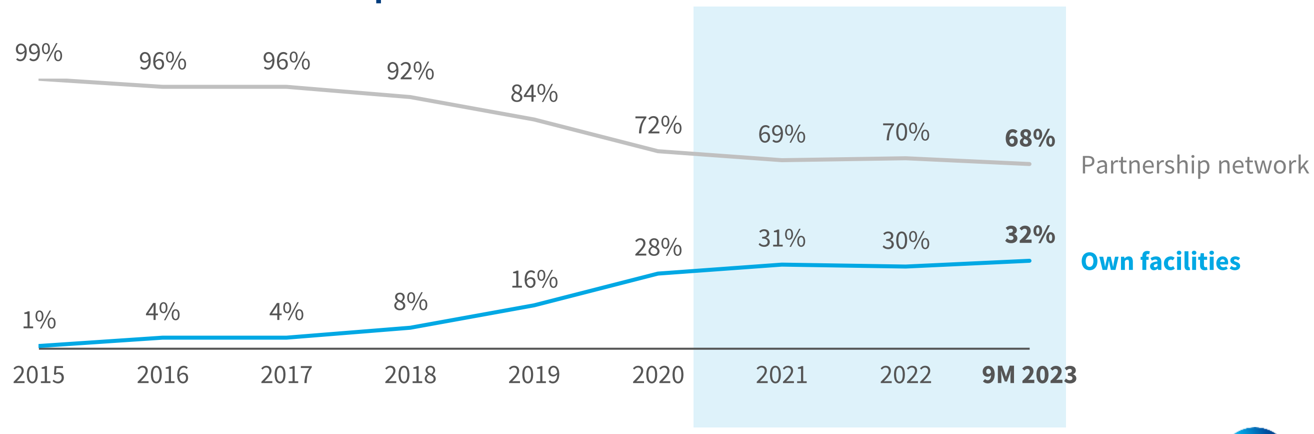
Appointments arranged online through mojePZU



Number of telemedicine consultations (to total consultations)



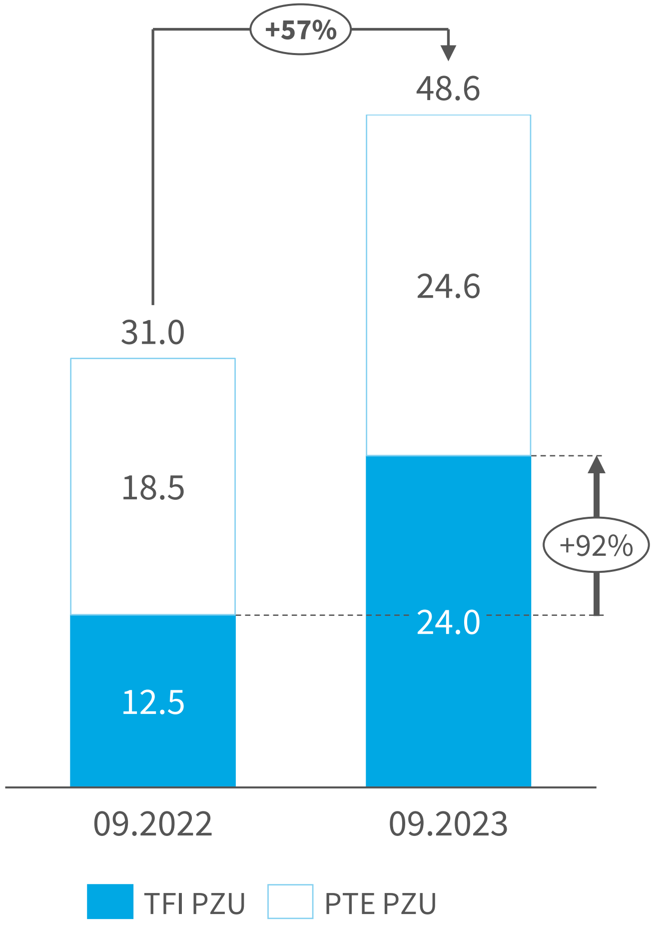
Services (subscriptions and health insurance) provided in own facilities and partner network



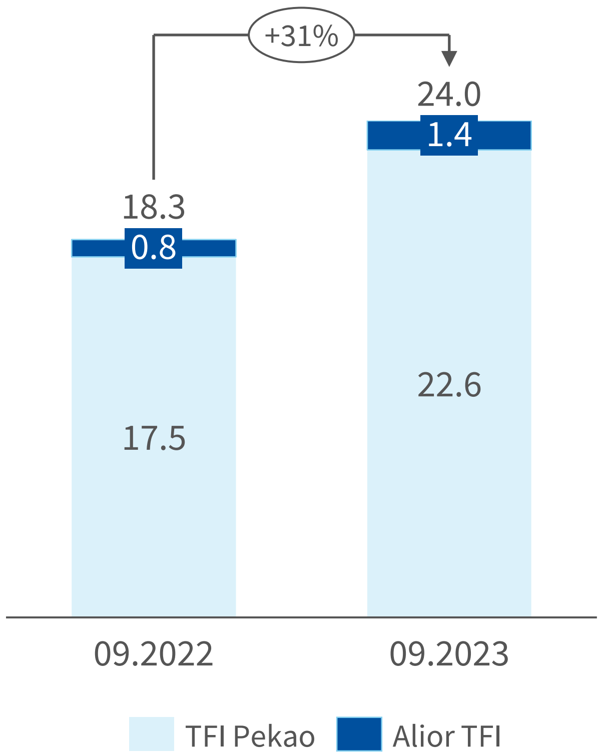
* Data of facilities presented for the period from the beginning of the year regardless of the moment of acquisition

Assets under management

Assets of external clients of TFIs and PTE PZU[1] (PLN bn)



Assets of external clients of TFI banks of the PZU Group (PLN bn)

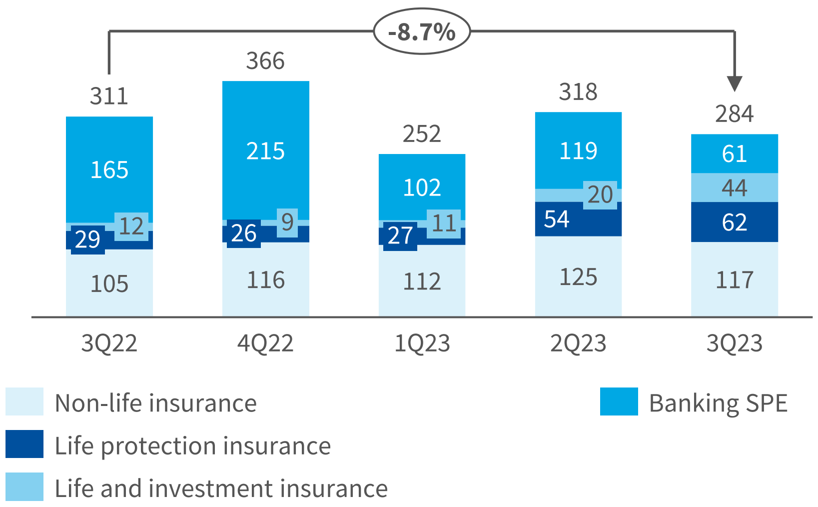


- **TFI PZU**
  - **#4 in terms of net sales**
    after the first three quarters of 2023, the net sales of funds amounted to **PLN 2.24 bn** (additionally, TFIs acquired **new assets** from an external client **for a portfolio management service**)
  - in the first three quarters of 2023, market inflows to funds amounted to PLN +15.73 bn **– TFI PZU's share at 14.3%**
- **Employee Capital Schemes (PPK) assets** at the end of 3Q23 amounted to **PLN 3.80 bn**, **an increase of 96.4%** y/y
- **TFI PZU's stable second place in the Employee Capital Schemes (PPK) market** in terms of the value of assets under management **with a share of 20.9%** as of the end of 3Q23 – nearly double the next entity's lead

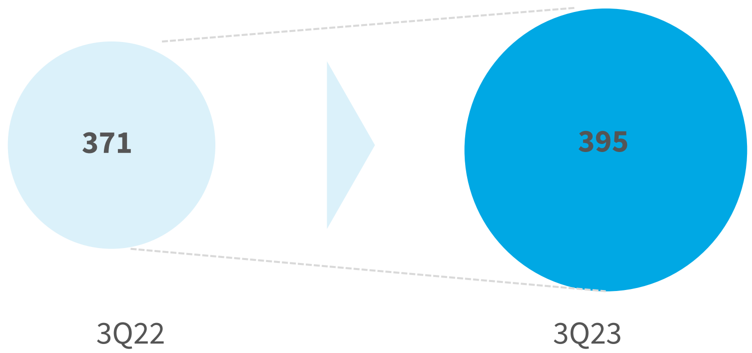
1. Assets managed by PTE PZU are not included as an objective in the PZU Group's new strategy for 2021–2024. Assets together with TFI Energia, until the end of October 2022 TFI Energia operated as a separate entity

Product offerings in the areas of bancassurance and assurbanking ...

Gross written premium raised in cooperation with Bank Pekao and Alior Bank (PLN m)



Gross written premium raised in cooperation with banks (PLN m)



Environment:
- Sales affected by changing macroeconomic situation and dynamic conditions in financial markets
- Gradual increase in sales of investment products
- Further dynamic increase in demand for mortgage loans due to strong interest in the government program **"Bezpieczny Kredyt 2%."**

Bancassurance:
- Development of insurance products offerings at Banks
- Gradual **increase in sales of** insurance **products linked to loans and mortgage loans**
- Work on align CPI–linked products with amended **Recomendation U**
- Continued **high level of sales of products with guaranteed rate of return**, making use of the potential generated by high interest rates

Assurbanking:

Sales of banking products in the PZU network
- Sales of accounts (ROR) for individual and corporate clients of Bank Pekao is currently offered **in 222 PZU branches**
- The "Auto z Kontem" special offer – joint RoR sales offer of Bank Pekao with PZU's motor TPL insurance has been extended until the end of January 2024
- **Total clients' loans and deposits acquired by PZU for the bank at the end of September 2023 – PLN 1.63 billion**

Cash Portal
- Development of the Mortgage Loan offer
- Making the offer available on moje.pzu.pl.

... adapted to the current market situation

PZU Group products are present in all major product lines of Group banks

- Cooperation with Banks allows for the consistent expansion of the sales of insurance products linked to banking products, including insurance for loans and credits (ADD, unemployment and real estate insurance)
- Implementation and continued development of sales of stand-alone products (motor and travel insurance)
- **Group travel insurance for Pekao Visa Infinite credit card holders and users was launched for sale in November 2023. Travel insurance is addressed to Bank Pekao's clients and those who hold and use the prestigious Pekao Visa Infinite credit cards.**
- Bank clients have multi-channel access to PZU products
- Work is underway to bring CPI-linked products in line with the amended Recommendation U

SPE products – Pewny Profit at Bank Pekao, Bezpieczne Jutro at Alior Bank and Stabilne Jutro at VeloBank

- PZU Życie products with guaranteed rate of return in the bancassurance channel, making use of the potential generated by high interest rates
- Available for sale from August 2022 at Bank Pekao and Alior Bank and from May 2023 at VeloBank
- Period of insurance: 24 months or 36 months, plus a 12-month period available at VeloBank
- Possibility to pay the premium once – in advance for the whole insurance period
- Minimum premium of 25,000 at Bank Pekao, 30,000 at Alior Bank and 10,000 at VeloBank
- Maximum premium of PLN 2 m (for all insurance contracts of a given client)

PLN 341.8 m of written premium from SPE products after 9 months of 2023

3. Financial results

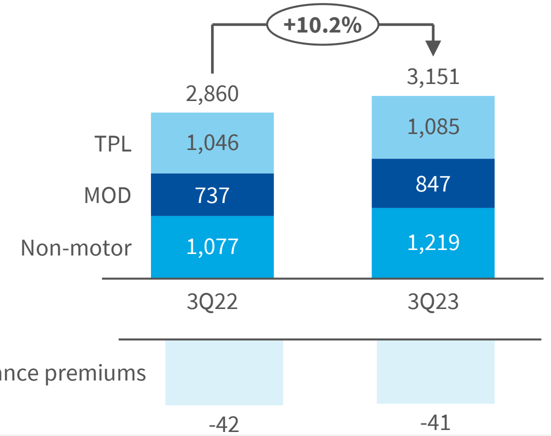
PZU Group results under IFRS 17

m PLN	22Q3	23Q2	23Q3	Change y/y	Change q/q
PZU GROUP EXCL. ALIOR BANK AND BANK PEKAO[1]					
Gross insurance revenue	6,298	6,601	6,915	*9.8%*	*4.8%*
Net insurance revenue	6,003	6,241	6,526	*8.7%*	*4.6%*
Insurance service expenses (net)	(4,961)	(5,119)	(5,499)	*10.8%*	*7.4%*
Net insurance claims and benefits[2]	(3,457)	(3,545)	(3,790)	*9.6%*	*6.9%*
Administrative expenses	(503)	(563)	(552)	*9.7%*	*(2.0%)*
Acquisition expenses	(1,013)	(1,102)	(1,160)	*14.5%*	*5.3%*
Loss component amortization	254	315	266	*4.7%*	*(15.6%)*
Recognition of the loss component	(242)	(224)	(263)	*8.7%*	*17.4%*
Insurance service result	1,042	1,121	1,027	*(1.4%)*	*(8.4%)*
Net financial revenue	295	298	325	*10.2%*	*9.1%*
Insurance and outward reinsurance finance income or expenses	(130)	(401)	(319)	*145.4%*	*(20.4%)*
Result from investment activities - allocated to insurance segments	425	699	644	*51.5%*	*(7.9%)*
Operating profit	1,337	1,419	1,352	*1.1%*	*(4.7%)*
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**851**	**1,039**	**935**	***9.9%***	***(10.0%)***
BANKS: ALIOR AND PEKAO					
Net profit (loss) attributable to equity holders of the parent company	(124)	506	523	*x*	*3.4%*
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**727**	**1,545**	**1,458**	***100.6%***	***(5.6%)***
MAIN FINANCIAL RATIOS (%)					
aROE[3]	13.6	24.6	22.5	*8.9 p.p.*	*(2.1) p.p.*
Claims ratio (with net loss component)	57.4	55.3	58.0	*0.6 p.p.*	*2.7 p.p.*
Administrative expense ratio	8.4	9.0	8.5	*0.1 p.p.*	*(0.6) p.p.*
Acquisition expense ratio	16.9	17.7	17.8	*0.9 p.p.*	*0.1 p.p.*
Combined ratio[4]	84.0	82.7	85.9	*1.9 p.p.*	*3.1 p.p.*
Margin[5]	24.6	23.8	25.8	*1.2 p.p.*	*2.0 p.p.*

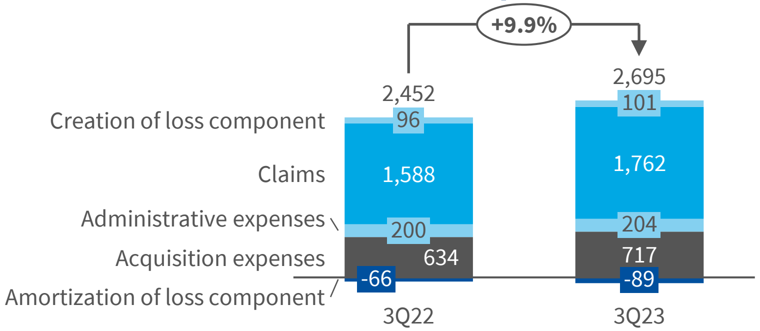
1. PZU Group, excluding Bank Pekao and Alior Bank data
2. Excluding the investment component (mainly applies to unit-linked products)
3. aROE – adjusted return on equity, calculated on a capital basis excluding cumulative other comprehensive income relating to insurance and reinsurance financial income and expenses. Net result and equity attributable to owners of the parent company, annual return
4. Only for non-life insurance in PZU Group in Poland
5. Margin for group and individually continued insurance segment in Poland

Non-life insurance under IFRS 17 – mass insurance segment

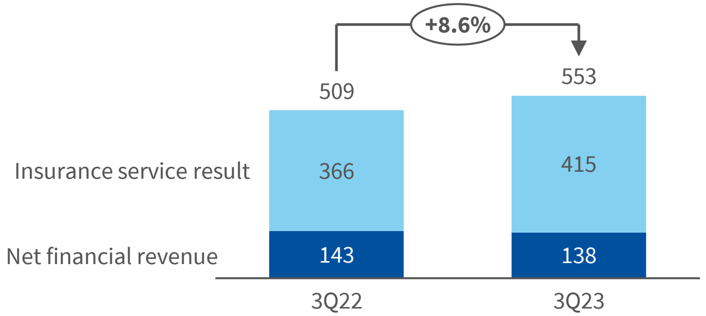
Insurance revenue (PLN m)



Net insurance service expenses (PLN m)



Operating result (PLN m)



COR 3Q22			COR 3Q23		
87.0%	90.3%	81.6%	**86.7%**	**91.5%**	**78.9%**

Insurance revenue growth (net +10.4% y/y, after the reinsurance premiums) as a result of:

- an increase in the amortization of liabilities (LRC) as a consequence of a higher sales dynamics in the first quarters of 2023 and premiums generated in the last months of the previous year mainly, of MOD insurance products and of non-motor insurance products. In MOD, it is mainly the impact of an increase in the average premium resulting from the increasing value of vehicles (which translates into an increase in the sums insured), and of tariff changes. The effect on the MOD portfolio was driven by a higher number of contracts – the impact of, among other things, the availability of vehicles greater than in the preceding year. The increase in liability amortization in non-motor insurance is mainly a consequence of premium growth from housing insurance offered to SMEs, and PZU Auto Pomoc
- a higher y/y level of premiums allocated to cover acquisition costs as a consequence of growing sales and a simultaneous increase in commission costs (higher share of multi-agency channel in the portfolio)

An increase in the net insurance service expenses is a product of:

- higher liabilities (y/y) for the current year's claims and business expenses, including acquisition expenses (an impact of growing share of multi-agency channel in the portfolio) and administrative expenses attributable to the insurance activities. The increase in administrative expenses results primarily from higher personnel costs and in real estate costs (indexation of rental prices, utilities, costs of the new headquarters) and IT expenses for group work tools
- small growth of a loss component recognition (including on the inward reinsurance MTPL portfolio as a consequence of increased claims inflation) fully offset by growth in amortization of loss component (the effect of better matching the offer to the client's risk profile)
- release of a lower y/y net excess of prior years' claims reserves over the current projected value of payouts – mainly in non-motor insurance

The increase in result on insurance services:

- Improvement mainly non-motor insurance (PLN +57.3 m y/y), with a declining loss component
- increasing MOD insurance contribution

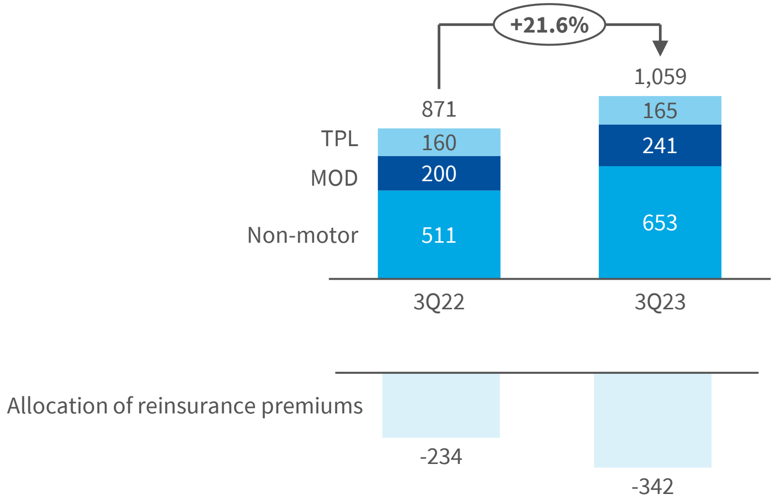
Similar level of positive net financial revenues, i.e. excess of investment result over insurance finance cost

- y/y increase of PLN 13 m in investment income as a consequence of higher required assets to cover liabilities, as well as higher interest rates
- higher net financial expenses y/y by PLN 18 m

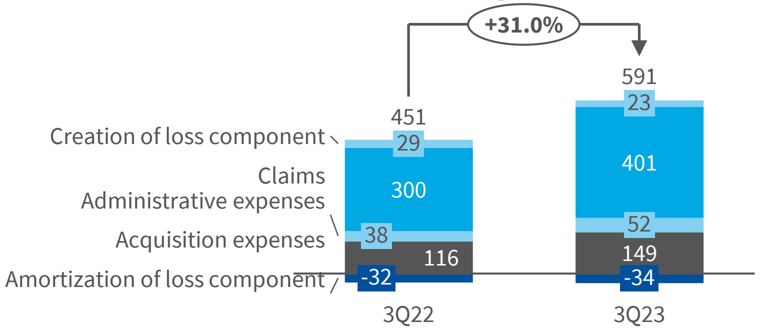
COR RATIO | **Mass insurance segment** | **Mass insurance segment – motor** | **Mass insurance segment – non-motor**

Non-life insurance under IFRS 17 – corporate insurance segment

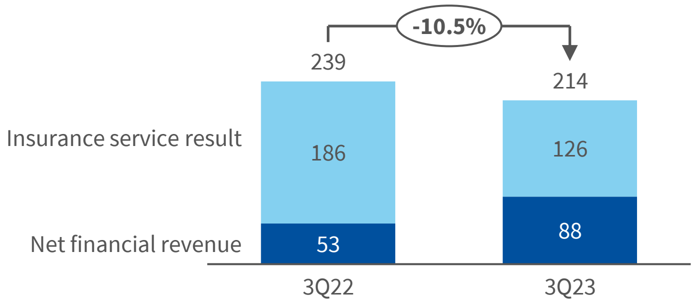
Insurance revenue (PLN m)



Net insurance service expenses (PLN m)



Operating result (PLN m)



COR 3Q22			COR 3Q23		
70.8%	85.0%	52.7%	**82.4%**	**83.1%**	**81.3%**

Insurance revenue growth (+12.6% y/y after the reinsurance premiums) as a result of:

- higher sales mainly in MOD insurance and, to a lesser extent, non-motor insurance. In MOD, this is mainly the impact of the increase in average premiums resulting from higher sums insured (increasing value of vehicles) and better matching of the offer to the client's risk profile. An effect reinforced by the recovery in the leasing financing market. The increase in liability amortization in non-motor insurance is mainly a consequence of the growth of construction – assembly insurance, machinery damage and loss of profit insurance portfolio
- a PLN 33 m higher y/y level of premiums allocated to cover acquisition expenses as a consequence of growing sales and a simultaneous increase in commission expenses

An increase in the net insurance service expenses is a result of:

- higher net liabilities (y/y) for the current year's claims and higher expenses, including acquisition expenses and administrative expenses attributable to the insurance activities. The increase in administrative expenses results primarily from higher personnel costs and in real estate costs (including, indexation of lease prices and utility prices)
- release of a lower net excess of prior years' claims reserves over the current projected value of payouts in non-motor insurance

Lower insurance service result as a result of an increase in motor insurance and decrease in non-motor insurance

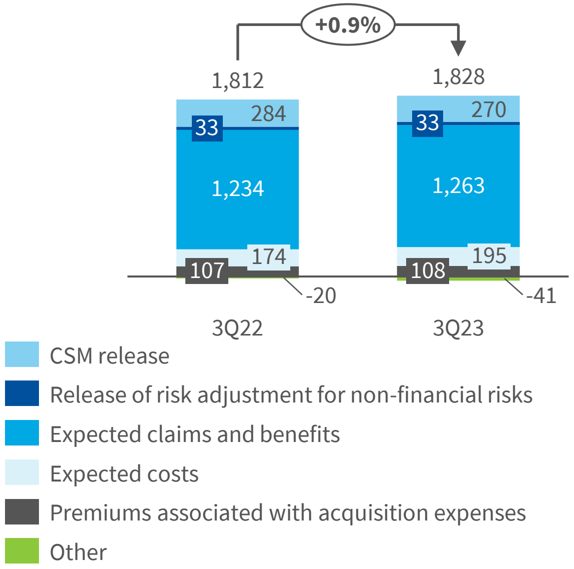
Higher level of positive net financial revenues, i.e. excess of investment result over insurance finance cost

- a PLN 38 m y/y increase in net investment income as a consequence of higher required assets to cover liabilities, as well as higher interest rates
- higher net financial expenses y/y by PLN 3 m

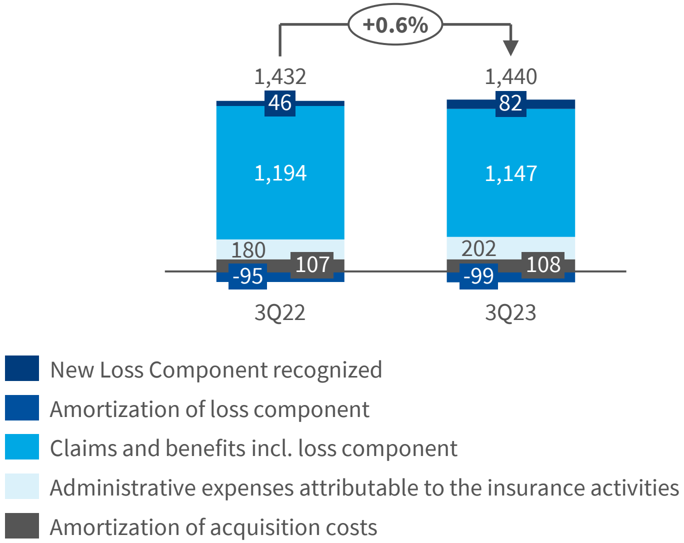
COR RATIO | **Corporate insurance segment** | **Corporate insurance segment – motor** | **Corporate insurance segment – non-motor**

Life insurance under IFRS 17 – group and individually continued insurance

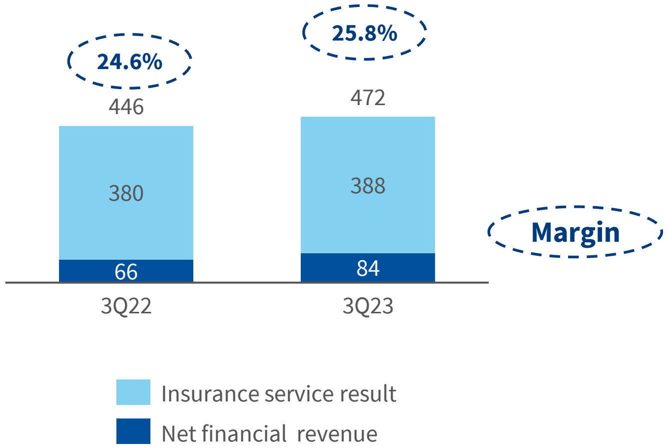
Insurance revenue (PLN m)



Insurance service expenses (PLN m)



Operating result (PLN m)



Higher insurance revenue as a result of:

- a higher level of premiums needed to cover expected claims and benefits – the product of an expected slower return to lower pre-pandemic mortality rates, ad also the high utilization of health insurance benefits
- a PLN 14 m y/y decrease in the contractual service margin allocated to the third quarter of 2023 as a result of, among other things, an increase in the assumed utilization of health insurance benefits (the effect of health debt realization after the pandemic and a high medical services inflation)
- slightly higher revenue to cover rising acquisition expenses (PLN +1 m y/y)
- significantly lower other income, due to discrepancy between expected premiums and their realization due to higher lapses in group portfolio

An increase in the net insurance service expenses is a result of:

- lower claims and benefits as a result of the post-pandemic (COVID-19) mortality decline (portfolio particularly vulnerable to an impact of the increased pandemic and civilization disease mortality – the ageing of the portfolio)
- higher administrative expenses as a consequence of increased personnel and IT costs mainly as a result of high inflation as well as an increase in real estate maintenance expenses
- recognition of the loss component (including the creation of the already existing one) higher y/y by PLN 36 m, due to the significant mitigation of COVID-19 indicators in 3Q22, which did not have as much effect in subsequent quarters, in addition to the increase in the loss component y/y due to the higher assumed level of utilization of health benefits

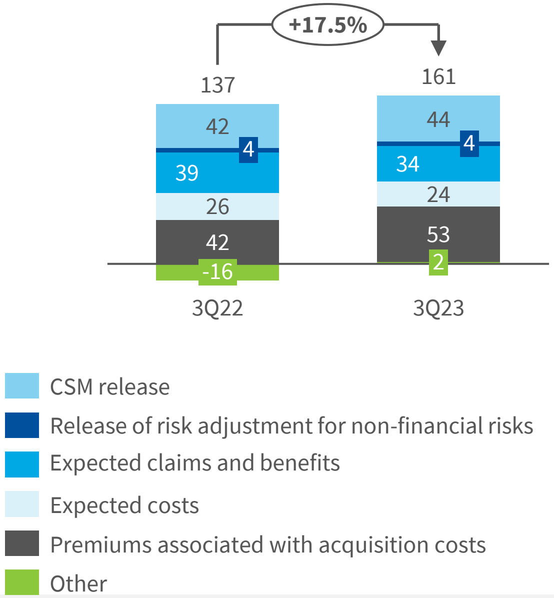
The increase in operating profit is a cumulative effect of:

- higher insurance service result (PLN +8 m y/y)
- the increase in the level of net financial income as a result of:
  - an increase by PLN 30 m y/y in the investment income, triggered in particular by an increase in revenues from floating rate instruments due to higher interest rates in Poland, as well as higher required level of assets to cover liabilities
  - changes in net financial expenses y/y by PLN 12 m consistent with the increase in insurance liabilities (app. 5–7%)

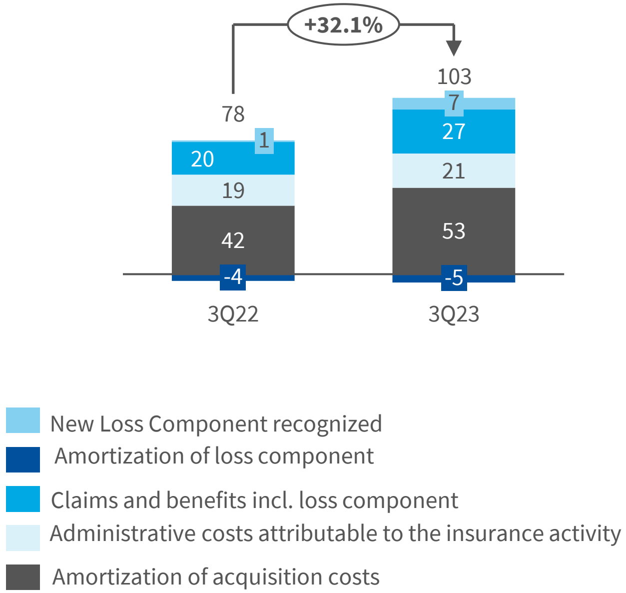
* Net financial income – result on investment activity less financial expenses from insurance

Life insurance under IFRS 17 – individual protection insurance

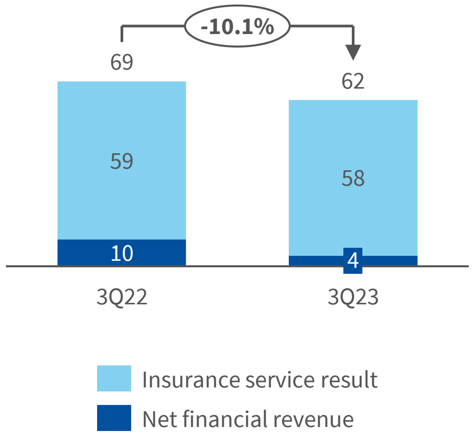
Insurance revenue (PLN m)



Insurance service expenses (PLN m)



Operating result (PLN m)



Higher insurance revenue as a product of:

- an increase in the value of the "other income" item (+18 m y/y), which in 2022 included the negative effect of a high level of cancellations of bancassurance contracts (the effect of an increase in the expenses of loans granted) translating into an increase in credit insurance premium refunds mainly from single premium contracts
- higher revenue to cover rising acquisition expenses (PLN +11 m y/y) consistent with higher new sales
- maintaining at an even level y/y the premium required to cover expected claims and benefits and releasing the contractual service margin allocated the third quarters of 2022 and 2023

An increase in the net insurance service expenses is a result of:

- higher realization of claims, benefits and expenses in 3Q y/y and at the same time below the value recognized in insurance revenue (PLN 27 m vs. PLN 34 m projected in revenue),
- Increase in loss component due to sales of the product with significant profit-sharing feature
- higher administrative expenses as a consequence of increased personnel and IT costs mainly as a result of high inflation as well as an increase in real estate maintenance expenses

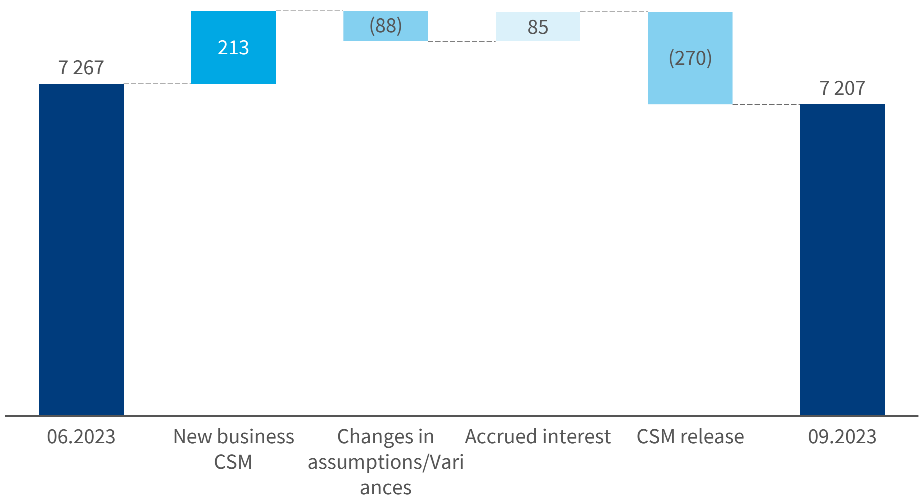
The decline in operating profit is a cumulative effect of:

- lower insurance service result (PLN -1 m y/y);
- lower net financial income as a result of:
  - y/y deterioration of the investment income y/y (PLN -2 m)
  - changes in net financial expenses by PLN 4 m y/y commensurate with the change in CSM (app. 15%)

* Net financial income – result on investment activity less financial expenses from insurance

Life insurance in Poland under IFRS 17 – evolution of contractual service margin

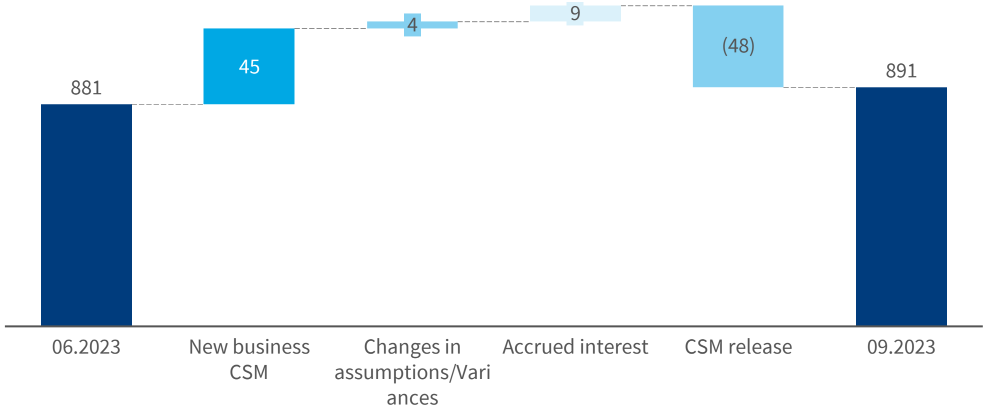
Group and individually continued insurance – CSM (PLN m)



The change in contractual service margin (CSM) (value of future profits to be recognized over time) between balance sheet dates is due to:

- additional CSM from the sale of new business in the amount of PLN 213 m (contracts where profit is recognized at the time of conclusion)
- revision of assumptions for valuation of liabilities and variances in the development of the policyholder portfolio, negative impact (PLN -115 m) mainly due to an increase in the level of utilization of health benefits, partially offset by the re-sale of riders increasing future profits recognized in CSM (PLN +27 m)
- CSM increase by the change in the time value of money – accrued interest
- CSM release in the amount of PLN 270 million (profit attributable to the current period on the basis of expectations from the beginning of the period in proportion to the insurance service provided)

Individual protection insurance – CSM (PLN m)



The change in contractual service margin (CSM) (value of future profits to be recognized over time) between balance sheet dates is due to:

- additional CSM from the sale of new business in the amount of PLN 45 m (contracts where profit is recognized at the time of conclusion)
- revision of assumptions for valuation of liabilities and variances in the development of the policyholder portfolio (PLN 4 m), including the re-sale of riders increasing future profits recognized in CSM
- CSM increase by the change in the time value of money – accrued interest
- CSM release in the amount of PLN 48 m (profit attributable to the current period on the basis of expectations from the beginning of the period in proportion to the insurance service provided)

Profitability by operating activities segments under IFRS 17

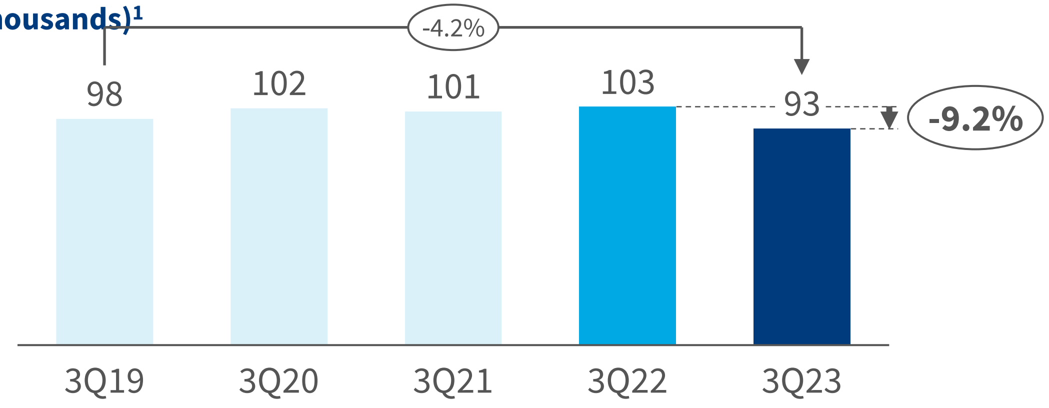
Insurance segments	Insurance revenue			Result*			Combined ratio / Margin	
m PLN, IFRS17	**3Q22**	**3Q23**	**Change y/y**	**3Q22**	**3Q23**	**Change y/y**	**3Q22**	**3Q23**
Total non-life insurance – Poland	3,731	4,210	*12.8%*	748	767	*2.5%*	84.0%	85.9%
Mass insurance – Poland	2,860	3,151	*10.2%*	509	553	*8.6%*	87.0%	86.7%
Motor TPL	1,046	1,085	*3.7%*	80	51	*(36.3%)*	92.2%	95.3%
MOD	737	847	*14.9%*	92	113	*22.8%*	87.5%	86.6%
Other products	1,077	1,219	*13.2%*	194	251	*29.4%*	81.6%	78.9%
Net financial revenue	x	x	*x*	143	138	*(3.5%)*	x	x
Corporate insurance – Poland	871	1,059	*21.6%*	239	214	*(10.5%)*	70.8%	82.4%
Motor TPL	160	165	*3.1%*	6	19	*x*	96.2%	89.0%
MOD	200	241	*20.5%*	47	48	*2.1%*	76.4%	79.4%
Other products	511	653	*27.8%*	133	59	*(55.6%)*	52.7%	81.3%
Net financial revenue	x	x	*x*	53	88	*66.0%*	x	x
Total life insurance – Poland	1,956	2,000	*2.2%*	506	529	*4.5%*	25.9%	26.5%
Group and individually continued insurance	1,812	1,828	*0.9%*	446	472	*5.8%*	24.6%	25.8%
Individual insurance	137	161	*17.5%*	69	62	*(10.1%)*	50.4%	38.5%
Investment insurance	7	11	*57.1%*	-9	-5	*(44.4%)*	x	x
Total non-life insurance – Ukraine and Baltic States	590	685	*16.1%*	64	50	*(21.9%)*	88.3%	93.2%
Baltic countries	536	633	*18.1%*	63	48	*(23.8%)*	88.5%	93.9%
Ukraine	54	52	*(3.7%)*	1	2	*100.0%*	85.4%	84.6%
Total life insurance – Ukraine and Baltic States	21	20	*(4.8%)*	20	6	*(70.0%)*	95.2%	30.0%
Lithuania	9	9	*x*	1	2	*100.0%*	11.1%	22.2%
Ukraine	12	11	*(8.3%)*	19	4	*(78.9%)*	x	36.4%

* Operating result

Insurance service result

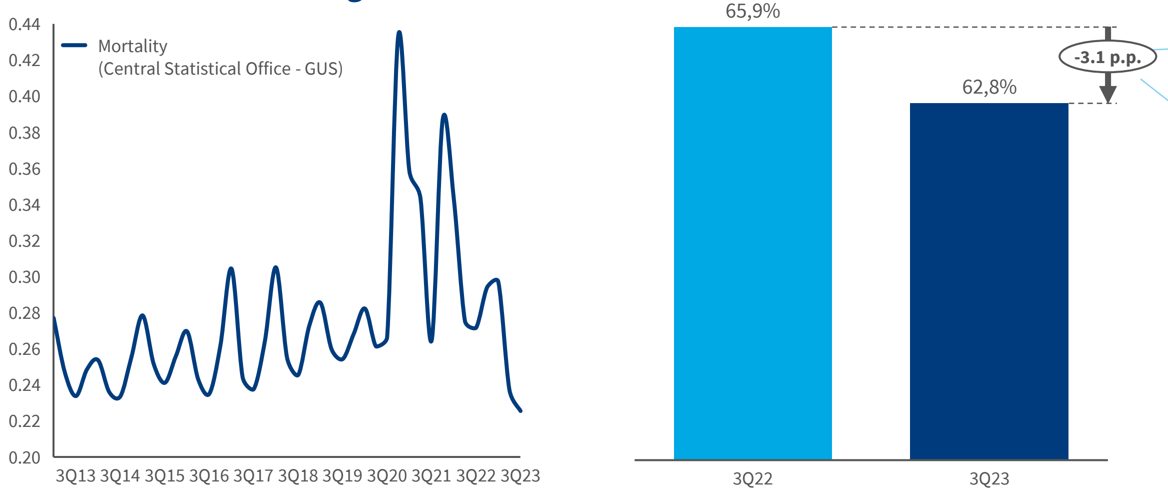
Pandemic vs. claims ratio in group insurance and IC segments in 3Q23

Number of deaths per quarter in Poland from 2020 to 2023 (in thousands)[1]

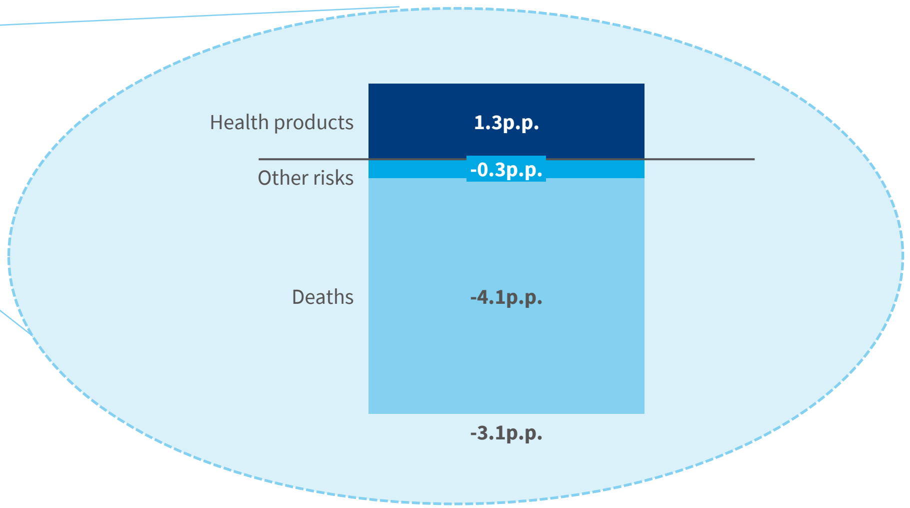


- **Number of deaths** in Poland in 3Q23 significantly lower than a year ago and below pre-pandemic levels
- **In 3Q 23 claims ratio for group and individually continued segment protection products continued at lower levels** compared to **3Q22**
- Lower claims ratio is the result of a decline in death benefits partially offset by higher outpatient benefits (impact on claims ratio +1.5 p.p.)

Death incidence in Poland vs. claims ratio[2] in the group and individually continued insurance segment



Impact of individual risks on the y/y change in segment claims ratio[2]



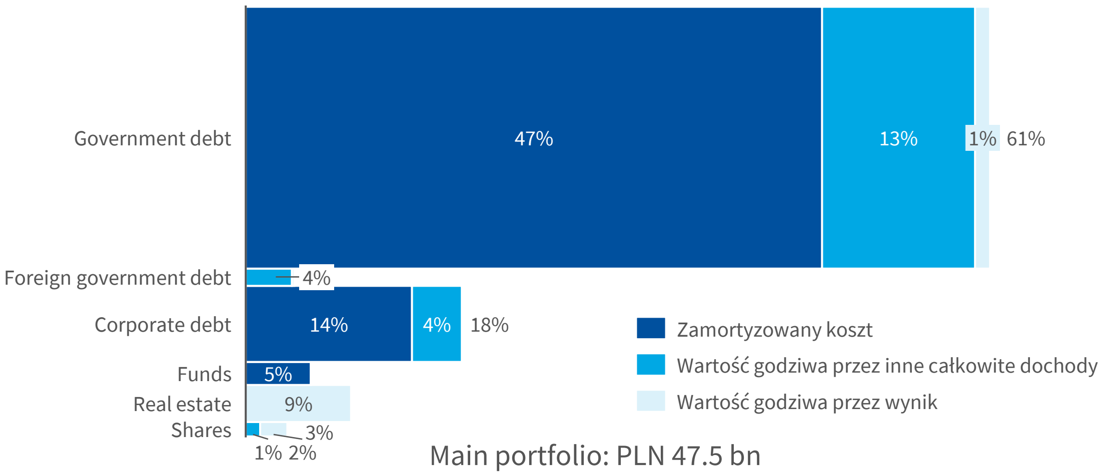
1. Consistent with the Statistics Poland's data
2. Claims ratio under IFRS17 – the quotient of net insurance claims and benefits and insurance revenue. It only takes into account protection products.

Investment result

IFRS, m PLN	3Q22	2Q23	3Q23	Change y/y	Change q/q
Investment income less interest expenses	**762**	**4,691**	**4,623**	*506.7%*	*(1.4%)*
Investment result allocated to insurance segments	425	699	644	*51.5%*	*(7.9%)*
Investments and other activites	(170)	52	(92)	*x*	*x*
Banking activities	449	3,905	4,061	*804.5%*	*4.0%*
PPA (banking)	58	35	10	*(82.8%)*	*(71.4%)*
Total, insurance segments, investment activities and other	**255**	**751**	**552**	***116.5%***	***(26.5%)***
Main portfolio	584	606	737	*26.2%*	*21.6%*
Debt instruments - interest	508	531	530	*4.4%*	*(0.3%)*
Debt instruments - revaluation and execution	42	(33)	46	*9.5%*	*x*
Equity instruments	(45)	5	60	*x*	*x*
Real estate	80	103	101	*26.7%*	*(2.4%)*
Investment products	(92)	185	51	*x*	*(72.4%)*
Other	(237)	(40)	(236)	*x*	*x*

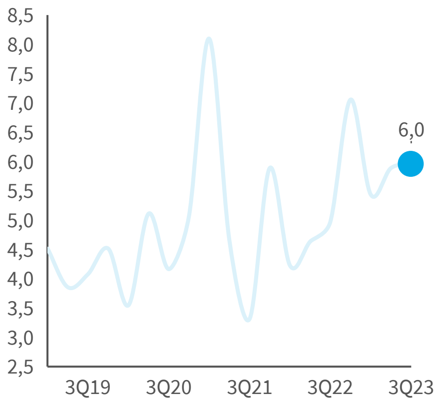
- **Secure portfolio structure:** debt instruments account for 83% of the portfolio, treasury debt is 65% of the portfolio
- **Profitability of the main portfolio** with FX on liabilities **at 6.0% in 3Q23**
- **Stable interest income y/y** in view of the better results of floating coupon instruments as well as the purchase of high-yield instruments for the portfolio
- **Improvement of the equity instruments portfolio result y/y** particularly as a result of improved result of the Private Equity portfolio as well as dividend income
- **Improvement of the real estate portfolio result** mainly due to higher revenue from foreign currency hedging instruments as well as an increase in rental rates
- **negative impact of other** in particular as a result of the temporary effect of recognizing foreign exchange differences on instruments hedging the real estate portfolio (PLN -134.4 m) - the valuation of which will be recognized at year-end

Structure of the main portfolio by asset class and methods of their valuation

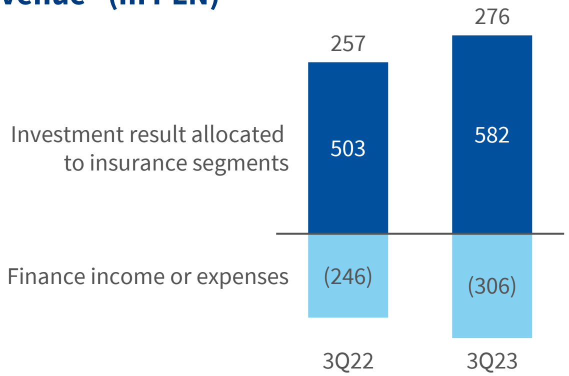


Main portfolio: PLN 47.5 bn
Investment products: PLN 6.1 bn

Return on FX main portfolio from liabilities (%)



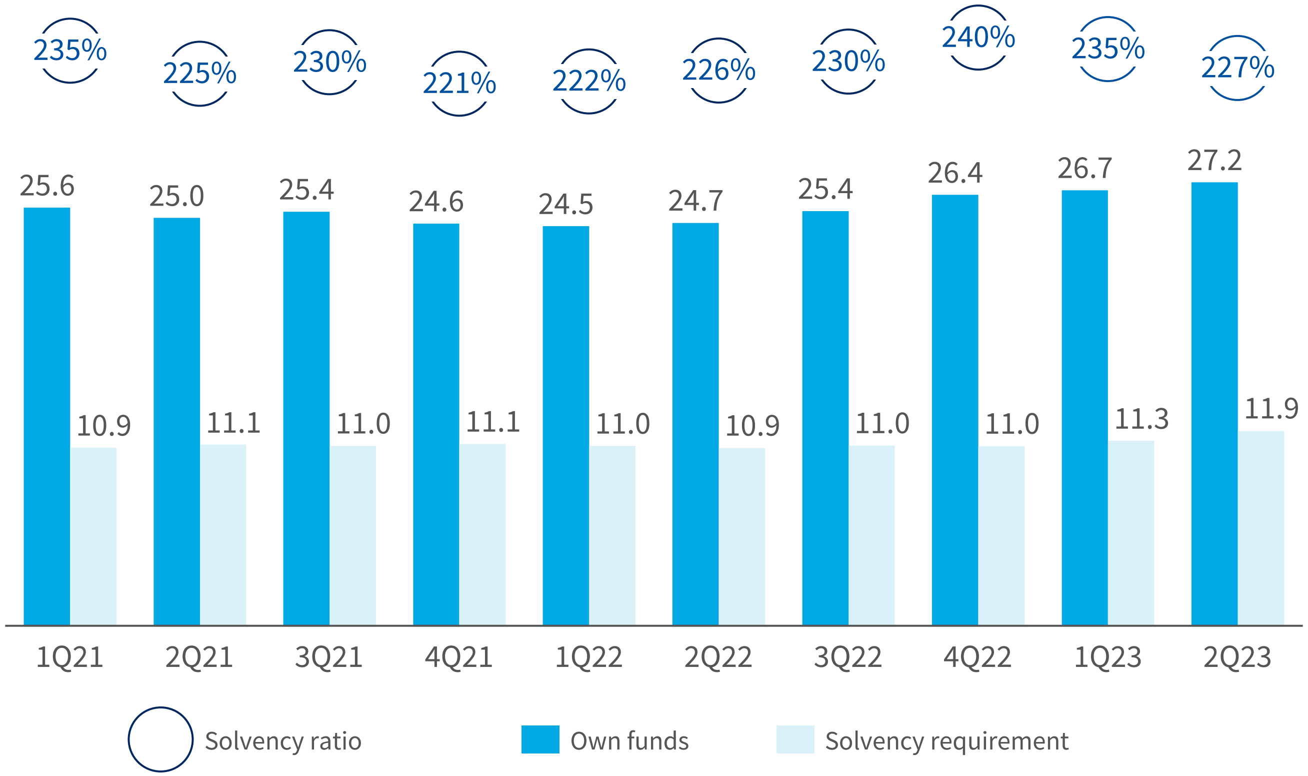
Investment result allocated to insurance segments in relation to insurance expenses and revenue* (m PLN)



** Excluding unit-linked and foreign operations*

High level of solvency of the Group

Solvency II ratio[1], 30 June 2023



Solvency ratio calculated according to the formula:
Own funds / solvency requirement.

Annual data based on audited reports on solvency and financial condition (SFCR) available at https://www.pzu.pl/relacje-inwestorskie. Other unaudited data.

1. Quarterly data for 2021–2023 presented in accordance with the previous methodology. It does not take into account the new rules included in the KNF's circular letter to insurance companies dated 16 April 2021, according to which, starting from 1Q 21 a new element in the calculation of company and group solvency in interim periods is an adjustment for the entire amount of dividends expected for the year.
2. Before the effects of diversification

Increase in own funds in 2Q23 by **PLN 0.5 billion**

Main causes:

- operating flows (PLN +0.8 bn)
- investment results (PLN +0.6 bn) and bond valuation (PLN +0.8 bn)
- increase in the best estimate of provisions and reinsurance receivables (PLN -0.6 bn)
- deduction of own funds by 80% of the group's profit attributable to shareholders of the parent company (PLN -1.2 bn)

SCR growth in 2Q23 by **PLN 0.6 billion**

The main drivers of the q/q decline:

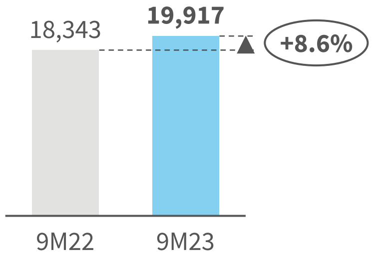
- increase in market risk (PLN -0.1 bn[2])
- increase in non-life insurance risk (+PLN 0.8 bn[2]) due to lower assignment to reinsurance of losses resulting from large catastrophic events and life insurance (PLN +0.1 bn[2]),
- increase in the risk of banks and investment entities (PLN +0.1 bn)
- increase in income tax adjustment (PLN -0.1 bn)

4. Strategy

Strategic goals until 2024 and their implementation

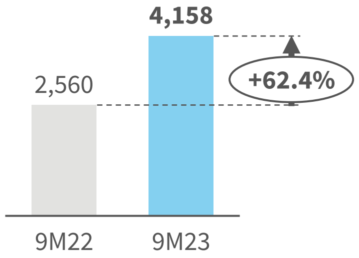
Gross insurance revenue[1] (PLN m)

KPI FY2024: **>PLN 28 bn**



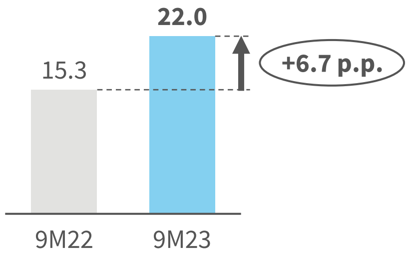
PZU Group net profit[2] (PLN m)

KPI FY2024: **PLN 4.3 bn**



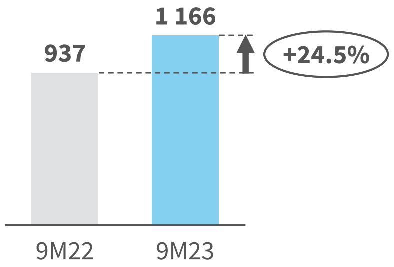
aROE[3] (%)

KPI FY2024: **15.5%**



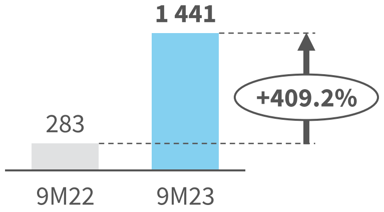
Health Pillar Revenue (PLN m)

KPI FY2024: **PLN 1.7 bn**



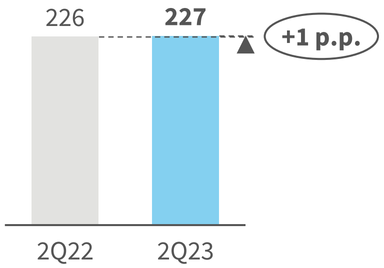
Banks' contribution to PZU Group's net results[2] (PLN m)

KPI FY2024: **PLN 1.0 bn**



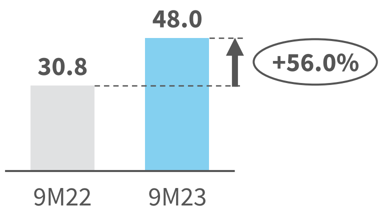
Solvency II ratio[4] (%)

KPI 2024: **≥ 200%**



Assets under management[5] (PLN bn)

KPI 2024: **PLN 60.0 bn**



1. Gross insurance revenue of PZU Group
2. Net profit attributable to the shareholders of the parent company
3. Adjusted return on equity (aROE %). Calculated on an equity basis excluding other comprehensive income from insurance business (reflecting the impact in the macroeconomic environment on the PZU Group's capital)
4. Excluding rules included in the KNF circular letter to insurance companies dated 16.04.2021. Value in line with new rules at 226% in 1Q23
5. External client assets under management of TFI PZU, Pekao TFI and Alior TFI

27.04.2023 – Presentation "The impact of the implementation of IFRS 17 and changes in the macroeconomic environment on the indicators of the PZU Group Strategy for 2021–2024"

https://www.pzu.pl/_fileserver/item/1545909

Implementation of the ESG Strategy of PZU and PZU Życie “Balanced Growth” 2021–2024

Key performance indicators of the ESG Strategy reported on an annual basis along with other non-financial data.
As at 31 December 2022.

- Emissions reduction[2]: 25.5%
- Electricity from RES (81%)
- Compensation of 17,425 Mg of CO2 through purchase of CERs, UN Carbon Offset Platform (compensation for 2022[3])

Achieving climate neutrality by reducing emissions, purchasing green energy and compensating CO2 emissions[1]

emissions scopes 1 and 2

- 12 m recipients of social activities

Number of recipients of social activities in the area of safety and sustainable lifestyle during the year

10–15 m

- ESG targets were included in the strategic goals and forwarded to the WKK for implementation

Giving consideration to **ESG targets** in the Company’s **strategic goals and implementing them by the Senior Management**

ESG targets in objectives of Senior Mgmt.

55%

ESG assessment of **55% of the biggest corporate** insurance clients from sectors sensitive to ESG risks

- 20% of largest corporate insurance clients sensitive to the ESG risk assessed against ESG factors

500 m

Increase of the current exposure to investments supporting climate and energy transition **by PLN 500 m** in 2021–2024

- PLN 716.7 m – an increase in the involvement of PZU and TFI PZU in investments supporting the climate-energy transition (from 2021)

70%

Percentage of employees covered by **the #dobrostan (#well-being) program**.

- 39% of employees use the #DobryStan offer

70%

Percentage of key purchase processes which **accounted for ESG criteria**

- Including ESG criteria into 46% of key procurement processes

1. 1) Climate neutrality of PZU and PZU Życie in the scope 1 and scope 2 emissions area
2. 2) PZU and PZU Życie , location-based method
3. As at 30 June 2023

5. Annexes

PZU Group results under IFRS 4

PZU Group, m PLN	3Q22	2Q23	3Q23
Gross written premiums	6,395	6,961	6,935
Net earned premiums	6,238	6,545	6,784
	0		0
Revenues from commissions and fees	1,316	1,363	1,367
Gross investment income	2,335	6,960	6,910
	0		0
Net insurance claims and benefits	-3,929	-4,278	-4,347
Costs of commissions and fees	-381	-418	-443
Interest expenses	-1,596	-2,290	-2,319
Acquisition expenses	-1,006	-1,130	-1,094
Administrative expenses	-1,844	-2,209	-2,175
Other operating income and expenses	-784	-548	-511
Share of the FS of entities measured by the equity method	-5	6	2
	0		0
Profit before tax	344	4,002	4,173
Income tax	-158	-865	-940
	0		0
Net profit	186	3,137	3,234
Net profit (loss) attributed to holders of non-controlling interests	-474	1,714	1,755
Net profit (loss) attributable to the equity holders of the parent company	660	1,423	1,479

PZU Group's results under IFRS 4 by business type

m PLN	3Q22	2Q23	3Q23	Change y/y	Change q/q
PZU GROUP EXCL. ALIOR BANK AND BANK PEKAO[1]					
Gross written premium	6,395	6,961	6,935	*8.4%*	*(0.4%)*
Net earned premium	6,238	6,545	6,784	*8.8%*	*3.7%*
Net insurance claims and benefits paid	(3,929)	(4,278)	(4,347)	*10.6%*	*1.6%*
Net investment result (ex banking activities)	232	739	522	*125.2%*	*(29.3%)*
Administrative expenses	(479)	(559)	(552)	*15.1%*	*(1.4%)*
Acquisition expenses	(1,006)	(1,130)	(1,094)	*8.8%*	*(3.1%)*
Operating profit (loss)	961	1,152	1,229	*27.9%*	*6.7%*
Net profit (loss) attributable to equity holders of the parent company	784	917	956	*21.9%*	*4.2%*
BANKS: ALIOR AND PEKAO					
Net profit (loss) attributable to equity holders of the parent company	(124)	506	523	*x*	*3.4%*
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**660**	**1,423**	**1,479**	***124.1%***	***3.9%***
MAIN FINANCIAL RATIOS (%)					
ROE2	17.3	30.1	30.1	*12.8 p.p.*	-
Combined ratio[3]	89.9	88.5	90.9	*1.0 p.p.*	*2.4 p.p.*
Margin[4]	22.5	26.7	29.6	*7.1 p.p.*	*2.9 p.p.*
Administrative expense ratio of PZU, PZU Życie	7.4	8.1	7.7	*0.3 p.p.*	*(0.4) p.p.*
Acquisition expense ratio of PZU, PZU Życie	16.0	17.0	16.4	*0.4 p.p.*	*(0.6) p.p.*

1. PZU Group, excluding Bank Pekao and Alior Bank data
2. Annual ratio attributable to owners of the parent company
3. Only for non-life insurance in PZU Group in Poland
4. Margin for group and individually continued insurance segment

Profitability by operating activities segments under IFRS 4 / PAS

Insurance segments	**Gross written premium**			**Insurance result / operating result**			**Combined ratio / Margin**	
m PLN, local GAAP	**3Q22**	**3Q23**	**change y/y**	**3Q22**	**3Q23**	**change y/y**	**3Q22**	**3Q23**
Total non-life insurance – Poland	3,554	3,915	*10.2%*	541	633	*17.0%*	89.9%	90.9%
Mass insurance – Poland	2,767	2,979	*7.7%*	390	459	*17.7%*	91.0%	91.1%
Motor TPL	1,081	1,084	*0.3%*	41	12	*(71.7%)*	97.1%	99.4%
MOD	767	822	*7.2%*	72	90	*24.2%*	89.5%	88.8%
Other products	919	1,073	*16.8%*	144	177	*22.7%*	85.9%	84.7%
Impact of allocation to the investment segment[1]	x	x	*x*	132	181	*36.7%*	x	x
Corporate insurance – Poland	787	937	*19.1%*	151	174	*15.2%*	85.0%	90.6%
Motor TPL	143	141	*(1.4%)*	(0)	2	*x*	101.7%	99.9%
MOD	199	212	*6.5%*	33	41	*27.4%*	82.8%	81.8%
Other products	445	584	*31.2%*	76	35	*(54.6%)*	76.8%	91.8%
Impact of allocation to the investment segment[1]	x	x	*x*	43	96	*124.4%*	x	x
Total life insurance – Poland	2,185	2,249	*2.9%*	482	615	*27.5%*	22.1%	27.3%
Group and individually continued insurance - Poland	1,793	1,856	*3.5%*	403	550	*36.5%*	22.5%	29.6%
Individual insurance – Poland	392	393	*0.2%*	79	64	*(18.7%)*	20.2%	16.4%
Total non-life insurance – Ukraine and Baltic States	633	742	*17.2%*	61	88	*44.3%*	88.3%	86.5%
Baltic countries	584	678	*16.1%*	56	83	*48.2%*	89.3%	87.8%
Ukraine	49	64	*30.6%*	5	5	*x*	75.6%	70.6%
Total life insurance – Ukraine and Baltic States	36	35	*(2.8%)*	18	3	*(83.3%)*	50.0%	8.6%
Lithuania	25	24	*(4.0%)*	0	0	*x*	x	x
Ukraine	11	11	*0.0%*	18	3	*(83.3%)*	163.6%	27.3%

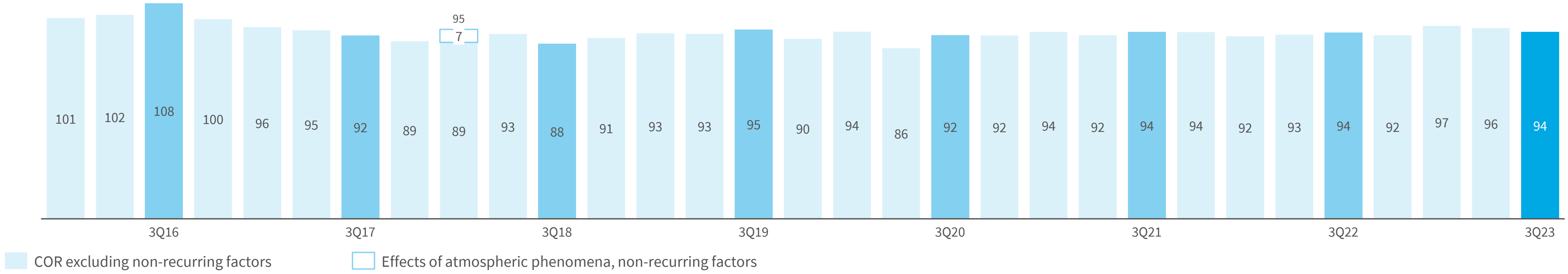
[1] Investment result allocated to segments by actual IFRS investment income from RTU assets (group allocation)

PZU Group gross written premium

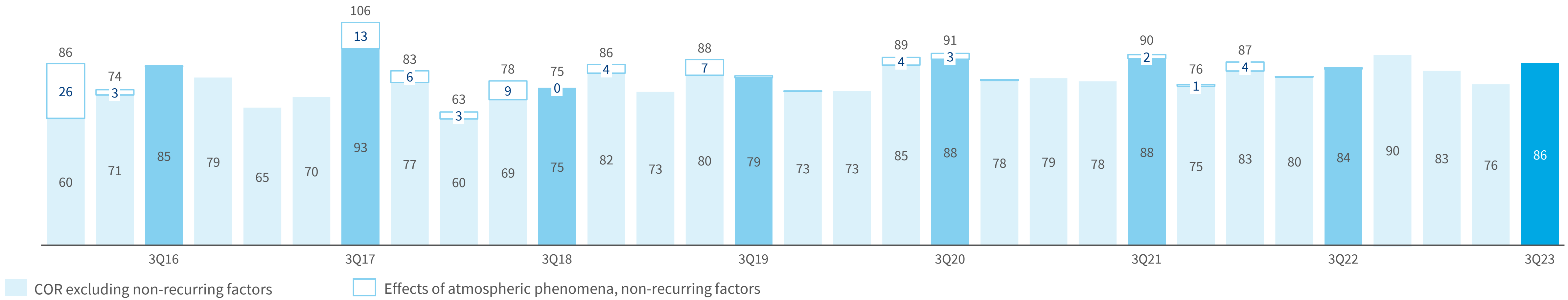
Insurance segments m PLN, local GAAP	**3Q22**	**2Q23**	**3Q23**	**Change y/y**	**Change q/q**
External gross written premium	**6,395**	**6,961**	**6,935**	*8.4%*	*(0.4%)*
Total non-life insurance – Poland	**3,542**	**3,950**	**3,907**	***10.3%***	***(1.1%)***
Mass insurance – Poland	2,763	3,050	2,975	*7.7%*	*(2.5%)*
Motor TPL	1,082	1,103	1,084	*0.2%*	*(1.7%)*
MOD	767	857	822	*7.2%*	*(4.1%)*
Other products	914	1,090	1,069	*17.0%*	*(1.9%)*
Corporate insurance – Poland	779	900	932	*19.6%*	*3.6%*
Motor TPL	143	160	141	*(1.4%)*	*(11.9%)*
MOD	199	242	212	*6.5%*	*(12.4%)*
Other products	436	498	579	*32.8%*	*16.3%*
Total life insurance – Poland	**2,185**	**2,270**	**2,249**	***2.9%***	***(0.9%)***
Group and individually continued insurance - Poland	1,793	1,840	1,856	*3.5%*	*0.9%*
Individual insurance – Poland	392	430	393	*0.2%*	*(8.6%)*
Premium on protection products	177	215	228	*28.6%*	*5.9%*
Premium on periodic investment products	38	31	30	*(20.8%)*	*(2.9%)*
Premium on single investment products	177	184	134	*(24.3%)*	*(27.1%)*
Total non-life insurance – Ukraine and Baltic States	**633**	**707**	**742**	***17.2%***	***5.0%***
Baltic countries	584	657	678	*16.1%*	*3.2%*
Ukraine	49	50	64	*30.6%*	*28.0%*
Total life insurance – Ukraine and Baltic States	**36**	**36**	**35**	***(2.8%)***	***(2.8%)***
Lithuania	25	25	24	*(4.0%)*	*(4.0%)*
Ukraine	11	11	11	*x*	*x*

Non-life insurance under IFRS 4

Combined ratio (COR) from PZU Group motor insurance (%)

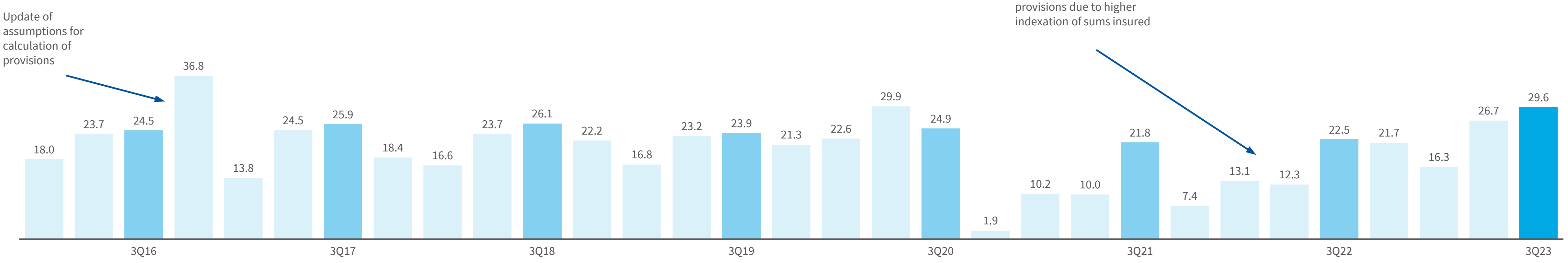


Combined ratio (COR) from PZU Group non-motor insurance (%)

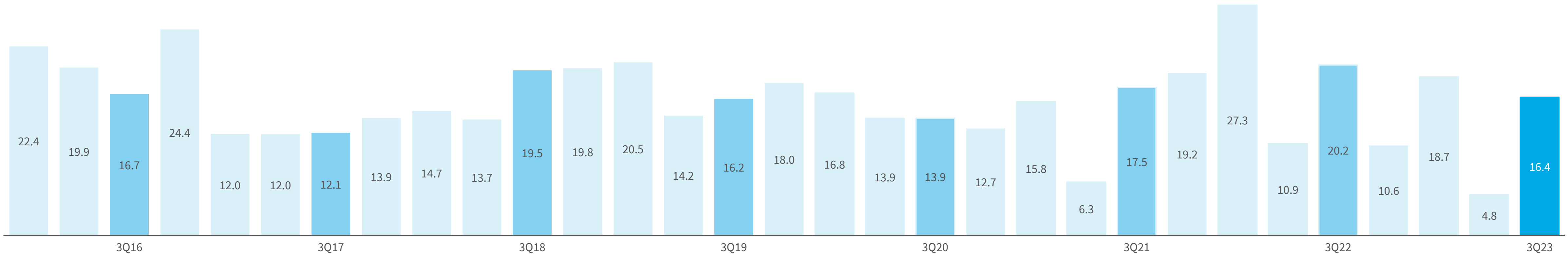


Life insurance under IFRS 4

Margin in group insurance and IC[1] (%)



Margin in individual insurance (%)

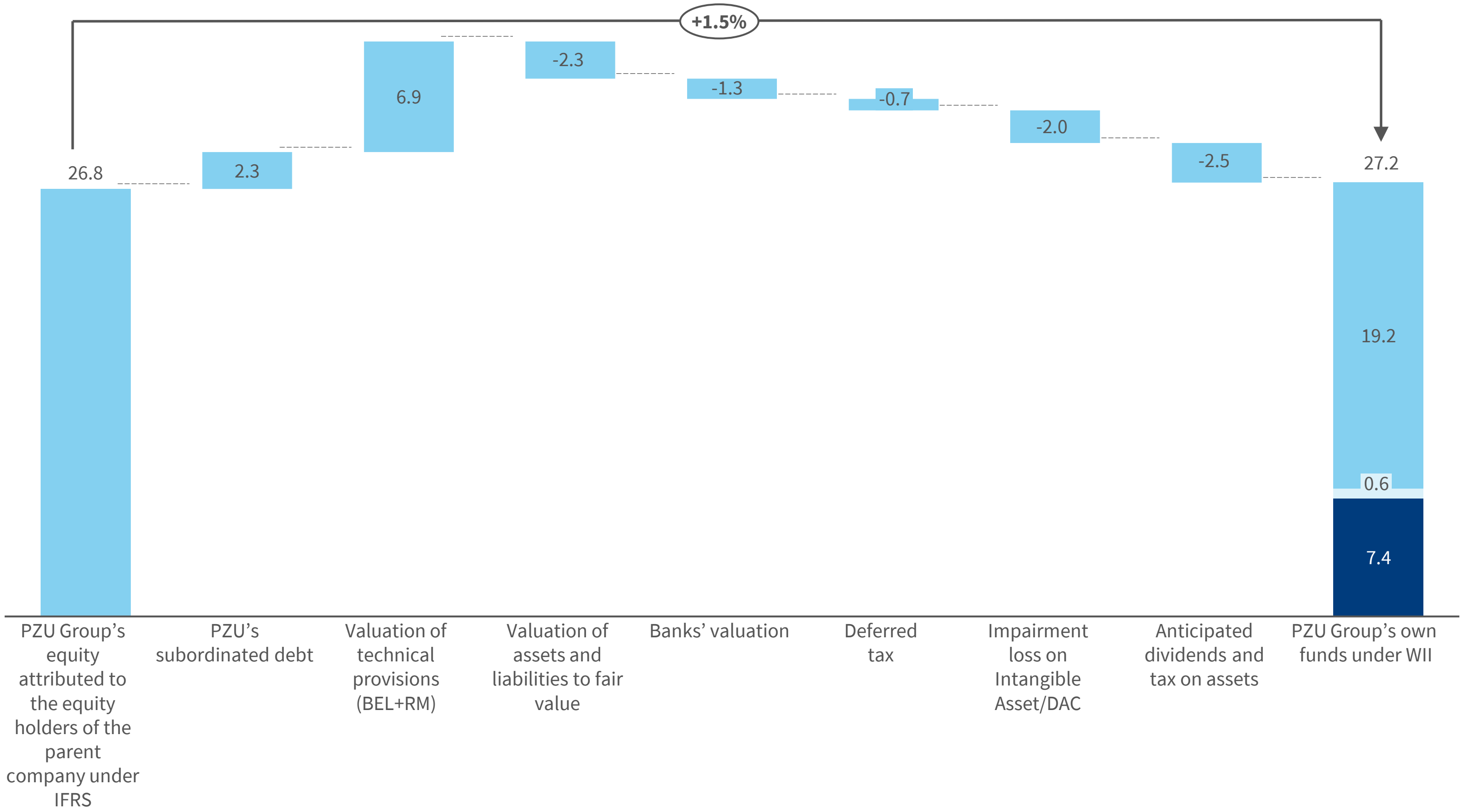


1. Margin in group insurance and IC by 4Q19, excluding the conversion effect, from 1Q20 without turning off the conversion effect
2. The provision for unexpired risks is intended to cover a possible deficit in future premiums as a result of higher mortality expectations due to the COVID-19 pandemic in future quarters

Own funds

PZU Group data in Solvency II as of 30 June 2023 (PLN bn)

Comparison of own funds and consolidated equity under IFRS

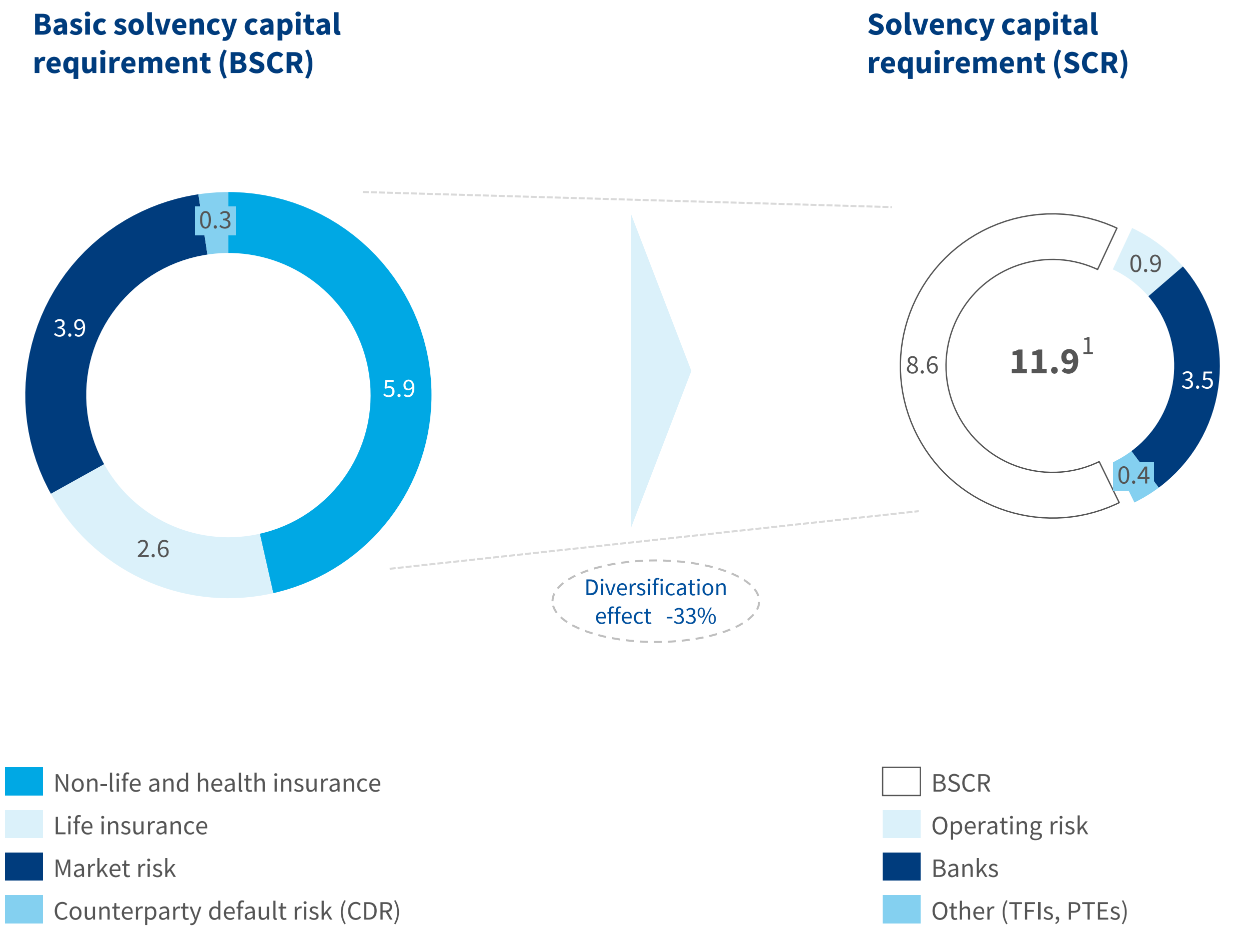


Own funds according to WII:

- contractual service margin as the main reason for differences in technical provisions valuation
- less 80% of the PZU Group's profit attributable to shareholders of the parent company
- less projections of the amount of tax on assets expected to be paid by insurance companies within 12 months after the balance sheet date (according to the KNF letter)

Solvency capital requirement (SCR)

PZU Group data in Solvency II as of 30 June 2023 (PLN bn)



Increase in solvency requirement in 2Q23 by PLN 0.6 bn.

Main reasons for SCR changes**:**

- increased risk in life insurance (PLN +0,06 bn[2])
- caused by lower value of assignment to reinsurers for losses resulting from catastrophic events, mainly due to renewals of bank protection insurance
- decrease in market risk (PLN -0,07 bn[2]) caused by:
  - a PLN 0,33 bn increase in rate risk[2] due to the acquisition of long-term bonds to cover insurance liabilities
  - a decrease in equity price risk and concentration risk (in total, PLN -0,22 bn[2]) following a decline in equity exposure
  - a decrease in currency risk due to the qualification of hedging transactions as a risk mitigation technique (reversing changes from 1Q23, PLN -0,11 bn[2])
- increase in tax adjustment due to increase in BSCR (PLN -0,08 bn[2])
- increase in requirements of banks and investment entities (PLN +0,09 bn[2]) after an increase in credit exposures and operational risk requirement.

1. The difference between SCR and a total of: BSCR, operational risk, the requirement of the banking sector and other financial institutions is due to the tax adjustment (LAC DT).
2. Before the effects of diversification.

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