

GRUPA PZU | Factsheet Q3 2023



#1
largest insurance
and banking
group in CEE



PLN 466 bn
assets



~38 thou.
employees



22 mln
clients



99%
most recognizable
brand in Poland



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

The Powszechny Zakład Ubezpieczeń Group is the largest financial conglomerate in Poland and Central and Eastern Europe. The Group is headed by PZU, which has the status leading entity in the conglomerate. PZU's traditions dating back to 1803. PZU's stock are listed on the Warsaw Stock Exchange (WSE) being part of the WIG20 index and WIG ESG (sustainability) index. PZU is one of the most highly valued companies and heavily traded stocks on the Polish stock exchange. At the end Q3 2023, PZU's market capitalization amounted to PLN 35.7 bn. The State Treasury with a 34.19% equity stake is PZU's main shareholder.

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

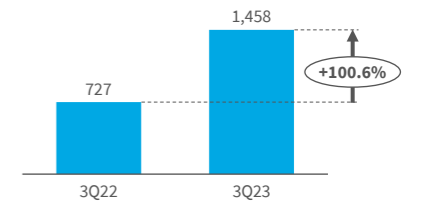
The PZU Group is committed to the development of a responsible organization, strongly emphasizing the ESG (environment, social and governance) factors in its strategy. The priority for the PZU Group is to generate benefits for its shareholders and clients in a sustainable and responsible manner. The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

PZU GROUP RESULTS ACCORDING TO IFRS 17

PLN million	3Q 2022	3Q 2023
A) PZU GROUP NET OF ALIOR BANK AND BANK PEKAO		
Gross insurance revenue	6,298	6,915
Net insurance revenue	6,003	6,525
Insurance service expenses (net)	(4,961)	(5,499)
Insurance service result	1,042	1,027
Net financial revenue	296	325
Operating profit	1,338	1,352
Net profit attributable to equity holders of the parent company	851	935
B) BANKS: ALIOR BANK AND BANK PEKAO		
Net profit attributable to equity holders of the parent company	(124)	523
(A+B) NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	727	1,458

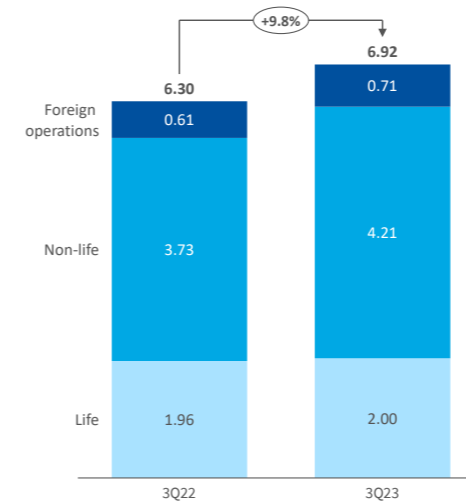
✓ New IFRS 17. Follow-up of the strategy and value building

Net profit attributable to equity holders of the parent company



✓ Return on equity exceeds strategic ambitions

Gross insurance revenue according to IFRS 17 (PLN billion)



Net profit **PLN 1.46 bn**
(vs. PLN 0.73 bn in 3Q22)

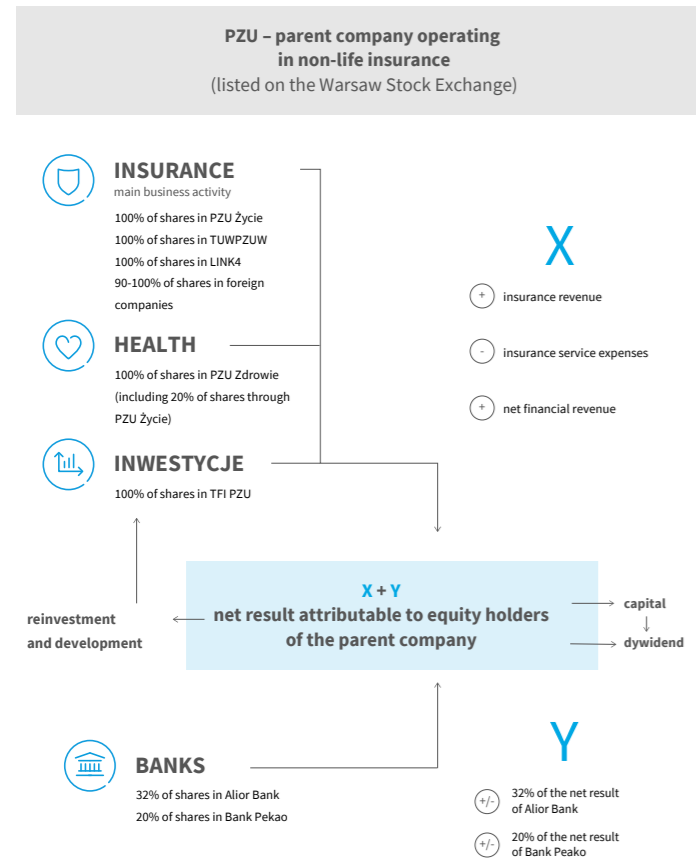
aROE¹ **22.5%**
(vs. 13.6% in 3Q22)

Insurance service result **PLN 1.03 bn**
(COR² 85.9%, Margin³ 25.8%)

Result on investment portfolio **PLN 737 m**
(+26.2% vs. 3Q22)

Contribution of banks to Group result **PLN 523 m**
(vs. PLN -124 m in 3Q22)

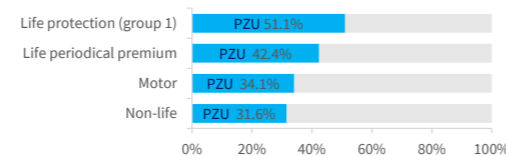
SIMPLIFIED PRESENTATION OF THE BUSINESS MODEL



MARKET POSITION



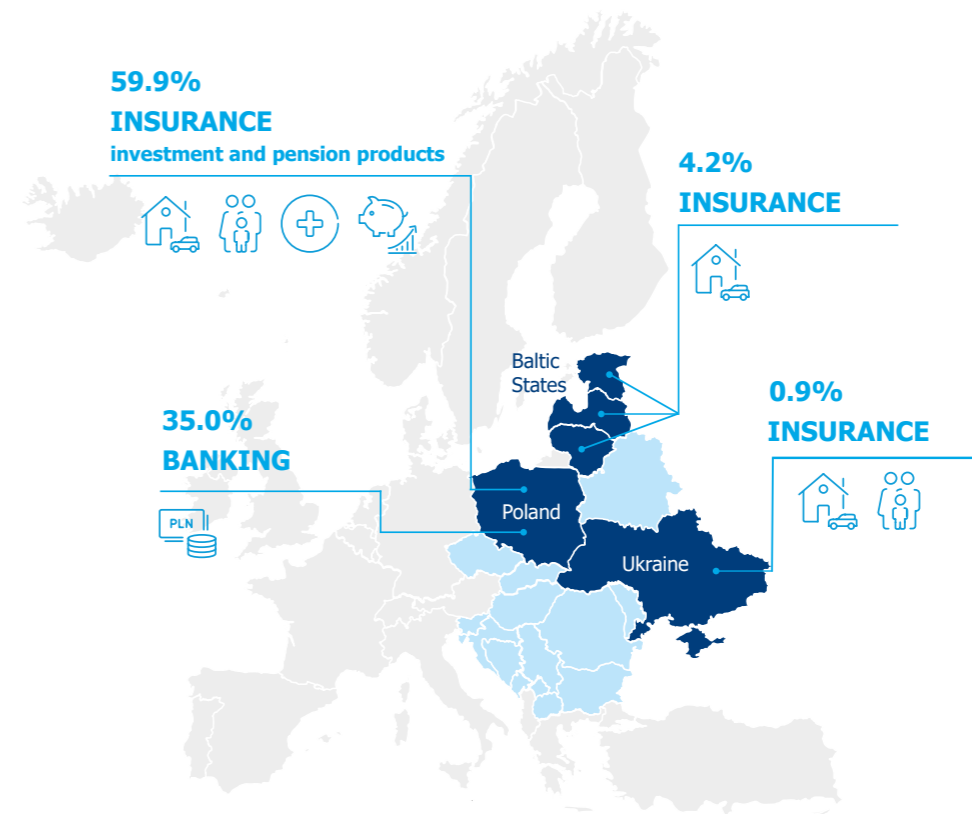
MARKET SHARE in Poland (2Q 2023)



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

A-
/STABLE/

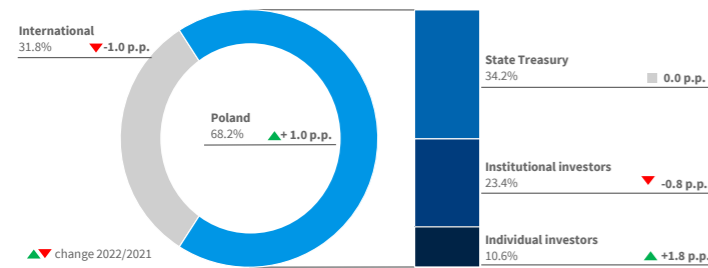
Percentage share of business segments in the operating result (adjusted for PZU's shares in banks in 9M 2023)



PZU'S STOCK

Number of shares	863,523,000	P/E	6.6x	Average trading value per session	PLN 59.9 m
Free float (%)	65.81%	P/BV	1.2x	Average number of trades per session	5,374
Market capitalization	PLN 35.7 bn	D/Y	6.8% ⁽¹⁾	Average trading volume per session	1,496,586 shares

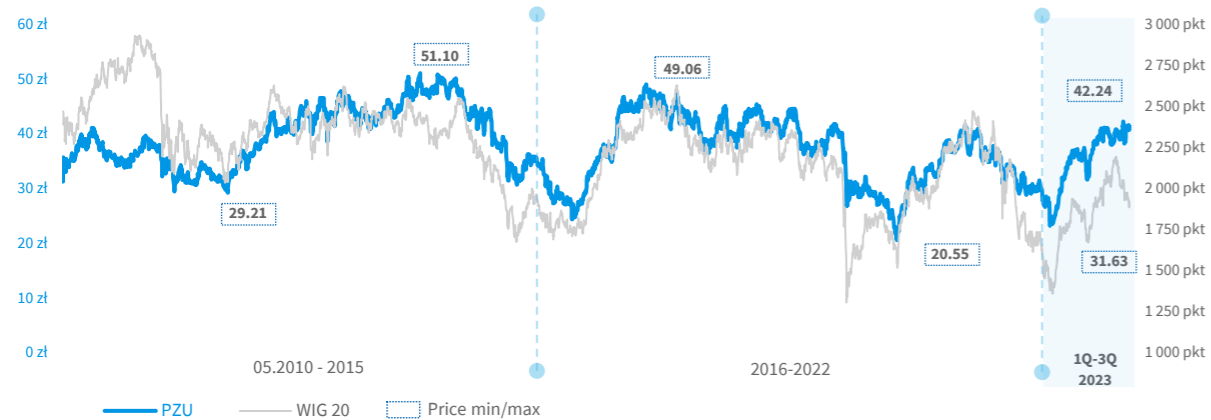
Shareholder structure (31 December 2022)



Recommendations statistics (30 September 2023)

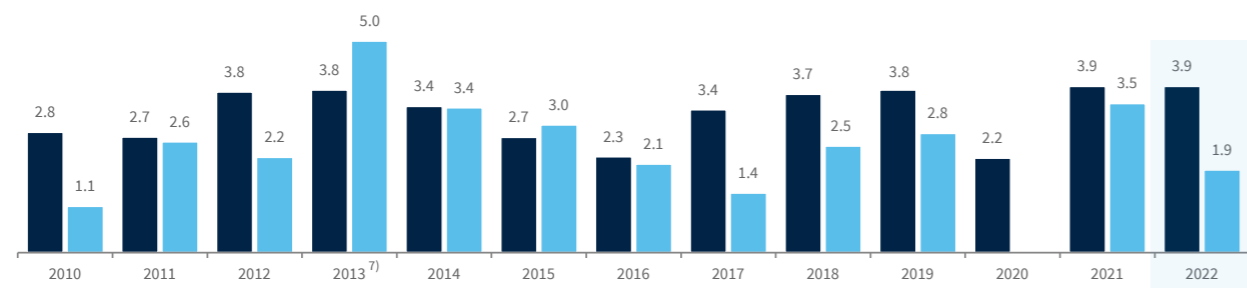
11	▲ 7	Buy, Outperform
	■ 4	Neutral, Hold
	▼ 0	Underperform, Reduce
Highest target price		PLN 53.8
Average target price		PLN 40.9
Lowest target price		PLN 36.0

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



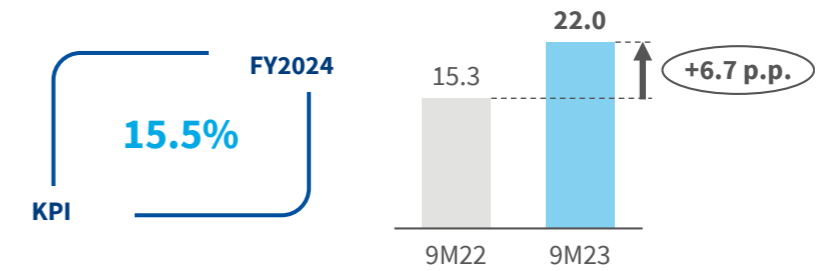
PZU's earnings per share and dividend per share

■ Earnings per share (EPS) attributable to the parent company for a given year (PLN) ■ Dividend per share (in PLN) as at the date of establishing dividend right by the General Meeting

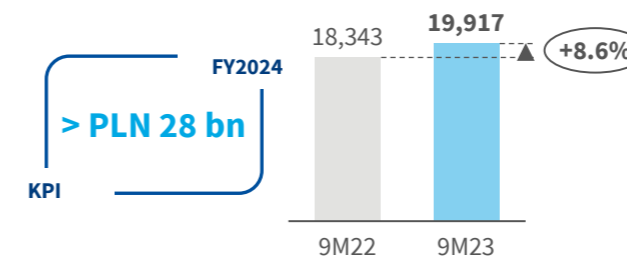


STRATEGY EXECUTION- FINANCIAL MEASURES

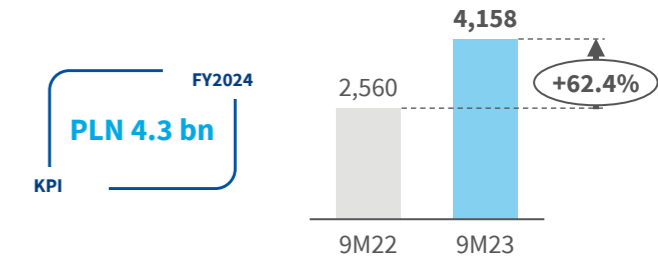
aROE⁶ (%)



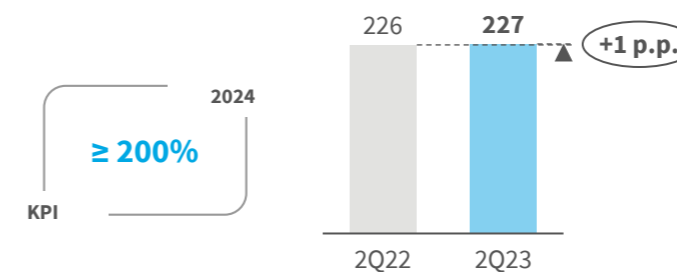
GROSS INSURANCE REVENUE⁷ (PLN million)



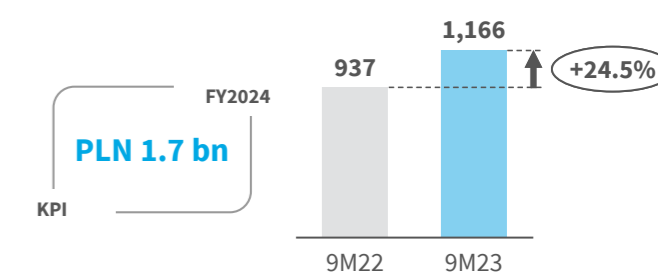
PZU GROUP NET PROFIT⁸ (PLN million)



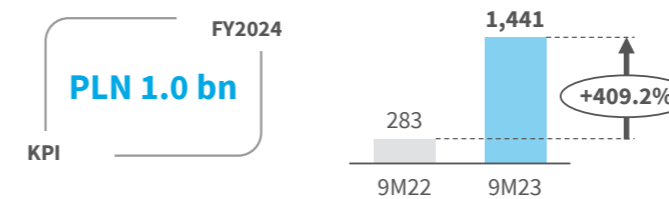
SOLVENCY II RATIO⁹ (%)



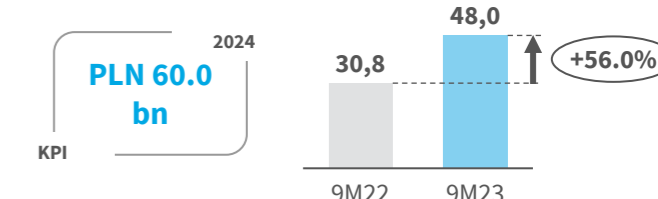
HEALTH PILLAR REVENUE (PLN million)



BANKS' CONTRIBUTION TO PZU GROUP'S NET RESULT (PLN million)



ASSETS UNDER MANAGEMENT¹⁰ (PLN billion)



STRATEGY EXECUTION- ESG INDICATORS

ESG targets in Senior Management objectives		Implementation 2021
ESG targets in Senior Management objectives	Giving consideration to ESG targets in the Company's strategic objectives and handing them over for execution by Senior Management	Giving consideration to ESG targets in the Company's strategic objectives and handing them over for execution by Senior Management
55%	ESG assessment of 55% of the biggest corporate insurance clients from sectors sensitive to ESG risks	Top 20% of corporate insurance clients in ESG-sensitive sectors assessed for ESG factors
500m	Increase of the current exposure to investments supporting climate and energy transition by 500 m PLN in 2021-2024	716,7 m PLN – increased involvement of PZU and TFI PZU in investments supporting the climate-energy transition (from 2021)
70%	Percentage of key procurement processes which give consideration to ESG criteria	Consideration of ESG criteria in 46% of key purchasing processes
scope of emissions 1 and 2	Reaching climate neutrality of own operations thanks to reduction of emissions, purchase of green energy and offsetting CO2 emissions ¹⁴	Reduced emissions: 25.5% (location-based method). 81% electricity from RES. Compensation of 17,425 Mg of CO2 by purchasing CERs, UN Carbon Offset Platform (compensation for 2022- as of June 30, 2023)
70%	Percentage of employees covered by the #Well-being program	39% of employees using the offer #DobryStan
10-15 m	Number of recipients of social activities in the area of safety and sustainable lifestyle during the year	12 m recipients



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ANNOTATION:

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 the PZU Group (Poland); ³⁾Margin for the group and individually continued insurance segment; ⁴⁾Ratio calculated as dividend (according to the year in which the right was established) compared to share price as at the end of the previous reporting year; ⁵⁾In 2013, the dividend was paid out from the excess capitals (PLN 2 per share); ⁶⁾Adjusted return on equity (aROE %). Calculated on the equity basis excluding other comprehensive income from insurance operations (being the impact of changes in the macroeconomic environment on the PZU Group's capital base); ⁷⁾PZU Group's gross insurance revenue; ⁸⁾Net profit attributable to the equity holders of the parent company; ⁹⁾With the exception of the rules included in the circular letter of the KNF to insurance companies dated 16.04.2021; ¹⁰⁾External client assets under management of TFI PZU, Pekao TFI and Alior TFI; ¹¹⁾Climate neutrality in PZU and PZU Życie in terms of emissions under scope 1 and scope 2