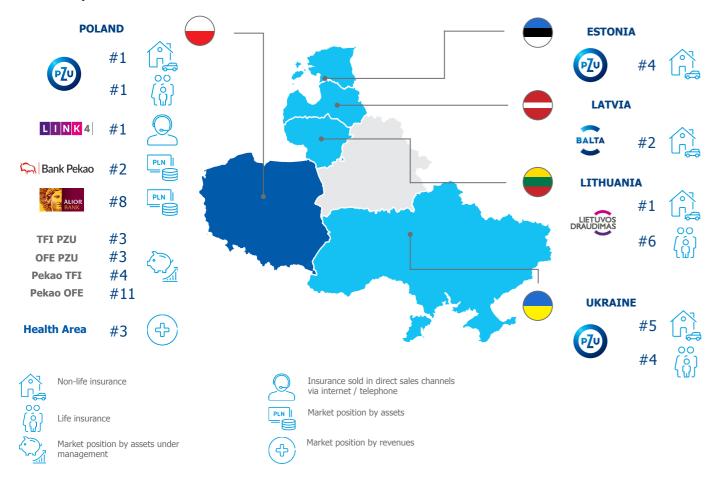
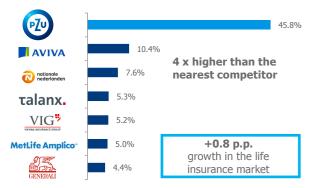
# Factsheet FY 2017



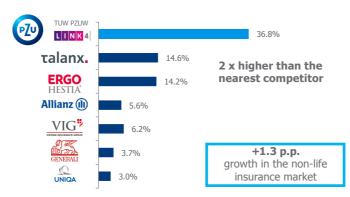
#### PZU's activity



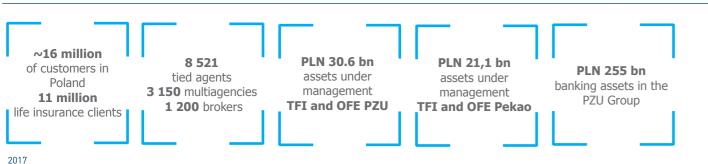
### Life insurance (periodical premium)\*



### Non-life insurance\*



\* Market data as at the end of the Q3 2017



### **RATE OF RETURN PZU VS. WIG**

WIG

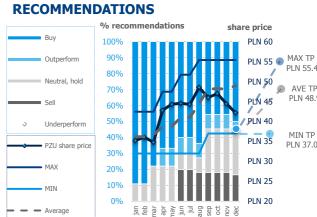




PZU

return





## WIG20 26.4% y/y

0.3% q/q

**WIG** 

**RESPECT** 

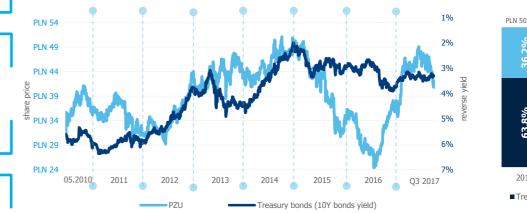
-3.2% q/q

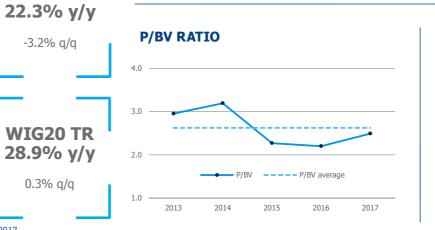
0.3% q/q

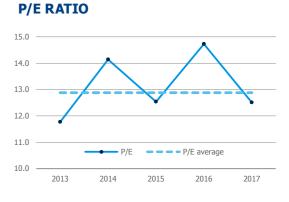
#### **EVOLUTION OF PZU'S SHARE PRICE COMPARED TO SELECTED INDICES**









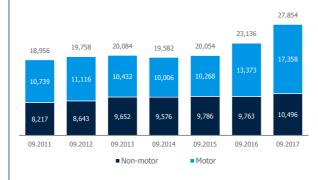


#### **FINANCIAL DATA**

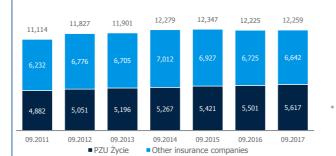
| Consolidated financial data highlights                                 | 2016                         | 2017     | Change y/y                |  |  |
|--|------------------------------|----------|---------------------------|--|--|
| PZU GROUP EXCLUDING ALIOR BANK AND PEKAO                               |                              |          |                           |  |  |
| Gross written premium <sup>1</sup>                                     | 20,219                       | 22,847   | 13.0%                     |  |  |
| Net insurance claims and benefits                                      | (12,732)                     | (14,941) | 17.3%                     |  |  |
| Net investment result <sup>2</sup>                                     | 1,217                        | 1,855    | 52.4%                     |  |  |
| Administrative expenses  | (1,644)                      | (1,647)  | 0.2%                      |  |  |
| Acquisition expenses   | (2,613)                      | (2,916)  | 11.6%                     |  |  |
| Operating profit (loss)  | 2,287                        | 3,198    | 39.9%                     |  |  |
| Net profit (loss)  | 1,754                        | 2,502    | 42.7%                     |  |  |
| Acquisition expenses ratio in the insurance segments                   | 14.3%                        | 14.0%    | (0.3) p.p.                |  |  |
| Administrative expenses ratio in the insurance segments                | 8.3%                         | 7.2%     | (1.1) p.p.                |  |  |
| Net profit (loss)attributable to equity holders of the parent company  | 1,754                        | 2,502    | 42.7%                     |  |  |
| Banks: Alior Bank and Pekao  |                              | '        |                           |  |  |
| Net profit (loss) attributable to equity holders of the parent company | 181                          | 408      | 125.0%                    |  |  |
| Net profit (loss) attributable to eqiuty holders of the parent company | 1,935                        | 2,910    | 50.4%                     |  |  |
| Principal financial ratios   |                              | '        |                           |  |  |
| ROE <sup>3</sup>   | 14.9%                        | 21.1%    | 6.2 p.p.                  |  |  |
| Combined Ratio <sup>4</sup>  | 94.9%                        | 89.6%    | (5.3) p.p.                |  |  |
| Operating Profit Margin <sup>5</sup>                                   | 25.8%/<br>22.6% <sup>6</sup> | 20.6%    | (5.2) p.p./<br>(2.0) p.p. |  |  |

- <sup>1</sup> Excluding consolidation adjustments.
- Including interest expenses.
- <sup>3</sup> Ratio computed using equity at the beginning and end of the
- reporting period. Computed for the parent company. <sup>4</sup> Only for non-life insurance in the PZU Group.
- <sup>5</sup> Margin for the group and individually continued insurance seg-

#### **GROSS WRITTEN PREMIUM (MARKET)** IN NON-LIFE INSURANCE (M PLN)



### PERIODICAL GROSS WRITTEN PREMIUM (MARKET) IN LIFE INSURANCE (M PLN)



#### <sup>6</sup> Margin for the group and individually continued insurance segment excluding conversion effect and one-offs.

# **PLN 5.9 bn**

gross written premium (Q4 2017)

(+11.0)% q/q

# Operating performance of the main segments

| PLN mln, local GAAP (PAS    | 5)                   | Q1-Q4 2016 | Q1-Q4 2017 | Change y/y |
|-----------------------------|----------------------|------------|------------|------------|
| Non-life insurance - Poland |                      | 1          | 1          |            |
| Gross written premium       | mass insurance       | 8,833      | 10,068     | 14.0%      |
|                             | corporate insurance  | 2,174      | 2,738      | 25.9%      |
| Operating result            | mass insurance       | 659        | 1,327      | 101.4%     |
|                             | corporate insurance  | 229        | 191        | (16.6)%    |
| Operating profit            | mass insurance       | 95.4%      | 88.6%      | (6.8) p.p. |
|                             | corporate insurance  | 93.1%      | 92.7%      | (0.4) p.p. |
| Life insurance – Poland     |                      |            |            |            |
| Gross written premium       | group and continued  | 6,775      | 6,855      | 1.2%       |
|                             | individual insurance | 1,174      | 1,664      | 41.7%      |
| Operating result            | group and continued  | 1,745      | 1,415      | (18.9)%    |
|                             | individual insurance | 244        | 209        | (14.3)%    |
| Operating profit ratio      | group and continued  | 25.8%      | 20.6%      | (5.2) p.p. |
|                             | individual insurance | 20.8%      | 12.6%      | (8.2) p.p  |
| Kraje bałtyckie i Ukraina   |                      |            |            |            |
| Gross written premium       | non-life insurance   | 1,305      | 1,527      | 17.0%      |
|                             | life insurance       | 88         | 100        | 13.6%      |
| Operating result            | non-life insurance   | 82         | 114        | 39.0%      |
|                             | life insurance       | 5          | 6          | 20.0%      |
| COR                         | non-life insurance   | 94.8%      | 92.6%      | (2.2) p.p. |
| Operating profit ratio      | life insurance       | 5.7%       | 6.0%       | 0.3 p.p.   |

**PLN 764 m** 

consolidated parent net profit

(Q4 2017) +9.1% q/q

21.1% ROE (2017)

+6.2 p.p y/y

/Stable one notch above S&P

rating for Poland

#### **SHAREHOLDER STRUCTURE**



**MARKET CAP** 

2013

2014

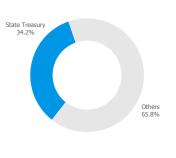
2015

Market cap (PLN bn)

Turover value (PLN bn)

2016

#### > IN POLAND

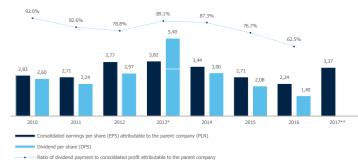


Source: current report no. 42/2017

#### **SOLVENCY II**



#### **EPS/DPS**



- \* in 2013 a dividend was paid from excess capital (PLN 2 per share)
- adopted a resolution concerning the proposed distribution of profit for 2017

#### STRATEGY FOR 2017-2020 "NEW PZU"







- > Sophisticated **pricing** methods
- > More effective insurance fraud detection
- > Support for cross-selling initiatives
- > Growth in the level of client loyalty
  - > Enhanced business management and

### DIGITIZATION

- > Implementation of new technology
- Automation of processes > Implementation of self-service
- Development of distribution
- > Simplified sales process

#### NEW CLIENT INTERACTIONS

# Suppliers

- \*\* up to the date of preparing this Report on the activities of the PZU Group, the Management Board has not

## **CSR AMBITIONS**

Clients



Ambitions in 2020

Membership in the index at least at average level for the industry

NPS for retail clients in insurance versus the competition > Indicator concerning the timeliness of examining complaints

>> the competition >95% to 28 days

> Employee commitment index > % of women in managerial positions Employees

at least 50%

Implementation of the Group's "Green PZU" standard Environment

> Fully implemented (100%)

>55%

Risk management

Risk assessment framework score (BION) for PZU and PZU Życie Good

> 50 m PLN per annum

-02.JV > Financial commitment to social activity Social activities

Percentage of suppliers adhering to the "Code of CSR Best Practices for PZU's Suppliers" > 90% of contracts contain an obligation to adhere to the "Code of CSR Best Practices for PZU's

#### IR CONTACT



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ph.: +48 (22) 582 26 23

#### **CALENDAR 2018**

- 16 May Report for Q1 2018
- 25-27 May 22 Wall Street Conference for individual investors
- 30 August Report for H1 2018
- 15 November Report for Q3 2018

http://www.pzu.pl/ir