

#newPZU – More Than Insurance

On 9 January 2018 the PZU SA Management Board and Supervisory Board adopted the updated strategy up to 2020 thereby altering the operating model of the overall PZU Group, placing emphasis on new aspects and establishing new initiatives to make PZU one of the most innovative institutions in the financial industry in Europe.

The PZU Group's new operating model

The new operating model brings together all of the PZU Group's activities and integrates them in a client-focused manner: life insurance, non-life insurance, health insurance, investments, pensions, health care, banking and assistance services. The Group defines itself as a company that helps clients care for their future. In this way it will endeavor to unleash the potential incumbent in the largest financial institution in the region.

"We would like to do something different from the classical client relation model insurers follow in which the only contact clients have with their insurer after buying a policy is when a claim occurs. We want to do considerably more and effectively help clients solve their problems in many areas and during every stage of life. PZU's new approach to building client relations is at the heart of this change", says Paweł Surówka, CEO of PZU SA.



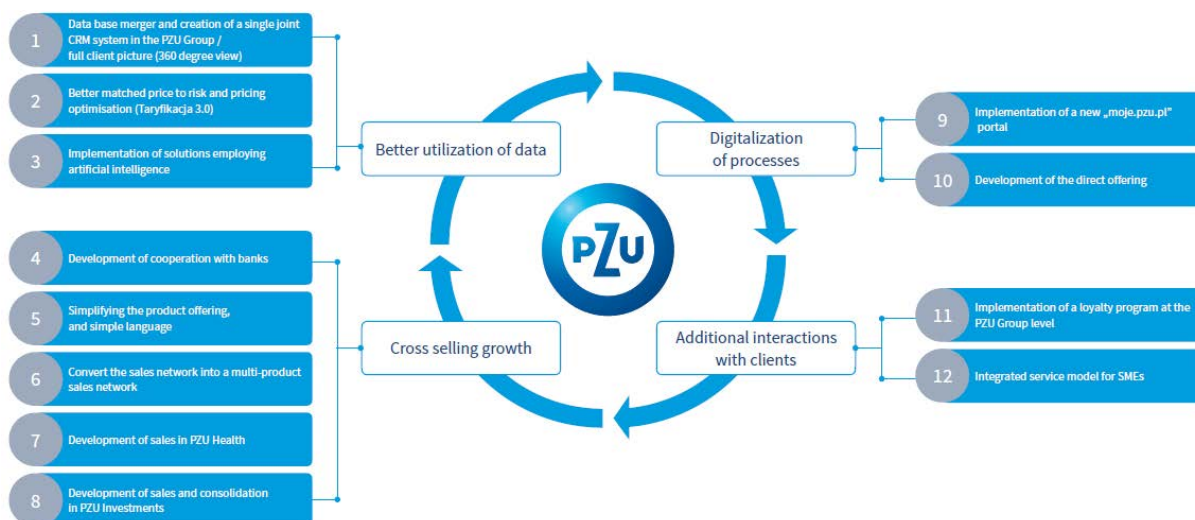
New initiatives in technology

The New PZU will hone in on artificial intelligence and better utilization of databases. To increase the number of client interactions, it will create a loyalty club and it will expand the moje.pzu.pl portal to integrate the PZU Group's services in a single venue and enable clients, among other things, to track their insurance cover, buy new policies, handle claims, manage their health care, including their doctor appointments; it will also enable them to invest and take advantage of banking services.

"Defining PZU as a company that helps clients on an everyday basis calls for considerable investments in the overall Group's growth. Our client relationships and our knowledge of our

clients are becoming our main value, while our chief product is our acumen in addressing client needs to build a stable future. That is why we devote so much space in this strategy to initiatives that will enrich our client knowledge and assist us in reaching clients even more quickly.

The execution of 12 key initiatives forms the foundation of the New PZU



Above all, PZU will continue to be one of the most stable and profitable financial groups in the world. Stability defined as always keeping our Solvency II ratio above 200%, our profitability above 22% and our promise of sharing profits that are not needed to finance our rapid growth taken together constitute our set of values ensuring that PZU commitment embodied by this statement will be applicable not just to our clients and business partners but also to our investors. You can rely on us”, emphasizes Paweł Surówka, CEO of PZU SA.

New ambitious objectives

“The new strategy contains very ambitious objectives. In relation to the most recently completed year, we are driven by our ambition to increase the Group’s ROE by more than 7 p.p. to more than 22% in 2020. We will generate one billion PLN in insurance premiums through our cooperation with banks. We will attract one million new clients for our banks. It is our wish to create a relationship that will be beneficial to both parties. We will materially grow our revenues in the health segment to one billion PLN in 2020. By consolidating the asset management market and growing our clients’ savings, we will more than double our portfolio, thereby reaching the watermark of 65 bn PLN in assets under management”, says Tomasz Kulik, CFO of the PZU Group.

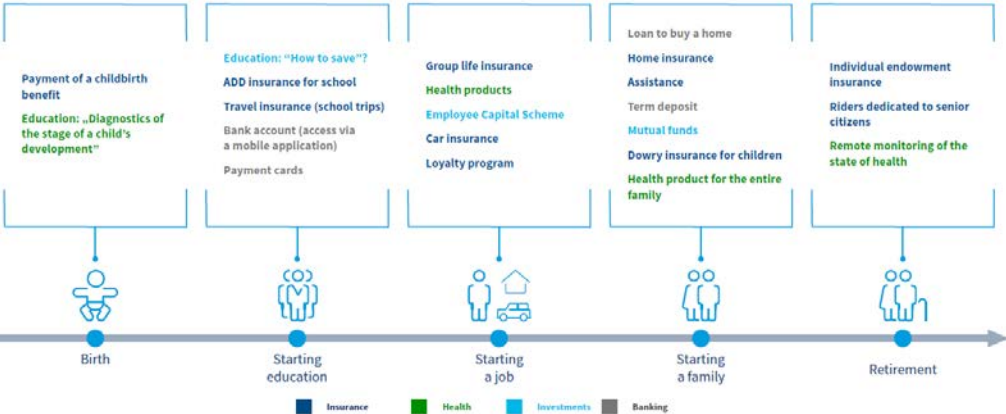
Key financial ratios in 2016 and 2020

	2016	2020
ROE attributable to the parent company	14.9%	>22%
PZU’s market share in non-life insurance	35.4%	38%
Third party assets under management	27 bn PLN	65 bn PLN
Health care revenues	364 m PLN	1,000 m PLN
Banking assets	61 bn PLN	> 300 bn PLN
Administrative expense ratio	8%	6.5%
Average number of products per client	1.5	2
The net financial result of the banking segment attributed to the PZU Group	181 m PLN	>900 m PLN

New PZU will be showcased today at the Expo XXI Hall in Warsaw where the Management Board will convey specific initiatives, which will lead to the realization of the adopted

strategy. The PZU Group is the largest financial institution in Central and Eastern Europe. It has nearly 300 bn PLN of assets under management and it enjoys the trust of more than 22 million clients in five countries.

#newPZU for retail clients



#newPZU for companies

