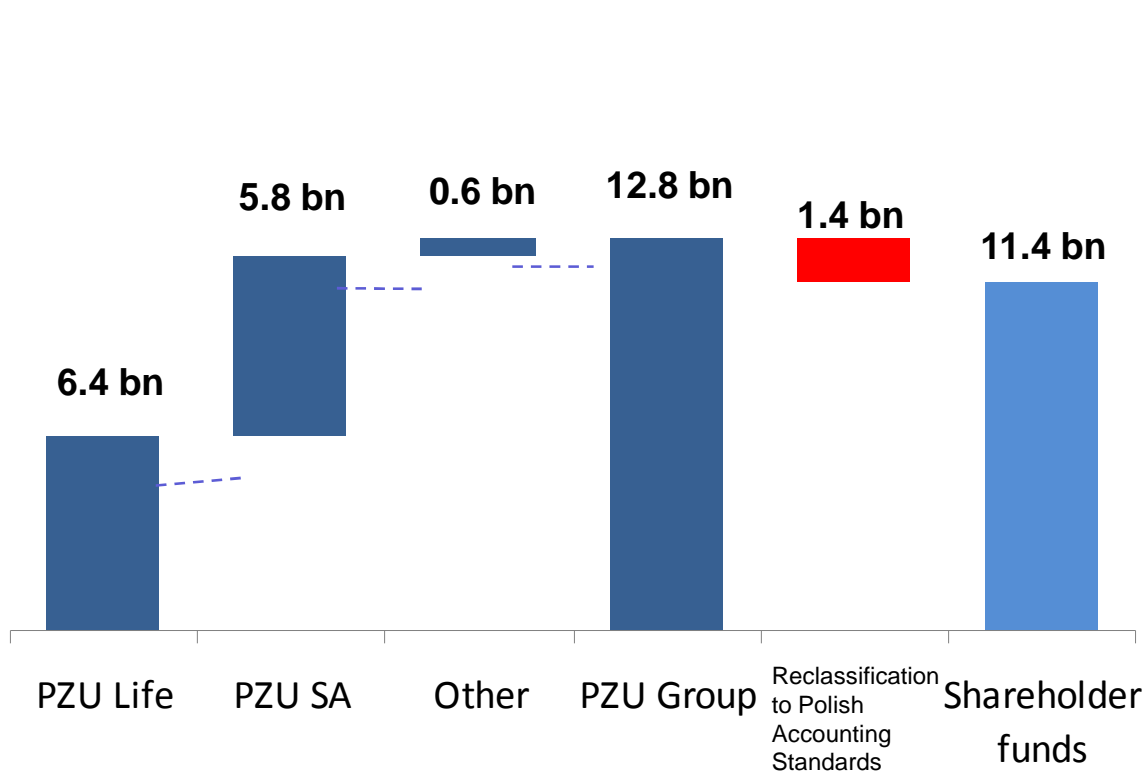




# **PZU Group's Capital Management Policy**

Warsaw, 11 May 2011

# Summary of current capital standing



## Introduction of Solvency II

- Effective date 1 Jan. 2013
- Changes in capital requirements and reserves

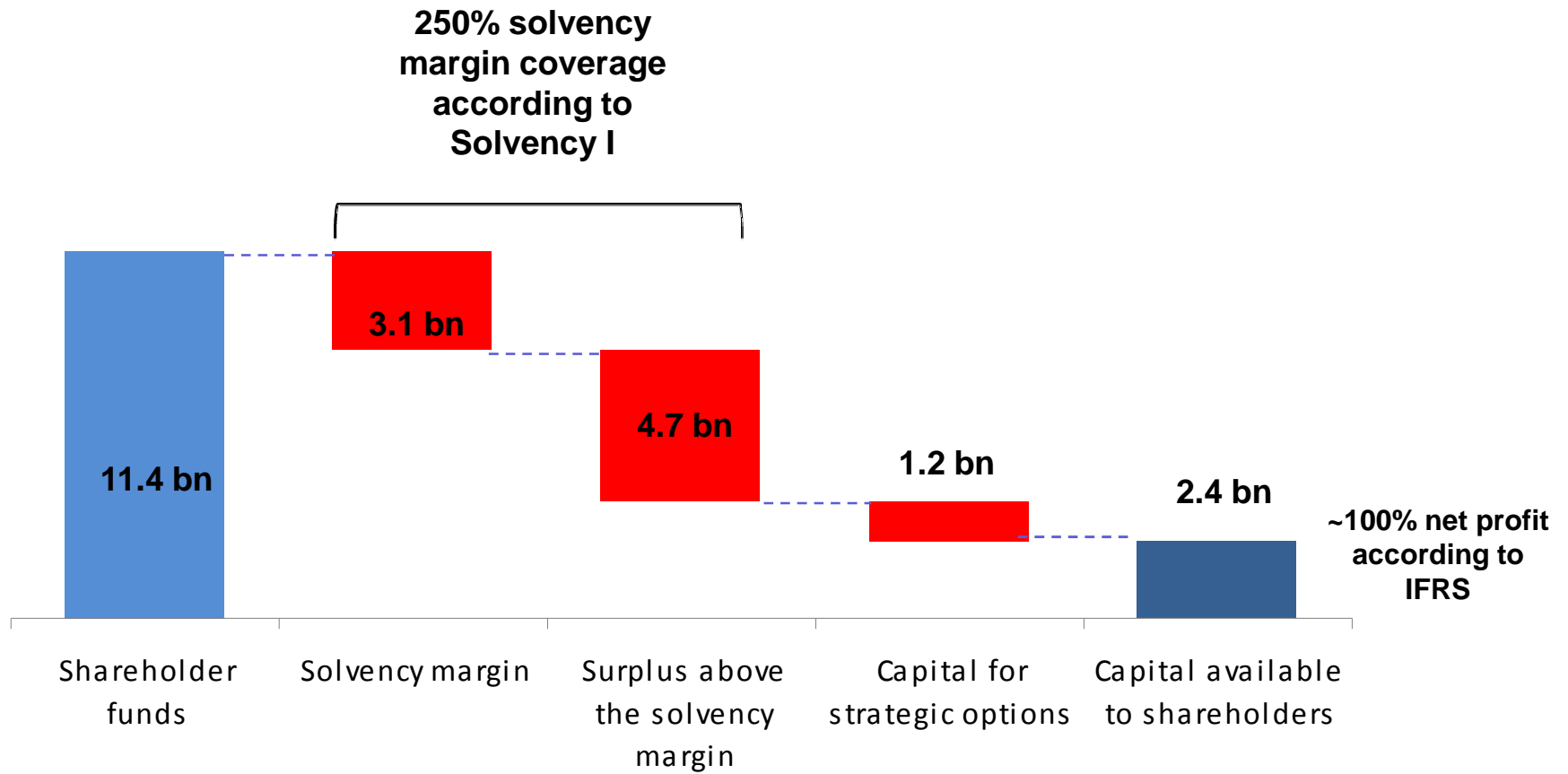
## Changes in IFRS 4 (regarding insurance agreements)

- No exact date (most likely 2013 or 2014)
- Changes pertaining to future liabilities – possible changes in reserve amounts

## Reserves – legal changes

- Possibility of increase annuity payments in PZU SA or „old portfolio” payments in PZU Life

# Proposed capital management policy



## Considering that...

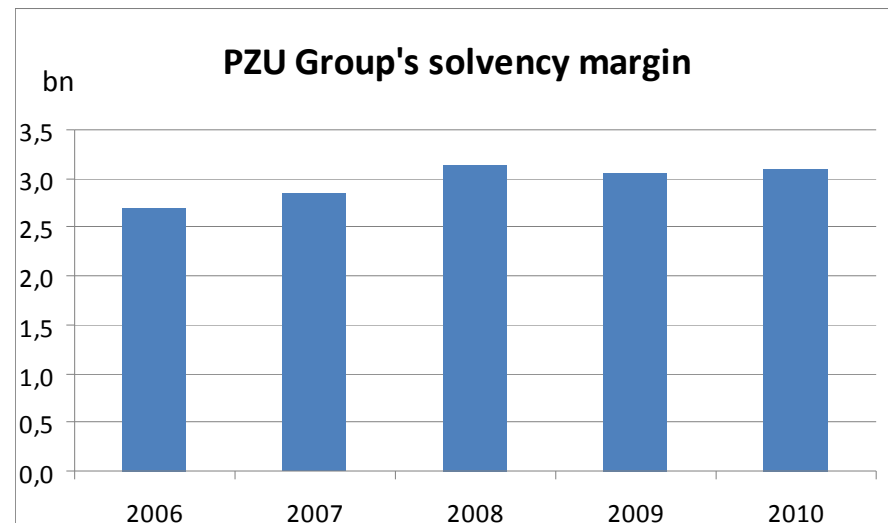
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**... sufficiently high equity level has been reached**  
further accumulation of profit is not required



**... the solvency margin level is stable**



# The PZU SA Management Board recommends...

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## ... adopting a dividend policy envisaging that the dividend

- ▶ will range between 50% and 100% of consolidated net profit according to IFRS
- ▶ cannot be higher than PZU SA's standalone net profit according to PAS
- ▶ cannot cause decrease of PZU SA's shareholder funds below 250% of the solvency margin
- ▶ cannot cause impairment of PZU Group's financial strength below the level corresponding to AA rating according to S&P
- ▶ should take into consideration PZU Group's capital requirements over the period of 1 year



## ... disbursing dividend, in 2011, in the amount of PLN 2,245 million, i.e.:

- ▶ 92% of consolidated net profit according to IFRS
- ▶ PLN 26 per share

# Potential sources of financing acquisitions

