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Ratings

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PZU Group

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PZU Group

SACP* Assessments				SACP*		Support		Ratings
Anchor	a	Modifiers	-1	a-		0		Financial Strength Rating
Business Risk		ERM and Management	-1	Liquidity	0	Group Support	0	A-/Stable/--
Strong								
Financial Risk		Holistic Analysis	0	Sovereign Risk	0	Gov't Support	0	
Strong								

*Stand-alone credit profile.
See Ratings Detail for a complete list of rated entities and ratings covered by this report.

Rationale

Business Risk Profile: Strong

- Powszechny Zaklad Ubezpieczen (PZU Group) is Poland's largest insurance group and leads the property/casualty (P/C) and life insurance markets, with market shares of 36.6% in P/C and 45.8% in life in 2017.
- Very strong competitive position, due to its high brand recognition and reputation, which is complemented by an extensive and diverse distribution network. This position allows the group to achieve favorable operating performance compared with peers.
- PZU Group is mainly active in Poland, where domestic and external risks are currently elevated.

Financial Risk Profile: Strong

- We assess PZU Group's capital and earnings as very strong with capital adequacy exceeding 'AAA' level in 2018-2019 according to the S&P Global Ratings capital model. This is based on our expectation of sustained strong operating performance, expected moderate dividend payments and increased capital needs from expansion of its insurance operations.
- We believe PZU Group's large stake in Bank Polska Kasa Opieki S.A. (Bank Pekao; BBB+/Stable/A-2) could, in our view, makes its cyclical development in Poland somewhat more volatile than pure insurance peers, which we factor into our view of its moderate risk position.
- The group has strong financial flexibility, with prudent financial leverage and very strong debt-service ability.

Other Factors

- The group has had several management changes since 2015, which in our view have somewhat weakened the company's governance. However our assessment of management and governance also reflects the group's clear strategic planning, good track record of executing its strategy, and its conservative financial management, with a history of strong earnings.
- PZU Group has adequate enterprise risk management (ERM), in our view, reflecting adequate risk controls for the group's main risk insurance, market, asset-liability management (ALM), credit, and operational risk. After acquiring of the stake in Bank Pekao, we now view the group's ERM as having greater importance because of PZU's increased exposure to the banking sector.
- PZU Group passes our hypothetical foreign currency sovereign default stress test. We therefore rate PZU Group one notch above our 'BBB+' foreign currency long-term sovereign rating on Poland.
- We consider PZU Group to be a government-related entity (GRE) with an important role for the Polish economy and a strong link with the Polish government, which is the group's largest and dominant shareholder, owning a 34.2% stake.
- Our view of PZU Group's strong financial and business profile forms the basis of our assessment. This said, we see the group's visibly stronger profit generation and distribution capabilities than peers as favorable.

Outlook: Stable

The stable outlook on PZU Group reflects our view that the group will continue to advance its strategy to sustain its business position and the strength and stability of its capital and earnings position.

Downside scenario

In the next 12-24 months, we would likely take a negative rating action if, contrary to our current expectations:

- The group increases its exposure to the domestic sovereign or banking sector and thereby undermines the group's ability to sustainably pass our hypothetical foreign currency sovereign stress test;
- Capital weakened for a prolonged period below the 'AAA' range according to the S&P Global Ratings capital model, squeezed either by weaker-than-expected operating performance or investment losses, considerably higher dividend payouts, or expenditures for any further acquisitions; or
- We lowered our local currency sovereign credit rating on Poland.

Upside scenario

We could revise up our assessment of PZU Group's stand-alone credit profile (SACP) which we currently view at 'A-', if we observe a track record of execution of the current strategy and stable management and governance processes. However, our view of the group's creditworthiness would improve in this case only if we raised the local currency rating on Poland.

Base-Case Scenario

Macroeconomic Assumptions

- GDP growth in Poland of 4.5% in 2018, and 3.5% in 2019, and 3.0% in 2020.
- Interest rates remaining low and increasing only gradually.

Company-Specific Assumptions

- We expect PZU Group's capital adequacy to stay at least very strong in 2018-2019.
- We expect premium growth at PZU Group to moderate, with gross premium written (GPW) up between 3%-6% in 2018-2019.
- P/C underwriting profitability, measured by combined (loss and expense) ratio, the industry's main underwriting profitability metric, to remain favorable with performance firmly below 95% in 2018-2020.
- Life insurance profitability should remain stable, with the profit margin staying at around 20% in 2018–2020.
- We expect net income (excluding minority interest) of at least Polish zloty (PLN) 2.4 billion (around €560 million) in 2018, which we expect to gradually grow to at least PLN2.8 billion in 2020.
- These results should support return on equity of at least 16% in 2018, and then improving to at least 16%-18% in 2019-2020.
- We expect stable development at Bank Pekao and Alior, which should allow both banks to contribute to the group's net income.
- Debt metrics will further support our assessment of its financial flexibility as strong.

Key Metrics

Table 1

Powszechny Zaklad Ubezpieczen S.A. Key Metrics

(Mil. PLN)	2019f	2018f	2017	2016	2015	2014
Gross premiums written (mil. PLN)	~ 24.000	~ 23.500	22,848	20,220	18,359	16,885
Change in gross premium written (%)	3 - 6	3 - 6	13.0	10.1	8.7	2.5
Net income (mil. PLN)	> 2600	> 2400	2,910	1,935	2,342	2,968
Return on revenues (%)	> 10	> 10	13.6	12.5	14.0	14.5
Return on shareholder equity (%)	> 16	> 16	21.1	14.9	18.0	22.6
P/C net combined ratio (%)	< 95	< 95	90.4	95.7	95.3	95.8
Fixed-charge coverage	> 8	> 8	45.4	54.1	82.1	243.8
Financial leverage (%)*	~ 20	~ 20	~ 20	13.9	13.6	7.9
S&P Global Ratings capital adequacy	At least very strong	At least very strong	Extremely strong	Extremely strong	Extremely strong	Extremely strong

*Financial leverage for 2017 is expected. f--Forecast under S&P Global Ratings' base-case scenario.

Company Description: Poland's Leading Composite Insurance Group

PZU Group is Poland's largest insurance group and leads the P/C and life insurance markets. At the end of 2017, the group's gross premium written (GPW) totaled PLN22.8 billion (around €5.4 billion). The group is a market leader in Poland, offering whole range of insurance and asset management services for its clients. At the end of 2017, it had market share of 36.6% in Poland's P/C insurance sector, while in life, PZU Group's market share was 45.8%. In addition, the group owns market-leading insurance operations in the three Baltic countries, which together represent around 6% of GPW. It also has small operations in Ukraine (1% of total GPW). PZU Group also is one of the leading asset managers in Poland. In addition, PZU Group is a strategic investor in the Polish banking sector. In 2017, the group bought 20% of the shares in Bank Pekao, the second-largest bank in Poland. Furthermore, since 2016, the group owns a 32% stake in midsize Alior Bank in Poland.

Overall, the group consists of numerous insurance, asset management, and banking entities. In our analysis, we consider consolidated insurance operations. We assess Powszechny Zaklad Ubezpieczen S.A. (PZU S.A.) and Powszechny Zaklad Ubezpieczen na Zycie S.A. (PZU Zycie) as core entities of PZU Group. PZU Zycie is the life risk carrier of PZU Group. As of end of 2017, it wrote around 37% of group GPW. PZU Zycie is fully owned by PZU S.A., the group's P/C risk carrier. We assess group's stake in Bank Pekao as moderately strategic to the group. We do not include any uplift in the rating on Bank Pekao from its current group status within the PZU Group as it is currently assessed one notch below PZU on a stand-alone basis.

PZU Group is a publicly listed company on the Warsaw Stock Exchange, where it was floated on May 12, 2010. The

Polish state remains PZU Group's main shareholder, owning a stable 34.2% stake through the Polish treasury, which gives the group a strong link to the government. As such, we regard PZU Group as a GRE. Furthermore, we consider that the group has important role in the Polish economy. We anticipate that the state will remain the controlling shareholder. However, although we consider PZU Group to be a GRE, we do not attribute any rating uplift for its GRE status, because we cap our rating on PZU Group entities at the level of our 'A-' local currency rating on Poland.

The ratings are one notch above the 'BBB+' foreign currency sovereign rating on Poland because PZU Group passes our hypothetical foreign currency sovereign default stress test. Under this test, we assess the potential impact of a hypothetical default by the Polish sovereign on PZU Group's balance sheet, based on a stress scenario. In our opinion, the insurer is unlikely to default on its insurance liabilities under a sovereign foreign currency stress scenario. However, PZU Group does not pass our hypothetical local currency sovereign stress test. Therefore, we cap the ratings on the group at the level of our 'A-' local currency rating on Poland.

Business Risk Profile: Strong

Our assessment of PZU Group's business risk profile reflects our view of the group's very strong position in the domestic Polish market, where we consider domestic and external risks to be currently elevated.

Insurance industry and country risk: Moderate

In our view, elevated domestic and external risks are one of the main factors weighing on country risk, to which PZU Group is exposed. We view P/C insurance industry risk in Poland as intermediate, while we consider that life insurance industry risk is moderate. We base our opinion on generally good premium growth prospects for the P/C sector in line or slightly exceeding GDP growth, its fair underwriting profitability, moderate levels of product risk, and our assessment of the sector's institutional framework as moderately strong. We consider that the life insurance sector is also exhibiting fair profitability and moderate levels of product risk. However, the market has been in decline in the last couple of years on account of regulatory changes, the low interest rate environment, reduced consumer confidence, and more attractive offerings from competitive savings products.

In our view, in the longer term, the Polish insurance market, and the life sector in particular, exhibit substantial growth potential because the overall demand for insurance is increasing and the private property and health insurance sectors are still relatively underdeveloped compared with those in Western Europe. We believe that PZU Group is well positioned to participate in this growth, and we expect it will secure its market leadership and dominance. In our view, PZU Group's goal to diversify geographically across Central and Eastern Europe (CEE) is somewhat constrained, mainly by a lack of suitable acquisition targets in the region.

Competitive position: Very strong, based on market-leading position in Poland

In our view, PZU Group has a very strong competitive position. It has a leading market position in Poland insurance market, which in our view is backed by its unrivalled distribution capabilities, a well-diversified business mix, and strong brand recognition in the Polish population.

PZU Group is by far the largest insurance provider in Poland, writing more than four times the amount of life insurance premiums as its closest competitor. In P/C insurance, it writes more than twice as much as its closest competitor in

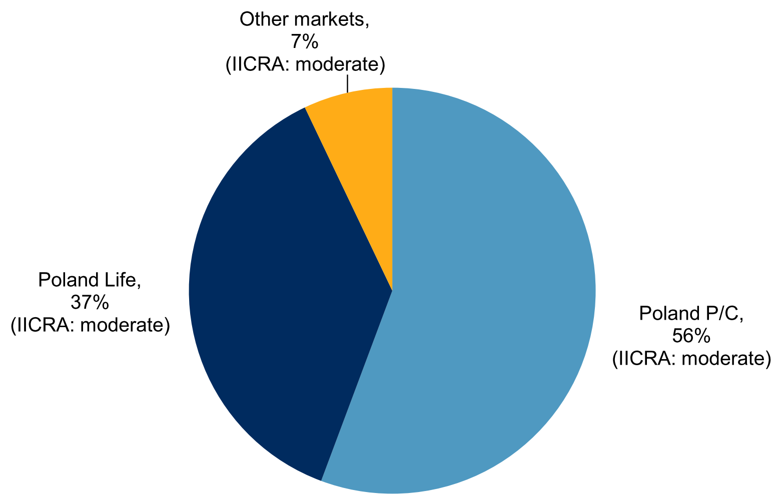
Poland. Overall, the group's dominant position in Poland's insurance sector provides it with scale and cost advantages against its local peers. We consider that the group's key competitive strength is its longstanding presence operating in the Polish market. PZU Group has built a highly recognizable and respectable brand that it leverages through an extensive and diverse distribution network. The group's network of more than 400 offices and 9000 agents is widespread across Poland, and provides considerable competitive advantage.

In the last few years, the group has been putting greater efforts into digitalization initiatives and development of new distribution channels, namely direct distribution, through which it aims to tap a younger client base. To retain its cost advantage, the group started cost optimization measures in 2016. PZU anticipates that these will reduce the administrative expense ratio to 6.5% in 2020 from above 8% in 2016. We consider the group is on track with the optimization. Following its acquisition of a stake in Bank Pekao, we also anticipate that PZU Group will likely benefit from some cooperation with Bank Pekao.

We consider that its diversified product offering gives the group considerable pricing power, enabling it to withstand softer market cycles, like the one observed in recent years. We consider that the Bank Pekao stake adds an additional profit diversification stream. Furthermore, the group, as a first mover, is developing some new areas of business, such as health insurance. We see this move as favorable, since it allows to the group to further leverage its key insurance capabilities while additionally diversifying its income streams.

Chart 1

Powszechny Zaklad Ubezpieczen S.A. IICRA



At year-end 2017. IICRA--Insurance Industry Country Risk Assessment.
P/C--Property/casualty.

For 2018-2020, we expect that the group will continue to develop its operations outside Poland, in particular in the Baltics and Ukraine. Furthermore, the company continues to look for new development opportunities to further enhance their business model. As such, at the end of 2017, PZU Group became a shareholder of Argenta Syndicate Management Ltd. which manages Lloyd's Syndicate 2121, which is focusing on short-tail property business and specialty lines.

This acquisition provides PZU Group some exposure to Lloyd's markets. Despite the relatively small size in the group context, it gives the PZU Group further flexibility around attracting new business as well as the potential to gradually further enhance the company's capabilities. Nevertheless, we continue to expect that most of the premium growth will come from organic growth of the domestic Polish insurance market.

Overall, we expect that, now, after two years of strong organic growth of PZU Group, induced by Polish cross market increase of motor prices as well as due to some increase of the group's market share, growth will likely moderate in 2018-2019 to between 3%-6% and continue to outperform the market in profitability terms.

Table 2

Powszechny Zaklad Ubezpieczen S.A. Competitive Position

(Mil. PLN)	2017	2016	2015	2014	2013
Gross premiums written (GPW)	22,848	20,220	18,359	16,885	16,480
Change in GPW (%)	13.0	10.1	8.7	2.5	1.4
Net premiums written	22,235	19,807	17,992	16,535	16,223
Change in net premiums written (%)	12.3	10.1	8.8	1.9	1.4
Net premiums earned	21,354	18,644	17,385	16,429	16,249
Total assets under management	57,996	56,265	61,653	60,018	57,740
Growth in assets under management (%)	3.1	(8.7)	2.7	3.9	11.6
P/C: Reinsurance utilization (%)	4.8	4.1	4.4	3.8	2.9
Business Segment (% of GPW)					
Life (%)	37.7	39.7	43.2	46.2	47.0
P/C (%)	62.3	60.3	56.8	53.8	53.0

P/C--Property/casualty/ PLN--Polish zloty.

Financial Risk Profile: Strong

Capital and earnings: Very strong capital adequacy unaffected by acquisition of stake in Bank Pekao

We assess PZU Group's capital and earnings as very strong. PZU Group's capital adequacy exceeded our 'AAA' benchmark in 2016, as well after its acquisition of Bank Pekao in mid-2017, according to our capital model. We assume that the group will remain capitalized to the same levels, including after taking into account organic growth of current business, developing needs for health and other business in Poland, and regular dividend payout commitments under the company's dividend policy.

Table 3

Powszechny Zaklad Ubezpieczen S.A. Capitalization					
(Mil. PLN)	**2017**	**2016**	**2015**	**2014**	**2013**
Common equity*	14,622	12,998	12,924	13,168	13,128
Change in common equity (%)	12.5	0.6	(1.9)	0.3	(8.0)
Total capital (reported)	20,350	16,678	16,461	15,295	13,128
Change in total capital (reported) (%)	22.0	1.3	7.6	16.5	(8.0)

*We exclude minority interest related to Bank Pekao and Alior Bank. PLN--Polish zloty.

We consider PZU Group to have strong earnings generation capacity. This was demonstrated with the group's performance in 2017 when it posted net income of PLN2.9 billion (around €700 million). This was mostly on account of a rebound of profitability of P/C business while life insurance remained a stable contributor to the group results. In 2017, PZU Group's P/C operations were positively influenced by a broad-base motor sector premium increase that improved the sector's profitability. The company's combined ratio (profit and loss), according to our calculations, was 90.4%, which was a significant improvement from 2016, when it was 95.7%.

We understand that, under the company's current strategy, the management's goal is a combined ratio of 92% by 2020. Given PZU's market position in Poland, we consider this goal to be credible. However, in our base-case scenario, we take a more conservative view, owing to some potential uptick in sector competition and also some legislative changes in 2018 that could further affect bodily injury claim development in Poland. This combination could result in the PZU Group reporting a slightly weaker performance for P/C business in 2018-2020. Nevertheless, we expect the group will be able to sustain a combined ratio of, at most, 95% in the forecast period.

Life performance in the first half of 2017 was slightly weaker than usual, mainly due to an outlying high mortality rate in Poland. Nevertheless, PZU Group managed to catch up in the second half of 2017. Given the strong underwriting profitability of the group life business, we do not think that lower investment results--due to lower interest rate environment--would bear considerable risk for the profitability of the life business. Overall, we acknowledge that PZU Group's life insurance business, in particular group life, is a major and stable income contributor to the group. As such, it is one of the key differentiators to other insurance companies in Poland.

The group's investments in the Polish banking sector are profitable and contributed PLN408 million to PZU Group's net income in 2017. We expect that Bank Pekao and Alior will remain stable and growing income contributors to the group in 2018-2020. We expect that investment income from other group investments will however fall slightly on the back of the only gradual increase in interest rates.

Overall, we expect that PZU Group will continue to translate its market dominance into a strong operating performance, with results better than the market average. We consider that management's targeted return on equity in 2020 of above 22% is ambitious, but achievable. This said, we expect the group will post net income in 2018 of at least PLN2.4 billion. We expect net income will gradually increase in 2019-2020 on account of organic business growth. As such, we expect the group will post net income of at least PLN2.8 billion in 2020, translating into expected return on equity of 16%-18%. This kind of profitability of PZU Group will remain high compared with Polish and international peers.

Table 4

Powszechny Zaklad Ubezpieczen S.A. Earnings

(Mil. PLN)	2017	2016	2015	2014	2013
Total revenues	23,850	20,537	19,617	18,857	18,896
EBIT	3,721	2,568	2,993	3,733	4,136
EBIT adjusted	3,232	2,566	2,747	2,733	3,560
Net income	2,910	1,935	2,342	2,968	3,293
Return on revenue (%)	13.6	12.5	14.0	14.5	18.8
Return on shareholder equity (reported; %)	21.1	14.9	18.0	22.6	24.0
P/C net expense ratio (%)	26.3	29.2	30.9	29.8	27.0
P/C net loss ratio (%)	64.2	66.6	64.4	65.9	61.3
P/C net combined ratio (%)	90.4	95.7	95.3	95.8	88.3
Life: Net expense ratio (%)	13.7	14.2	14.6	15.2	14.9

PLN--Polish zloty. P/C--Property/casualty.

Risk position: Moderate, reflecting potential volatility from concentrated banking assets

In our view, PZU Group's risk position reflects moderate risks, based on its relatively high exposure to banking assets. After the Bank Pekao acquisition, banking sector and obligor risk increased considerably. Bank Pekao is the largest individual exposure for the group, and represented around 11% of the group's invested assets. Furthermore, in our view, PZU Group's exposure to the banking sector could also result in volatility of capital and earnings according to our risk-based capital model. Increased volatility in capital could result from changes in the bank's market value.

At the end of 2017, about 55% of PZU Group's investments comprised fixed-income securities (including loans). The average rating on bonds in the portfolio is 'A-', mostly due to investments in Polish government securities. We anticipate that PZU Group will continue to reduce its exposure to Polish government securities, although we expect these exposures will remain material in 2018-2020.

In our view, PZU Group has sufficient reinsurance coverage against its natural catastrophe exposure in Poland. We regard the group's reserves as adequate. It uses independent consulting actuaries to periodically review the reserve adequacy of its P/C business.

Table 5

Powszechny Zaklad Ubezpieczen S.A. Risk Position

(Mil. PLN)	2017	2016	2015	2014	2013
Total invested assets*	57,996	56,265	61,653	60,018	57,740
Net investment income	1,839	1,448	1,429	1,539	1,862
Net investment yield (%)	3.2	2.5	2.3	2.6	3.4
Net investment yield including realized capital gains/(losses) (%)	3.5	2.2	2.2	3.4	3.6
Net investment yield including all gains/(losses) (%)	4.1	2.5	2.8	4.3	4.5

*Includes only assest of insurance operations

Investment portfolio composition (%)

	2017	2016	2015	2014	2013
Cash and short-term investments	4.4	6.0	9.1	10.8	13.8
Bonds	54.6	62.0	65.6	63.3	62.7

Table 5

Powszechny Zaklad Ubezpieczen S.A. Risk Position (cont.)					
Equity investments	12.1	13.2	11.5	10.8	10.9
Real estate	6.1	6.2	5.5	5.1	4.0
Loans	7.0	8.2	8.2	9.3	8.5
Investments in affiliates§	15.7	4.4	0.1	0.1	N/A
Other investment	N/A	N/A	N/A	0.6	N/A

§Investments into Bank Pekao and Alior Bank included as investments in affiliates.

Financial flexibility: Strong, reflecting prudent financial leverage and access to capital markets

We regard PZU Group's financial flexibility as strong. The group has strong earnings generation capacity, proven access to capital markets, relatively low leverage on its balance sheet, and sufficient reinsurance capacity. In 2017, the group issued subordinated bonds amounting to PLN2.25 billion with final maturity in 2027. This was the first time that the group tapped the subordinated bond debt markets, and the bond was also the first of its kind in Poland. We consider the issuance to be a milestone for the whole market, while at the same time it reconfirms our view of the group's market access. The group also has outstanding senior debt of €850 million that matures in 2019. This results in a financial leverage ratio (debt plus hybrids to economic capital) of around 20% at the end of 2017. The fixed-charge coverage was 45x in 2017.

Table 6

Powszechny Zaklad Ubezpieczen S.A. Financial Flexibility					
(x)	**2017**	**2016**	**2015**	**2014**	**2013**
Fixed-charge coverage	45.4	54.1	82.1	243.8	N/A
Financial leverage (%)*	~ 20	13.9	13.6	7.9	0.2

*Financial leverage for 2017 is expected. N/A--Not available.

Other Assessments

Combination of PZU Group's adequate enterprise risk management (ERM) which we see as highly important and fair management and governance practices are reducing the rating by one notch.

Enterprise risk management: Adequate

We consider PZU Group's ERM to be adequate, which reflects our neutral assessment of its risk management culture and risk controls for its main risks: insurance, market, asset-liability management (ALM), credit, and operational risk. We consider that the group made considerable progress in 2017 on limiting ALM risk. In particular, after issuance of Polish sovereign bonds with maturities of 30 years in 2017, PZU Group tapped the market and almost neutralized its exposure to reinvestment risk for life liabilities, which we consider favorably. Additionally, the group also further strengthened its reinsurance program in 2017. Moreover, although Poland underwent a high amount of legislative changes in 2016 and 2017, the group managed relatively smoothly to adapt and comply with the changes.

After acquiring the stake in Bank Pekao, we now view PZU Group's ERM as having greater importance because its increased exposure to the banking sector. This has resulted in a more complex risk profile for the group. Moreover, over time, we expect that the group will demonstrate further improvement in strategic risk management, with an increased focus on effective risk reward analysis.

Management and Governance: Fair, due to frequent changes at the key management functions

We see PZU Group's management and governance as fair. This reflects that we have seen frequent changes at some of the key management functions in the group since December 2015. We consider that the volatility in the management team has weakened the group's management and governance and may signal increased overall risk. Our assessment of management and governance still reflects the group's clear strategic planning, good track record of executing its strategy, and its conservative financial management, including strong balance-sheet management and a history of strong earnings.

Liquidity: Exceptional liquidity on the back of a highly liquid asset portfolio

We regard PZU Group's liquidity as exceptional, owing to the strength of available liquidity sources, mainly premium income, and its liquid asset portfolio. PZU Group has no commercial paper program. We see PZU Group's need to use such facilities as minimal because we consider it has sufficient internal liquidity and good reinsurance coverage to mitigate potential large losses.

Accounting Considerations

PZU Group prepares its financial accounts in accordance with International Financial Reporting Standards.

To calculate PZU Group's total adjusted capital in our risk-based capital model, the largest adjustments we made to reported amounts are as follows:

- PZU Group provides supplementary embedded value models disclosures for its life business that we use to analyze the life operating performance.
- With 32.22% ownership of Alior Bank, PZU Group has obtained control of the bank and consolidated it in its accounts as of year-end 2015. In our assessment of group capital adequacy, we reflect the market value of the group's shares in the bank.
- With 20% ownership of Bank Pekao, PZU Group has obtained control of the bank and consolidated it in its accounts as of midyear 2017. In our assessment of group capital adequacy, we reflect the market value of the group's shares in the bank.

Related Criteria

- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Group Rating Methodology, Nov. 19, 2013
- Criteria - Insurance - General: Enterprise Risk Management, May 7, 2013

- Criteria - Insurance - General: Insurers: Rating Methodology, May 7, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- General Criteria: Criteria Clarification On Hybrid Capital Step-Ups, Call Options, And Replacement Provisions, Oct. 22, 2012
- Criteria - Insurance - General: Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010
- Criteria - Financial Institutions - General: Methodology: Hybrid Capital Issue Features: Update On Dividend Stoppers, Look-Backs, And Pushers, Feb. 10, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Insurance - General: Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Related Research

- Polish Property/Casualty Insurer TUW PZUW Rated 'A-'; Outlook Stable, June 25, 2018
- Poland-Based Bank Pekao 'BBB+' Rating Affirmed On The Recognition Of Potential For PZU Group Support; Outlook Stable, June 21, 2018
- Poland Outlook Revised To Positive From Stable On Solid Economic Performance; Ratings Affirmed, April 13, 2018
- Insurance Industry And Country Risk Assessment: Poland Property/Casualty, Oct. 11, 2017
- Insurance Industry And Country Risk Assessment: Poland Life, Oct. 11, 2017
- Polish Motor Insurers Face A Decade Of Uncertainty Due To Retrospective Bereavement Damages Claims, Oct. 9, 2017
- Bank Polska Kasa Opieki S.A., Aug. 28, 2017
- Banking Industry Country Risk Assessment: Poland, June 4, 2017
- CEE Motor Third-Party Liability Insurance Profitability: The Good, The Bad, And The Ugly, Dec. 12, 2016

NOTE: We rate the senior unsecured debt issued by PZU Finance AB (publ) 'BBB+'. This debt is guaranteed by Powszechny Zaklad Ubezpieczen S.A.

Ratings Detail (As Of June 25, 2018)	
Operating Companies Covered By This Report	
Powszechny Zaklad Ubezpieczen S.A.	
Financial Strength Rating	
Local Currency	A-/Stable/--
Counterparty Credit Rating	A-/Stable/--
Powszechny Zaklad Ubezpieczen na Zycie S.A.	
Financial Strength Rating	
Local Currency	A-/Stable/--

Ratings Detail (As Of June 25, 2018) (cont.)	
Issuer Credit Rating	
Local Currency	A-/Stable/--
Towarzystwo Ubezpieczen Wzajemnych Polski Zaklad Ubezpieczen Wzajemnych	
Financial Strength Rating	
Local Currency	A-/Stable/--
Related Entities	
Bank Polska Kasa Opieki S.A.	
Issuer Credit Rating	BBB+/Stable/A-2
Domicile	Poland

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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