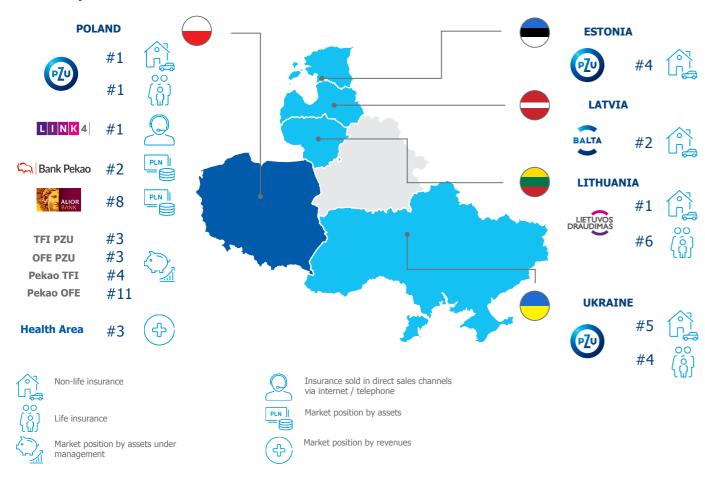
# Factsheet Q1 2018



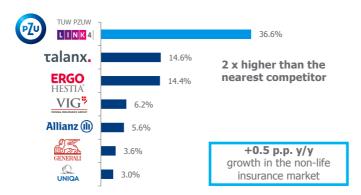
#### PZU's activity



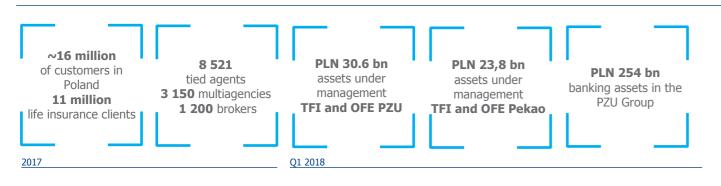
## Life insurance (periodical premium)\*

#### PZυ **AVIVA** 4 x higher than the nearest competitor nationale nederlander τalanx. VIG +0.7 p.p. y/y **MetLife Amplico** growth in the life insurance market

## Non-life insurance\*



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



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

# **PZU** 20.0% y/y

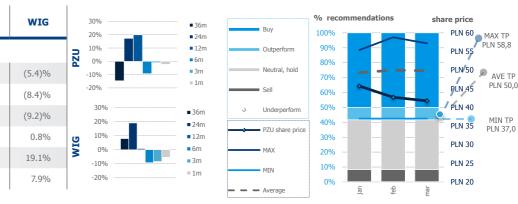
(1.0)% q/q

3m (1.0)% (9.2)% 20.0% 24m 17.3% WIG20 (14.6)%

Rate of

Q1 2018 (YTD)

# **RECOMMENDATIONS**



# 1.6% y/y

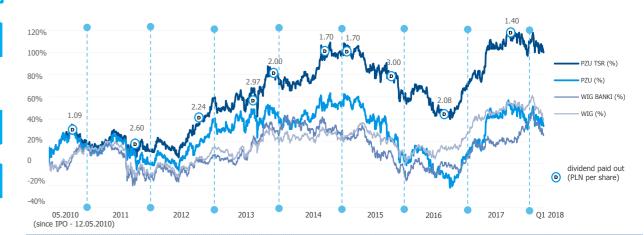
(10.2)% q/q

**WIG Banki** 

12.2% y/y

(7.6) % q/q

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





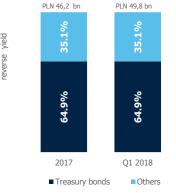
(9.8)% q/q

WIG 0.8% y/y

PLN 54 PLN 24 2014
2015
2016
2017
Q1 2018 Treasury bonds (10Y bonds yield)

**PZU VS. TREASURY BONDS (REVERSE ORDER)** 





## **RESPECT** (2.0)% y/y

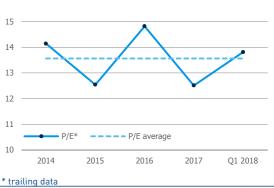
(10.5)% q/q

Q1 2018

WIG20 TR 3.6% y/y (10.2)% q/q

**P/BV RATIO** 

# P/E RATIO



#### **FINANCIAL DATA**

Consolidated financial data highlights	Q1 2017	Q1 2018	Change y/y		
PZU GROUP EXCLUDING ALIOR BANK AND PEKAO					
Gross written premium <sup>1</sup>	5,768	5,831	1.1%		
Net insurance claims and benefits	(3,710)	(3,626)	(2.3)%		
Net investment result <sup>2</sup>	671	301	(55.1)%		
Administrative expenses	(400)	(379)	(5.3)%		
Acquisition expenses	(694)	(755)	8.8%		
Operating profit (loss)	1,125	646	(42.6)%		
Net profit (loss)	911	513	(43.7)%		
Acquisition expenses ratio in the insurance segments	14.0%	14.2%	0.2 p.p.		
Administrative expenses ratio in the insurance segments	7.3%	6.5%	(0.8) p.p.		
Net profit (loss)attributable to equity holders of the parent company	911	513	(43.7)%		
Banks: Alior Bank and Pekao					
Net profit (loss) attributable to equity holders of the parent company	28	127	355.1%		
Net profit (loss) attributable to eqiuty holders of the parent company	940	640	(31.9)%		
Principal financial ratios					
ROE <sup>3</sup>	27.9%	17.6%	(10.3) p.p.		
Combined Ratio <sup>4</sup>	87.0%	86.0%	(1.0) p.p.		
Operating Profit Margin <sup>5</sup>	13.8%	16.6%	2.8 p.p		

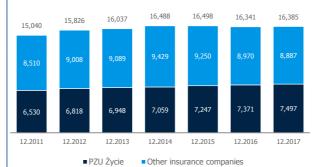
- <sup>1</sup> Excluding consolidation adjustments.
- Including interest expenses.
- <sup>3</sup> Ratio computed using equity at the beginning and end of the
- reporting period. Computed for the parent company. <sup>4</sup> Only for non-life insurance in the PZU Group.
- <sup>5</sup> Margin for the group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

ment excluding conversion effect.

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



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



gross written premium (Q1 2018)

(1.4)% q/q

## Operating performance of the main segments

PLN mln, local GAAP (PAS)		Q1 2017	Q1 2018	Change y/y
Non-life insurance - Poland				
Gross written premium	mass insurance	2,653	2,729	2.9%
	corporate insurance	630	626	(0.6)%
Operating result	mass insurance	395	385	(2.5)%
	corporate insurance	51	140	174.5%
Operating profit	mass insurance	84.9%	86.5%	2.4 p.p.
	corporate insurance	91.8%	80.1%	(11.7) p.p.
Life insurance – Poland		'		
Gross written premium	group and continued	1,714	1,722	0.5%
	individual insurance	408	346	(15.2)%
Operating result	group and continued	236	286	21.2%
	individual insurance	49	51	4.1%
Operating profit ratio	group and continued	13.8%	16.6%	2.8 p.p.
	individual insurance	12.0%	14.7%	2.7 p.p.
Kraje bałtyckie i Ukraina				
Gross written premium	non-life insurance	343	400	16.6%
	life insurance	24	27	12.5%
Operating result	non-life insurance	22	31	40.9%
	life insurance	1	1	0.0%
COR	non-life insurance	94.5%	92.5%	(2.0) p.p.
Operating profit ratio	life insurance	4.2%	3.7%	(0.5) p.p.

# **PLN 5.8 bn**

#### PLN 640 m

consolidated parent net profit (Q1 2018)

(16.2)% q/q

**17.6%** ROE (Q1 2018)

(10.3) p.p y/y

/Stable

one notch above S&P

rating for Poland

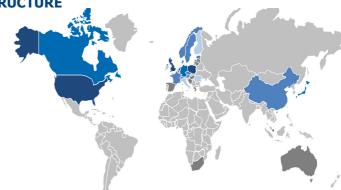
> Sophisticated pricing methods > More effective insurance fraud detection

UTILIZATION OF BIG DATA

- > Support for **cross-selling** initiatives
- > Growth in the level of client loyalty
- > Enhanced business management and
- prediction
- > Implementation of new technology
- Automation of processes
- > Simplified sales process

## **SHAREHOLDER STRUCTURE**

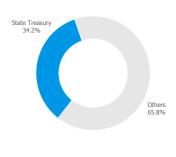
**MARKET CAP** 



2015 2016 2017 01 2018 Market cap (PLN bn)

Turover value (PLN bn)

#### > IN POLAND



Source: current report no. 42/2017

#### **SOLVENCY II**

>10,000,000 shares

5,000,000 - 10,000,000 shares 1,000,000 - 5,000,000 shares 500,000 - 1,000,000 shares 250,000 - 500,000 shares <250,000 shares</p>



Own funds (PLN bn) Solvency margin (PLN bn)

\* unaudited data

# **EPS/DPS**



\* in 2013 a dividend was paid from excess capital (PLN 2 per share)

## STRATEGY FOR 2017-2020 "NEW PZU"







#### DIGITIZATION

- Implementation of self-service
- Development of distribution

NEW CLIENT INTERACTIONS

Implementation of services aligned to

## Ratio of dividend payment

**CSR AMBITIONS** 



Membership in the Respect Index of listed companies observing corporate social responsibility Building our CSR osition in the industry

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

> the competition

>95% to 28 days

at least 50%

>55%

Good

Ambitions in 2020



- > NPS for retail clients in insurance versus the competition > Indicator concerning the timeliness of
- examining complaints
- > Employee commitment index % of women in managerial positions Employees









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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Head of Investor Relations Planning and Controlling Department e-mail: ir@pzu.pl

ph.: +48 (22) 582 26 23

#### **CALENDAR 2018**

- 25-27 May 22 Wall Street Conference for individual investors
- 30 August Report for H1 2018
- 12 September Settling dividend date for 2017 (PLN 2.50 per share)
- 3 October Payment of dividend (PLN 2.50 per share)
- 15 November Report for Q3 2018

http://www.pzu.pl/ir