

Ladies and Gentlemen, please welcome our tonight's host, Mr. Paweł Surówka, President of the PZU SA Management Board.

**Paweł Surówka, President of the PZU SA Management Board:**

Good evening, Ladies and Gentlemen. I am very happy to see you all attending our tonight's #newPZU meeting, which is a continuation of similar meetings from the past. I have the honor to welcome members of our Company's Supervisory Board, headed by Chairman Maciej Łopiński. I extend a warm welcome to members of the management boards of the banks forming a portion of our Group, namely Pekao SA and Alior Bank. Thank you very much for being with us tonight. I also welcome our valued clients, our counterparties and, above all, I welcome all our employees who are also attending this meeting. It is a great pleasure to see everyone here with us.

Ladies and Gentlemen, in short, #newPZU is a combination of the heritage and experience of one of Poland's oldest companies with the creativity and innovation that the world of new technologies has brought to us. And I could hardly think of a better place that would epitomize the fusion of knowledge accumulated over the centuries and the energy inherent in the youth as the Library of the University of Warsaw. We as representatives of PZU are very privileged to have the opportunity to hold our meeting in this Library.

Ladies and Gentlemen, last year we announced our vision of how we intend to change PZU by the end of 2020 and we set certain very specific objectives to be reached within this timeframe. Let me remind you that what we said was that it was our intention to change the whole structure of our Group, so that we would no longer operate as a group of companies merely united under a single logo but as a single corporation entirely focused on the expectations and needs of our clients. We also said that we did not wish to operate merely as an insurer but instead as a real partner of our clients, simply helping them live better, healthier, safer and more comfortable lives. And we also said that it was our desire to be such a partner for our clients throughout their lives and to think about our relationships with our clients in a manner enabling us to cater to their changing needs and expectations at every stage of their lives. We have called this vision #newPZU. It has been very well received by our investors, our clients and our employees. I am immensely proud of having been approached by a number of our employees and having been told: "This is exactly the way to go". And we are very happy that a great number of our new employees have bought into this idea, because the reason we hired them was to become part of this #newPZU. However, we are also aware of the fact that our clients would like to have a better understanding of what is behind this message, how their experience with PZU will be affected by it and how their lives will be affected. In other words, they would like to touch and feel this #newPZU. And that is why we are here tonight. In a moment, my friends and colleagues from the Management Board and myself will talk to you about the projects we executed last year and the successes we attained. However, the most important part of our tonight's meeting will be the one which will follow our presentations, during which all of you will be invited to our special zone called "PZU in Your Hands", which will be located in the main lobby, where you will be met by our directors, who are the people directly responsible for the execution all of these projects and the roll-out of all these innovations. They will explain to you what exactly it was that they worked on last year. And let me admit to you very honestly that our most intense work over the last several months has been focused on getting prepared to show you tonight all of the projects that we announced last year in a manner that would be measurable and tangible to give you something very specific to take away from

our meeting. You might ask: why do we care so much about being physically present in the lives of our clients? We care about it because we are aware of the fact that insurance products keep changing. And they do that because our clients also keep changing. There was a time back in the past when clients simply wanted to avoid disease. Today, they want to be healthy and be taken care of by a good company. In the past, clients expected only to receive indemnification for damage. Today, they expect us to provide them with actual assistance in dealing with all inconveniences arising from the damage. In the past, people purchased life insurance to prevent their descendants from running into problems after their demise. Today, they purchase this insurance to ensure their descendants a living. Our clients are becoming more and more active, which means that we must follow suit and be more and more active. We need to help them take their own health, safety and prosperity into their own hands. And it is our intention to provide them with actual tools that will help them do this. We will present some of these tools to you tonight. However, before we go ahead and do it, we would like to take a few moments to wrap up our last year's achievements, as discussed in our annual report for 2018. As I said, it was a very busy year for us, but it was also, I must say, an extremely successful year for PZU. Exactly how successful it was will be explained to you by my colleague from the Management Board and Chief Financial Officer of the PZU Group, Tomasz Kulik. Please give him a hand.

**Tomasz Kulik, Member of the PZU SA and PZU Życie SA Management Boards:**

Good evening, Ladies and Gentlemen. As Paweł said, 2018 was a really excellent year for PZU. We talked about it this morning, during the presentation of PZU's annual results at the Warsaw Stock Exchange. Tonight, we would like to show you how the Group's performance is in line with our strategy and how it compares with our ambitions for 2020. We have divided our strategy into partial objectives, such as insurance, investments, healthcare and the banking segment. At the core of each of these segments is effectiveness, specifically cost effectiveness on the one hand and capital effectiveness on the other. The achievement of our strategic objectives in each of these segments should translate into the achievement of our key strategic objective, which is, of course, a very high return on equity, at a clearly above-average level of 22%. Let us take a look at how our performance, as was publically announced earlier today, compared with such ambitious objectives. Let us start with sales and see how our market position changed during the last two years. In this period, non-life insurance grew very rapidly, driven by on the one hand by Polish insurance companies but also by foreign subsidiaries. We recorded a two-digit rate of growth in sales. Life insurance, in particular in the protection segment, grew equally strongly, and this growth enabled us to achieve our targets and set new records. First in 2017 and then, consistently, in 2018. Of course, for us this is, on the one hand, a reason to be very proud, and on the other hand, it is also a very good starting point for the next two years. Someone might say that it is easy to grow by incurring expenditures and turning profitability into growth. But then one might also say that it is quite easy to improve profitability at the expense of growth. We have been successful at denying this allegation. As regards life insurance, we keep working hard on its scope all the time. We keep rejuvenating and modifying our offering by trying to reach out to our clients with health risks. As a result, we have been able to generate above-average margins on our core product, that is group insurance and individually continued insurance, where we closed the year 2018 appreciably above our strategic objective. As regards non-life insurance, we are constantly working on advanced valuation and risk estimation algorithms. These algorithms in combination with high cost effectiveness and information about our clients stored in our huge databases enable us to achieve profitability that is unattainable to our competitors. And, Ladies and Gentlemen, cost effectiveness is the apple of my eye as the Chief Financial Officer and the objective I identify myself with very strongly.

We have told you what the cost structure should look like and what the ratio of costs to revenues should be to let us offer our clients the best solutions at attractive prices. We started off from a level of 8% in 2016. The year 2018 was the next step on our way towards reaching the strategic objective of a 6.5% share of costs in the collected premium. And of course one might say that it is easy to save over the course of a single year, but such savings are often generated at the expense of suppressed business and its growth potential, and we all know it. However, at PZU, we consistently invest in strategic projects that allow us to create and subsequently maintain our competitive advantages, by allocating approximately PLN 100 million for this purpose. This is a very high level of investment. And this investment is repeated year after year. As regards asset management, 2018 was a tough year and everyone who works in this industry is well aware of this fact. On the one hand, we all saw stock prices nosedive. On the other hand, we witnessed events that had a fairly significant impact on clients' trust in various forms of savings products. The market witnessed an outflow and conversion of savings to bank deposits. On this very difficult market, PZU consistently pursued its strategic objectives. First of all, by changing its offering and responding accurately to market expectations. All this in a period when the market was extremely volatile. We introduced a product with a 100% protection of principal, called Sejf+ [Vault+], which is a unique product, because we currently operate in an environment of very low interest rates, yet capital protection costs money. We built and made available to our clients an investment platform called "inPZU" that enables them to save money while incurring very low management fees. Paweł will talk about this solution a little later during this presentation. We enlarged our clients' assets in employee pension plans and solidified our leading position on the market. Lastly, we offered our products in collaboration with banks. Owing to all these activities, our clients' assets accumulated in the Group's asset management companies reached the PLN 50 billion mark. However, the profit generated by this segment was almost PLN 190 million, which was very close to our strategic objective. Obviously, healthcare is another rapidly growing segment of our strategy. PZU consistently provides its clients with very attractive products in the healthcare segment. We improve access through a growing network of outlets, we work on our own network and expand the range of specialized products that are available as part of our offering. Lastly, we provide access to our online services. Owing to this, the number of our satisfied clients keeps growing. At the end of last year, we had PLN 2 million such clients. The scale of our business is also growing, as measured by revenues, very consistently bringing us closer to the strategic objective of PLN 1 billion in 2020. And this is what makes us very happy, given the relatively large capital expenditures and the high level of costs incurred on the construction and maintenance of this scale on the one hand scale, but also of quality on the other hand. This aspect will be discussed later by Roman, in the context of PZU Zdrowie in the PZU Group. The profitability of this segment is also growing. Last year, we reached almost 9%. Ladies and Gentlemen, in 2017 we told you that the Polish bison [logo of Bank Pekao] returned to Poland. Tonight, we demonstrated to you how good a decision and investment that was and it contributed to the profitability of the whole Group. Our second bank, Alior, also contributed very significantly. Its bottom line increased more than 50% year-on-year. The assets of our banks increased, their consolidated result, that is the result of the banking segment, also increased. What is particularly satisfying, though, is that, as a side effect, one might say, we are able to take advantage of synergies, both on the cost side and on the revenue side, where together we are the beneficiary of a very well-operating sales network of 3 brands, namely PZU, Pekao and Alior. We cross our limits. We told ourselves and we communicated it to you that we would like to achieve a very high target of a 22% return on equity. In the results we announced tonight, we showed you one thing: this target has already been reached, which puts us among the unquestionable market leaders, not only domestically but on a global scale.

And not only in the insurance industry but also among companies with the highest capitalization or revenues. Companies included in the S&P index and those listed in the Fortune 500 ranking. When we presented our strategy last year, we told you that we wanted to celebrate our victories and our successes together. We explained to you our capital and dividend policy, we told you that while caring for our capital position, for the position of the funds entrusted to us, we will do our best to make the dividend per share grow year after year. And the results announced tonight demonstrate that 2018 was a good year not only for the PZU Group itself but also for its shareholders.

Now I would like Mr. Maciej Rapkiewicz, our colleague from the Management Board, to talk to you about the safety of capital in the PZU Group.

**Maciej Rapkiewicz, Member of the PZU SA and PZU Życie SA Management Boards:**

Good evening, Ladies and Gentlemen. My responsibility in the PZU Management Board is to take care of risk management. The main objective of risk management is to support the Management Board in making sure that the PZU Group remains a stable company, safe in financial and capital terms and in all other respects. In the PZU Group, the risk area performs its task by examining the impact of specific events and providing information to the Management Board, among other measures. In a situation where the risk area identifies an event as one that has unfavorable consequences, appropriate information is provided to the Management Board so that we can take appropriate and timely action. For instance, if you hear about Brexit and about a potential financial crisis, then rest assured that our risk team is also working on such topics. Ladies and Gentlemen, when we announced our strategy, we made the promise that the PZU Group would be stable and safe. It seemed to us back then and it continues to seem to us today, in fact we are sure, that the best indicator of financial safety and stability is the solvency ratio. We made the promise that throughout the strategy period this ratio would be above 200%. In 2017, our ratio was 208%, but referring to what my colleague Tomek said, I can say that for 2018 this ratio will be at an even higher level, which makes us even closer to achieving our strategic objectives, stability and security. In this context, I can also say, just as Tomek referred to certain results in comparison with other market players, that also in terms of this indicator of safety and stability we are at the forefront compared to other European insurance undertakings. Ladies and Gentlemen, at the very beginning I told you about the role of risk and the job performed by the risk team at PZU. The tool with which specific events and their impact are measured is the stress test. I would encourage those of you who would like to learn more about this topic to read the report on the financial and solvency status of the PZU Group which was published last year. In this report, you will find the complete results of the tests that are routinely run at the PZU Group. This slide presents only a selected handful of such stress tests, but they already give you an idea that for various unfavorable scenarios, whether of a legislative, economic or crisis nature, the PZU Group remains at very stable and very safe capital levels. Thank you very much and I now give the floor back to Mr. Paweł Surówka.

**Paweł Surówka, President of the PZU SA Management Board:**

Thank you very much, Maciej. Ladies and Gentlemen, you have already learned about our successes in quantitative terms. Now my colleagues from the Management Board and myself would like to tell you briefly about the projects that we have executed since our last meeting. And it should be admitted that we really promised a lot. However, if I may, I would like to begin by telling you about one particular project that we did not call by name last time but only announced it as an upcoming revolution in asset management. And this project indeed brought about a revolution. Of course, I am talking about our

inPZU platform. The day when we announced inPZU sent a tsunami across the industry. Our competitors were forced to react as quickly as the next day, and yet the idea we were pursuing was extremely simple: we intended to create the simplest, cheapest and most honest investment product in Poland. Why? Because we are convinced that part of our job is to counteract the low level of savings in Poland compared to the majority of our European neighbors. At PZU, we believe that the low level of savings accumulated by Poles is not as much their "fault" as a consequence of the absence of appropriate investment products. So we decided to create such products, of the kind that we ourselves would like to have for ourselves and for our relatives. Here is the result of our efforts.

[video presentation 0:26:03]

This is inPZU. Ladies and Gentlemen, thank you very much. We have an appetite for more, as it was said during the video presentation. Since inPZU was established, we have won the trust of thousands of clients, many of whom have invested for the first time on the stock exchange and many of whom have invested really small amounts, some even as little as the minimum PLN 100 required by inPZU. But still these sums have generated quite a nice total, because I am happy to announce that to date, in this short period since the inPZU portal was launched, it has already collected PLN 100 million of assets under management, which is a great success of our inPZU team. Having said this, we have an appetite for more. We are not going to rest on our laurels, we want the inPZU platform to become a truly mass investment platform and, accordingly, on the occasion of the 20th anniversary of our Fund Management Company (TFI), we will soon announce a special promotion in which every person investing at least PLN 100 on our platform will receive an additional PLN 100 as a thank-you gesture from the PZU Group. That is an almost immediate 100% return on invested capital. Ladies and Gentlemen, because we already said that tonight we would like to give everybody a chance to take PZU into their own hands, let us start with you. Each of you who in our zone with the help of our directors signs up tonight and opens an inPZU account will receive from us PLN 100 which will be available for an investment of your choice, according to your intuition. We wish you a lot of success in investing. We invite everybody to join us. Ladies and Gentlemen, a year ago we announced the creation of a portal which symbolizes what I said earlier like no other. Which is that it is our intention to provide our clients with an actual tool that will let them take their lives into their own hands, and this portal is mojePZU [Polish for: myPZU]. We announced its creation a year ago. Today, it is already available in its basic version and I invite all of you to simply test it and see for yourselves how easy to use and how helpful it is. Having said this, please take a look at this short video about how mojePZU works.

[video presentation 0:30:16]

Ladies and Gentlemen, already today mojePZU is the most extensive financial and health platform. As I told you, its basic version is available already but we will keep working step by step to make all our services and all our products available through mojePZU so that it becomes a real compass for our clients that will enable them to have a better idea about how to protect their wealth, their health, their lives and their finances. But this is not all. How do we see mojePZU's further development? Well, the next step for mojePZU is related to health. We intend to introduce a functionality which in my opinion will really make life easier for our clients. And this functionality will be the secure uploading and storage of medical data. We are currently working with the Ministry of Health and with our centers to enable every client to have access through mojePZU to their e-prescriptions, e-referrals and to the results of any tests that have been performed in our centers. We are convinced that this tool will make

a difference and will enable our clients to take their health into their own hands. Wherever the client happens to be in a particular situation, be it in a pharmacy or on a trip or under some emergency circumstances, he or she will have easy access to all his or her medical records. And the client will be able to make a decision whom to consult and what kind of treatment to get. We believe that this tool will enable our clients to be even more conscious when it comes to thinking about their health and lives. Speaking of health and life, it is time to give the floor to the very person who is responsible in our Group for both these areas, namely Roman Pałac, President of the PZU Życie Management Board.

**Roman Pałac, President of the PZU Życie SA Management Board:**

Thank you very much, Paweł, for this warm introduction. My colleagues have already told us how our Group changed over the course of last year and what we achieved. In turn, I will try to focus on projects that we executed in our life and health business and how our customer service changed. I am proud to say that we certainly did not waste the last 12 months. Our market share in life business increased 3 percentage points and we ended the year with a 38% share. We have over 2,300,000 clients who have purchased our health products, which is nearly 800,000 more clients than a year earlier. And what makes me especially happy is that our clients are very satisfied. We have based our vector of changes in this business on 4 key areas. First of all, we want our offering to be tailored as much as possible to the needs of our clients. Secondly, we want to increase the scale of distribution. Thirdly, we want to achieve a very high rate of growth in the health area. And fourthly, the quality of service needs to be uncompromising. In the last 12 months, we completely changed the philosophy of our work with the offering. We no longer create products that we *believe* our clients need. Now we create products that we *know* our clients need, because we are engaged in a close dialogue with our clients. We have also changed our philosophy of internal work. Business and IT are no longer two separate worlds but form one team cooperating to achieve the same goal. Owing to this change, we have been able to revolutionize the way we deliver our products. There was a time when it took PZU over two years to roll out new products. Today, we do it over the course of 6 months, and I do not think this is our last word. I am sure we will be able to improve this result. During a single year, we introduced new product ranges for the SME segment and for retail clients. But this is not all either. The challenges that await us are the simplification of our product offering and the very strong involvement right from the very beginning in the new pension reform environment with employee pension schemes. However, a company may have the best products available but no one will find out about them unless that company has a good sales network. Accordingly, our priority was to increase the scale of our distribution network. During the year, we built a new channel of exclusive agents dedicated to the SME segment and to retail clients. We changed the work process within our corporate network and, as Roger will explain to you in more detail, we built a network of exclusive universal agents who sell both life business and non-life business. Owing to this, we managed to increase the volume of our new sales by nearly 15%.

As regards health, it is a business we are developing very strongly and are investing very heavily in this area. Last year, we told you that our ambition was to end the year 2020 with a scale of business in excess of PLN 1 billion. And we are on the right track. Last year, revenues in the health business reached PLN 575 million, which was 25% more than in 2017. We currently have over 2100 partner outlets and over 65 own outlets. Last year, we made a very big change in the health business, integrating the patient's experience in terms of arranging appointments, managing appointment schedules and managing appointments, thus demonstrating the standard we expect to prevail on our market.

[video presentation 0:37:49]

This short video aims to show you the sequence of events a patient goes through, from the patient's portal, which is fully integrated with mojePZU to the experience with our center. This is our flagship center which we intend to become the standard for our whole network. This standard, on the one hand, provides the experience of a beautiful interior and, on the other hand, ensures a very high quality of our medical care, which is second to none already today. And I am very happy that tonight I can announce something that we managed to complete this morning, namely the acquisition of FALCK centers. Our network has been enlarged by 32 new facilities with over 1,100 specialized FALCK employees. We welcome them to our Group. Speaking directly to them, we welcome you, we have been waiting for you and I am sure you will be a fantastic contribution to our business. As a result of this acquisition, the number of our own centers has increased by almost 50%. We will have almost 100 own centers. It would be inappropriate to wrap up this part of my presentation without thanking one specific person who is responsible for the success of this whole undertaking, namely Julita Czyżewska. Julita, thank you very much, without you it would not have happened.

At this point, I would like to tell you about something that we in the Group approach in an uncompromising manner, namely service quality. I think that this is the fundamental principle of every insurance company, because the reason our clients want our products is to feel safe. PZU is a company you can rely on. We always pay out. To show you the scale of how much we do, we receive nearly 5 million claims annually, which means that on average every one and a half seconds a new claim is reported to us. We are a company you can rely on and we also want our clients to feel that we deliver a very high quality, that we are simple and intuitive, and that we solve problems very quickly. We measure our performance in this area using the Net Promoter Score (NPS). In 2017, our NPS was at 20%, which was at that time the highest on the market, and yet we decided to beat this target in 2018. And we succeeded. We ended the year 2018 with the NPS at a level of 23%. Perhaps these 3 percentage points do not seem like a big change to you, but if you look at the whole sector, the NPS for the whole sector is 4%. We already provide quality that is out of reach for our competitors. All this would not be possible without a profound change in the philosophy of our teamwork, simplification of our processes and application of technologies. We are looking at two indicators that we constantly measure. The first one shows the percentage of cases solved after the first contact with the client with no need for another contact. As you can see, in the life business, this indicator is above 96%. In the non-life business, we have considerably improved it to almost 75%, that is by 12 percentage points. The claim handling duration in our life business in more than 85% of cases is no more than 24 hours. In the non-life business, which is more complex, the claim handling duration of no more than 7 days is nearly 55%, so there is still room for improvement here. We want to keep changing ourselves and we want these qualitative indicators to improve. However, we will not be able to achieve this objective without new technologies. We already use automation and robotization in a number of our processes. Artificial intelligence has actually already become an element of the working environment. Our goal is to make all service processes available in mojePZU by the end of this year. However, an issue of extreme importance to me is to make sure that the working environment of our people involved in customer service is simple, intuitive and one in which technology allows these people to spend more time on interaction with clients rather than on handling something that a machine can do these days. Let me show you how artificial intelligence can support a simple motor insurance claim handling process.

[video presentation 0:42:19]

Thank you very much, Ladies and Gentlemen, and I now give the floor to Roger Hodgkiss, my friend and colleague from the Management Board.

**Roger Hodgkiss, Member of the PZU SA and PZU Życie SA Management Boards:**

Thank you, Roman. What an amazing place. I have never been to this library before. Good evening, Ladies and Gentlemen. I speak Polish but tonight I will talk to you English. It is easier to tell you about my passion in English, and my work is my passion, really. My work and what I do every day at PZU. I will present to you our strategic achievements in my area to date and I will also tell you how we will develop and implement our strategies in the coming years. We really have something to talk big about.

When I spoke to you last year, I said how were going to use technology and innovation to support both our clients and our unique sales channels. And what have we done since then? We have made great progress to improve client experience at PZU. Paweł spoke earlier about mojePZU and what I can say is that it significantly improves the interaction between our clients and PZU. It is amazing how our clients have access to all PZU products and services in one place. The quick calculation the operation of which, as you may remember, I presented to you last year, uses artificial intelligence and analytics to come up with a home insurance valuation in a matter of several seconds only, and we already issued more than 50,000 valuations that have gone through this process. This year, we expect to see some 100,000 new valuations that will be issued based on this technology. Next, PZU GO. You will hear a lot about PZU GO later from Paweł, but what I can tell you right now is that PZU GO is already helping our clients and combines an exceptional telematics technology with a unique assistance proposition, which is amazing. As Roman mentioned earlier, we have made significant progress in the area of our universal initiative called "Sales network universalization". Currently, our almost 3,000 agents can sell both life products and non-life products, which is great for our clients. But I am not just talking about retail clients. Our PZU LAB offers a broad range of innovative risk management services for our corporate clients, as attested to by some of our clients. And now, please watch a short video that will tell you a little bit more about what PZU LAB does for our corporate clients.

[video presentation 0:46:50]

As you could see, PZU LAB is a great tool, it is a wonderful function that we have at PZU, which offers risk management services to our large corporate clients and truly solidifies the relationships between large corporate clients and PZU. I also appeared in front of you last year and said that we were going to develop new technological and innovative solutions for our unique sales network. Let me remind you about the unique scale of PZU. We have nearly 10,000 exclusive agents, over 400 branches and in Poland we employ nearly 50,000 people who sell PZU products. Over the course of last year, we also improved our direct efficiency and online sales performance.

Last year, I told you about an exciting new sales model in which we tapped into our direct efficiency to handle our traditional sales channels. The model has turned out to be a success and has already generated over PLN 130 million in sales growth for us. We have provided our sales force with new innovative tools, including a mobile application and a world-class CRM platform. I have already told you about our universal sales network, which makes a real difference to our sales networks and our clients, but the last issue I would like to mention concerns our Agent 2.0 program as part of which we have invested in our biggest and best exclusive agents, readjusted their offices and offered them better



training, support and benefits within the framework of our commission structures. It has been a great success.

[video presentation 0:50:35]

I have been working in the insurance business for quite some time and I must say that I love numbers. And you know what? I love these numbers even more than usually. In the last several years at PZU, we have achieved huge growth and profitability in P&C insurance. Our sales last year reached PLN 13.5 billion. That was 25% more than two years ago and 50% more than three years ago. I repeat, 50% more than 3 years ago. At the same time, we suppressed our combined ratio by 8 percentage points, which meant a decline in our fixed investments and improvements in prices, risk selection, claims management and consumer analytics. I believe that with our combined at 87% we are better than many of our competitors, both local and global ones. These results are wonderful.

I told you about 2018, but what about the next several years? I am sorry, I am very sorry, because I am going to be boring and repeat myself. And even though Paweł asked me not to be boring, I sometimes have to be. And why will it be so? Because I am going to repeat some of the things I have already said, including my unceasing and consistent message that we will continue to focus on the application of technology and innovation to support our clients and our unique sales networks to achieve our strategic objectives.

For clients, this means ongoing investments aimed at improving our capacity in artificial intelligence and big data analytics, so that we can truly be able to match the price with the client's risk profile and needs. On the corporate side, and with PZU LAB, as we saw earlier, we have been able to establish mutual interests with TUW, which works well, reducing larger corporate risks. Our premium in TUW last year was already around PLN 550 million, which gives you an idea about the scale of progress at TUW.

We promote telematics solutions not only at PZU GO but also at our corporate clients. Therefore, we can tell you that there are lots of areas for improvement for our clients over the next few years.

As regards our sales networks, there is again more of the same. We will continue to introduce innovation and provide support to ensure that these networks retain their leader status and that we ourselves continue to retain our unique scale and our unique sales model. We will also keep developing of our world-class CRM platform. We are making great progress improving our sales platforms for dealers and our lease clients. Together, these two client groups generate over PLN 2 billion in premiums for PZU. That is why it is so important for us to maintain this innovative cutting-edge platform for sales through the intermediation of these clients.

Agent 2.0 turned out to be a big success, as we saw earlier, but at the next stage Agent 3.0 will see further development in our channel of exclusive agents. To ensure that our agents continue to play an important role in these ever-changing times, Teraz Ty (It Is Your Turn Now) is our unique internal training program in sales management.

The last and very important issue for me, sharing my experience, is that we will continue to improve our direct efficiency, our direct platform, both at PZU and at LINK4 based on our ever simpler products.

My summary: when it comes to market leaders, I believe in scale, innovation and profitability. We have a clear plan for the future and we will maintain our leading position. We use technology and innovation to support our clients, our unique trading companies and our sales networks. We are transforming into newPZU and I can specify a number of positive and measurable modifications that we have already introduced. Why do I think that we keep our word and do what we have promised to do? To answer this question, just take a look at the numbers presented earlier. We can be genuinely proud of our success. Thank you very much.

**Małgorzata Sadurska, Member of the PZU SA and PZU Życie SA Management Boards:**

Good evening, Ladies and Gentlemen. A year ago, we presented our aspirations regarding cooperation with our Group's member banks, namely Pekao SA and Alior Bank. We told you that we wanted to create an ecosystem or a platform to build mutual relations with our clients. For us, 2018 was, above all, a year of hard work, product roll-outs, pilot projects but also big success. In cooperation with our banks, we generated PLN 340 million in written premium. We have 25 active insurance contracts in the bancassurance business. Our products are offered both online and in our outlets. We cooperate with our banks' lease companies. In the assurbanking area, we have built the formal/legal and technological environments. We had to develop a cooperation model ourselves, because there are no good patterns anywhere out there in the world that we could use. We have already completed pilot projects and we have worked out a model for offering products with Bank Pekao. What is more, we have already completed the first remote sales of Konto Przekorzystne (Mega Beneficial Account) through our Contact Center. Ladies and Gentlemen, the first group of clients have appreciated their cooperation with Bank Pekao, the one with the bison logo, by investing PLN 44 million in savings and taking out loans for PLN 62 million over the short period since it has been around. We have generated cost synergies mainly in the areas of IT, real estate and administration, they have provided us with more than PLN 40 million in savings. These are very good results. What will we do next? This year, 2019, is yet another year of ambitious targets for us. In the bancassurance area, we intend to roll out new products so that we have a full banking offering combined with our insurance offering. Our plan is to increase sales of the products we rolled out in 2018. Here, of course, we count on our partners, our colleagues, from both Alior Bank and Bank Pekao SA. In turn, in the area of assurbanking, one of the initiatives we have high hopes for is the launch of a loan platform in cooperation with Alior Bank and Bancovo. This platform will be a benefit intended for our clients to enable them to take out a cash loan in an intuitive, fast and easy manner without unnecessary formalities. The process will look like this.

[video presentation 1:00:39]

Interesting, isn't it? None of our competitors has it yet. Another area of extreme importance to our Group is strategic partnerships. For us, each and every partner is of strategic significance and unique, one for whom we create a customized offering. An offering that is created in response to the client's expectations. And what do our clients expect? Above all, our clients expect contextual and simple products and services, primarily low-cost products. And we offer such products to them. As I am sure you remember, 2 years ago we announced 2 partnerships of great importance to us. For 11 months now, we have been insuring household appliances, electronic equipment, tires and bikes sold through the Allegro platform. Together with our partners at Allegro, we are working on expanding our offering. This is a challenge awaiting us in 2019. To date, as many as 25,000 LOT clients have taken advantage

of the comprehensive PZU offering. For us, 2019 will be a year of expansion of our insurance business, with the objective to be present on 15 markets in 2019 and on 25 markets worldwide in 2020. For several years, we have been establishing cooperation with electricity companies and utility groups, offering context-oriented micro-insurance and micro-services. We can now say that since 2018 we have been cooperating with all major electricity companies and utility groups. The result of our cooperation is that PZU is present in 2 million households, which makes us very happy. Ladies and Gentlemen, just as I did last year, tonight I would like to announce another very important partnership for us. What I can tell you is that owing to this partnership we will be present across the entire energy market in Poland. What is more, our partner has a catchment area of 6.5 million households. And for a week now, Ladies and Gentlemen, and that is why I have said we are present everywhere, for a week now our services have been available through PGNiG Obrót Detaliczny. At this point, I would like to thank Mr. Piotr Woźniak, President of the PGNiG SA Management Board, and Mr. Maciej Woźniak, member of the PGNiG SA Management Board, and I would like to thank Mr. Henryk Mucha, President of the PGNiG Obrót Detaliczny Management Board, that by working together we can satisfy the expectations of our clients. Henryk, thank you very much. Ladies and Gentlemen, success depends on good communication, and how exactly we will communicate with our clients will be presented to you by Dorota Macieja, initiator of the "Prosto i kropka" ("Simply, period") project. Dorota, please. Thank you.

**Dorota Macieja, Member of the PZU Życie SA Management Board:**

Good evening, Ladies and Gentlemen. Thank you, Małgorzata, for this kind introduction. Ladies and Gentlemen, can the business language and the corporate language be simple? Is it possible at all? The writer William Faulkner said not without malice about his colleague Ernest Hemingway that the latter never ever used a word that would force the reader to look it up in a dictionary. So, it *is* possible. And it means that great literature does not need difficult or long words. But can the business language do without them? Ladies and Gentlemen, there is no other option. If any service company wants to succeed, it must communicate in accordance with the principles of simple language. And what is this simple language? What it actually comes down to is that our job is not to simplify some beautiful Polish phrases. No. Our job is to depart from the official newspeak. What we try to do is replace calques or loan translations borrowed from another language and such bombastic words or phrases as "hereby", "hereby be advised that...". We try to communicate with our clients in a short and simple way, because we want to save their time, and above all we talk to them with friendliness and kindness. Because what happens if we neglect to simplify our language? Please listen to the way our clients try to interpret the meaning of certain insurance terms.

[video presentation 1:08:11]

Why did we just show you this video? Because we want to meet the expectations of our clients. Exactly as we promised last year. The client is in the focus of our attention. We have changed our operating philosophy and have set ourselves the task is to meet the client's expectations. And what the client expects is simplicity. This expectation of simplicity encompasses the expectation of partnership. And also a sense of security. Because if we send the client a letter that is comprehensible to him or her, the client does not suspect any hidden content and has a sense of security. Moreover, we want our clients very much to be able to make use of our offering also on their mobile devices, not only while sitting comfortably in a chair in front of a large computer screen, but also on rather small smartphone

displays, so that they can log in to the mojePZU platform and purchase a rather expensive policy there, or on the inPZU platform, which Paweł talked about earlier tonight, and invest their smaller or larger savings. And this means that our language must be simple, clear and unambiguous. There is one more reason, which is perhaps not so obvious, but it is clear to us: it is patriotism. We are the largest financial institution in this part of Europe. We want to care not only for theaters and large cultural institutions, we want not only to support exhibitions and concerts, but also to care for our language. Because who will do it if not us? Who will develop a modern insurance language that is client-friendly? But of course, as my colleagues have said, we also like to generate financial gains. But we already know it: simplicity pays off. Ladies and Gentlemen, traffic on our hotline decreased by 12 percentage points in those areas where we apply the principles of simple language. The satisfaction of our clients is also on the rise. Our client satisfaction rate became 10 percentage points higher in areas where we approached the client with simplified communication. And as you are well aware, client satisfaction translates into the desire to buy a company's products. I would like to tell you more about what has already been done. Here you can see our old policy form, certainly many of you have such a policy at home, but already at the end of this year all our clients who insure a car, an apartment or a trip at PZU will receive a completely new policy form. And the point is not just that it looks nicer or that it has different graphical elements. Actually, it features a completely different information architecture. Why? Because we worked out this policy form in consultation with our clients. They told us which information they needed, which information they did not understand and which information was unnecessary. We know that we are only at the beginning of the road. Language is alive and it needs to be taken care of every day. Offerings keep changing, challenges keep changing, the world keeps changing and the language keeps changing as well. This is an endless process. My dream is, and I think that the whole Management Board and all PZU employees share this dream, to have 100% of communication with our clients expressed in simple language by the end of 2020, which will be the 100th anniversary of the establishment of the Polish Directorate of Mutual Insurance, which event is accepted as the creation of PZU in this modern shape. Sometimes we are told that the pursuit of simplicity offends our clients' intelligence. In our opinion, exactly the opposite is true: it is a sign of respect and good manners. Because people are always in a hurry. PZU. It's simple. In Polish.

I would also like to talk to you briefly about our other social involvement initiatives, because responsibility for our language is just one of the manifestations of our involvement. We care about our national heritage, we support cultural institutions and we also care about the health of Polish people through our engagement in mass sporting events. We also care about the safety of children. Last year, we handed out reflectors to all first-, second- and third-graders, or nearly 1.5 million reflectors in total. But tonight, let me tell you proudly about a completely unique program that we talked about last year, namely "Pomoc To Moc" ("Help is Power"). You select the projects our prevention fund invests in. After our tonight's presentation, please visit our zone, where PZU employees will answer all your questions. And right now, please watch our video in which we present the objectives and results of this program which we have had in place for nearly a year now. Thank you very much.

[video presentation 1:16:05]

**Paweł Surówka, President of the PZU SA Management Board:**

Thank you very much, Dorota. "Help is Power" is a truly marvelous program and encourage all of you to think about a project, as I am sure all of you are aware of at least one project that is worthy of our support.

Ladies and Gentlemen, at the end of last year, we announced a project that reached out far beyond what insurers usually do. Instead of merely paying out indemnification, we pledged to provide our clients with assistance when they need it most. Of course, I am talking about PZU GO. On no other project did we work quite as hard last year as on this one. The reason being that we crossed several boundaries. One side of the story is that we do not confine ourselves to paying out indemnification but also provide our clients with assistance. And the other side of the story is that we also crossed the boundary between an insurance company and a technology company. Because we were unable to find any technological solutions that would satisfy us, ones that we would expect to be appropriate for our clients, or maybe such solutions did not exist, we decided to develop them ourselves. And it looked like this.

[video presentation 1:20:07]

PZU GO. Ladies and Gentlemen, we traveled hundreds of thousands of kilometers during which not only did we collect certain valuable conclusions for us but also during which certain actual accidents happened. And I can tell you tonight with confidence that PZU GO is a device that really saves lives. However, the technological aspect of the device was not the only part we worked very hard on. The other part was the commercial aspect, because as I said last year, PZU GO is also a device that has been designed to promote and reward safe driving habits. At the same time, it provides completely new opportunities. Kinga and Mateusz have already told you about it in the video that those of our clients who decide to become members of the Pomocni (Helpful People) Club will obtain certain rewards, such as a coffee at an Orlen fuel station or a discount on fuel or a discount on a car wash in exchange for driving safely. And it is also interesting to know what new opportunities PZU GO provides us with, opportunities of the kind we never had before. Our team keeps coming up with new ideas. Let me tell you about one of them, which happens to be my favorite idea proposed by them, namely the so-called useful speed camera. What is the useful speed camera? You all know how a regular speed camera works. It is a device that issues a ticket for exceeding the speed limit on a given stretch of the road. The useful speed camera operates based on exactly the opposite principle: it rewards the driver for staying within the speed limit, especially on a section or in a place where this is particularly important. And who decides where to put this speed camera? It is very simple: you do. If you are aware of a specific place or some stretch of the road which you would like drivers to be particularly careful while passing, perhaps near the preschool or school attended by your children, you may write a request to PZU to place a positive useful speed camera there. Of key importance is that you find other people who will do exactly the same and will provide additional strength to your request. When we at PZU receive a certain number of such requests, we will mark this section of the road on the PZU GO maps and we will place the so-called useful speed camera there, following which every driver who approaches this place will receive a message telling him or her about approaching a zone where we request that special care be taken while driving and telling him or her that for driving this section safely we will grant an additional reward, such as an additional coffee or double points. This is a true innovation which, I believe, will not only increase the level of safety on our roads but will also allow us all to think more consciously about how we can improve safety around us. Ladies and Gentlemen, in summary, PZU GO is, above all, a device that immediately brings rescue at the time of an accident. In

less than a split second, we receive information that an accident has happened. The device also provides actual measurable benefits in return for a safe driving style, but that is not all. Free and unlimited towing in the event of an accident is also part of the bundle. If an incident occurs that is registered by PZU GO, we will not only contact you and, if necessary, call the emergency services but we will also tow your car, no matter where you are. And all this will be available to everyone for PLN 139 per year. And on 2 April we are launching a special promotion for our clients, for whom PZU GO will be available for only PLN 49 per year. And those of our clients who decide to sign up for the Pomocni Club and drive a certain number of kilometers safely will receive a discount on their insurance renewal, which will make PZU GO effectively cost them exactly PLN 1 per year. And we hope that more and more people will decide to drive with PZU GO. And of course, as you probably expected, we will start with you: each participant of this event who approaches our employees in the “PZU in Your Hands” zone will receive a PZU GO from us tonight. We wish you a lot of fun testing this device and above all I wish you safety on the road. Ladies and Gentlemen, we are approaching the end of this presentation, after which we will invite you all to our PZU zone. However, we have one more special announcement at the very end. If you permit me, I would like to make a small digression by way of introduction. Last year, on the occasion of the anniversary of Poland’s independence, we invited Polish business leaders to New York City to meet with representatives of the American business community and major investors, where under the slogan “Poland: The Can-Do Nation” we talked about how various initiatives and innovative solutions are being developed in Poland and affecting the whole world. And the event was indeed noticed. An increasing number of Polish companies are thinking more and more boldly about becoming a genuinely global company. We also, as the largest and most stable financial group in this part of Europe, think the same. Allow me to lift the veil of secrecy regarding our ambitions beyond the achievement of all the objectives that Tomek talked about for 2020, I mean our ambitions for 2025. Among others, they will include the question: how do we make sure that PZU is not only a national champion and a regional champion but a truly international company, even a global one. And I have repeatedly said that one of the areas in which we want to achieve this objective is the area that is particularly close to my heart, namely asset management. As I have said many times before: PZU should be the best and most recognizable asset manager in this part of Europe, with a global outreach. Ladies and Gentlemen, I am extremely happy that I can now tell you that earlier today we approached this objective very significantly by signing a letter of intent for strategic cooperation with one of the world’s largest financial institutions, of which many people say that it is at the same time the world’s best financial institution. We signed a letter of intent with Goldman Sachs. Together with Goldman Sachs, we will be working in the area of asset management, and this cooperation, I am sure, will make PZU the most recognizable investment company from this part of Europe. The purpose of this cooperation is, on the one hand, for our clients to have access to the best global solutions provided by Goldman Sachs, for instance made available through our inPZU portal, but it will also mean that the PZU Group’s products will be available worldwide for clients of the Goldman Sachs Group. In particular, our letter of intent envisions the creation of a special fund that will invest in Poland and across the region of the so-called Three Seas Initiative that will be managed by PZU and distributed by Goldman Sachs worldwide. Ladies and Gentlemen, this is what #newPZU is about and how we will gradually become a genuinely global company.

I now invite my colleagues from the Management Board to come to the stage. Please come here, because we are already in the part of our tonight’s event where everyone is invited to our “PZU in Your Hands” zone. Initially, we were going to invite all our directors to the stage and thank them this way,

but when we counted their number, we actually concluded that we would be unable to fit them all here. But still, from this place, we want to do one more thing: we really want to dedicate this whole event to our colleagues, our employees, especially to the directors who work day in and day out to pursue the vision of #newPZU. Without you, very obviously, it would be impossible. You are the mothers and fathers of all the projects we have talked about here tonight. Thank you very much to all of you. Thank you for believing in this vision. We also want to dedicate this last video about our employees to all those who are here with us as well as all those who are with us all over Poland. Thank you once again for coming to our event and please join us in the “PZU in Your Hands” zone. Thank you very much.

[video presentation 1:35:35]

**ENDS**