

## How does the PZU Group create value?

The PZU Group leverages its tangible and intangible resources to create value for its shareholders, clients, employees and agents, and exert an influence on the Polish economy and its sectors.



### Financial

- PLN 328,554 million – consolidated assets
- PLN 14,952 million – Shareholders' equity
- PLN 6,061 million – Group bonds (Tier 2)
- PLN 206,909 million – bank deposits
- PLN 23,470 million – gross written premium (life insurance and property insurance)
- PLN 8.9 billion – gross written premium on motor insurance
- PLN 4.5 billion – gross written premium on non-motor property insurance
- PLN 6.9 billion – gross written premium on group and individually continued life insurance



### Products and distribution

- Broadest offer of insurance, investment and banking products in Poland
- 4.8 thous. hotline employees (PZU, PZU Zdrowie, LINK4, Alior, Pekao)
- ~20 main products with possible customization of the offer, and broad portfolio of medical services offered by PZU Zdrowie
- > 60 own medical centers and over 2,100 medical centers collaborating as part of PZU Zdrowie's network
- 411 PZU branches, 825 Bank Pekao branches, 202 brick-and-mortar branches and 643 Alior Bank partner centers, mobile distribution channels
- 9.1 thous. tied agents and agencies



### HR

- > 41,000 employees of the PZU Group
- 68% women and 32% men
- 13% employed on management positions, 87% employed on other positions
- 95 employees employed in the Group's innovation centers



### Intellectual

- 249,848 training hours in PZU and PZU Życie
- 24.9 training hours during the year per employee of PZU and PZU Życie (17 hours in 2017)
- PLN 281 million of investments in the Group (financial expenditures) for technological projects aiming at increasing innovativeness
- 5 innovation centers (PZU Innovation Laboratory, PZU LAB, LINK4 Business and Innovation Development Department, Alior Bank Innovation Center, Bank Pekao Innovation Laboratory)
- 42% executed projects involving technological changes in PZU and PZU Życie



### Natural

PZU Group's Standard – Green PZU showing the direct environmental impact of the conducted activity (including atmospheric emissions, waste generation, water consumption, power consumption and paper usage) as well as indirect (related to relations with third parties, including environmental practices of suppliers and business partners and shaping environmental awareness).

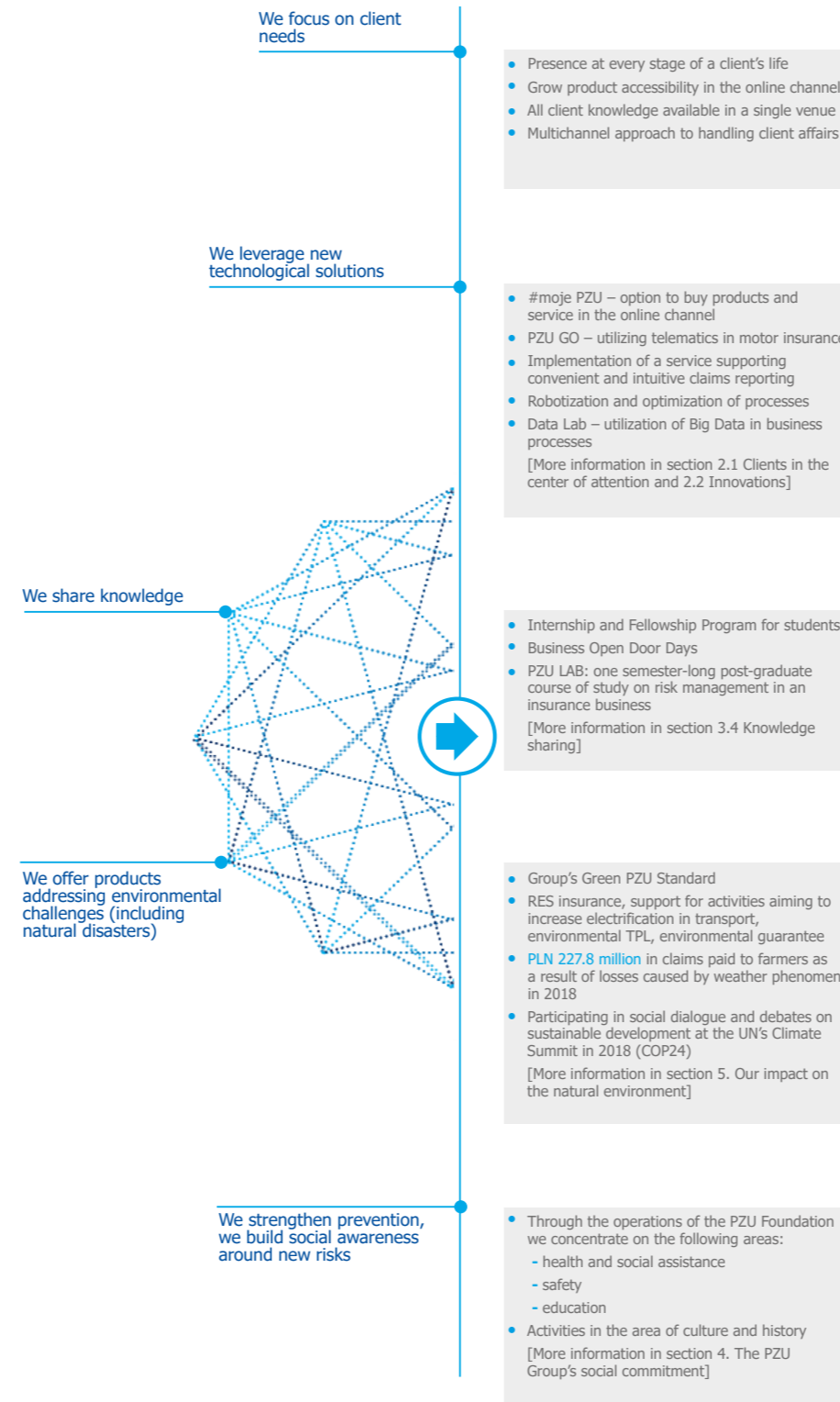


### Social relations

- PLN 53.1 million transferred by PZU, PZU Życie and TUW PZUW for prevention activity
- PLN 12.9 million transferred by PZU and PZU Życie for sponsorship activity
- PLN 20.7 million transferred by PZU and PZU Życie for the activities of the PZU Foundation
- > PLN 3 million awarded under the nationwide prevention campaign called Helping is Power
- 630 PZU volunteers, 1130 Pekao volunteers and ~200 Alior volunteers
- 67,700 beneficiaries since 2012, who were assisted by PZU employees as part of voluntary work (11,992 in 2018)
- 460 prevention USG tests conducted in 2017 and 2018 as part of the PZU Foundation's Academy of Safety

## What does that entail in practice?

At the same time, the PZU Group effectively utilizes scale of operations, innovativeness (products and services), more than 200 years of its experience and knowledge of client needs – today and tomorrow.



## How outputs and impact are measured?

New, more integrated PZU Group will be able to help clients better at all stages of life and support sustainable development of the Polish economy.



### Clients

- PLN 6,049 million of claims and benefits paid in life insurance (PLN 5,945 million in 2017)
- PLN 7,263 million of claims and benefits paid in non-life insurance (PLN 7,074 million in 2017)
- PLN 97.6 billion of bank loans extended to natural persons (PLN 89.4 billion in 2017)
- PLN 84.5 billion of bank loans extended to corporations (PLN 80.1 billion in 2017)
- 10.9 million people covered under life insurance
- PLN 117 billion of exposure under MOD insurance on vehicles (Group 3, 4)
- 100 thous. medical appointments made monthly by PZU Zdrowie
- 83.5% of the PZU Group's clients are satisfied with the claims and benefits handling process
- PZU Group's NPS of 6.4%
- 98.5%, 97.5%, 95.3%, 90% – complaints handling timeliness ratios for, respectively, PZU Życie, PZU, Alior Group and Pekao Group

### Investors and shareholders

- 22.1% return on equity (ROE) for shareholders of the parent company (21% in 2017)
- PLN 2,159 million of dividend paid from PZU (PLN 1,209 million in 2017), PLN 2,074 million Pekao (PLN 2,278 million in 2017)
- PLN 7,087 million of the Group's operating profit (PLN 5,458 million in 2017)
- PLN 5,368 million of consolidated net profit (PLN 4,185 million in 2017)
- Insurance: 86.6% of profitability of non-life insurance – COR (89.3% in 2017)
- Insurance: 22.1% of operating margin in group and individually continued insurance (20.6% in 2017)
- Banking: PLN 5,266 million of net interest income
- Banking: PLN 1,571 million of net fee and commission income
- High level of security: 245% of Solvency II ratio for the PZU Group after Q3 2018 (208% in 2017)
- A-/stable rating awarded by S&P Global Ratings for PZU and PZU Życie – one of the highest possible ratings for a Polish company to receive, high ratings for Pekao and Alior
- Presence in the RESPECT Index - the index of socially responsible companies (PZU since 2012, Pekao since 2016)

### Employees and agents

- 9.05% of rotation of PZU and PZU Życie employees
- 9.84% and 7.25% of internal vertical promotions for women and men respectively at PZU and PZU Życie
- 81.04% of employees holding additional medical insurance Opieka Medyczna funded by PZU
- 85.7% of employees of PZU and PZU Życie covered by the company EPP pension plans
- 711 agents in the Elite Agent Club
- 953 members of the PZU Sport Team, 18,761 kilometers run, 1,604 nautical miles sailed, 3,056 person-hours of training with skiing instructors

### Central administration

- PLN 2,098 million of current income tax paid on the PZU Group's consolidated earnings
- PLN 1,092 million of banking levy
- financing the state budget's borrowing needs: PLN 65.7 billion - the value of Treasury Securities in the portfolio of PZU Group companies

### Social environment

- 187 actions taken by the PZU Foundation to promote art and culture (845 is the number of all the actions)
- 4.5 million visitors cultural institutions supported by PZU
- 8,234 persons to whom support was provided under the PZU Foundation's grant Contest
- 18 thousand pupils participating in the PZU Foundation's Academy of Safety original project
- 539 pupils eligible to take part in the "Gifted Persons Aid Program" in the 2017/2018 school year
- 403 persons in a difficult situation who received subsidies for rehabilitation, purchasing medications and rehabilitation equipment from the PZU Foundation
- 117,980 participants of running events organized by PZU
- 222,857 hours worked by volunteer rescuers under cooperation with Mountain Volunteer Search and Rescue (GOPR)
- 3 prosocial campaigns for safety and health: Safe Holidays, Reflectors: keeping children safe on the road, Helping is Power
- 687 layette sets provided to children born on 11 November 2018 in connection with the 100th anniversary of regaining independence by Poland