

PZU GROUP | Factsheet 2Q 2020

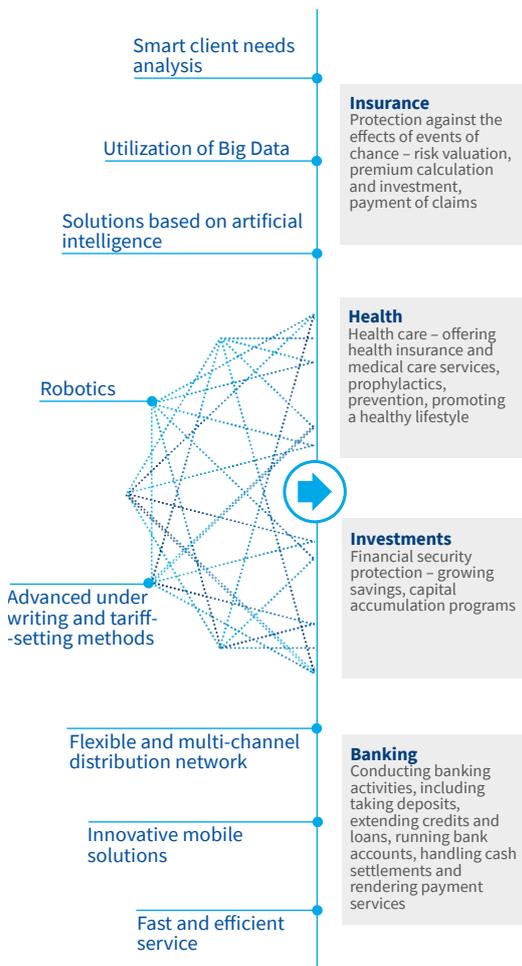


#1	PLN 377 bn	41 thousand	22 million	100%	STRONG BALANCE SHEET
largest insurance and banking group in CEE	assets	employees	clients in five countries	most recognizable brand in Poland	Solvency II ratio above average for insurance groups in Europe

The **PZU Group** is the largest financial group in Poland and Central and Eastern Europe. PZU heads up the group with its traditions dating back to 1803. PZU's stock are listed on the Warsaw Stock Exchange (WSE) being part of the WIG20 index and WIG ESG (sustainability) index. PZU is one of the most highly valued companies and heavily traded stocks on the Polish stock exchange. At the end of June 2020, PZU's market capitalization amounted to PLN 24.9 billion. The State Treasury with a 34.19% equity stake is PZU's largest shareholder.

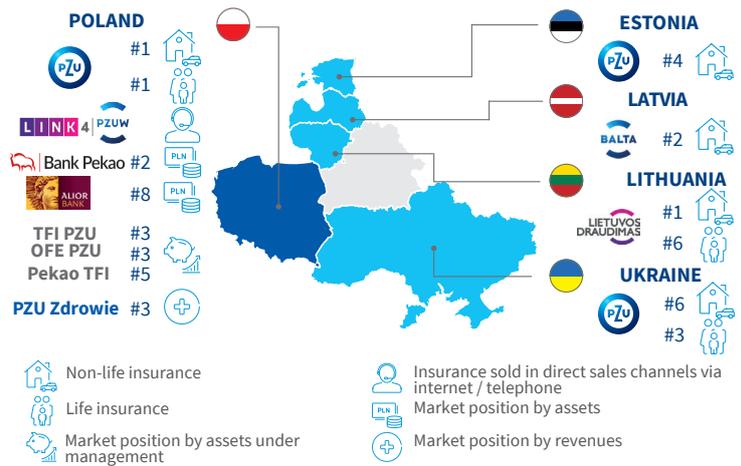
The PZU Group companies are active in life, non-life and health insurance as well as in investment, pension, health care and banking products. Moreover, they render assistance services to retail clients and businesses through strategic partnerships. The PZU Group business model integrates all operating areas with the client at the focal point. This makes it possible to deliver products and services that are well-matched to client needs at the appropriate time and place and respond to other client needs on a comprehensive basis. High potential, over 200 years of trust, experience, efficiency and innovation create value for the PZU Group's customers.

BUSINESS MODEL

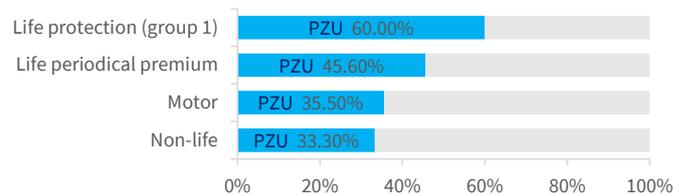


- Comprehensive offer based on client knowledge and their real needs
- Long-term partnership
- Products and services accessible to clients whenever and wherever they want them
- Risk mitigation
- Safeguarding financial security needs

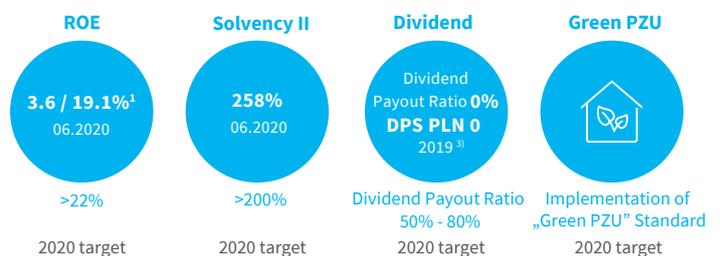
MARKET POSITION



MARKET SHARE in Poland (1Q 2020)



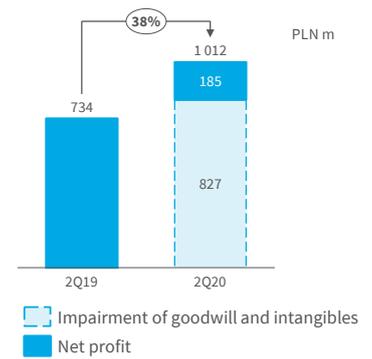
STRATEGIC KPI'S



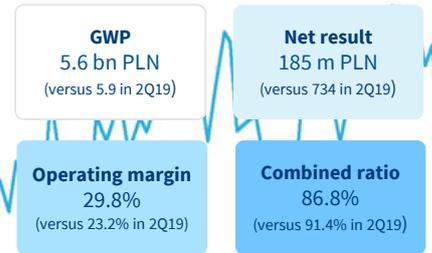
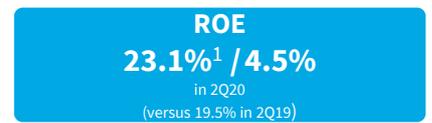
FINANCIAL HIGHLIGHTS

PLN million	2019	Q2 19	Q1 20	Q2 20
A) PZU GROUP NET OF ALIOR BANK AND BANK PEKAO				
Gross written premiums	24,191	5,938	6,097	5,594
Net result on investing activity including interest expenses	1,995	405	(276)	1,106
Net insurance claims and benefits paid	(15,695)	(3,971)	(3,281)	(4,010)
Acquisition expenses	(3,363)	(823)	(835)	(812)
Administrative expenses	(1,739)	(426)	(448)	(457)
Operating profit	3,606	795	758	1,438
Net profit attributable to equity holders of the parent company	2,780	622	577	1,111
B) Impairment attributable to equity holders of the parent company				
	-	-	(516) ⁴⁾	(827) ⁴⁾
C) BANKS: ALIOR BANK AND BANK PEKAO				
Net profit attributable to equity holders of the parent company	515	112	55	(99)
(A+B+C) NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	3,295	734	116	185
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (excluding impairment of goodwill and intangibles)	3,295	734	632	1,012
Total assets	343,340	340,079	357,215	376,645
Equity attributable to the owners of the parent company	16,169	14,311	16,169	16,976

✓ **Net result net of impairments and intangibles¹⁾ up 38% y/y**



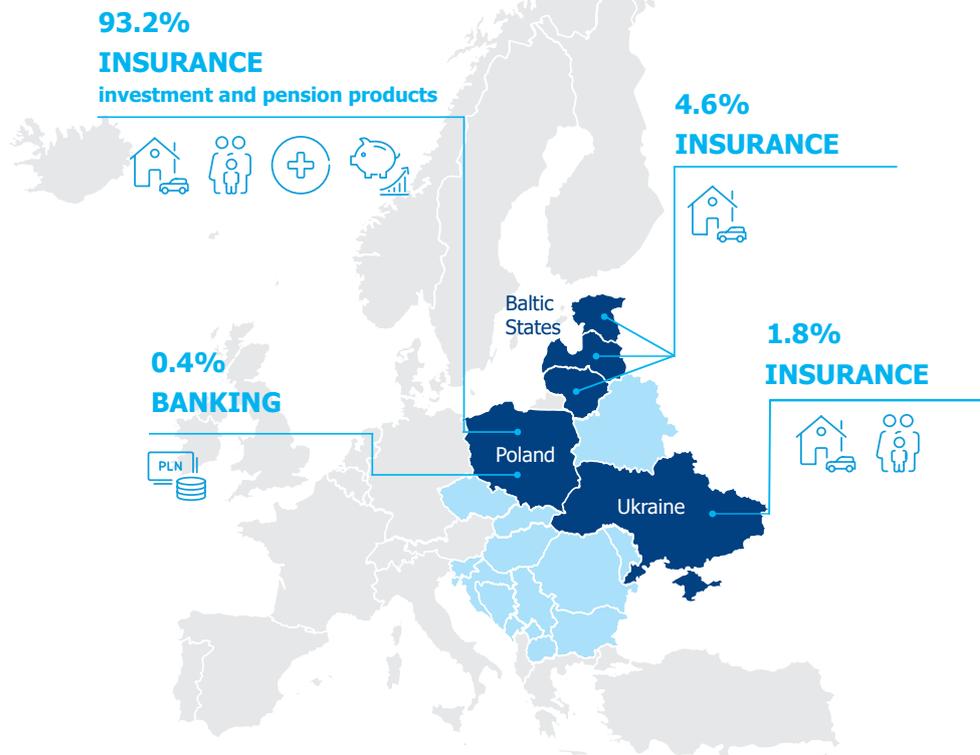
✓ **One of the highest ROE¹⁾ among European insurers**



Gross Written Premium structure



Percentage share of business segments in the operating result (adjusted for PZU's shares in banks, excluding the impairments on banks' goodwill and intangibles¹⁾)



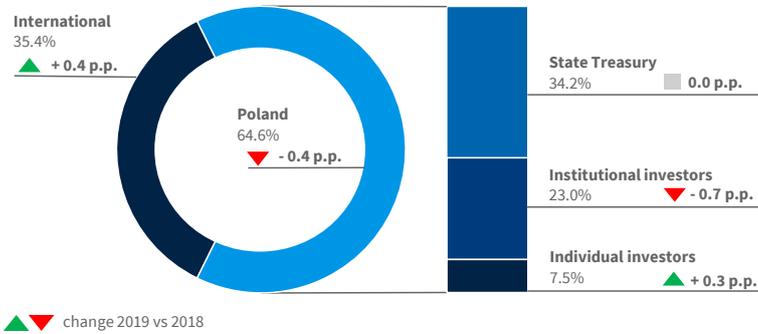
Financial strength rating and credit rating awarded to PZU by S&P

A-
 /STABLE/

PZU's STOCK

Number of shares	863,523,000	P/E	11.8x	Average trading value per session	PLN 76 m
Free float (%)	65.81 %	P/BV	1.5x	Average number of trades per session	6,465
Market capitalization	PLN 24.9 bn	D/Y	0% ^{3), 5)}	Average trading volume per session	2,547,923 shares

Shareholder structure (31 December 2019)



Recommendations statistics (30 June 2020)

RECOMMENDATIONS	▲ 7	Buy, Outperform
	■ 5	Neutral, Hold
	▼ 0	Underperform, Reduce
Highest target price	PLN 49.9	
Average target price	PLN 38.5	
Lowest target price	PLN 30.5	

PZU's share performance - min/max share price at session closing



PZU's earnings per share and dividend per share



PRZYPISY:

¹⁾ excluding the impairment loss on goodwill arising from the acquisition of Alior Bank (PLN 746 million) and Bank Pekao (PLN 555 million) and the impairment loss on intangibles arising from the acquisition of Alior Bank (i.e. trademark and relations with clients) in the amount of PLN 161 million (PLN 42 million impact on the net result attributable to the shareholders of the parent company, after deducting deferred tax income and minority interest)

²⁾ preliminary data, not audited or reviewed by a statutory auditor

³⁾ compliant with the stance of the KNF expressed in its letter of 26 March 2020 sent to insurance and reinsurance undertakings in which KNF indicates that having regard for the current situation involving the epidemic announced in Poland and its possible further adverse economic consequences as well as their expected adverse impact on the insurance sector, the regulatory authority expects that insurance undertakings retain the entirety of profit earned in previous years

⁴⁾ including the impairment loss on goodwill arising from the acquisition of Alior Bank (PLN 516 million in Q1 and PLN 230 million in Q2) and Bank Pekao (PLN 555 million in Q2), the impairment loss on intangibles arising from the acquisition of Alior Bank (i.e. trademark and relations with clients adjusted for the impact of deferred tax and minority interest) in the amount of PLN 42 million

⁵⁾ historical dividend yield: 6.4% (2019); 5.9% (2018); 4.2% (2017)



CONTACT FOR INVESTORS:

Magdalena Komaracka, CFA, IR Director



+48 22 582 22 93



mkomaracka@pzu.pl

Piotr Wiśniewski, IR Manager



+48 22 582 26 23



pwisniewski@pzu.pl

PZU SA
al. Jana Pawła II 24
00-133 Warsaw
ir@pzu.pl

www.pzu.pl/ri