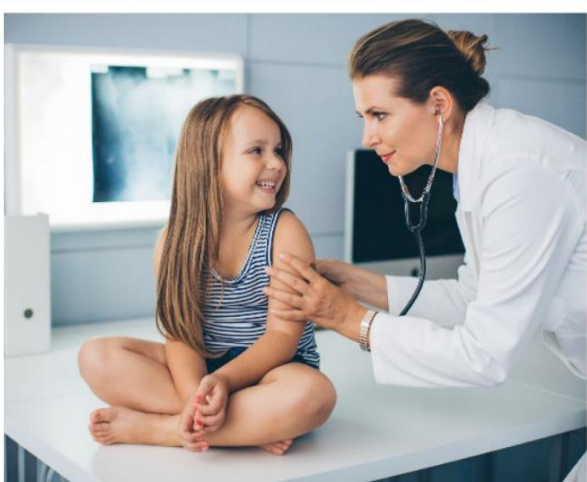




#PZU Potential and growth

We care about the most important things in life



PZU Group Strategy
for 2021-2024

PZU Group strategy for 2021-2024



Beata Kozłowska-Chyła PhD Hab.
President of the PZU SA Management Board

For more than 200 years PZU has been ceaselessly developing its competences in the field of insurance and toiling to earn the trust of Poles while protecting what is most important to them: their families, assets and businesses. We support our countrymen's dreams of security, well-being and freedom, and our brand has become the synonym of insurance in Poland. Over that period PZU has become an inextricable part of Polish history and the present: economically and socially. Remembering our traditions, and drawing from them, we calmly gaze into the future. We have the courage to set ambitious goals because PZU's consequently built potential and sound management are a guarantee of their achievement.

Today we are the largest insurance and banking group in Central and Eastern Europe. We have millions of clients in five countries and we manage assets that are larger than the GDP of ten of the European Union member states. In Poland we are unvaryingly number one in insurance: every third zloty spent on life and non-life policies is paid to us. We have also gained the position of one of the leaders of the bank, investment and health care market. We have diversified operations allowing us to satisfy our clients' needs and expectations and regularly generate profit for shareholders with an exceptional level of profitability and maintaining the stability of our business. The past year has affirmed that we have created an operational model predicated on strong foundations and resilient even in the face of such unforeseeable and powerful shocks as a global pandemic.

As a part of this Strategy we will procure the PZU Group's growth on every market where we operate, we will substantially grow our earnings and return on equity while simultaneously maintaining a high level of solvency and paying out dividends every year. The effects of synergy and the development of tied sales between insurance, health, investment and banking entities we have amassed in the PZU Group will help us attain this end. We will also leverage modern and innovative technologies in whose implementation we are the leader in the financial sector and our extensive knowledge of our clients and their needs which we have due to our multiple-levels of contacts with clients.

Leveraging in full the opportunities afforded by digitalization, roboticization and artificial intelligence, we do not forget about what is irreplaceable in our business: direct and long-term relations with other people.

We are poised to offer comprehensive solutions in a single location to currently very demanding clients, individual and entrepreneur alike, to respond to the entirety of their needs: to help them lead a healthy life and operate in a sustainable fashion, provide medical care to their families or employees, protect their assets and facilitate asset growth, afford a feeling of stabilization and taking good care of their relatives regardless of what the future brings. We see how important financial and health security-related issues have become in the face of the Covid-19 pandemic and the economic consequences of fighting coronavirus. At the same time, we have the potential and means to respond to these challenges. That is why we want to become the leader in asset management by 2024 and we want to carry out an authentic revolution in the private medical care sector by coming a comprehensive health advisor to our clients.

We will achieve these and other goals thanks to our committed, motivated and professional employees. We will develop them in a sustainable fashion – measuring our success not only in terms of financial ratios but also ESG indicators. We will unwaveringly uphold high standards of corporate governance, we will be the best employer in the industry, we will enhance our commitment to develop local communities and jointly shape the national community. We will act with a feeling of our responsibility for the natural environment. We not only want to reduce our own carbon footprint, fully utilizing renewable energy sources and offset our own emissions to achieve climate neutrality, but also serve as an example and active promotor of green transformation for our clients, business and social partners.

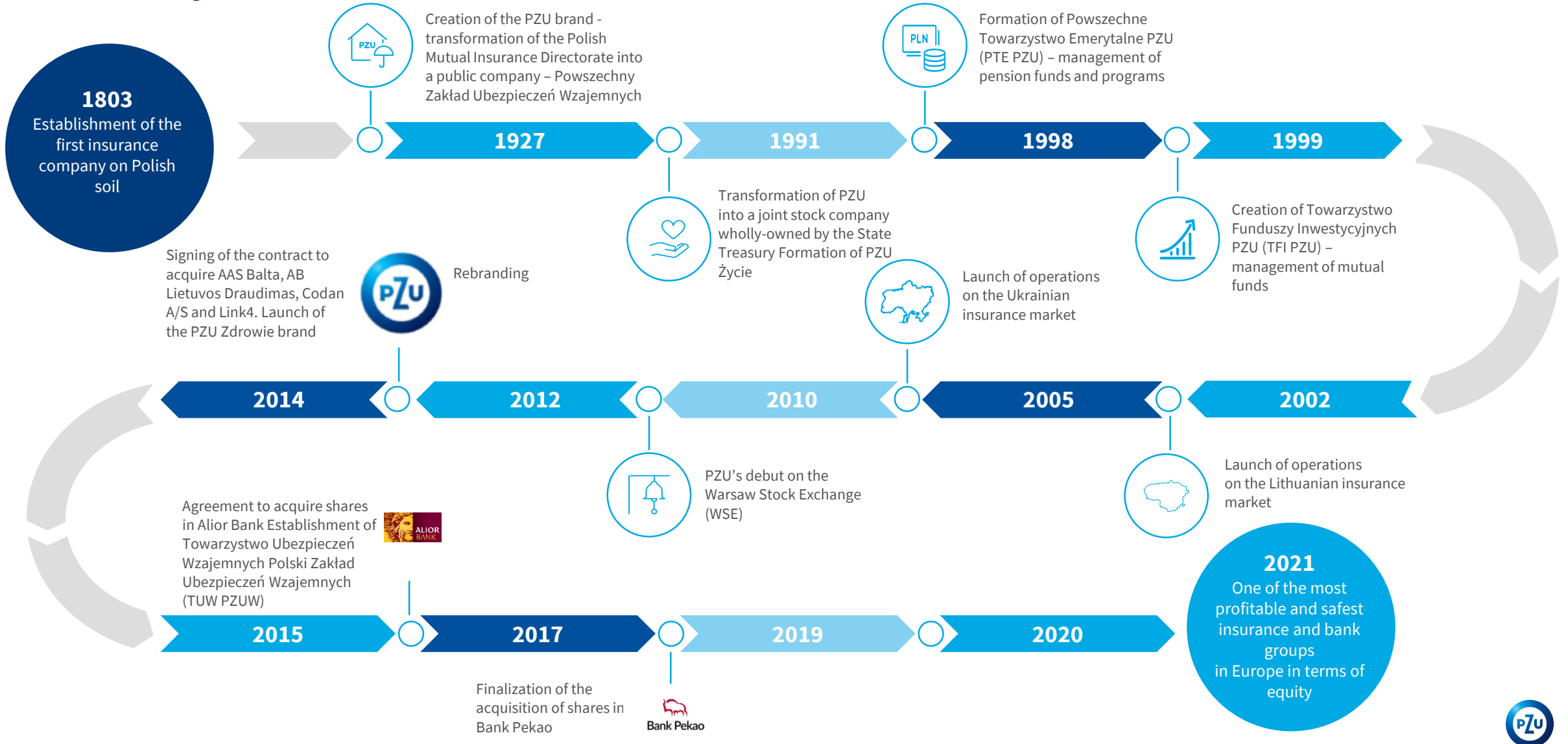
Executing the PZU Group Strategy for 2021-2024 will transport us to a higher business, technological, social and ecological level accruing material benefits to all of our stakeholders and the environment. Just like the historic triumph on the courts of Roland Garros was just the beginning for Iga Świątek, who is backed by PZU, and her professional career as a senior, which I believe will be a wonderful career, the PZU Group's current position as the regional leader of the financial market is merely the starting point for what we intend to attain thanks to our new Strategy.



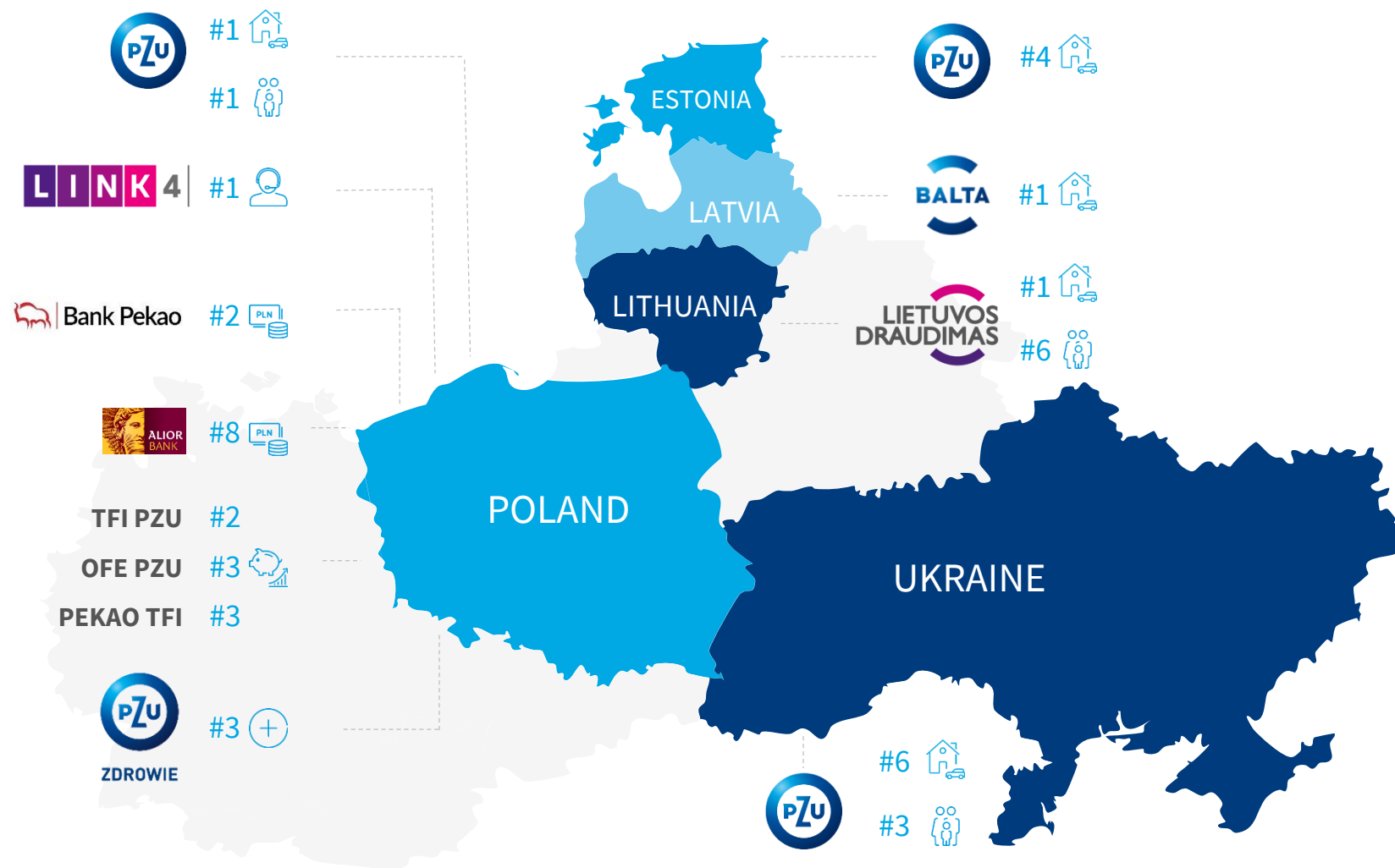
PZU Group strategy for 2021-2024

1. **PZU Group 2020**
2. Our operating environment
3. What we want to achieve
4. How we will achieve it
5. PZU Group 2024

As the PZU Group we have been developing on the financial market for more than 200 years...



...in Central and Eastern Europe, and thanks to our scale and potential...



Companies' market position



Non-life insurance



Life insurance



Assets under management



Insurance sold in the direct channel through the internet and by phone



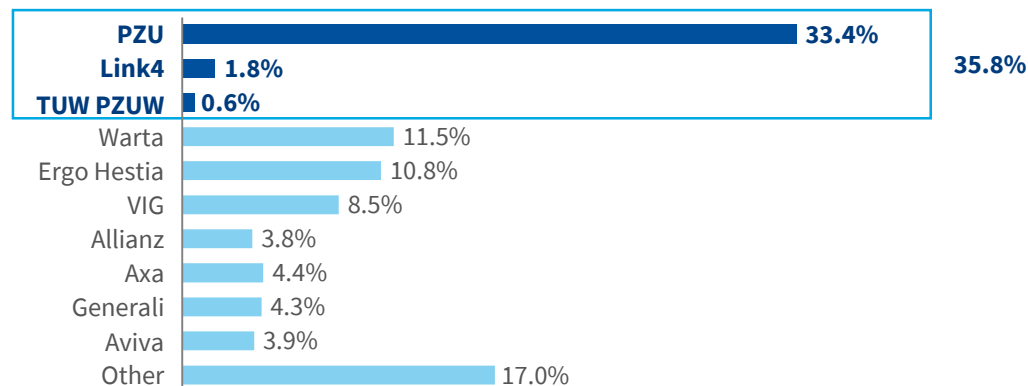
Assets



Revenue on medical activity

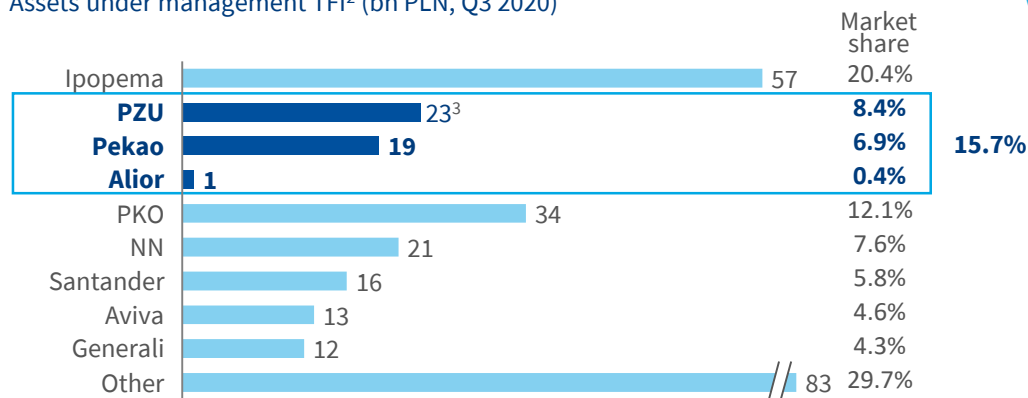
... we will maintain a strong position in the key areas of our business.

Market share measured by gross written premium, classes I and II of insurance¹ (Q3 2020)



We are the **decisive leader on the insurance market** in terms of gross written premium...

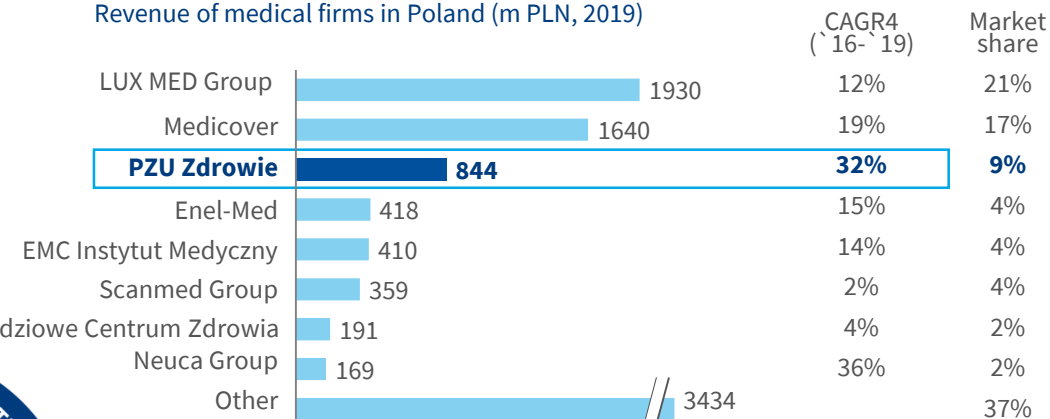
Assets under management TFI² (bn PLN, Q3 2020)



... **vice-leader on the investment market**

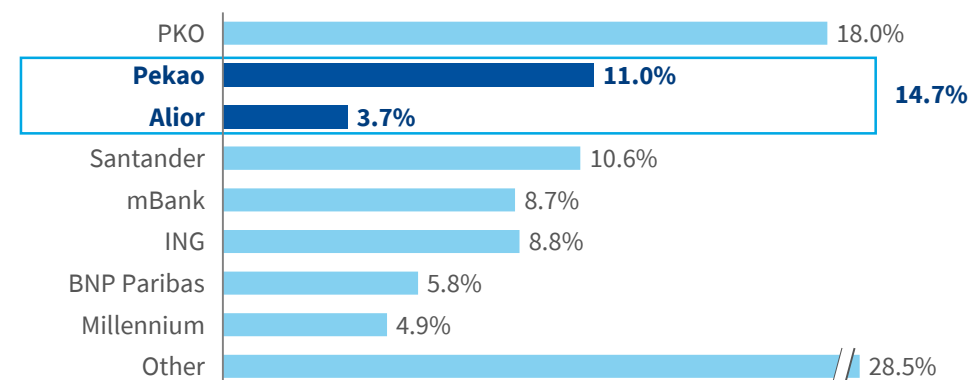
in terms of assets under management (TFI PZU, Pekao TFI, Alior TFI)...

Revenue of medical firms in Poland (m PLN, 2019)



...the number three player on the health care market (PZU Zdrowie)

Market share measured by assets (Q3 2020)



... and the **vice-leader on the bank market** (Bank Pekao, Alior Bank) in terms of assets.

1) Data from 1 January 2020 to 30 September 2020

2) Including assets on the privately-held market

3) The data include net assets at the risk of insurance undertakings PZU SA and PZU Życie SA and managed by TFI PZU

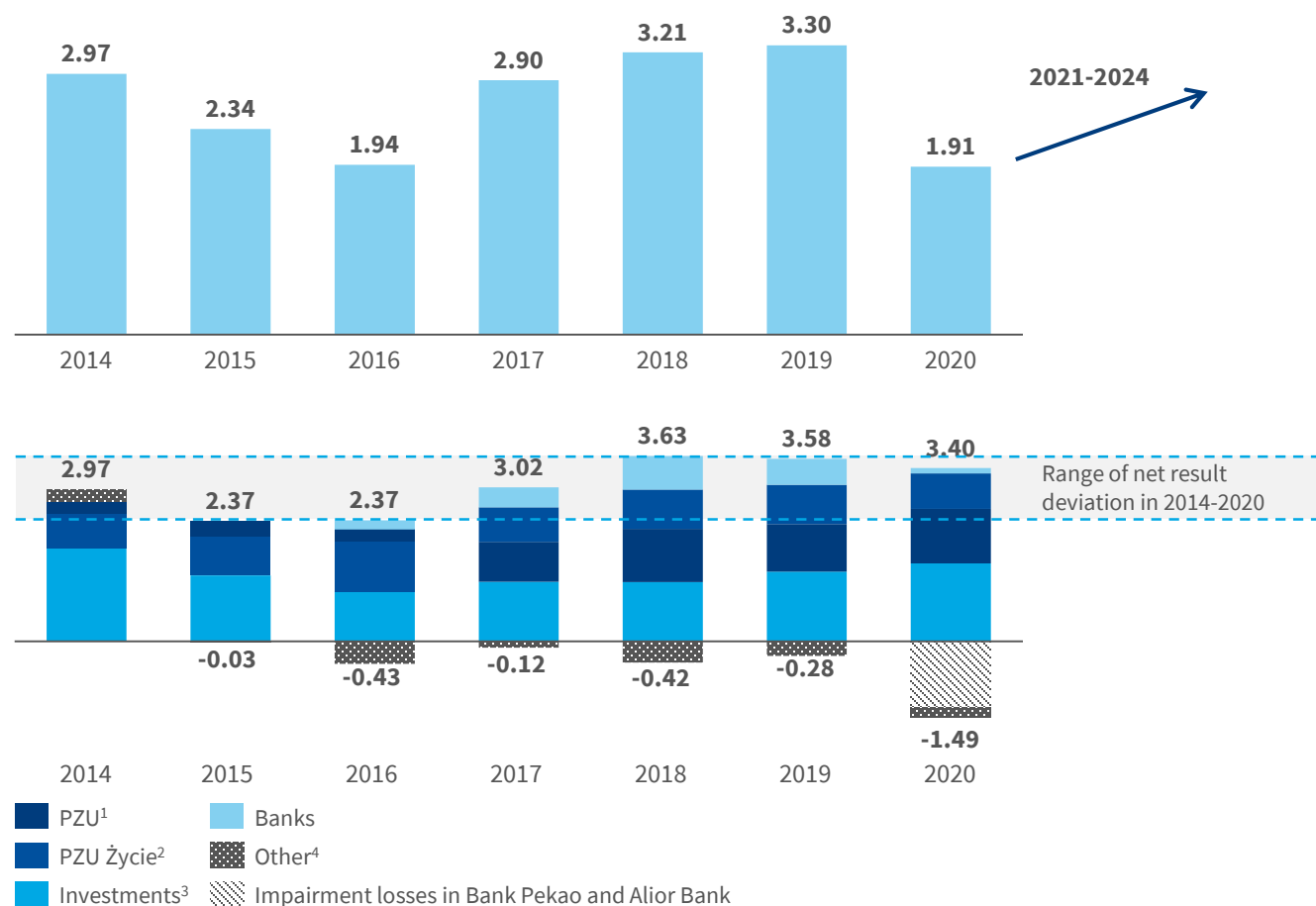
4) The compound annual growth rate is the average annual rate of growth in a period under analysis under the assumption that annual growth is added to the base in the subsequent period

Source: Polish Insurance Association, companies' financial statements, IZFIA, PMR's report entitled „Private Health Care Market in Poland 2020”

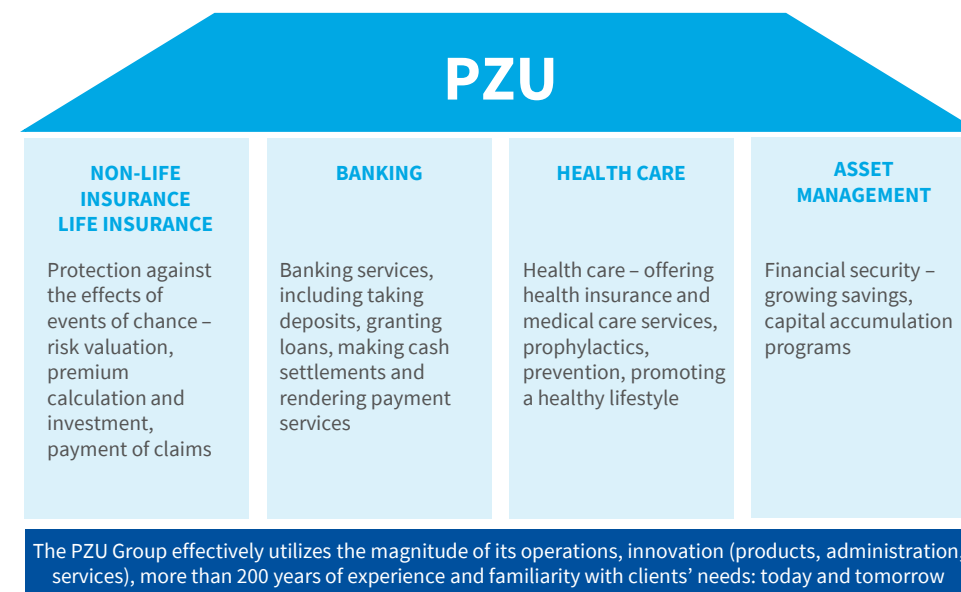


Stable operating model built on multiple foundations, resilient to shocks in the business environment...

PZU Group's net result attributable to the parent company (bn PLN)



PZU Group's sound and safe business model ensues from the diversification of its business whose main pillars are life and non-life insurance, banking, investments and health care. This model combined with the PZU Group's strong market position **gives it long-term resilience in the face of temporary shocks in the business environment** such as the Covid-19 pandemic.



1) PZU's technical result net of investment income (net)

2) PZU Życie's technical result, group insurance and individually continued and individual insurance net of the investment income on the main portfolio (net)

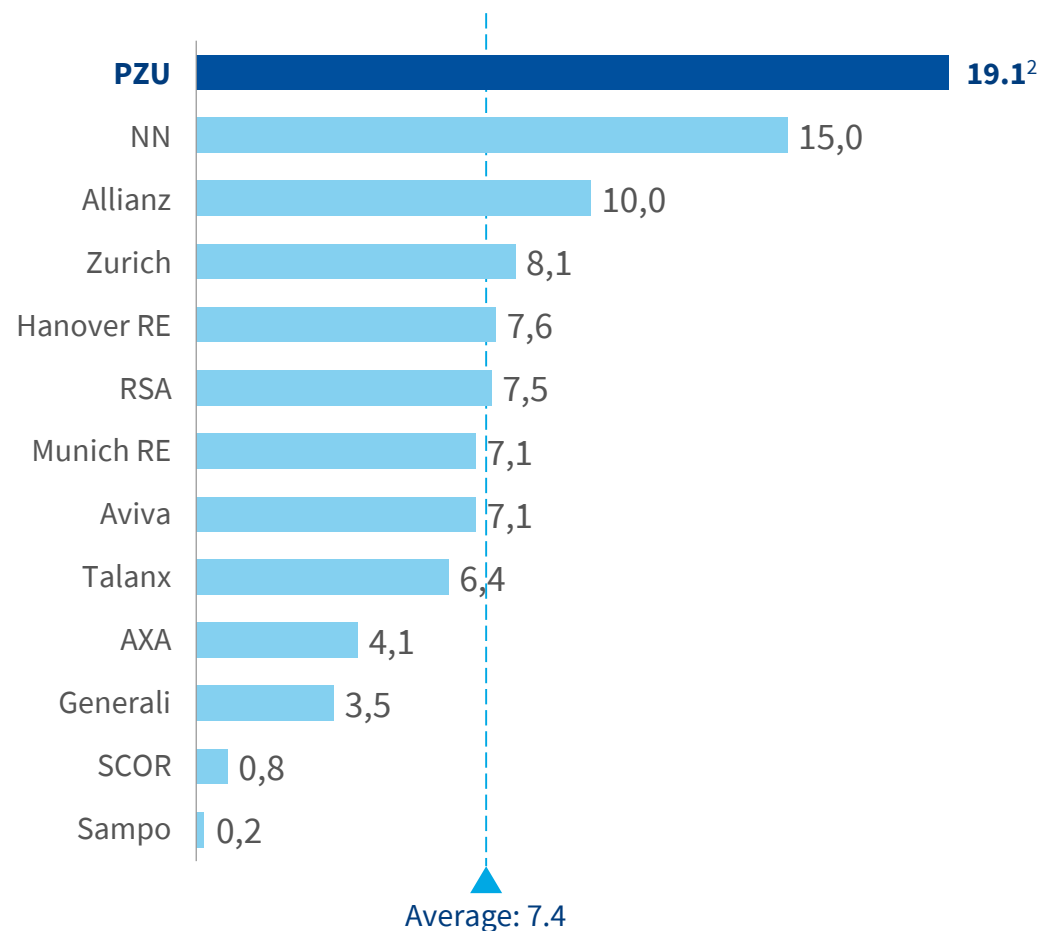
3) Result on the main portfolio (net)

4) The sum, among other things, of the technical result of Link4 and foreign companies, asset levy and debt financing costs

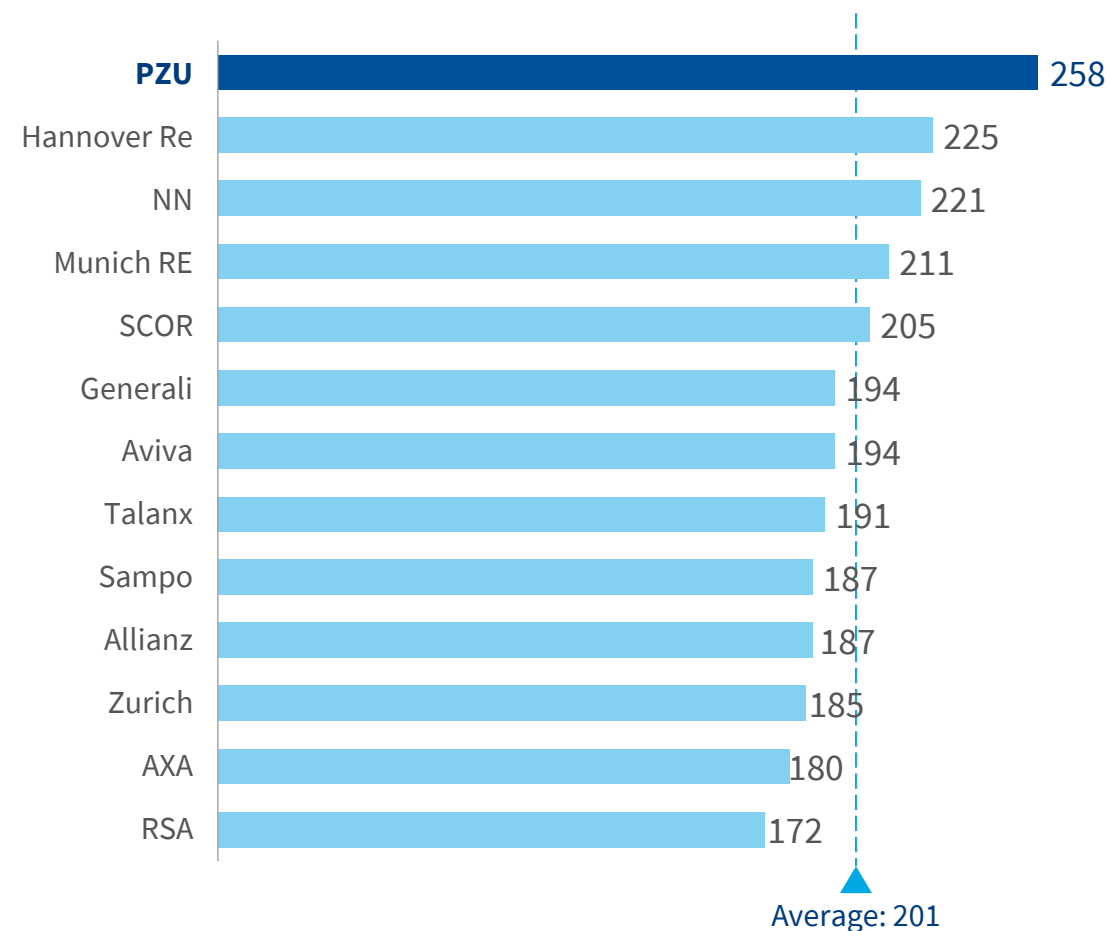
...it delivers security and a high level of profitability...

We stand apart from European insurers in terms of our above average return on equity, or ROE¹ and our Solvency II ratio.

PZU Group's **ROE** versus European insurers (% , H1 2020)



PZU Group's **Solvency II ratio** versus European insurers (% , H1 2020)



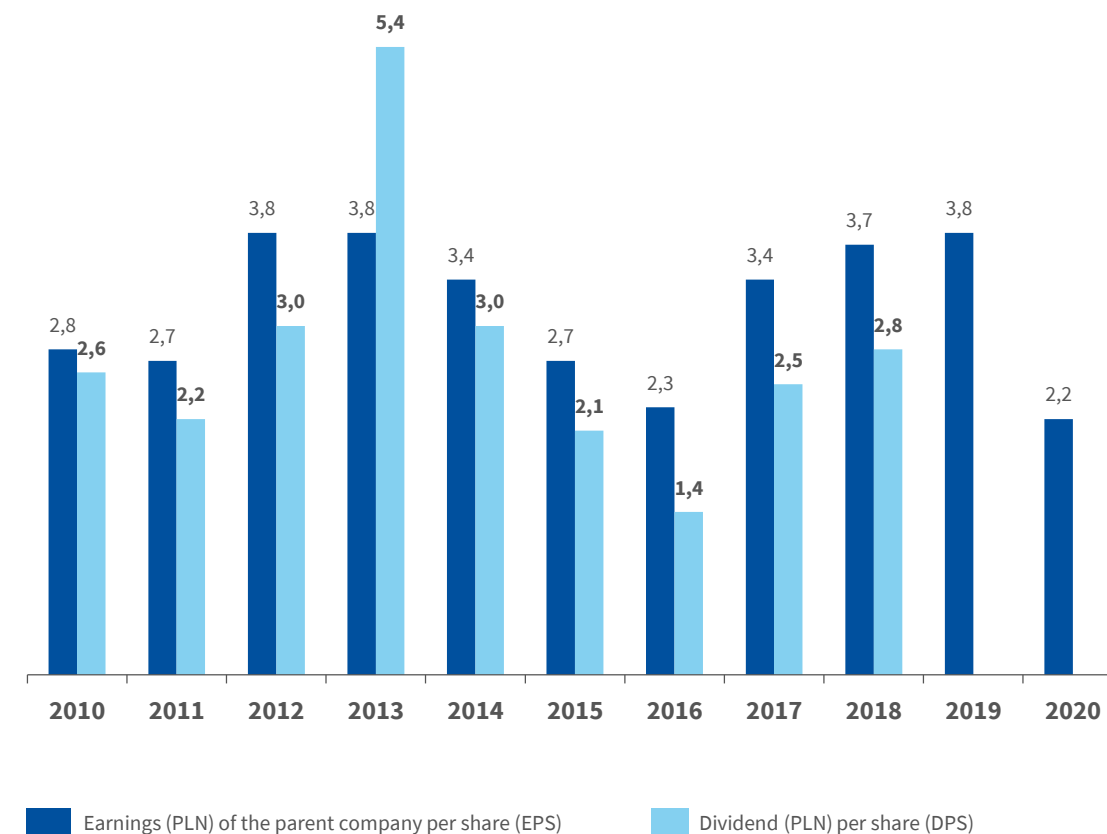
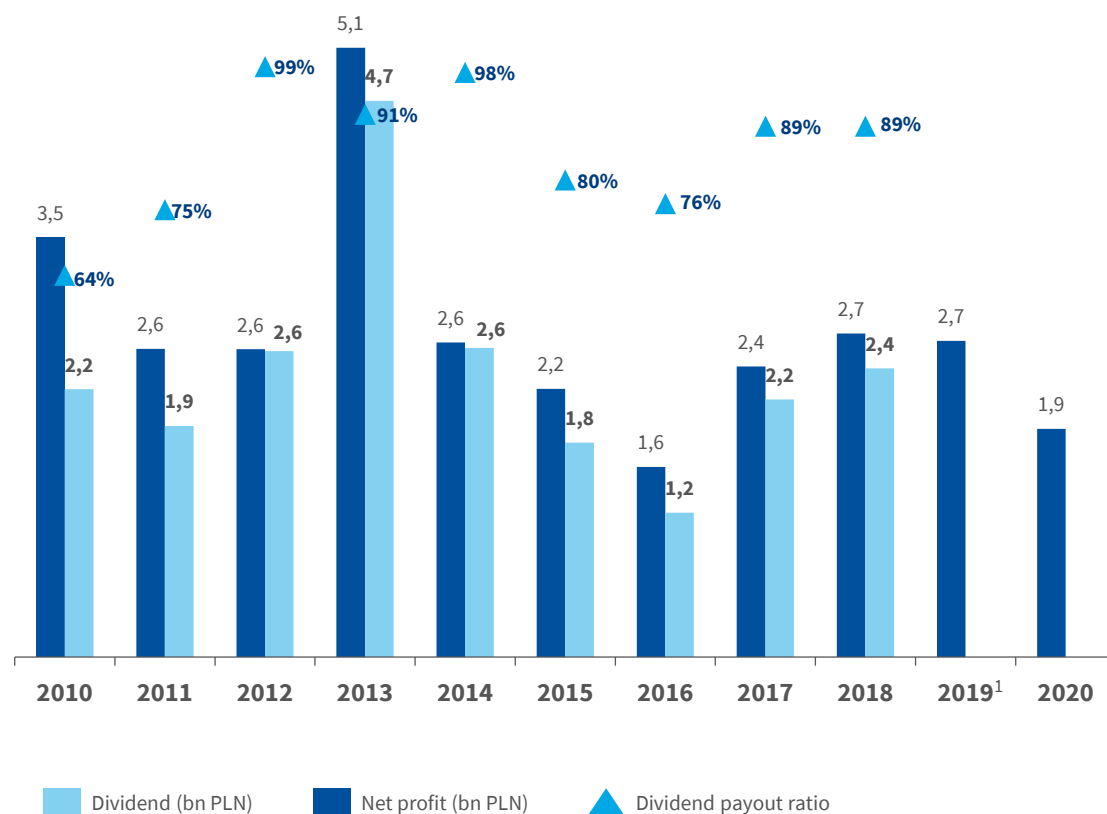
1) Return on equity (ROE)

2) Net of the impairment loss for the goodwill of Bank Pekao and Alior Bank and for intangible assets identified during the acquisition of Alior Bank

Source: company reports

... and the capacity to generate an above average return on equity.

As the PZU Group we strive to manage equity effectively and maximize the rate of return for our shareholders. At the same time, we maintain safety and make sure we retain capital for strategic development through acquisitions.



1) According to the stance of the Polish Financial Supervision Authority of 16 December 2020 on dividend policy, PZU may pay a dividend in a maximum amount equal to 100% of its earnings in 2019 and 50% of its earnings in 2020.

We build our success in an ethical manner, relying on four major values...

- 200 years of tradition
- Sound capital base, high Solvency II ratio
- Largest financial group in Central and Eastern Europe
- Strong brand



**A- with a stable outlook
AAA capital strength rating**
S&P Global Rating 2020

PZU / Super Ethical Company
Puls Biznesu 2018-2021

PZU Życie / Super Ethical Company
Puls Biznesu 2021

- We keep our promises
- We observe transparent rules of doing business
- We are fair in our internal and external relations
- We cultivate a culture of ethics and compliance



- Artificial intelligence and machine learning¹
- Continuation of the process of digitalizing insurance, banking, investment and health products and services
- Advanced analytics
- Process optimization

Innovation Lab
Corporate Innovation Awards

AI² in Claims Handling
Gazeta Bankowa 2019

PZU GO
Fintech and Insurtech Awards 2019
Gazeta Bankowa 2019

PZU
Employer Branding Excellence Awards 2019



- We respond to the needs of clients, employees and society
- We manage our environmental impact deliberately and responsibly
- We offer an inspiring place of work

¹ Machine learning is a technology assuming that the program utilizes algorithms to “learn” on the basis of large data sets whereby it is capable of executing tasks without having to be designed directly by a human

² AI (artificial intelligence)

...and a feeling of corporate social responsibility.



Health and an active lifestyle

We propagate an active lifestyle, care for physical fitness and a proactive approach to health to alter Poles' habits for good. We also get involved in such activities as we believe that they exert a real impact on the state of society's health.



Safety and prevention

We cooperate with rescue worker organizations and institutions (including the Voluntary Mountain Rescue Service, the Voluntary Water Rescue Service and the Fire Fighting Service). We support local activities to improve safety and mold responsible and safe conduct. That for us is the basis of social commitment.

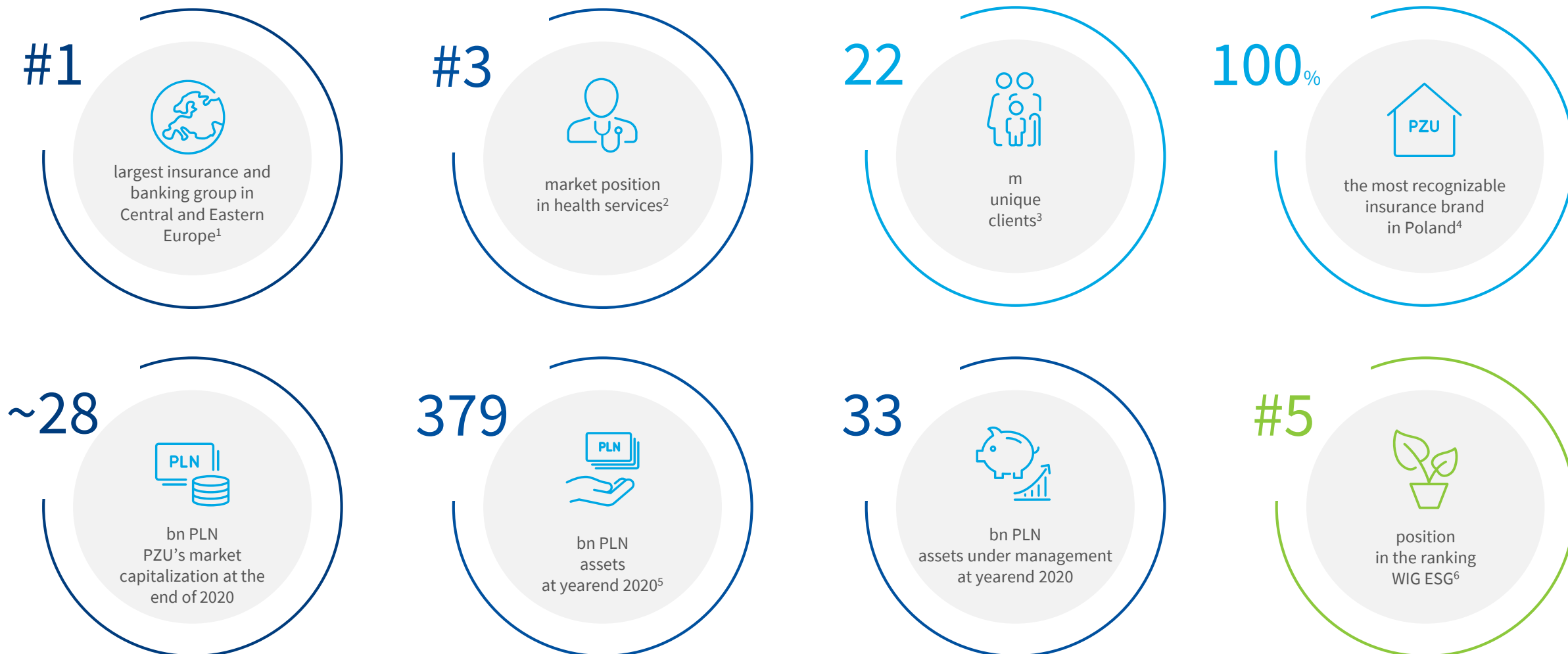


Culture and protection of national heritage

For years we have supported the most important cultural institutions and events. We take actions to protect national heritage. These actions contribute to building national identity, respect for tradition, a feeling of belonging to the community and its history.

You can rely on us

We are the largest insurance and banking group in Central and Eastern Europe.



1) by assets; 2) by revenue; 3) 22 million unique clients (as defined in the List of additional comments); 4) Aided brand awareness at yearend 2020 (according to surveys); 5) Consolidated assets in the balance sheet; 6) The WIG ESG Index is a ranking prepared on the basis of the portfolio value of companies listed on WSE and considered to be socially responsible and the ESG evaluation made by the international company Sustainalytics encompassing activities for the benefit of the environment, social responsibility and corporate governance.

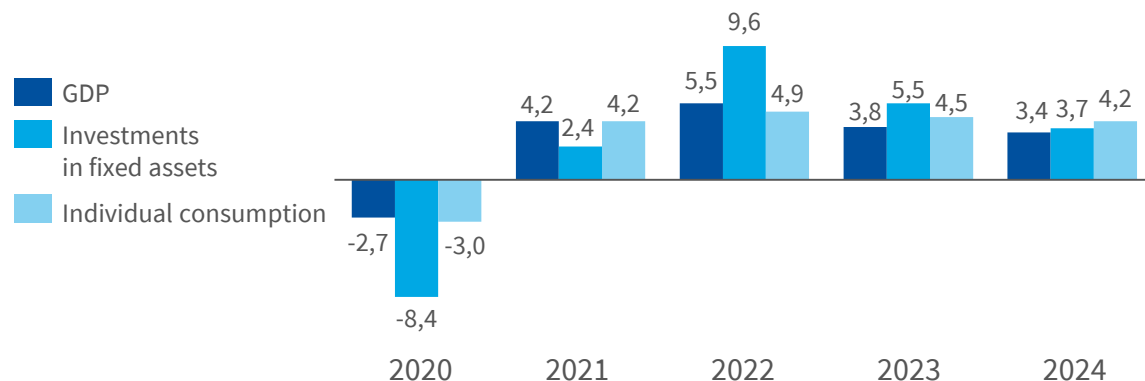


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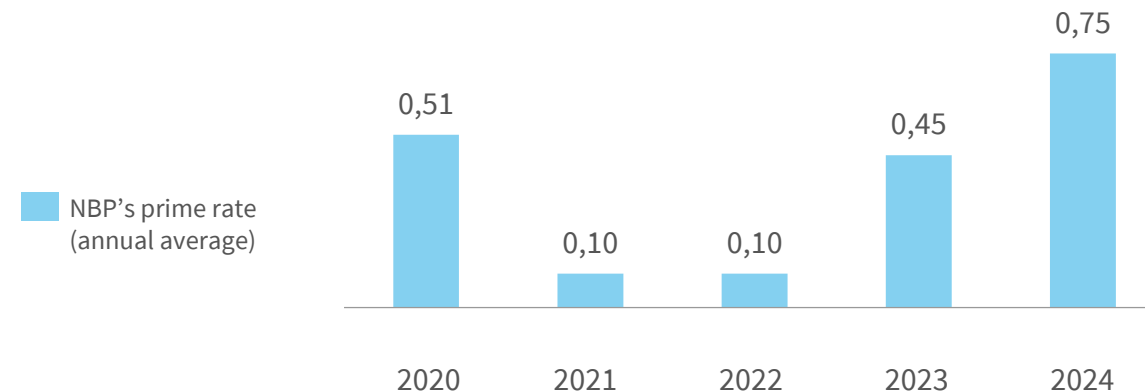
Considering the difficult macroeconomic situation...

GDP, individual consumption and investments in real terms, change y/y (%)



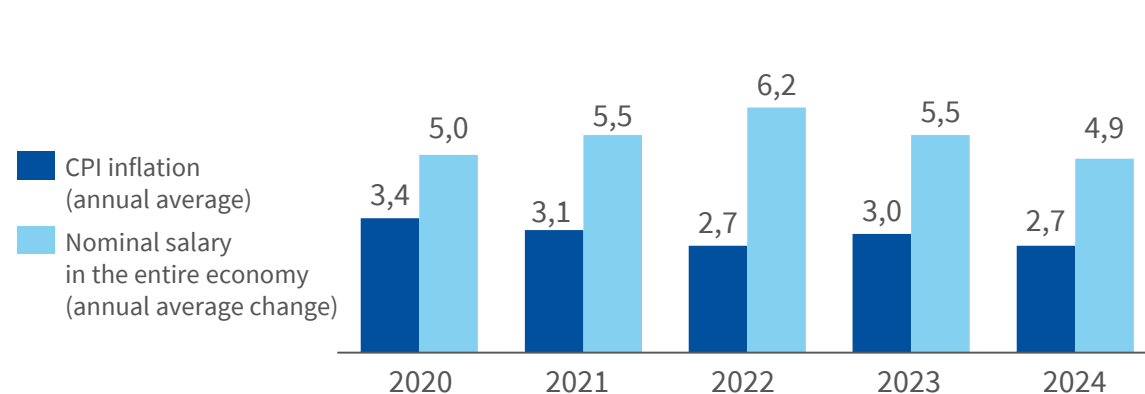
We expect the GDP to rebound markedly in the next two years. Consumption will revisit the level from prior to the Covid-19 pandemic the quickest, followed up investments.

Reference interest rate (%)



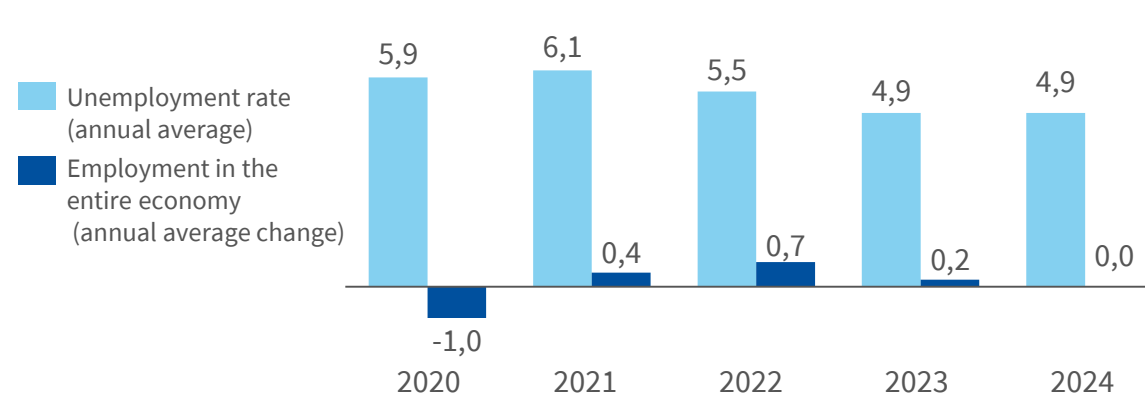
We forecast that in the next two years we will operate with the NBP's interest rates being at their lowest in history (0.1%). We assume that they will not increase until 2023 – but the uncertainty on that is very large.

Inflation and remuneration, change y/y (%)



Heightened inflation will accompany the economic revival (above the NBP's point target of 2.5%). Salaries should grow in line with the ongoing revival.

Employment and the unemployment rate (%)



We expect that the annual average unemployment rate after topping out at 6.1% in mid-2021 will start to subside gradually.

...market phenomena, including the impact of Covid-19...



Covid-19 impact



Changes to the business environment



Digitalization and digitization



Legal regulations, legislative amendments



Growth of awareness and importance of ecology



Greater significance of remote work



Deterioration of conditions on the financial markets, GDP slowdown



Lowest interest rates in history (risk of negative interest rates)



Deterioration in the financial standing of businesses and the forecasted **increase in the unemployment rate**



Slump in household income



Growth in the significance of remote sales channels and hybrid models



Dwindling profitability on the compulsory insurance market



Declining interest rates and yields of various asset classes



Declining interest income in bank products



Strong focus on the brokerage market, consolidation and greater significance of multi-agency networks



Growing importance of fintechs¹, insurtechs² and e-commerce³



More extensive utilization of chatbots⁴ in advisory services and client service



Digital processes as the new standard of service



Growth in the importance of analytics / IoT (Internet of Things)⁵



New approach to sales channels (**mobility** and **omnichannel approach**)⁶



Rising popularity of virtual assistants



Exponential increase in the quantity of data, development of the needs and tools for data mining⁷



Machine Learning / AI



New tools to reach clients (mobile / desktop)



Necessity to adapt to new legal regulations (Polish and European) and the regulators' guidelines and recommendations



Development of the green energy sector coupled with demand for insurance



Heightened awareness and significance of the issues of sustainable development and environmental protection



Growing expectations in terms of solutions to protect the environment



Opportunity



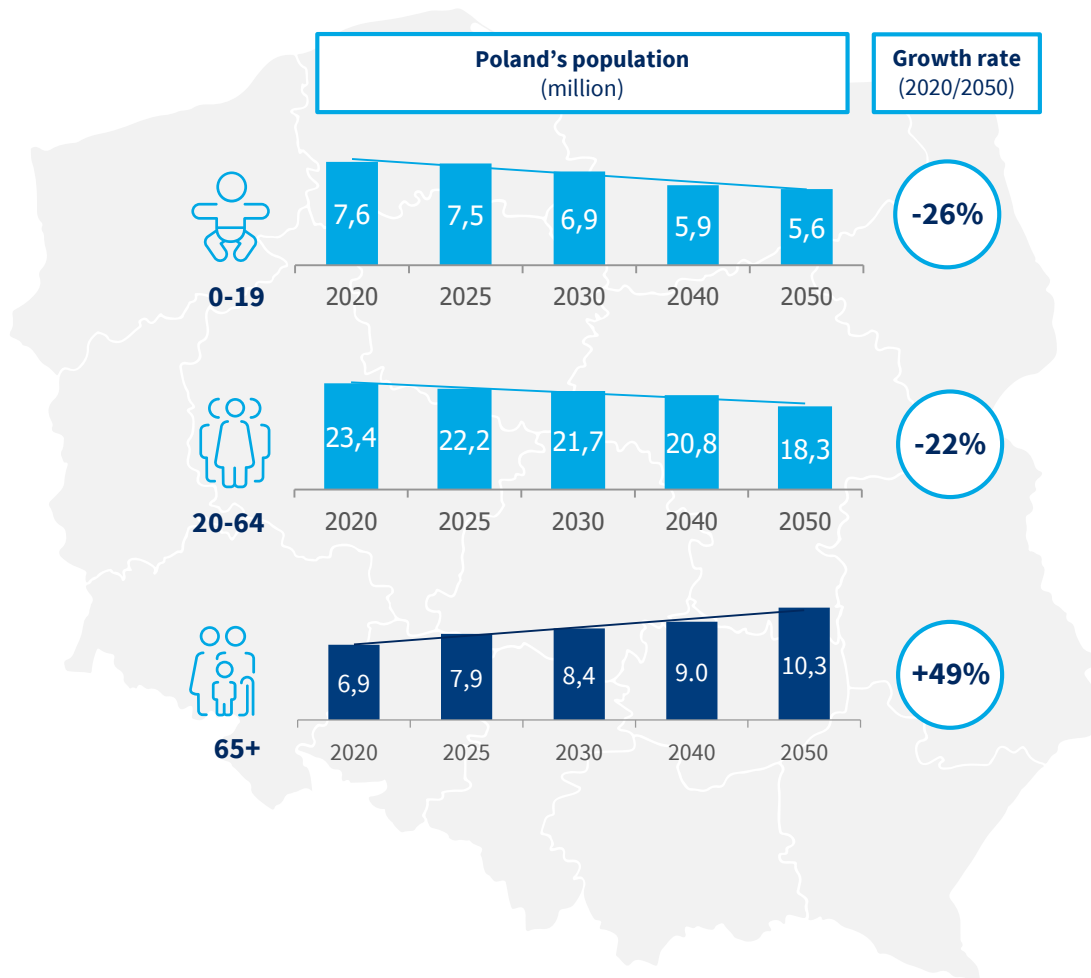
Threat



Trend generating ambiguous consequences

1) A fintech is a company that utilizes modern IT technologies in financial services; 2) An insurtech is a company that utilizes modern IT technologies in insurance services; 3) E-commerce involves entering into business transactions that are executed using modern technological and telecommunication solutions; 4) A chatbot is a computer program that engages in interactions with users in written language on the basis of prepared scripts; 5) IoT - Internet of Things) is a system of electronic devices that can communicate automatically and exchange data through the network without human intervention; 6) An omnichannel approach is the strategic connection of communication channels with sales channels. This solution ensures that clients have access to all services in every channel; 7) Data mining is an analytical process designated to analyze large data resources in the search for regular patterns and systematic interdependencies between variables.

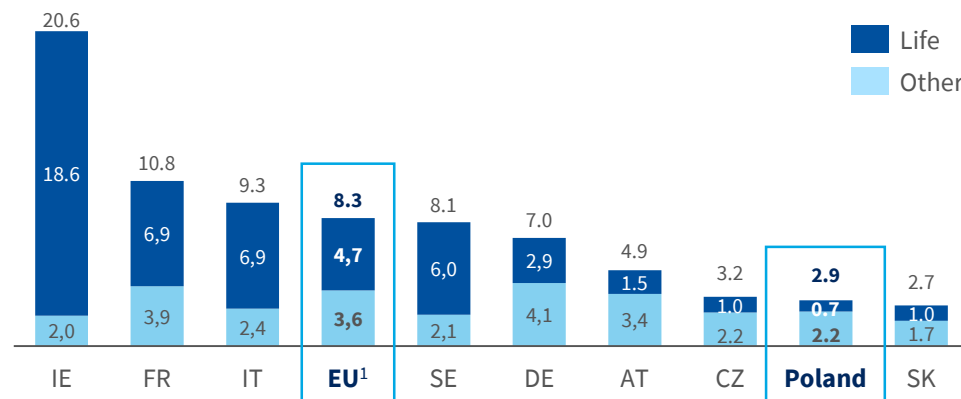
... and demographic and social changes that will materially affect the PZU Group in the next few years...



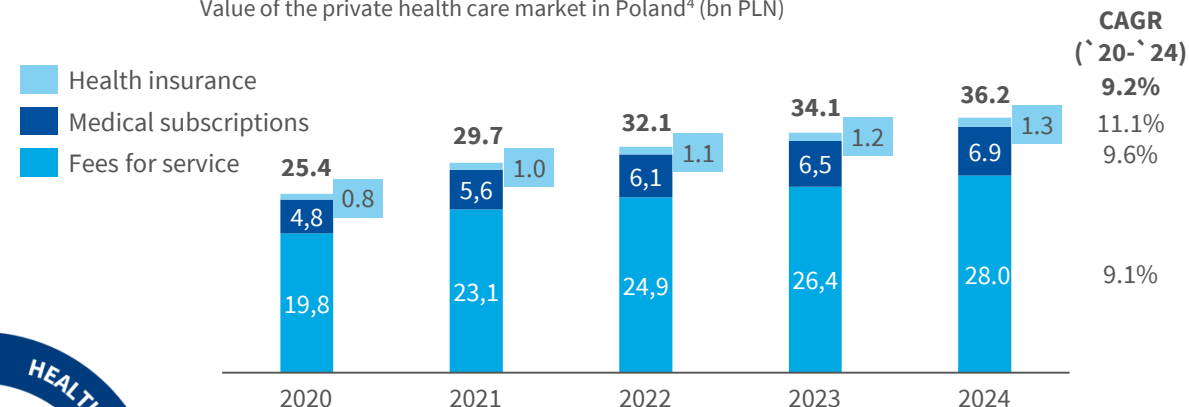
- Development of private health care
- Growing interest in health and protection products
- Greater need to provide health care and long-term care to senior citizens
- Greater need for new products related to safety and cybersecurity
- Rising expectation related to personalizing the offer
- Expanding role played by social media and information technologies
- Searching for mental well-being
- Ageing society – rising percentage of retirement age people and the falling number of professionally active persons
- Decline in the size of the population

...we perceive the potential for robust growth in key areas.

Insurance premium split by life insurance and other insurance in selected countries of the EU (% GDP, 2019)

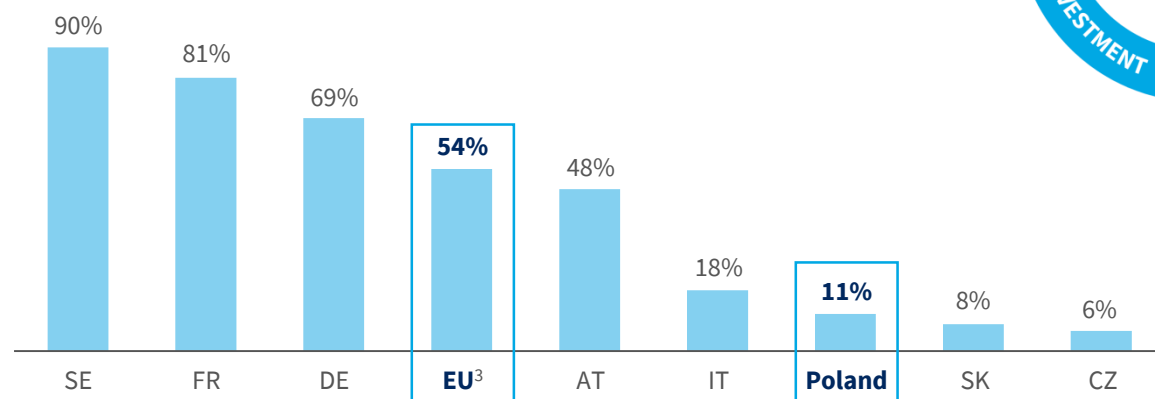


Value of the private health care market in Poland⁴ (bn PLN)



We see potential for insurance premiums to grow in Poland...

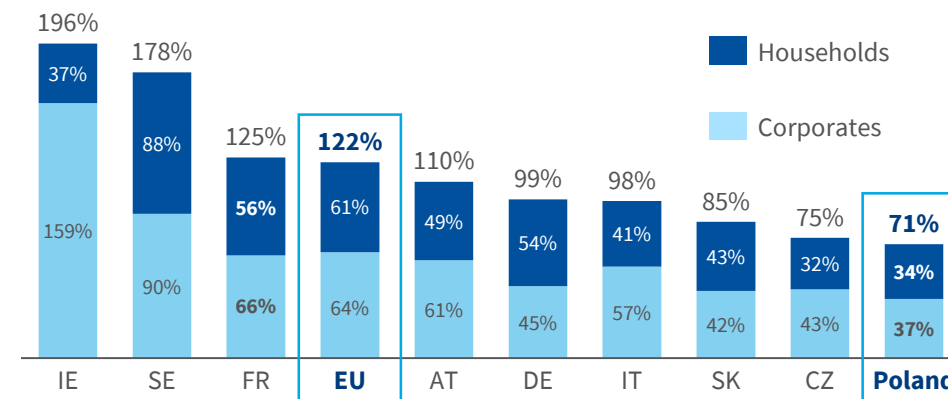
Net assets in selected countries of the EU (% GDP, Q3 2020)



...we posit growth in net assets in Poland in connection with their relatively low level in comparison with other EU member states...

...we believe that the private health care market will grow rapidly in subsequent years...

Liabilities of households and businesses² in selected countries of the EU (% GDP, 2019)



... and a higher level of liabilities in households and businesses.

1) EU27 except for Estonia, Lithuania and Latvia due to the lack of data

2) Businesses net of the financial sector

3) EU27 except for Estonia, Lithuania and Latvia due to the lack of data and Luxembourg and Ireland on account of their disproportionately high level of net assets

4) Split into segments calculated on the basis of data for 2019 and forecasts for 2025 – linear progression has been accepted

Source: Swiss Re Institut, Eurostat, PMR's report entitled „Private Health Care Market in Poland 2020”



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Thanks to this safe business model, we want to be able to continue achieving our ambitious business targets even during the difficult macroeconomic situation and Covid-19.



STABLE DIVIDEND
AND GROWING
GROSS WRITTEN
PREMIUM AND
REVENUE

LEVERAGING THE
PZU GROUP'S
POTENTIAL

INNOVATIVE
FINANCIAL GROUP

SUSTAINABLE
GROWTH

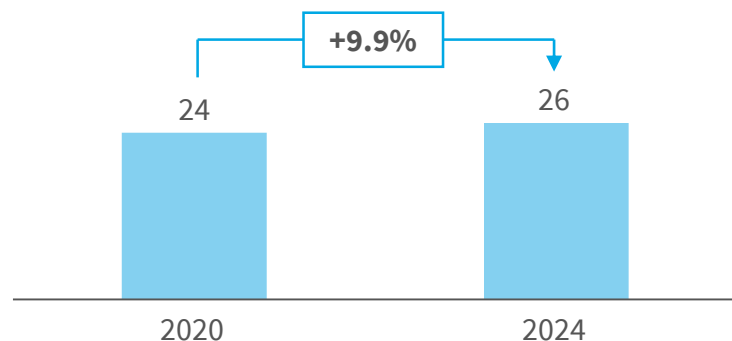
- 1 We will achieve **further growth on every market** where we operate
- 2 We will deliver an **increase in gross written premium** on insurance activity
- 3 We will materially **grow revenue in our health business**
- 4 We will be a **leader on the asset management market generating high returns** on our own portfolio and on savings and investment products
- 5 We will leverage the **potential in the PZU Group's banks**
- 6 We will maintain the **cost effectiveness** in the business we run post-Covid-19
- 7 Our ambition is to **bolster the PZU Group's potential to generate a high level of net profit**
- 8 We will deliver **high business profitability**
- 9 We will ensure a **predictable and attractive model for generating shareholder value** and a **safe solvency ratio**
- 10 We will generate **benefits ensuing from the potential and scale** of being the largest insurance and banking group in Central and Eastern Europe
- 11 We will give clients a **comprehensive product offering** thanks to the synergies afforded by the PZU Group by **taking advantage of various distribution channels**
- 12 **We will revolutionize the approach to health care** by becoming the most comprehensive medical advisor for our clients
- 13 We will leverage **new technologies in all operating areas**
- 14 We endorse **sustainable** development: we will be an active participant in the green energy transformation

1

Stable dividend and growing gross written premium and revenue

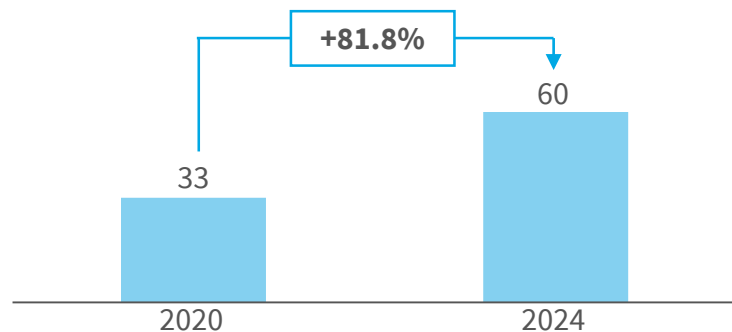
We will achieve further growth on every market where we operate.

Gross written premium (bn PLN)



We will continue to be the leader on the insurance market and we will grow our gross written premium by approximately 10%

Assets under management¹ (bn PLN)



In 2024 the PZU Group will have assets under management of 60 bn PLN, achieving roughly 82% growth

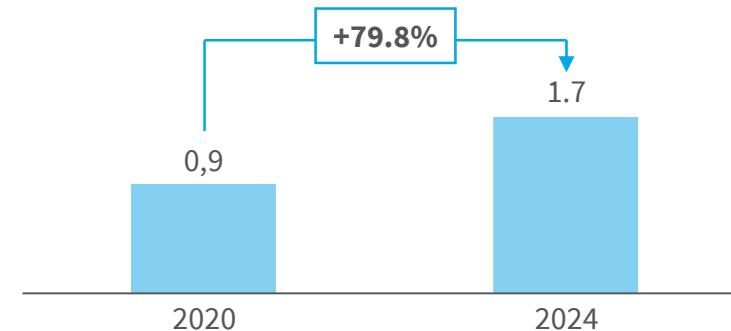
1) Third party assets under management TFI PZU, Pekao TFI and Alior TFI

2) Does not incorporate the impairment losses for intangible assets following from the acquisition of Alior Bank and Bank Pekao (definition in the additional comments)

3) To the net profit attributable to the parent company

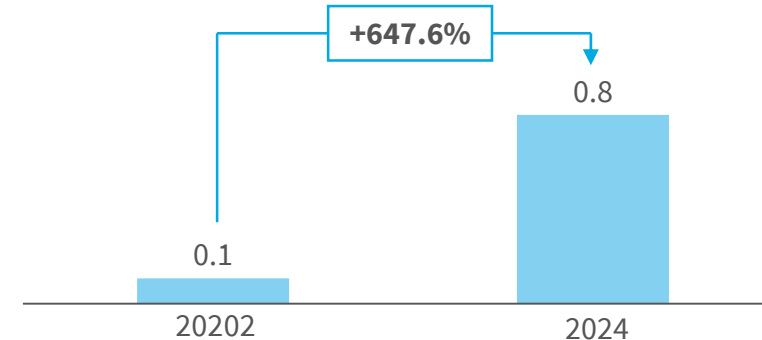


PZU Zdrowie's revenues (bn PLN)



We will continue to be the fastest growing company on the health care market generating approximately 80% topline growth

Contribution of the banks to the PZU Group's financial result (bn PLN)³



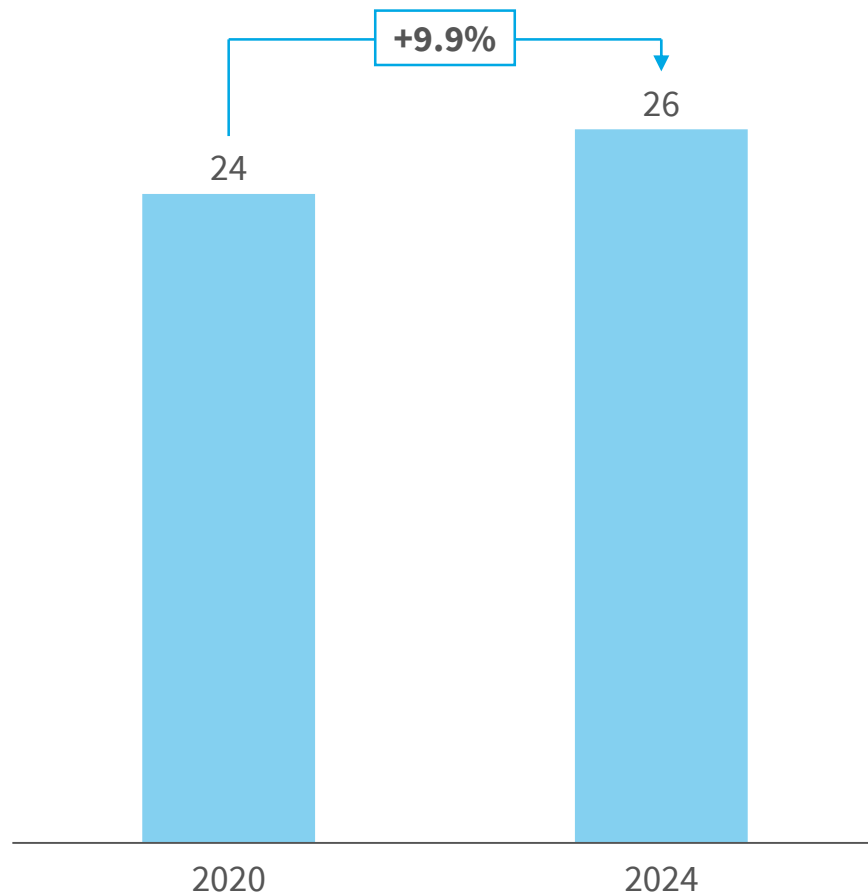
We will strengthen our financial position with the contribution made by the Pekao and Alior banks to the PZU Group's financial result

2

Stable dividend
and growing gross
written premium and
revenue

We will achieve gross written premium growth of roughly 10% by 2024

Gross written premium (bn PLN)



We will consistently provide our clients with a **comprehensive offer of insurance products** customized to their current and future needs at every stage of their life



We will strengthen and personalize relations with our clients by **consistently implementing solutions in line with their expectations** and tracking satisfaction in all the points of interaction with PZU.



We will roll out an innovative model of cooperation between sales and service channels to make it easy for clients to utilize the form they find to be the most convenient, which will translate into augmenting the rate of retention.



We will provide our clients with the best claims handling on the market while leveraging new technologies enabling us to increase our speed and quality of service.



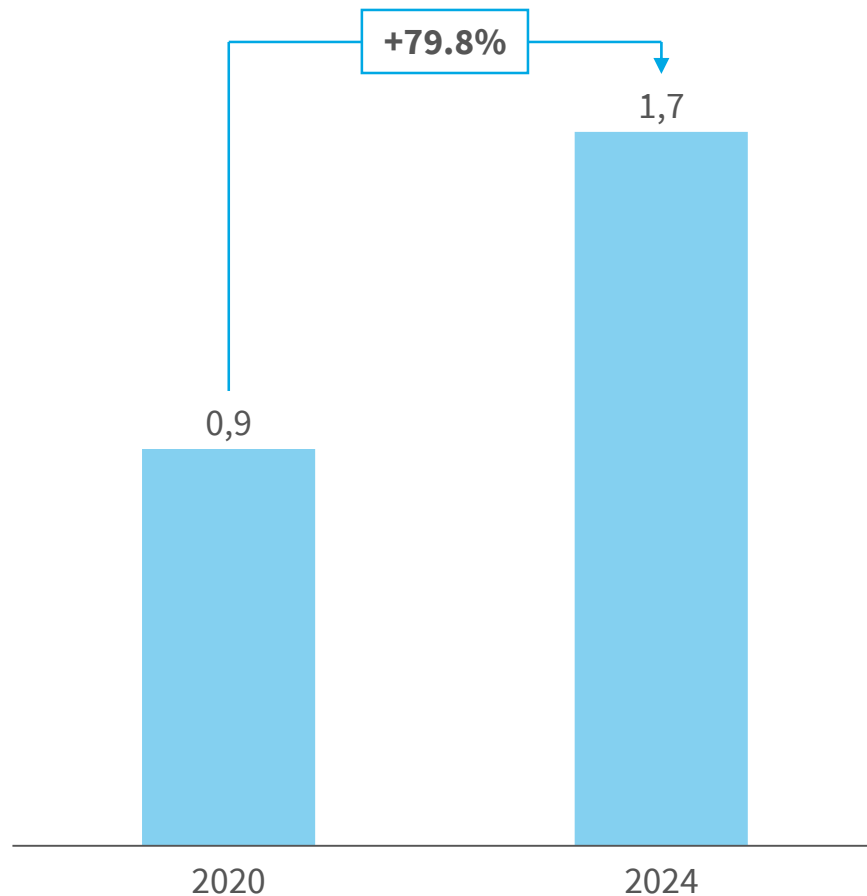
We will selectively utilize reinsurance solutions to protect ourselves against the largest risks with the maximum amount of efficacy. We will participate in reinsurance treaties while collaborating with other large insurance entities.

3

Stable dividend
and growing gross
written premium and
revenue

We will increase our revenue in health by roughly 80% by 2024

PZU Zdrowie's revenues (bn PLN)



Our priority will be to **integrate and develop our ambulatory clinic network**.



We will **continue to develop and sell group and individual products in insurance**.



We will grow our revenue in PZU Zdrowie centers by increasing the percentage of the flow of PZU Zdrowie patients on insurance and subscriptions and applying for additional contracts with the National Health Fund (NFZ).



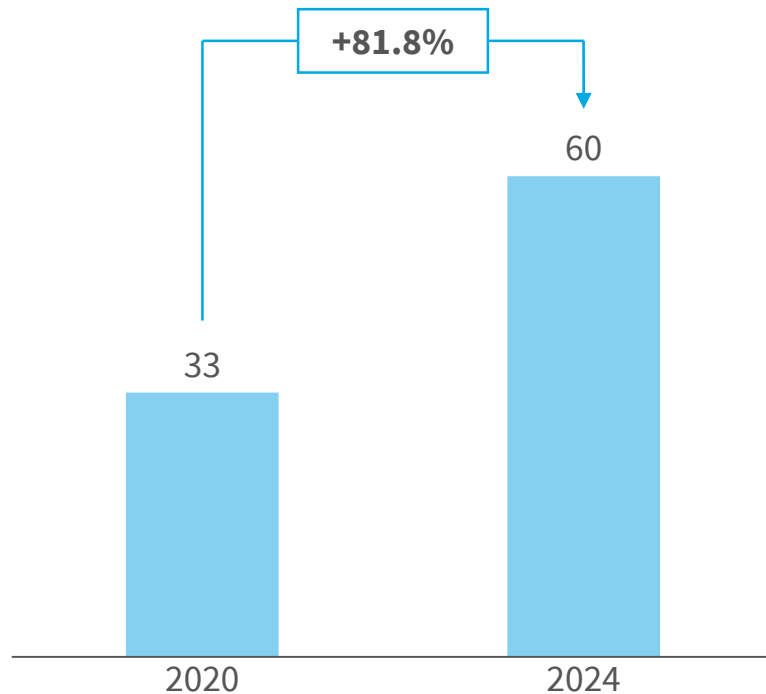
We will maintain the rate of growth in the sales of ambulatory products on new sales, especially subscriptions in the PZU Zdrowie network.

4

Stable dividend
and growing gross
written premium and
revenue

We will be a leader on the asset management market achieving high returns on our own portfolio and on savings and investment products.

Assets under management¹ (bn PLN)



inPZU as the principal channel of selling and servicing investment products and communicating with clients

1) Third party assets under management TFI PZU, Pekao TFI and Alior TFI



In 2024 the PZU Group will manage assets of approximately 60 bn PLN, or roughly 82% more than in 2020.



We will substantially **develop our regular investment products** (PPE/PPK) and passive products.



We will offer **selective investment products** based on co-investment models with PZU: **we will sell what we believe in.**



We will consistently **leverage the PZU Group's potential** through the **product and distribution synergies** with TFI PZU and the Group's banks, which will translate into **cutting costs.**



We will **grow assets under management and the topline** by, among other things, diversifying distribution, continuing the digitalization of sales processes (inPZU), developing the sales of asset management services in these times of low interest rates and rolling out passive funds for external distribution.



We do not preclude acquisitions of entities on the mutual fund market that are attractive from the PZU Group's point of view, nor organizational, sales and cost synergy options within the PZU Group.



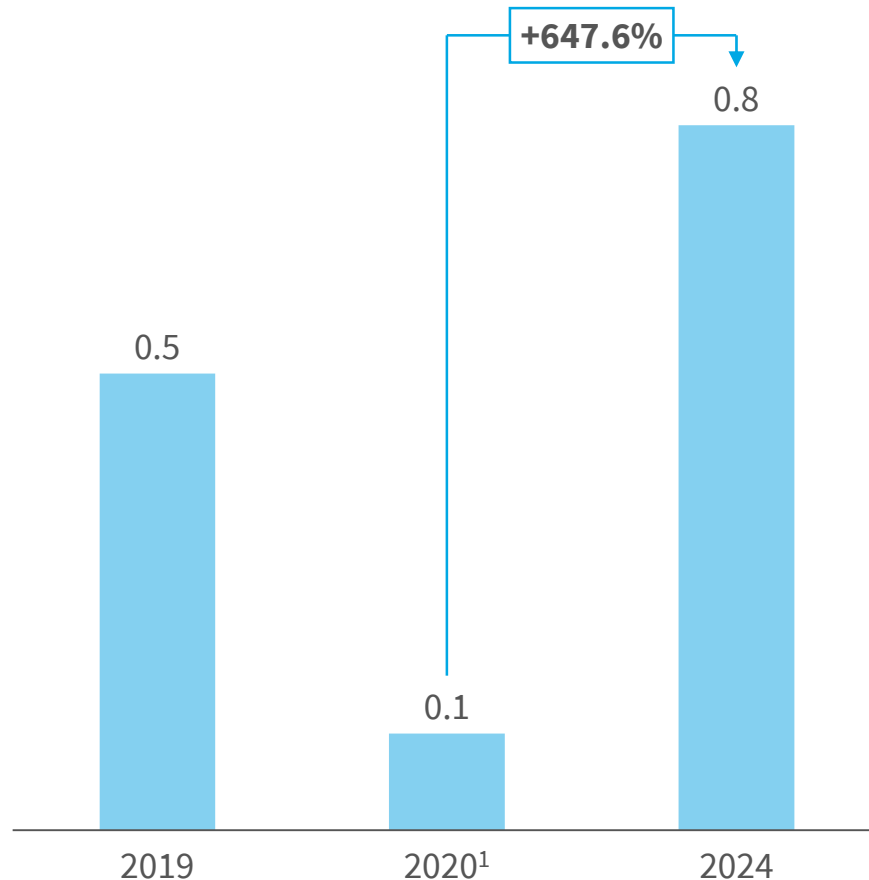
We will extent our offering of mutual funds to include **ESG funds.**

5

Stable dividend
and growing gross
written premium and
revenue

We will leverage the potential in the PZU Group's banks.

Contribution of the PZU Group's banks to the PZU Group's financial net result (bn PLN)



1) Does not incorporate the impairment losses for intangible assets following from the acquisition of Alior Bank and Bank Pekao (definition in the additional comments)



The contribution made by the PZU Group's banks to the PZU Group's net financial result fell in 2020, which was precipitated by the decline in profitability in the banking segment due to the Covid-19 pandemic, changes in the regulatory environment, historically low interest rates exerting a knock-on effect on lower interest income and impairment losses on banking assets.



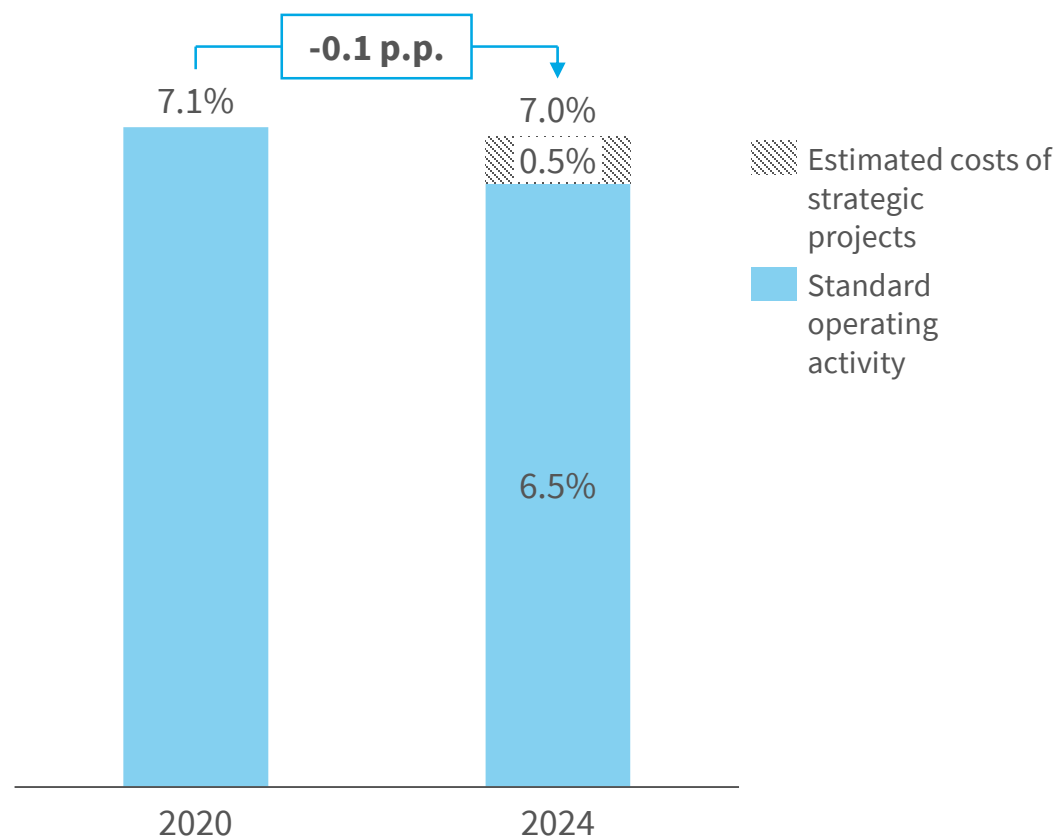
We anticipate that during the strategy execution period **we will revisit the upward trend** in terms of the estimated contribution made by Bank Pekao and Alior Bank towards the PZU Group's net result to the level of approximately **0.8 bn PLN**, which signifies **more than 7-fold growth** versus 2020.

6

Stable dividend
and growing gross
written premium and
revenue

We will maintain the cost effectiveness in the business we run post-Covid-19.

PZU's administrative expense ratio



Despite the anticipated decline in the topline growth rate in 2020-2021 chiefly caused by the Covid-19 pandemic, **we will maintain our cost effectiveness** during the strategy execution period.

We will achieve that thanks to cost discipline and investments in digitizing processes and digitalization and by converting our model of work into remote and hybrid work.

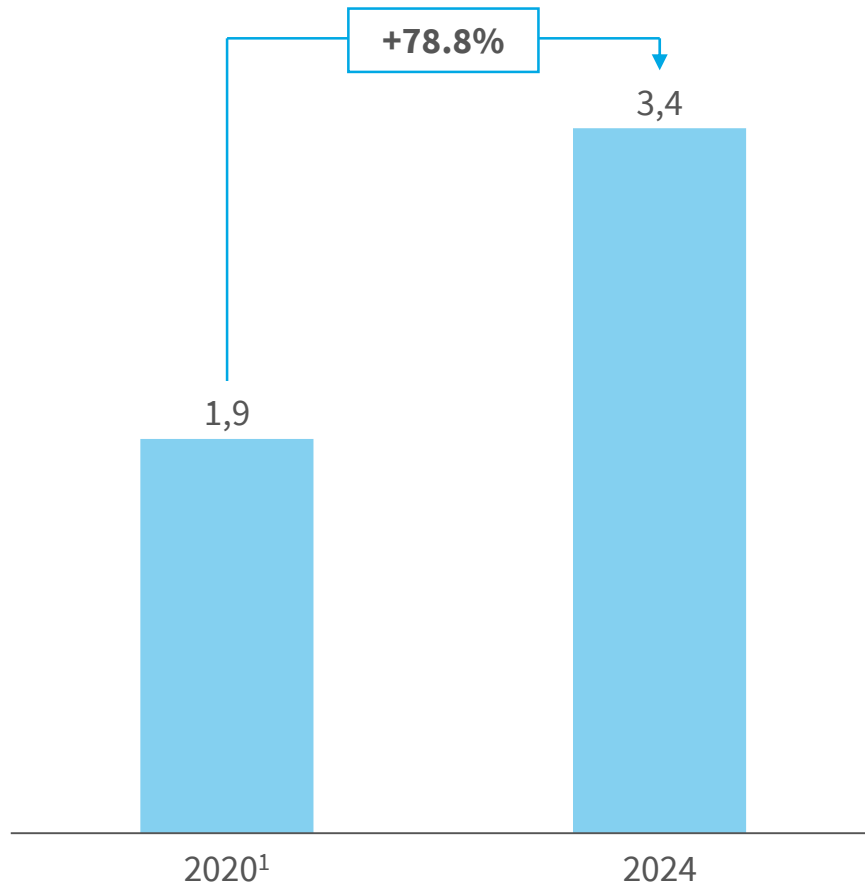


7

Stable dividend
and growing gross
written premium and
revenue

We will bolster the PZU Group's potential to generate a high level of net profit.

PZU's net profit attributable to the parent company (bn PLN)



Following the slumps in sales and the financial markets and faced with the interest rate cuts triggered by the Covid-19 pandemic, by harnessing consistent measures carried out on all the markets where we are present, we anticipate that at the end of 2024 we will generate the highest net result since the time when PZU went public of roughly **3.4 bn PLN, signifying approximately 79% growth versus 2020.**



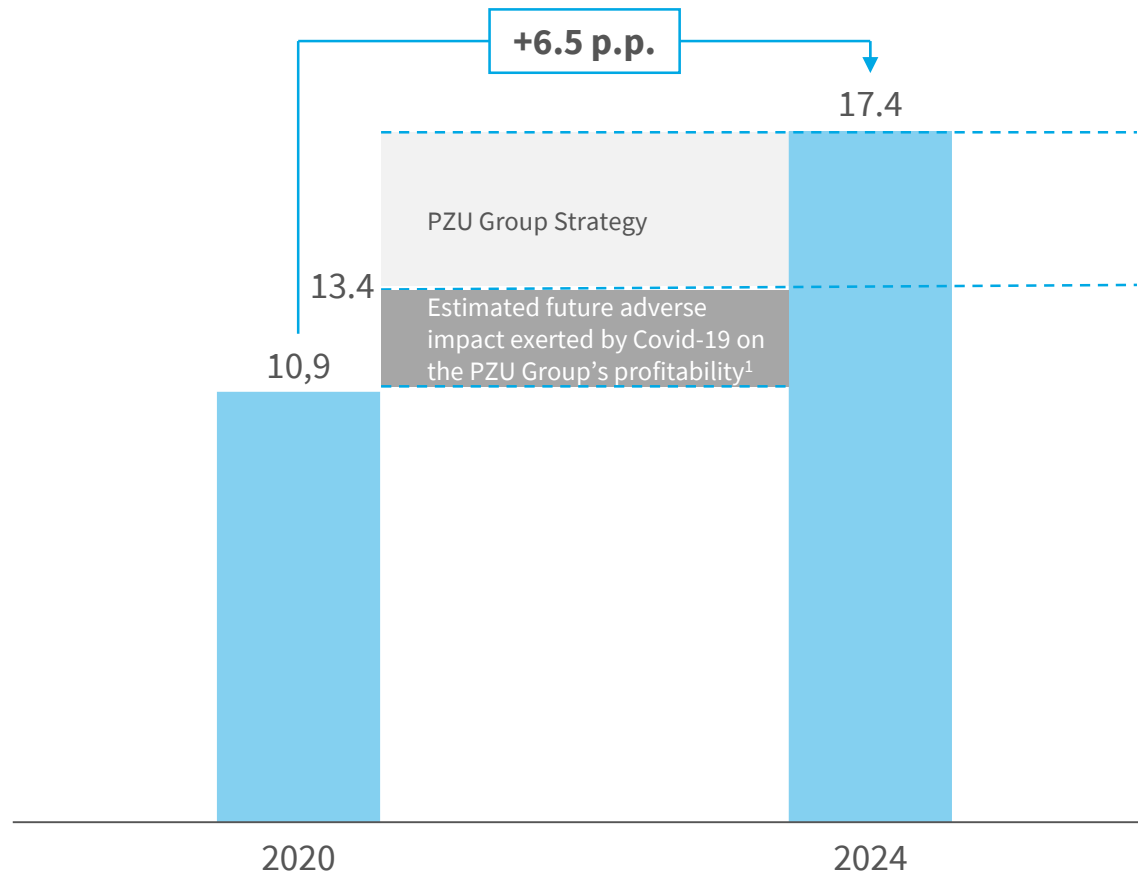
1) Does not incorporate the impairment losses for intangible assets following from the acquisition of Alior Bank and Bank Pekao (definition in the additional comments)

8

Stable dividend
and growing gross
written premium and
revenue

Our ambition is to deliver high business profitability.

Return on equity (ROE) (%)



1) Estimated temporary future impact on insurance activity

Despite the Covid-19 pandemic in 2021-2024 **we will deliver a high level of profitability on the business we run thanks to the following:**



safe and sound business model predicated on business diversification,



further **streamlining of business, product and distribution processes**, as well as management, including risk management and shaping our pricing policy,



continued **cost optimization**,



leveraging synergy effects in the PZU Group.

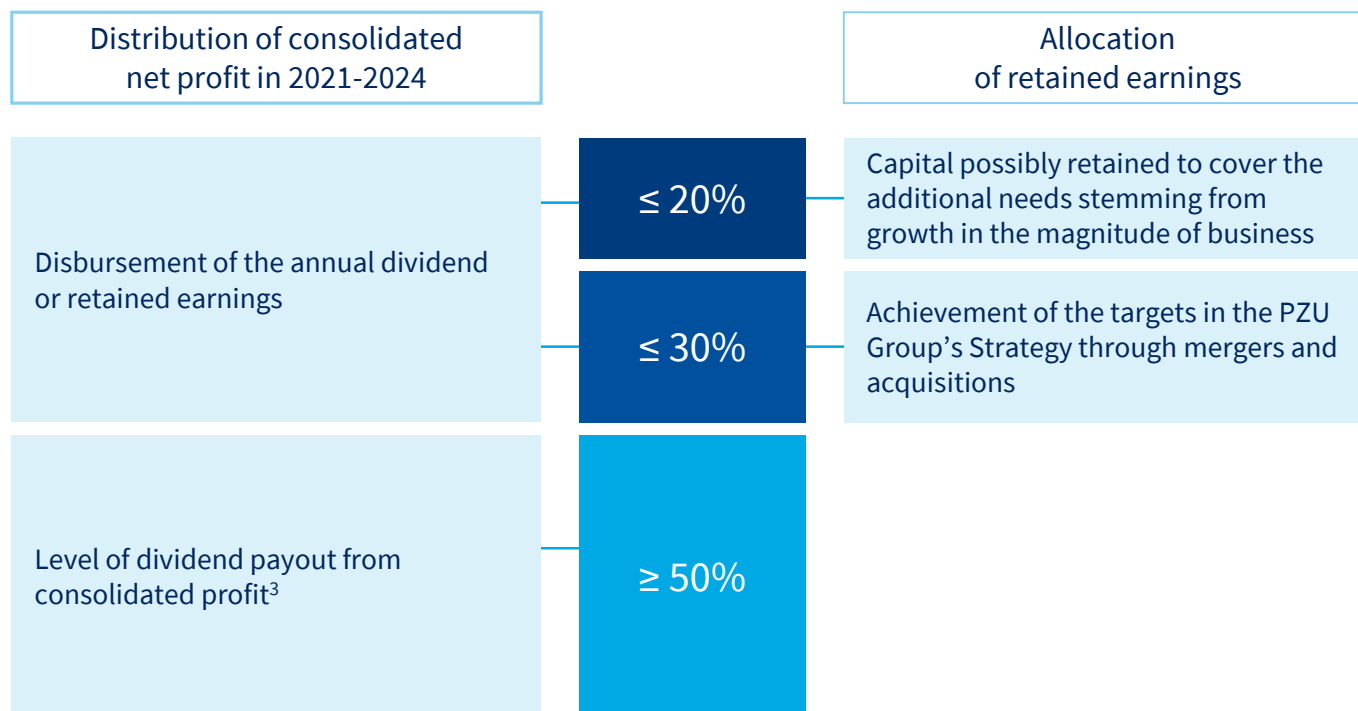
This will translate into **ramping up the return on equity (ROE) by approximately 6.5 p.p.** despite the anticipated deterioration in the combined ratio and the operating margin on life insurance.

9

Stable dividend and growing gross written premium and revenue

We will ensure a predictable and attractive model for generating shareholder value and a safe solvency ratio.

Dividend policy in 2021-2024¹



Principal assumptions



We will continue to be a **dividend company** while generating an above average return on equity.



Every year we will pay a dividend of 50 to 100 percent of the PZU Group's³ consolidated annual earnings.



We will maintain our **solvency ratios at a level no lower than 200%** for the PZU Group, PZU and PZU Życie (according to Solvency II).



We will **maintain the our financial leverage ratio²** at a level no higher than 25%.



We will procure **funds for growth and acquisitions** in the coming years.



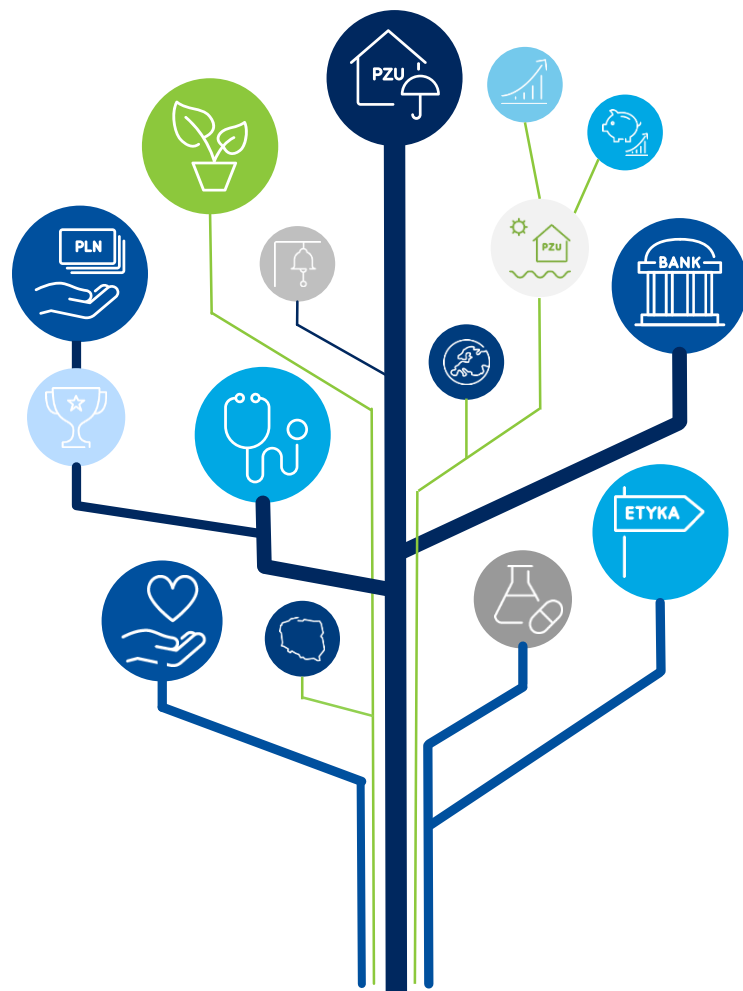
We will **maintain the financial conglomerate's surplus own funds above the requirements** for solvency.

1) Additional commentary to the dividend policy in 2021-2024 has been provided in the part entitled List of abbreviations and additional remarks

2) Financial leverage ratio – quotient of debt to the PZU Group's sum total of debt and equity attributed to the equity holders of the parent company minus goodwill and intangible assets attributed to the equity holders of the parent company. Ratio calculated on the basis of the categories disclosed in the PZU Group's consolidated financial statements net of the banking sector

3) PZU's net profit attributable to the parent company

Thanks to this safe business model, we want to be able to continue achieving our ambitious business targets even during the difficult macroeconomic situation and Covid-19.



STABLE DIVIDEND
AND GROWING
GROSS WRITTEN
PREMIUM AND
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LEVERAGING THE
PZU GROUP'S
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INNOVATIVE
FINANCIAL GROUP

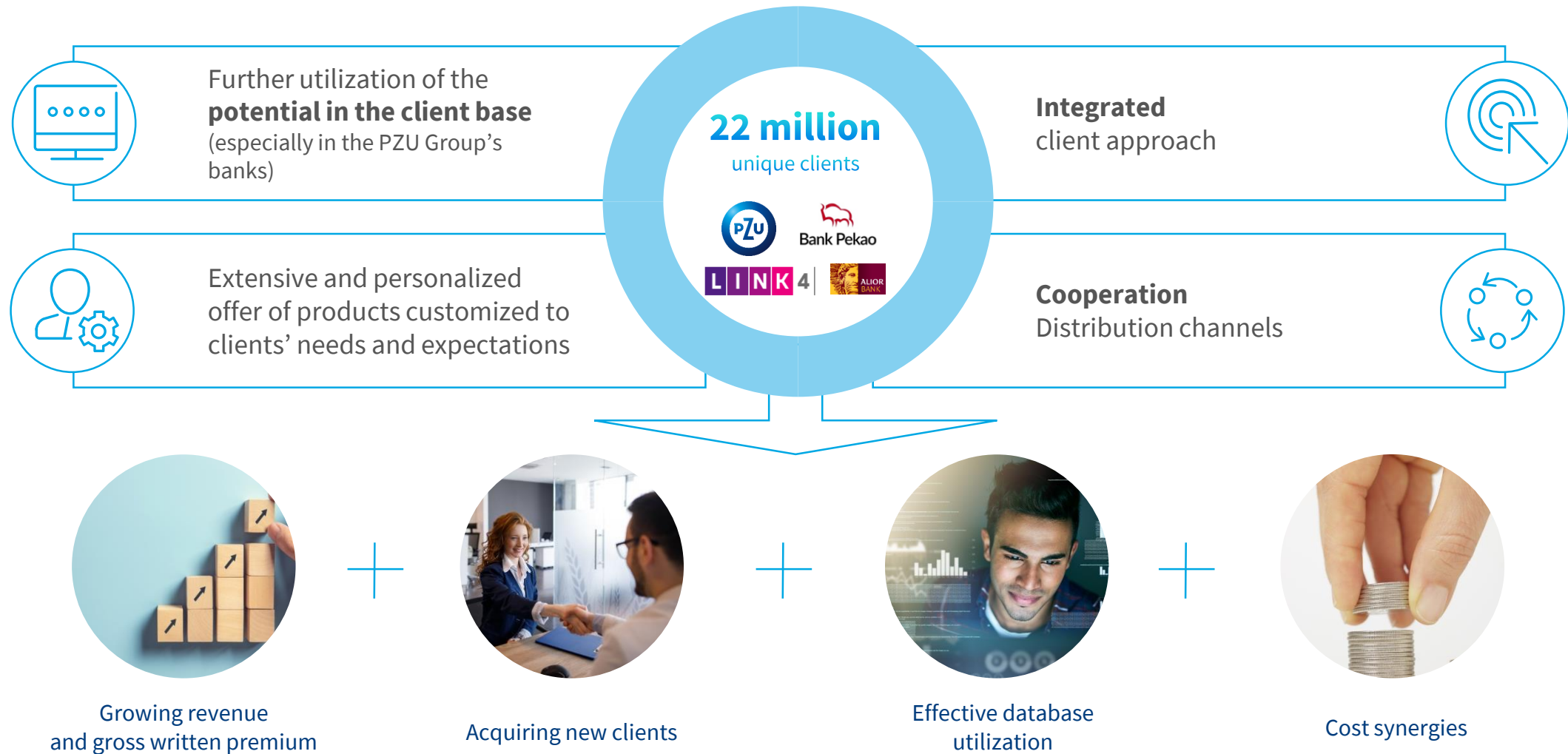
SUSTAINABLE
GROWTH

- 1 We will achieve **further growth on every market** where we operate
- 2 We will deliver an **increase in gross written premium** on insurance activity
- 3 We will materially **grow revenue in our health business**
- 4 We will be a **leader on the asset management market generating high returns** on our own portfolio and on savings and investment products
- 5 We will leverage the **potential in the PZU Group's banks**
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- 10 We will generate **benefits ensuing from the potential and scale** of being the largest insurance and banking group in Central and Eastern Europe
- 11 We will give clients a **comprehensive product offering** thanks to the synergies afforded by the PZU Group by **taking advantage of various distribution channels**
- 12 **We will revolutionize the approach to health care** by becoming the most comprehensive medical advisor for our clients
- 13 We will leverage **new technologies in all operating areas**
- 14 We endorse **sustainable** development: we will be an active participant in the green energy transformation

10

Leveraging the
PZU Group's potential

We will leverage the potential and scale of the largest insurance and banking group in Central and Eastern Europe...



10

Leveraging the
PZU Group's potential

...effectively tapping into our client knowledge in business processes...



We will consistently expand our base of marketing consents

- Effective and transparent mechanisms delivering full knowledge about the opportunities to reach out to clients as an integral part of building relationships
- Creating the ability to give clients a comprehensive product offering



We will harmonize access to sources and channels for sourcing information, we will roll out analytical tools and we will incorporate them in our business processes

- System CRM¹
- Analytical systems used in the PZU Group
- Data Science² – application of Machine Learning and AI



We will utilize the potential of databases

- Personalization of the offering
- Coordinated care provided by an advisor at every stage
- Acquiring new clients

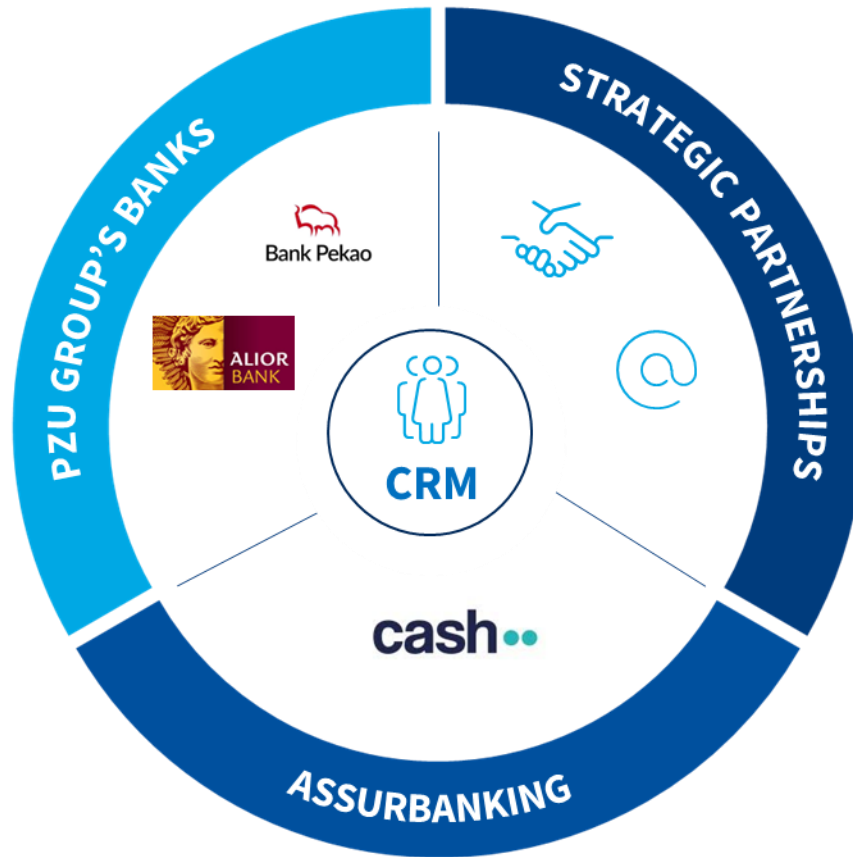
1) Customer Relationship Management is a process in which a company endeavors to cultivate customer relationships on the basis of data analysis and provide customers with the best possible service

2) Data Science involves research into the origins of specific information, what that information represents and how to turn that information into something valuable for business

10

Leveraging the
PZU Group's potential

... and rapidly developing business collaboration with banks and strategic partners.



We will generate roughly 3 bn PLN¹ of cumulative gross written premium on insurance and banking collaboration with **Bank Pekao and Alior Bank** in 2021-2024, signifying **approximately 200% growth** versus 2017-2020.



In cooperation with banks we will create a **unique offer of blended insurance and bank products**.



We will **expand the insurance offering** for Pekao and Alior Bank clients and we will prepare comprehensive service packages complementing bank products.



We will continue to **extend the PZU Cash offering**.



We will strengthen our **insurance position on the energy market**.



We will expand our **cooperation with entities on the e-commerce market**.



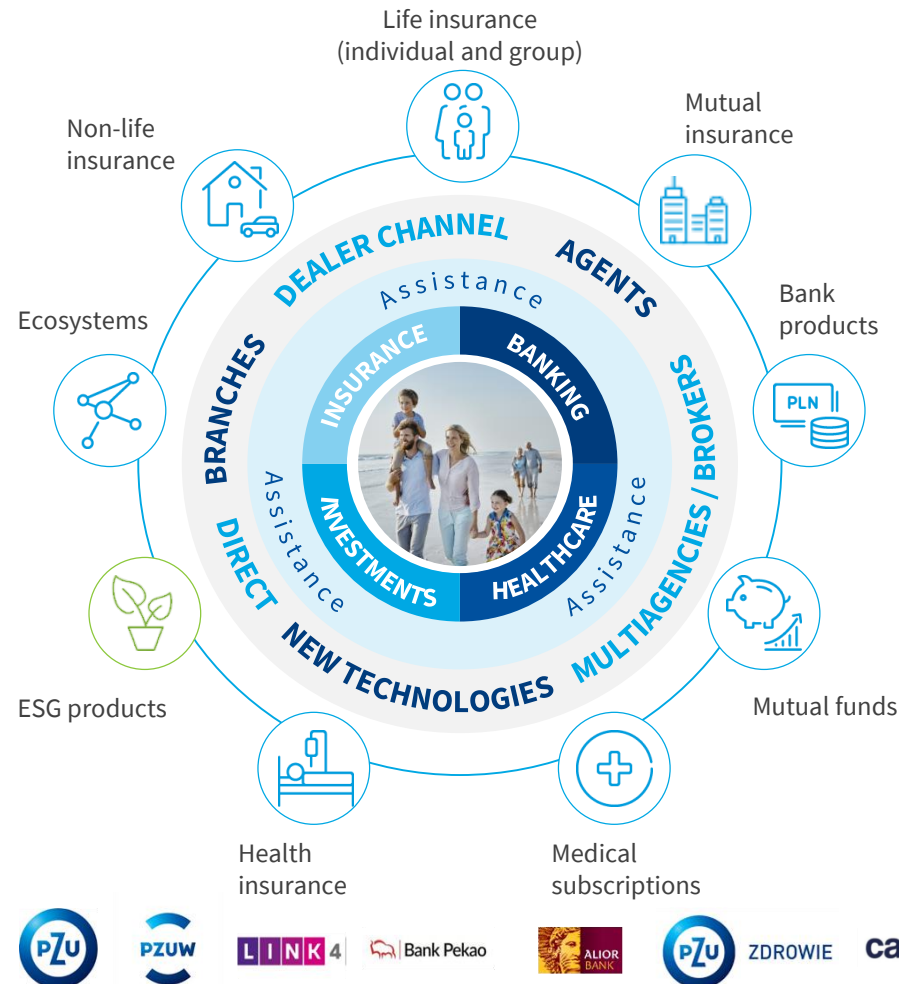
Our priority – as the largest insurance and banking group in Central and Eastern Europe – will be to satisfy the needs of our clients in an integrated and comprehensive manner.

1) The data do not take into account unit-linked life insurance

11

Leveraging the
PZU Group's potential

We will give PZU Group clients' a comprehensive offering by providing them with a complete package of products and services...



We will offer our clients a **wide range of modern products** (360 offer) including life and non-life insurance as well as health, investment and banking products customized to their evolving needs at every stage of their life.



We will take advantage of **all of the available distribution channels** – we will strengthen cross-sell¹, we will develop comprehensive offers in the ecosystem model while employing innovative solutions.



We will introduce comprehensive product and service solutions in the **ecosystem model**.



We will deliver operating **cost optimization**.



We will develop our array of **ESG** insurance and investment products.

1) Cross-sell - sales of products or complementary services in conjunction with a client's main purchase

11

Leveraging the
PZU Group's potential

...in various distribution channels customized to their preferences...

Activation of the branch potential

- **Flexible sales service** – customized to clients' preferences
- **More than insurance** – extended offering in branches

Modern agency channel

- **Modern approach to recruiting agents**
- **Varied support for agents** customized to their needs
- Support for agents through other sales channels
- Further development of **modern and digital tools** for remote sales and contacts with clients

Accelerating the development of the digital channel

- Developing digital marketing and **personalizing offers**
- Continuing the development of the mojePZU internet platform
- **Developing digital communication tools** to support sales



Profitable growth in multiagencies and the dealer channel

- Strengthening network management structures
- Technological changes
- **Enhancing the product portfolio**
- Coordination of PZU - Link4's activities

New sources of value in the corporate segment

- Building and maintaining long-term relations with clients by developing support services
- Increasing the effectiveness of sales – **digitalization of sales and aftersales processes**
- Actively managing **relations with brokers**

Affinity, Bancassurance

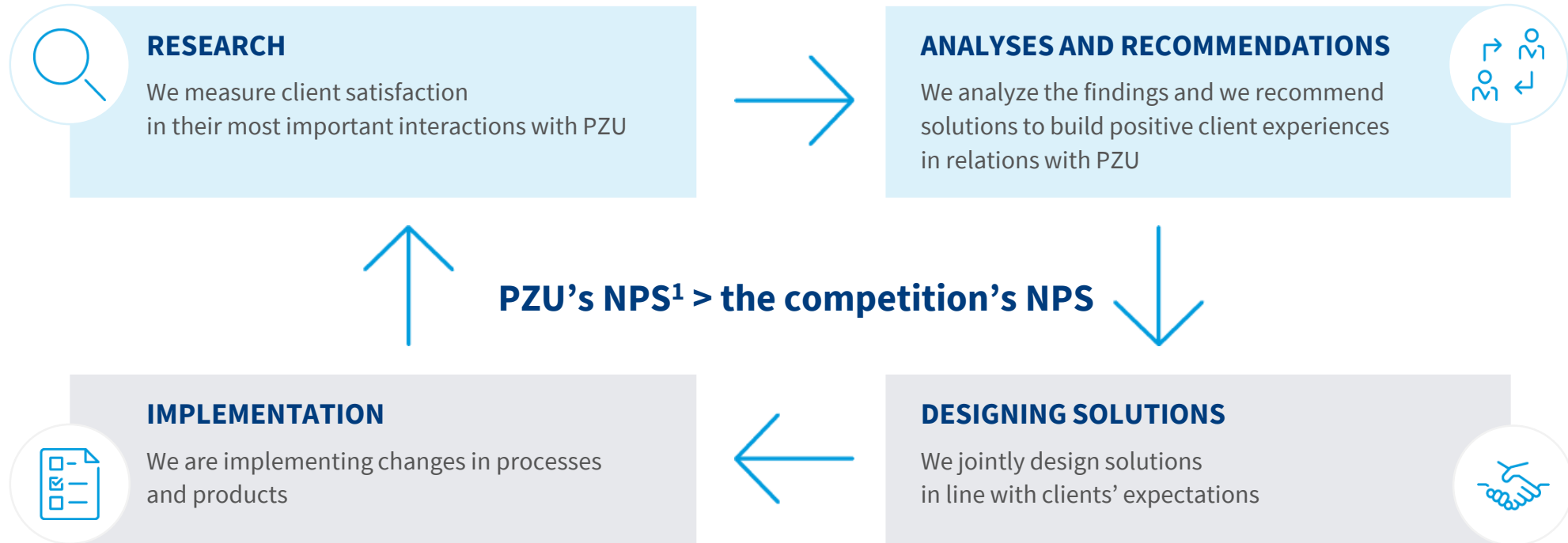
- Further development of cooperation with **e-commerce partners**
- Focusing on the **acquisition of new clients**
- Extending the portfolio of **products in banking channels**

“One PZU” integrated CRM

11

Leveraging the
PZU Group's potential

...which will enable us to strengthen our long-term relations with clients and deliver a high rate of satisfaction.



We will consistently build our competitive edge and client referral rate. We will achieve this by providing our clients with a high level of service and the best experience during interactions with the PZU Group.

1) Client loyalty metric (NPS - Net Promoter Score) – tool to assess the loyalty of a given company's clients

11

Leveraging the
PZU Group's potential

We will be supported by a modern claims handling process and using new technologies.



- Professional repair
- Process automation
- High quality
- Service speed
- Safety



Recognition of damage on the basis of photos

Utilizing artificial intelligence makes it possible to control and audit in full losses in which the payment will be accepted automatically.



Automatic data reading from documents

This system processes unstructured documents into a digital format, then it **finds the data on the basis of a learned AI model.**



AI in the agent application

This solution **enhances the quality of insurance documentation at the stage of its collection** thereby reducing the cost of verification



Using robots to search for a service provider

On the basis of a client's location data the robot **will find the road assistance unit that is the closest and may fill the order the fastest.** It checks its availability and transmits information regarding the client's location.



Anonymizing photos

The model **supports the process of preparing photos to put post-accident vehicles up for auction,** thereby reducing the work done on manually handling photos.



Automatic segregation and classification of e-mails

Utilizing artificial intelligence **in the process of segregating PZU's incoming e-mail correspondence** will increase the speed and efficiency of service and reduce costs.

12

Revolutionizing the
approach to health
care









We will revolutionize the approach to health care in Poland and we will become the most comprehensive medical advisor...

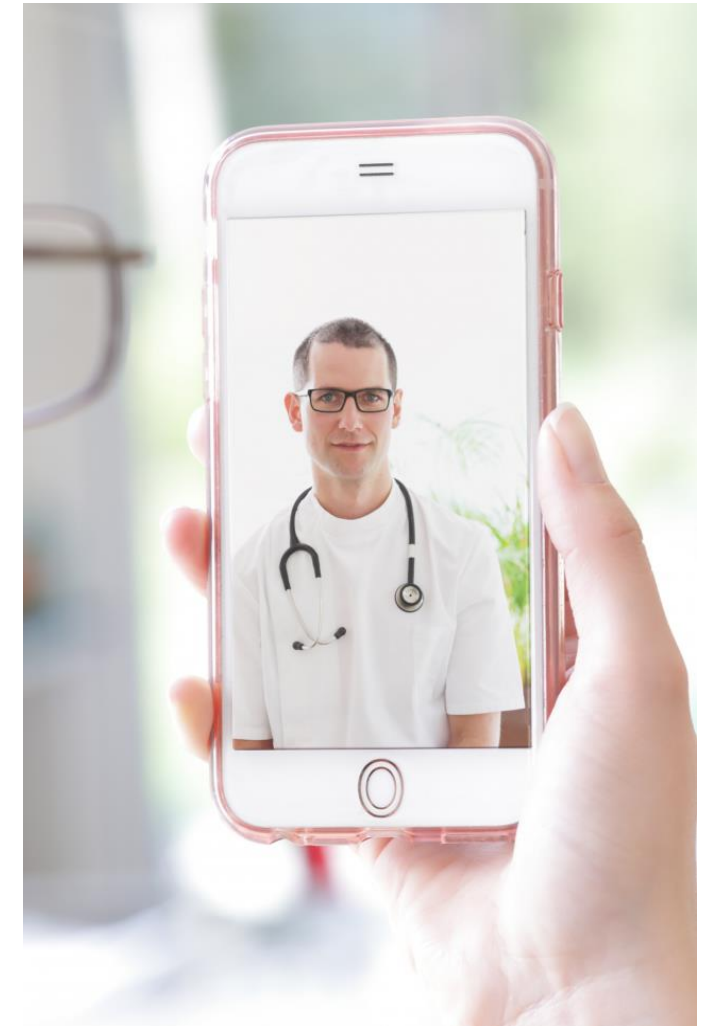


Traditional approach to health care



PZU Zdrowie's target approach

	Traditional approach to health care	PZU Zdrowie's target approach
 Approach to health	Treatment	Prophylactics
 Focus of the health care system	On physicians	On patients
 Delivering medical care	Single point	Comprehensive
 Sales and service systems	Traditional	Digital or AI
 Medical information systems	Distributed	Integrated
 Making medical decisions	Based on a physician's individual knowledge	Based on medical protocols, data and AI
 Treatment venue	Clinic	Clinic or at home
 Purpose of treatment	Solving current problems	High jakość and longevity



12

Revolutionizing the
approach to health
care

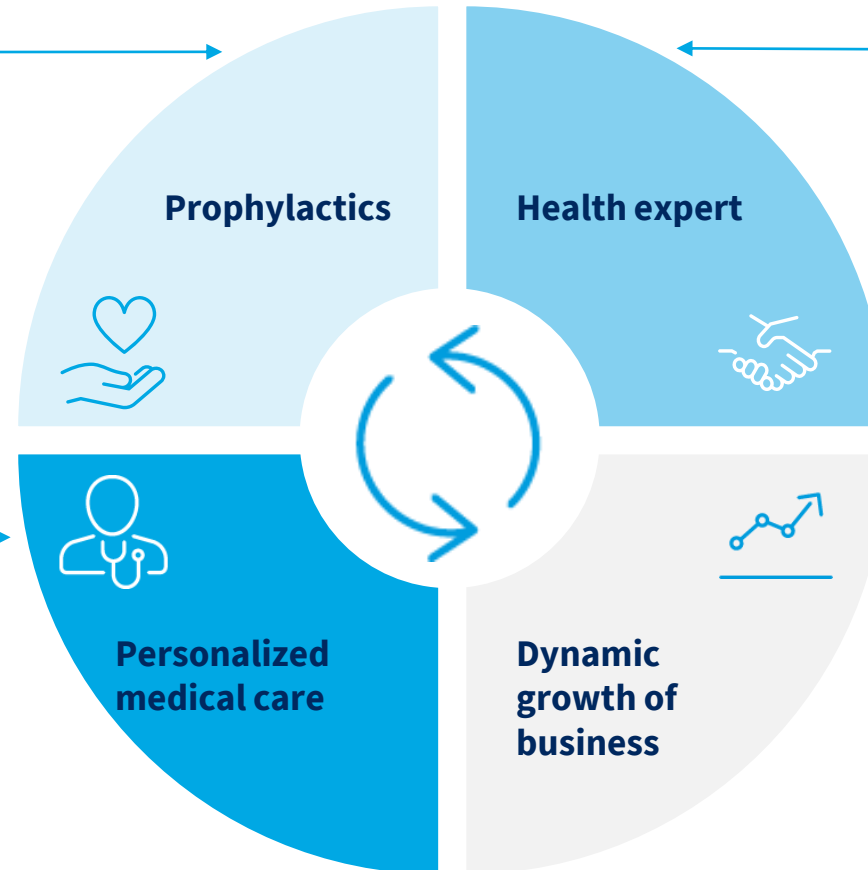
...to provide the best private health care.

We will emphasize building health awareness and **preventing diseases...**

...especially now when many people **put off or give up their scheduled medical services.**

We will provide our patients with **personalized medical care** based on data...

...through which we will be able to offer **top quality services tailored to their needs.**



From a supplier of a product, we will become a **medical consultant**, for businesses as well as individual patients...

...because our role is to take **even greater responsibility for the health of the Polish people.**

We will grow **faster than the market**, while keeping the business profitable...

... which will allow us to build solid foundations to become a **leader on the private health care market.**

Thanks to this safe business model, we want to be able to continue achieving our ambitious business targets even during the difficult macroeconomic situation and Covid-19.



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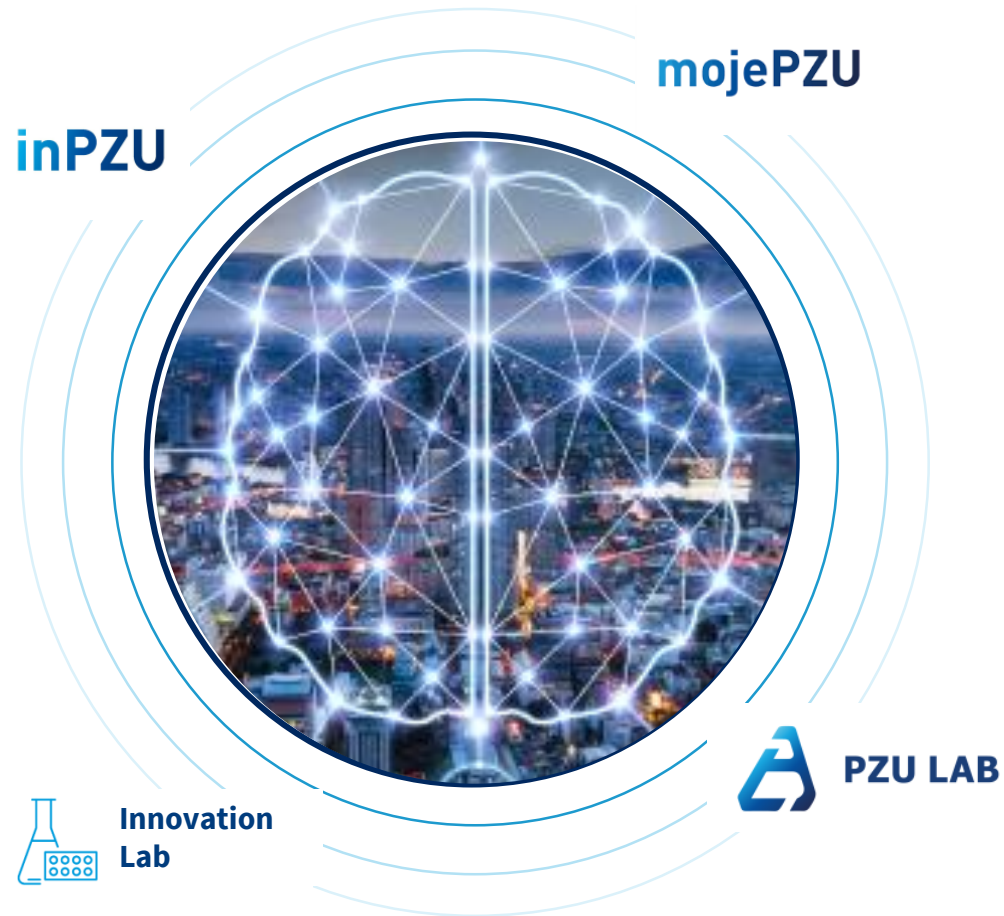
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13

Innovative financial
group

We will leverage new technologies in all operating areas.



Digitalization and streamlining processes



We continue to implement solutions for clients that are simple, intuitive and universal.

As consumer trends are evolving, mobile solutions will play an ever more important role in interactions with clients.

Utilization of AI, Big Data¹ and advanced analytics



We will continue to focus on the utilization of opportunities offered by new technologies, including AI, Big Data and solutions supporting advanced analytics. Implementation of new technologies should lead to improved operating efficiency and profitability of business, among others through automation and streamlining of decision-making processes.

New channel approach (mobility and multi-channel)



We will use new digital distribution channels as an addition to traditional channels.

Cloud computing²



We plan to implement cloud computing solutions, a technology which offers significant support for technology transformation and new opportunities to support business operations, such as greater efficiency of the infrastructure.

Cybersecurity

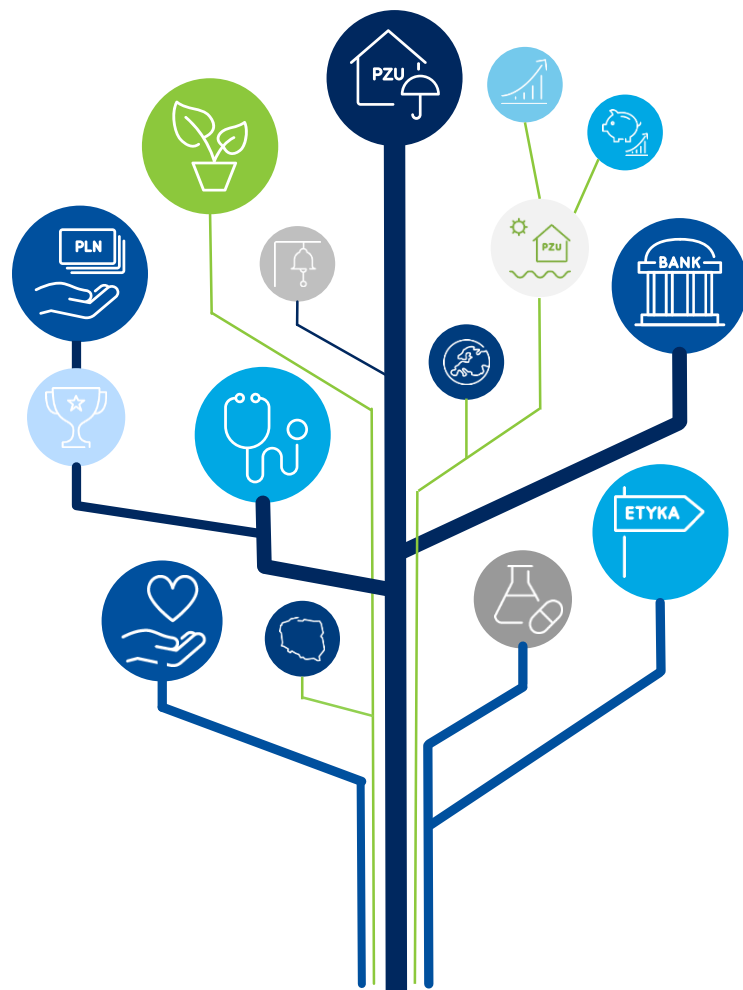


We ensure and continuously improve security of our IT networks; we will introduce tools for estimating cybersecurity risk in the financial sector. We offer assistance and protection in case of cybernetic incidents and breaches of data of our business clients.

1) Big data is a term that depicts diverse, volatile, high-volume data sets and, usually, all the analysis and systematization procedures on such data, as well as the technologies used to store them

2) Cloud computing is a technology, in which users take advantage of the processing capacity available over the Internet rather than investing in, among others, servers, database service tools or software

Thanks to this safe business model, we want to be able to continue achieving our ambitious business targets even during the difficult macroeconomic situation and Covid-19.



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14 Sustainable growth

We will build the PZU Group's success based on contemporary business models, which include elements of sustainability...



Financial market

- We will be involved in protecting the environment and climate, taking actions that exceed our legal obligations and adapting to the highest global standards.
- Being aware of the inevitability of the changes, we will pursue responsible and safe climate transformation with full respect for social and economic issues.

Green organization operating on the basis of sustainable decision-making and governance processes

Individual clients

- We will accompany our clients in their day-to-day choices through a green product offering.
- We will support social initiatives aimed at, among others, environmental protection of and a balanced lifestyle.

Group with a developing sustainable insurance offer

Corporate clients

- We will support entities which will take on the challenge of the climate transformation.

Responsible Partner supporting sustainable energy transformation

Non-governmental organizations

- It will be our priority to always act transparently, relying on clearly defined criteria (ESG), which take climate, social and economic goals into account.
- We will support the activity of non-governmental organizations in environmental and climate protection, security and sustainable development.

Trusted Partner in green transformation



We will focus on running our business activity in a way that balances environmental, social and economic issues. It will be our priority to increase our value for shareholders, while taking into account social interest **and supporting the energy transformation process.**

14 Sustainable growth

...setting the standards in this area on the financial market.



#Trusted Partner in green transformation

We support the development of a low-emission economy, contributing to sustainable transformation

- PZU Group developing an insurance offer supporting climate and energy transformation
- Responsible investor supporting safe and sustainable transformation
- Green organization operating on the basis of sustainable decision-making and governance processes



#Better quality of life

We encourage communities to adopt a sustainable and safe lifestyle

- Responsible partner supporting safety in local communities
- Trustworthy guide to a sustainable lifestyle



#Responsible organization

We build a modern organization, which is managed responsibly

- Employer promoting responsible leadership and responsible attitudes among Employees
- Trusted Partner in business promoting the sustainable development idea

Our ambitions

Sustainable development goals



Rankings in which we are present



14 Sustainable growth

We will be the best employer on the markets where we operate.



#cooperation

We will increase efficiency of cooperation between business areas, increase speed and effectiveness of our actions and quality of solutions implemented. This will enable a better utilization of shared resources (synergy) and knowledge and allow us to streamline processes



#competences of the future

We will strengthen our capacity to react to challenges quickly. We will maintain high efficiency. We will create market trends by developing the culture of innovation.



#top talents

We will meet the expectations of the external environment **by retaining employees with key competencies**
We will attract the best talent on the market thanks to our image of being a desirable employer.



#potential of teams

We will use the potential of diverse teams efficiently.



#employee commitment

We will increase employee engagement, which should guarantee growth of the organization. We will develop effective dialog with employees, through which we will build an engaging working environment together.



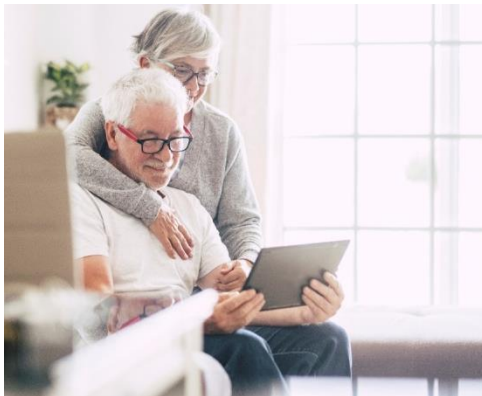
#well-being

We will prevent deterioration of efficiency and productivity of employees.



PZU Group's talent forge

As one of the largest employers in Poland, we will develop strategic partnerships with the best universities. Together we want to create educational programs to educate new generations of experts and experiences insurance practitioners, who will become PZU Group employees.



PZU Group strategy for 2021-2024

1. PZU Group 2020
2. Our operating environment
3. What we want to achieve
- 4. How we will achieve it**
5. PZU Group 2024



Through the PZU Group's potential and our competitive edge...

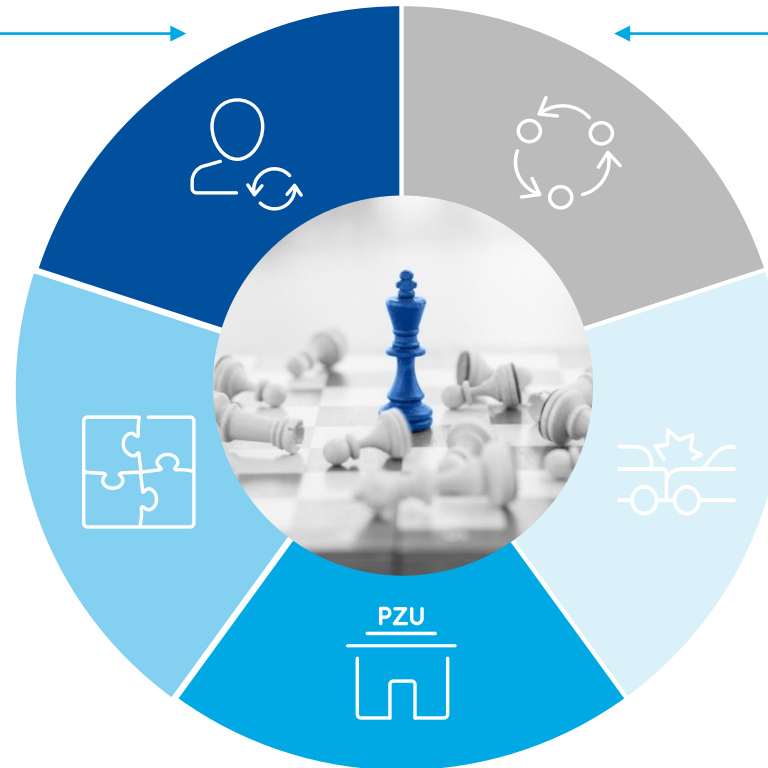
360 Offer°

The broadest offer on the market

We will provide our clients with the broadest product offering on the market, tailored to their changing needs and expectations.

Leveraging our unique client base

We will take advantage of the potential of PZU Group's data: its customer base includes more than two thirds of the Polish population. The main growth driver will be a higher number of products sold to an individual client.



Diverse distribution channels

We are wherever you are looking for us

We will use diverse distribution channels (branches, agents, banks, direct, multiagencies) to be close to our clients always.

Excellence in claims and benefits handling

Our ambition is to provide the best client service on the market. We will use new technologies to increase the speed and quality of claims and benefits handling in PZU.

Trusted brand

Our robust brand underpins strategy execution. For years, we have been the most recognizable and trusted insurance brand. According to brand awareness surveys, PZU is the most recognizable brand in Poland (spontaneous recognition of the PZU brand stands at 89% while assisted recognition is 100%)¹.

1) Spontaneous recognition is the percentage of the target audience that is able to name the brand without assistance from the pollster. supported recognition is the percentage of the target group declaring familiarity with the brand after the pollster reads it aloud.

...and strategic initiatives, we will strengthen our position on the markets where we operate.

360 Offer°

The broadest offer on the market

1

Comprehensive offering tailored to clients' evolving needs and expectations at their various stages of life.

2

Rich offering of services for businesses with added support services

Leveraging our unique client base

3

Full utilization of the potential of our portfolio and client knowledge

4

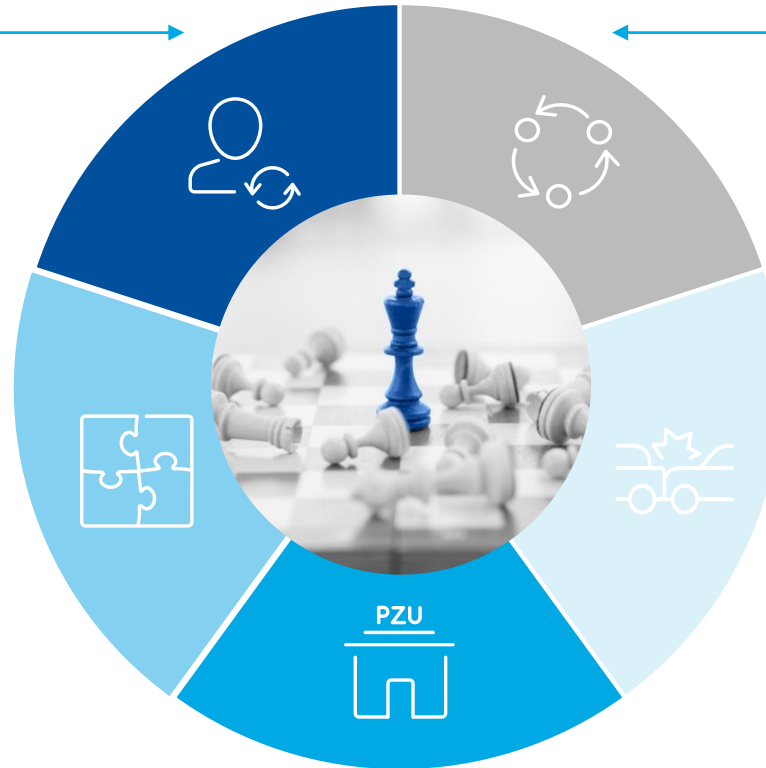
Business ecosystems for new and current clients

5

PZU Group's special offer for seniors

6

Green insurance offer supporting sustainable development



Diverse distribution channels

We are wherever you are looking for us

7

Integrated approach to all distribution channels

8

Leveraging the PZU Group's insurance potential in the bank channel

Excellence in claims and benefits handling

9

Fast payout of claims or benefits to clients thanks to using robots and artificial intelligence in claims handling

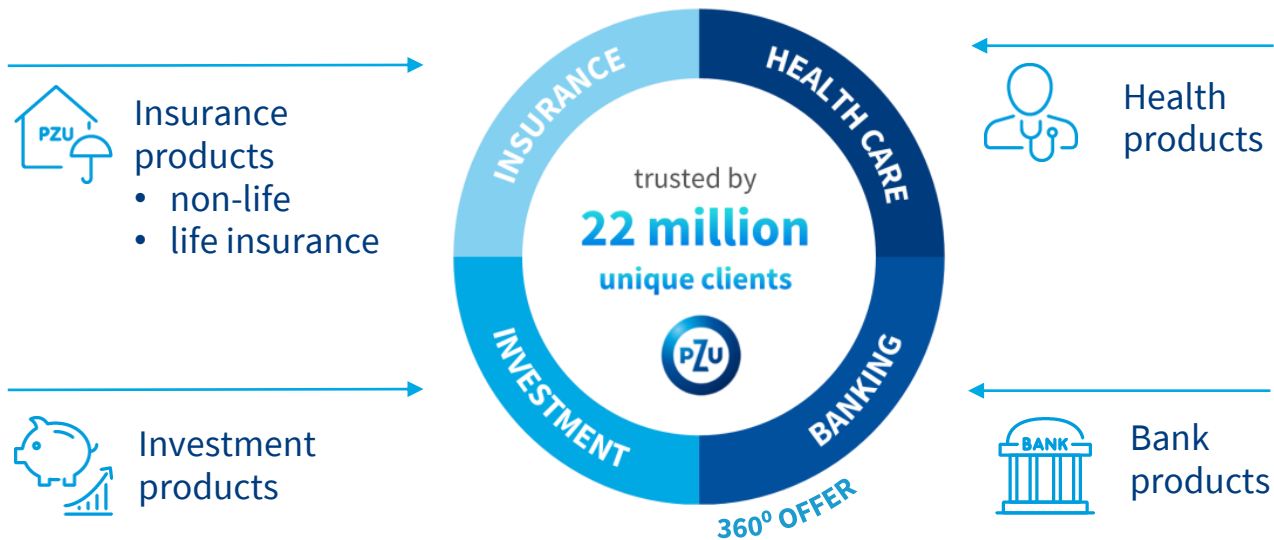
10

Guarantee of a comprehensive, efficient and friendly client service

1

360° offer - the broadest offer on the market

We will customize our comprehensive offering to clients' evolving needs and expectations at their various stages of life.



Non-life insurance



Extensive offer of non-life insurance customized to clients' evolving needs - **flexible approach to product configuration and method of premium payment**

Life insurance



More modern and more attractive offer of group and individual life insurance – **opportunity to shape protection freely depending on individual needs**

Health



Long-term and single-use **health products** – **customized to the needs** of various client groups

Banking



Extensive and complete offering consisting of the leading products offered by the PZU Group's **banks** offered to PZU clients on preferential terms

Investments



Straight-forward investment products: **offer customized to the wealth of their portfolios and the target investment period** available online in the inPZU portal



Extensive and personalized range of products consisting of life and non-life insurance, health and bank products and individual protection and investment solutions.

2

Rich offering of services for businesses

We will extend the service offering for businesses to include support services.



Insurance

- **Products supporting all of the most important insurance needs of corporate clients**
- Comprehensive property, TPL and loan insurance supporting the **safety of clients' business activity**
- **Comprehensive protection and health product** unlike any other on the market



Investments

- Investment product offering **primarily customized to the needs of the largest corporates** involving asset management services and direct capital investments



Health

- **Extensive offer of health protection products and services available among other ways in a subscription model and individual services (fee for service)** utilizing traditional and innovative forms of health care service
- Personalized prophylactic solutions offered proactively



Banking

- **Extensive offering consisting of the leading products** offered by the PZU Group's banks offered to PZU clients on preferential terms



Support services

- **Safe property:** we will help our corporate clients manage risk better by implementing modern tools and advisory services
- **Effective fleet: IT systems for fleet management,** insurance handline and fleet risk management, advisory services, ongoing legal support for Polish international fleets

3

Leveraging our unique client base

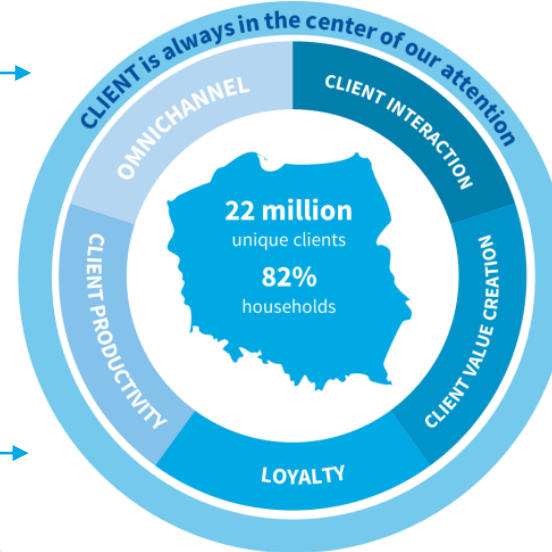
We will fully utilize the potential of our portfolio and our client knowledge.

Operational CRM

- We are developing **modern tools** for all sales channels by creating and handling offers in a dedicated application to deploy CRM campaigns
- We will create **predetermined offers** utilizing CRM data – the 360 view for clients and agents
- We will develop **advanced functions to manage sales activities**, CRM campaigns deployed in real time

Intractive CRM

- We are implementing Interactive CRM whereby **we will source data from digital channels in real time**, in particular from the #mojePZU service and digital platforms
- We will take advantage of **communication based on recognized client activities** in remote channels in our sales efforts and service processes
- Interactive CRM will support communication between traditional and digital channels **offering clients access to full omnichannel service**



CRM reach

- We are implementing synergy in our portfolio activities by pursuing **joint CRM projects with the participation of PZU and the banks in the PZU Group** – the current reach is 22 million clients
- We are incorporating **all of the sales channels in the CRM activities** while harnessing one fully interactive system

CRM analytics

- We are developing and implementing **new and advanced analytical environments** to build and tap into self-learning CRM analytical models. This will enable us to do the following:
 - **support business decisions** while employing the newest modeling techniques
 - utilize **external libraries**, including behavioral data
 - for **more rapid operationalization** of the models used
- **We are incorporating CRM data and analytics in the tariff-setting mechanism** to customize the offer better to clients' needs and expectations
- **We are consolidating analytical processes** with the PZU Group's banks



Client relationship management (CRM)

- We will integrate CRM with digital channel initiatives
- We will provide CRM support to traditional channels
- We will give clients a comprehensive offering

4

Business ecosystems for
new and current clients

We will develop business ecosystems for new and current clients (1/2).

ECOSYSTEM BENEFITS

Convenient space to manage benefits unrelated to salary



- Set of advanced digital tools facilitating employers' comprehensive management of benefits

Extensive offering of the PZU Group's benefits



- Many benefits in one venue – ranging from cafeterias and sport cards to insurance and financial products and all the way to health products
- Contact with a single supplier of multiple services for employees: time savings, unifying processes, convenience and lower administrative expenses



Building a community



- An ecosystem offers new opportunities to build relations with clients in daily life

New to the market and attractive products



- PZU Sport – sport and recreation subscription
- CASH – loans with attractive terms repaid directly from the salary
- Combined sport, recreation and medical packages and other packaged solutions involving insurance, physical activity and health blended with the services of external partners

Institutional clients obtain a comprehensive offering consisting of various types of benefits unrelated to salary for their employees

Individual clients have accessible services and tools enhancing their comfort in life, activity, lifestyle, etc.

4

Business ecosystems for
new and current clients

We will develop business ecosystems for new and current clients (2/2).

ECOSYSTEM FOR DRIVERS

We will prepare an ecosystem addressing clients' various needs...



- We will help **buy and sell** a car
- We will provide support in **financing purchases**
- We will provide **insurance products**



- We will check the vehicle's state of repair
- **We will organize its repair**
- We will provide legal support



- We will organize road assistance and a replacement vehicle
- We will propose a **repair workshop**



- We will remind clients of important dates
- We will make the **history of repairs** available



- We will prepare a **loyalty program**
- We will offer **additional discounts** on our partners' services

...in which the driver is at the center of attention. We provide comfort and safety of use to...



... widespread access to services and the usage of the relevant digital technologies.



Services accessible in a single venue without leaving home, 100% online



The ecosystem will be accessible for everyone, even if he or she does not have insurance



Hotline accessible 24 hours a day, 7 days a week



Jointly with our clients we will develop our services and constantly improve their quality



We will furnish **safe and user-friendly** digital tools

Not every driver is an expert in vehicle maintenance and that is why we want to provide support to him or her and act as a partner to care about comfort and safety

5

PZU Group's offer for seniors

We will prepare PZU Group's special offer for seniors.



The PZU Group will put forward an offer corresponding to the challenges associated with demographic shifts. As we do business in the most important areas of private and public life in Poland, ranging from insurance to health to investments, banking and finance, we take into account the changing lifestyle and longevity. That is why we will roll out products and services that will genuinely **enhance the well-being of people aged 60+ (seniors).**



Insurance

- Further refinement of the insurance offer corresponding to **seniors' specific needs** (expanding the life and non-life insurance offer, aligning communication and contact channels)



Medical care

- Access to **various types of medical services** and prevention programs
- **Remote home care, stays in health spas** and other solutions to support seniors' health safety



Bank and investment offer

- Special products customized to the needs of **people aged 60+**: safe savings products, loans,



Service offer to support seniors in their day-to-day life

- Assistance in booking a doctor's appointment, transport to the medical clinic, home delivery of drugs, home repairs in the event of a breakdown
- Support of **physical therapists**
- Facilitating access to **equipment to support functioning or rehabilitation**



Augmenting activity and building a community

- Special offer of **sports activities**
- Activities **building a community** (supporting local actions, seniors as mentors: tapping into seniors' knowledge and experience)



We believe that **developing the scope of services for seniors** facilitating the utilization of various services addressing the needs of securing their life, health and assets, as well as supporting them in their day-to-day life will help us strengthen our leadership position, not only in the insurance segment but also in this still growing segment.

6

Green insurance offer

We will develop our green insurance offer supporting sustainable development.



As the largest insurance group in the region, we will support entities which will take on the challenge of the climate transformation.

7

Diverse distribution channels

We will develop an integrated approach to all distribution channels.

Omnichannel approach

→ We will develop capabilities in the area of smooth change of channels in the sales and service process

→ We will provide a personalized offer

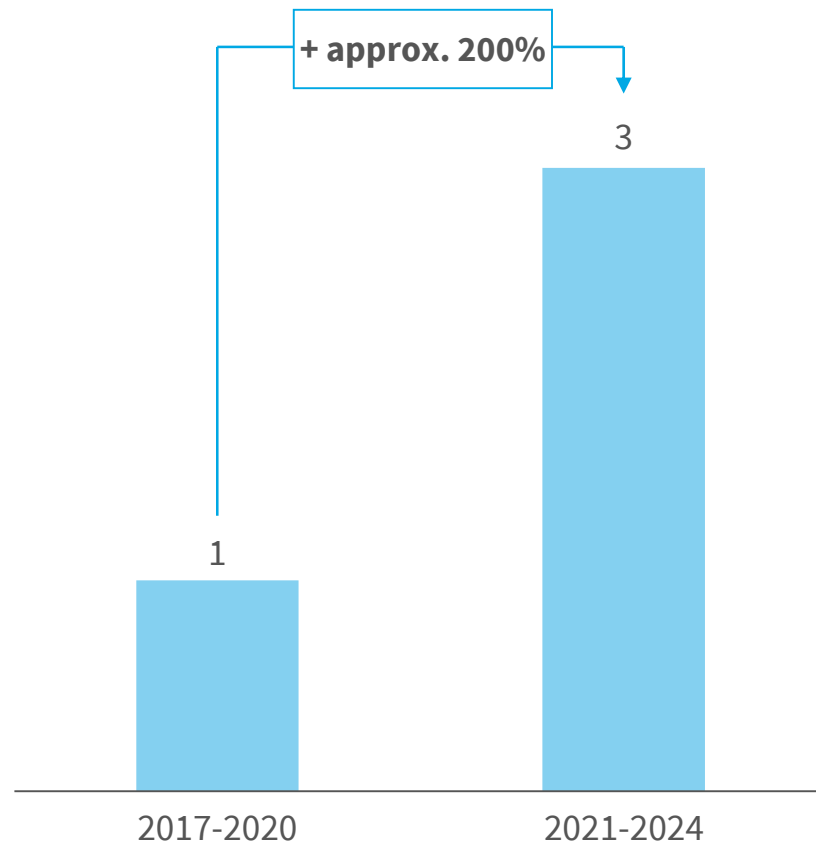


8

Leveraging PZU Group's
insurance potential

We will generate approx. 3 bn PLN of gross written premium in 2021-2024 thanks to leveraging the potential of the insurance and banking cooperation in the PZU Group.

Cumulative gross written premium recorded during the term of the Strategy in cooperation with Bank Pekao and Alior Bank¹ (bn PLN)



1) The data do not take into account unit-linked life insurance

We will increase the revenues from insurance and banking cooperation by approx. **200 percent**, measured by premium written growth during the term of the Strategy 2021-2024, relative to the term of the previous Strategy (2017-2020).

We will achieve the expected growth of cumulative gross written premium in cooperation with banks up to approx. **3 bn PLN** thanks to:



leveraging the potential of the base of 22 million unique clients,



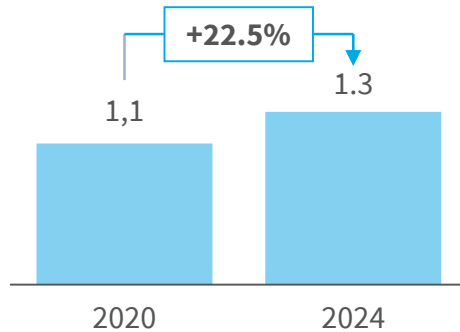
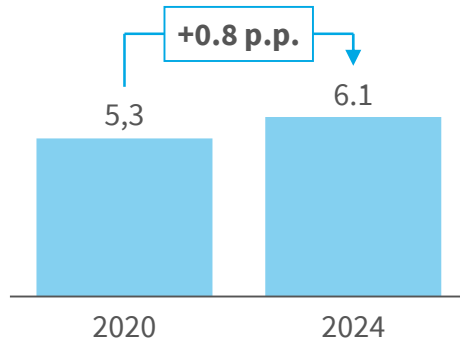
providing clients with extended comprehensive insurance and banking offer adapted to their needs, including, among others, motor, protection, credit, property, travel, leasing and group insurance.

8

Leveraging PZU Group's insurance potential

As part of continuation of the multiple brand strategy, Link4 will record an over 22 percent increase of gross written premium...

Link4's gross written premium (bn PLN)

Link4's share in the TPL market¹

Over **22 percent increase in gross written premium of Link4** by 2024 thanks to, among others, further, consistent digital transformation – analytics as the source of growth and savings in marketing, sales, claims handling processes and better client management in all channels (omnichannel approach).



This will translate into an **increase in Link4's share in the TPL market¹ to over 6 percent**, and, as a consequence, increase in the property insurance market share to approx. 3 percent.



We also expect to **maintain higher growth rates in MOD insurance than in TPL¹** to successively grow the value of our portfolio.

LINK4

Link4 will consistently support PZU Group's activities. Leveraging two insurance brands with complementary distribution channels and product offering will make it possible to reach a larger number of new clients and increase the retention of the existing ones.

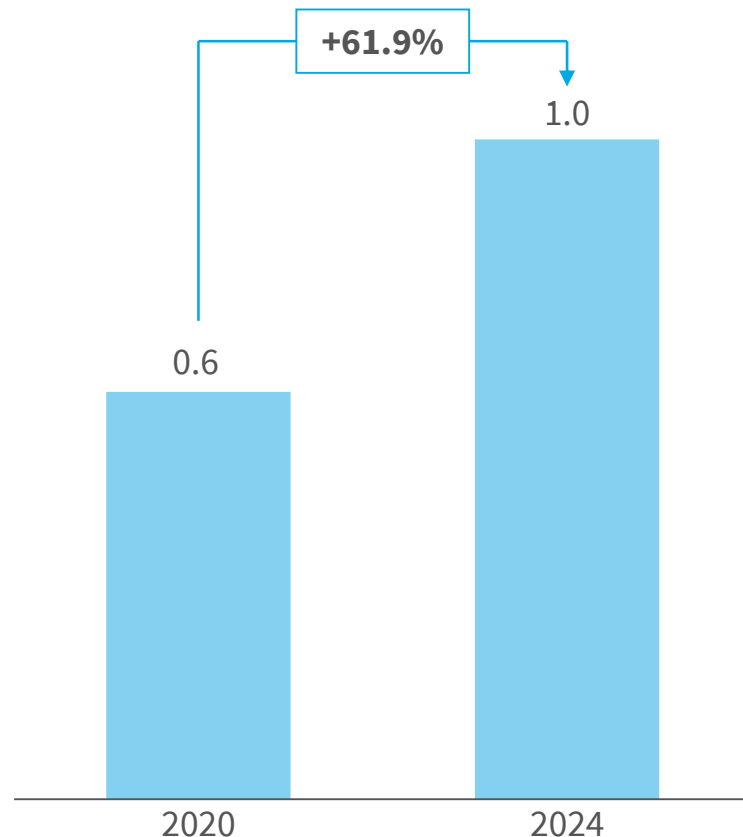
1) Section II Group 10 insurance - all types of third party liability resulting from the possession and operation of self-propelled land vehicles including a carrier's liability insurance

8

Leveraging PZU Group's
insurance potential

... further growth of TUW PZUW in the mutual insurance market will make it possible to increase gross written premium to approx. 1 bn PLN.

Gross written premium of Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych (TUW PZUW) (bn PLN)



Increase in TUW PZUW's gross written premium by approx. **62 percent** to over **1 bn PLN** by 2024, which will translate into **2.3 percent of additional market share for the PZU Group**.



We will achieve the assumed increases thanks to, among others, **operating and cost efficiencies**. We will adapt the tools to the needs of the increasing business and changing regulations as well as **new business**. Addressing client expectations, **we will introduce new products**, among others cybersecurity insurance, and will expand the offer for industries with demanding insurance risks¹.



We will retain the **position of a market leader** of mutual insurance.



Mutual insurance – more shared benefits.

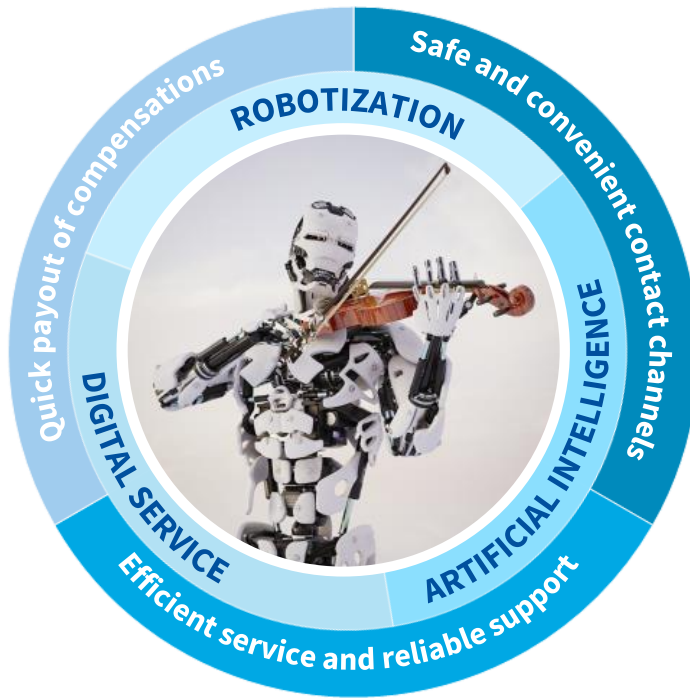
We will popularize the idea of mutual insurance in Poland.

1) Industries with limited supply of insurance offers, e.g. wood management, waste management

9

Excellence in claims and
benefits handling

We will ensure fast payout of claims or benefits thanks to using robots and artificial intelligence.



Increase in the number of claims and benefits handled without human participation thanks to use of new technologies

- automatic data capture
- automation in data verification and correspondence handling
- use of robots in claims handling and agricultural claims
- development of motor claims handling and valuation of movables using artificial intelligence
- system for forecasting and early detection of flood threat



Claims and benefits handling channels adapted to clients' preferences

- use of aerial and satellite remote sensing in crop insurance claims handling
- remote client service in the case of property inspections or examinations by a medical commission (video inspection, video examination)
- automatic subrogation claims handling (Virtual Assistant)

Robots as support in claims handling and subrogation

Robots as support in mass claims

Safe remote contact channels

Satisfying client expectations and strengthening the competitive edge



10

Excellence in claims
and benefits handling

We will guarantee comprehensive, efficient and friendly service for our clients.

Comprehensive approach to client service

- **Top quality client service** – agile and friendly service processes thanks to simple procedures addressed to multi-tasking employees Support at every stage of the service
- **Adapting to new client expectations** – adapting the service journey to client expectations, self-service both in the non-life and life area, personalized handling of the claims and benefits, intuitive mobile apps
- Faster service combined with optimization of costs (rebates, loyalty programs for clients)
- Collection of the damaged car and its comprehensive repair
- Utilization of damaged vehicle elements in motor claims
- Extensive workshop network, including workshops from the PZU repair network



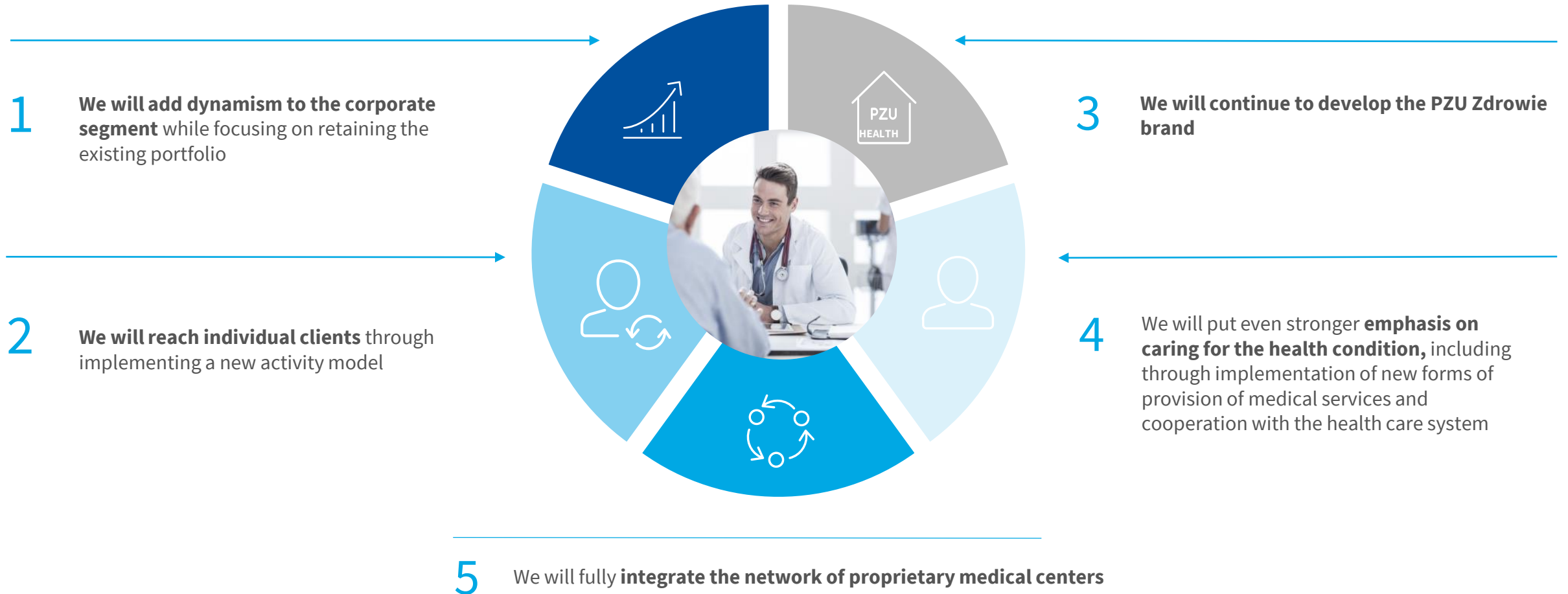
Quick payout of compensations or benefits

- **Cases handled during one day** – fast track in the benefit and non-life area
- **Comprehensive or advance payout of compensation within 24h** in the case of mass claims
- Speed of response in the case of catastrophic losses



We believe that further improvement of the quality of client service will enable us to **strengthen our position as the most reliable insurer in the market.**

We will revolutionize the private health care market through focusing on our 5 business priorities.



1 We will add dynamism to the corporate segment while focusing on retaining the existing portfolio



We will implement a new client relations management model

PZU's action

Exemplary client's reaction

Regular discussion of the health report and recommendations on the basis of aggregate data

The client's decision on changing the product scope

Meeting with employees and answers to questions about the products and processes

Increase of the percentage of employees acceding to the agreement or booking an appointment remotely

Recommendation of preventive actions on the basis of e.g. industry knowledge

The company's decision to purchase vaccinations for employees

1

2

3



Client

PLN

We will increase our revenues and strengthen our relations with clients through increasing the sale of subscriptions and occupational medicine tests and implementing a new, proactive client relations management model

We will increase the sale of subscriptions and occupational medicine tests



We will achieve a significant growth of revenues resulting from **building the portfolio, developing the network and leveraging the learning effects**



We will retain the existing portfolio through, among others, developing the **individual continuation offer** and implementation of telemedicine in the area of occupational medicine



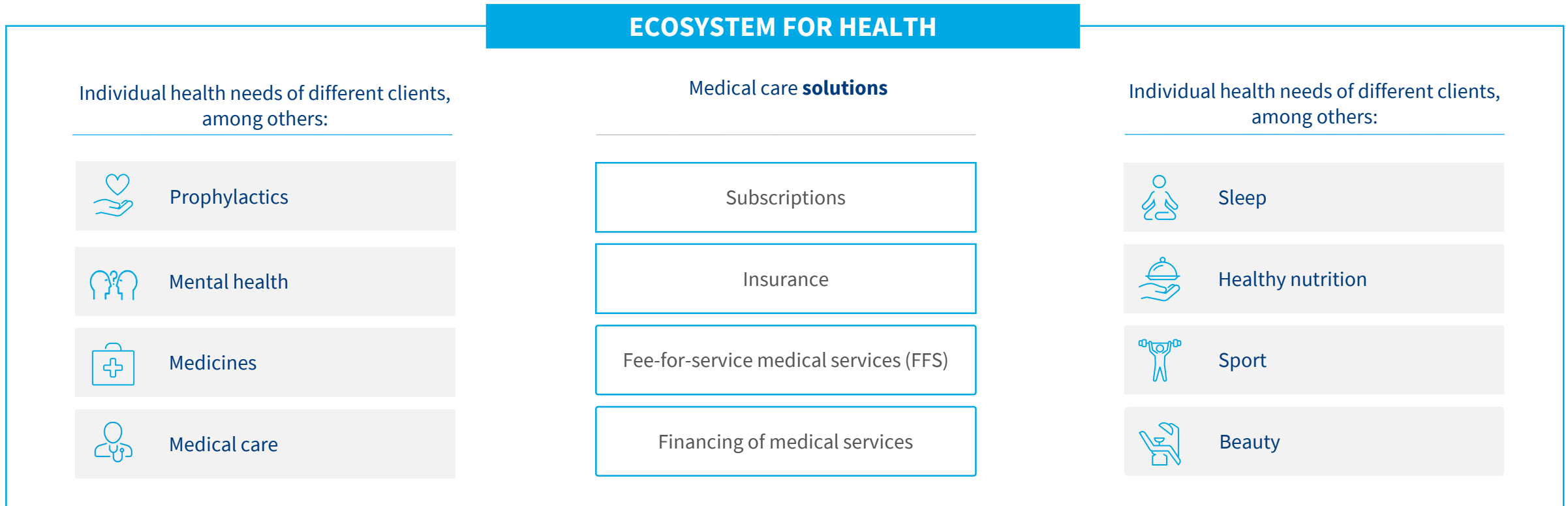
We will continue to develop our tools and systems, which will translate into **optimized management of the distribution network**



We will improve our processes to **shorten the time devoted to servicing and information activities** and focus on acquiring new business

2 We will reach individual clients through implementing a new action model

PZU Zdrowie is a medical advisor who ensures access to personalized health care services with the best quality in the market. It helps clients to take care of their health “here and now” **by focusing on prophylactics.**



 **We will revolutionize the health care market and create a health ecosystem.** As a result we will reach more individual clients, providing them with a **comprehensive offering of health and related products** (sports and financial products).

3

We will continue to develop the PZU Zdrowie brand

Building brand awareness and image

- We will educate on **health and prophylactics**
- We will conduct broad-reach **image campaigns**
- We will increase the **visibility of PZU Zdrowie centers**



Focus on patient experience

- We will implement **PZU patient quality standards** together with system support in selected partner centers



Increasing the frequency of contacts with the brand

- We will conduct **planned and regular communication activities in the social media**
- We will **integrate selected centers** cooperating under the PZU Zdrowie brand
- We will engage clients in the world of the PZU Zdrowie brand, encouraging them to participate, among others, in social, prevention and prophylactic projects



We will consistently build **PZU Zdrowie brand awareness and image** We will achieve this thanks to education on health, activity in the social media and concentration on **top quality customer service**.

4

We will put even stronger emphasis on caring of the health condition, including through implementation of new forms of provision of medical services and cooperation with the public system



We will apply a comprehensive approach to prophylactics and prevention

- We will introduce a unique, **comprehensive offer of tests and services in prophylactic**
- We will offer simple and cheap solutions, available in the form of **FFS services or subscriptions**



We will launch Home Medical Care

- We will develop **remote medical care**
- **We will comprehensively resolve the problem** (shorter hospitalization of patients, while remaining under professional medical care)



We will tighten cooperation with public health care

- We will win further **NFZ contracts** for proprietary centers
- We will make an optimum use of the human resources and space in the centers



Thanks to implementation of innovative services we will be able to **better take care of the health of our patients and support public health care.**

5

We will fully integrate the network of proprietary medical centers



We will integrate the network of proprietary medical centers

- We will finish the **transformation of companies into branches**
- We will implement **standard structures and positions in the Medical Centers**, which will support more effective comparison of the centers and easier initiative management



We will build an operating system for the centers

- We will implement a **new center management system** developed together with the supplier
- In the first place we will develop **functionalities that PZU needs most**



We will efficiently cooperate with the partner center network

- We will monitor the **cost effectiveness of the centers** and reward the most efficient centers
- We will implement **innovative service standards** in selected partner centers
- We will **communicate digitally** with the centers (e.g. exchange of medical documentation)



Through full integration of the network of proprietary medical centers, building a new operating system for the centers and monitoring their efficiency, we will be able to **ensure excellent service to patients.**

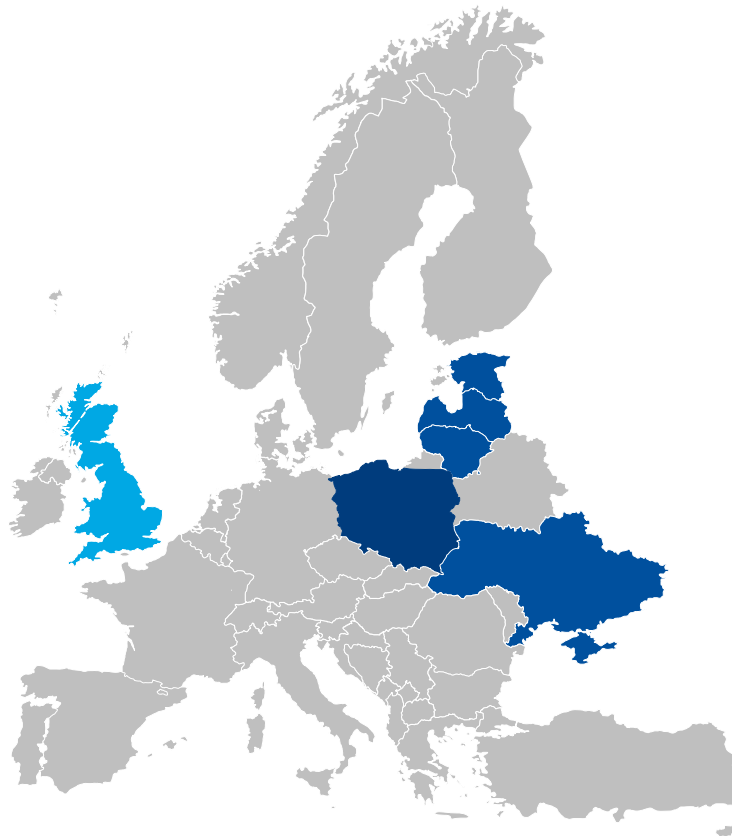
We are betting on further organic growth in the Baltic States and we are constantly monitoring the market with an eye to attractive acquisition targets.



Approach to expansion

As part of international expansion we will **monitor markets for potential acquisitions**. Selecting acquisition targets we will look if the respective company:

- **operates on one of the key markets for the PZU Group**, i.e. insurance, banking, asset management, health and related markets,
- conducts operations in **Central and Eastern Europe**,
- belongs to **TOP3 players in the given country** or has a potential to reach this position over the next few years,
- offers the **prospect of reaching profitability** on a satisfactory level.



Further organic growth

Our strategic objective is to **maintain 8%** of the PZU Group's overall premium in the form of the gross written premium on international markets.

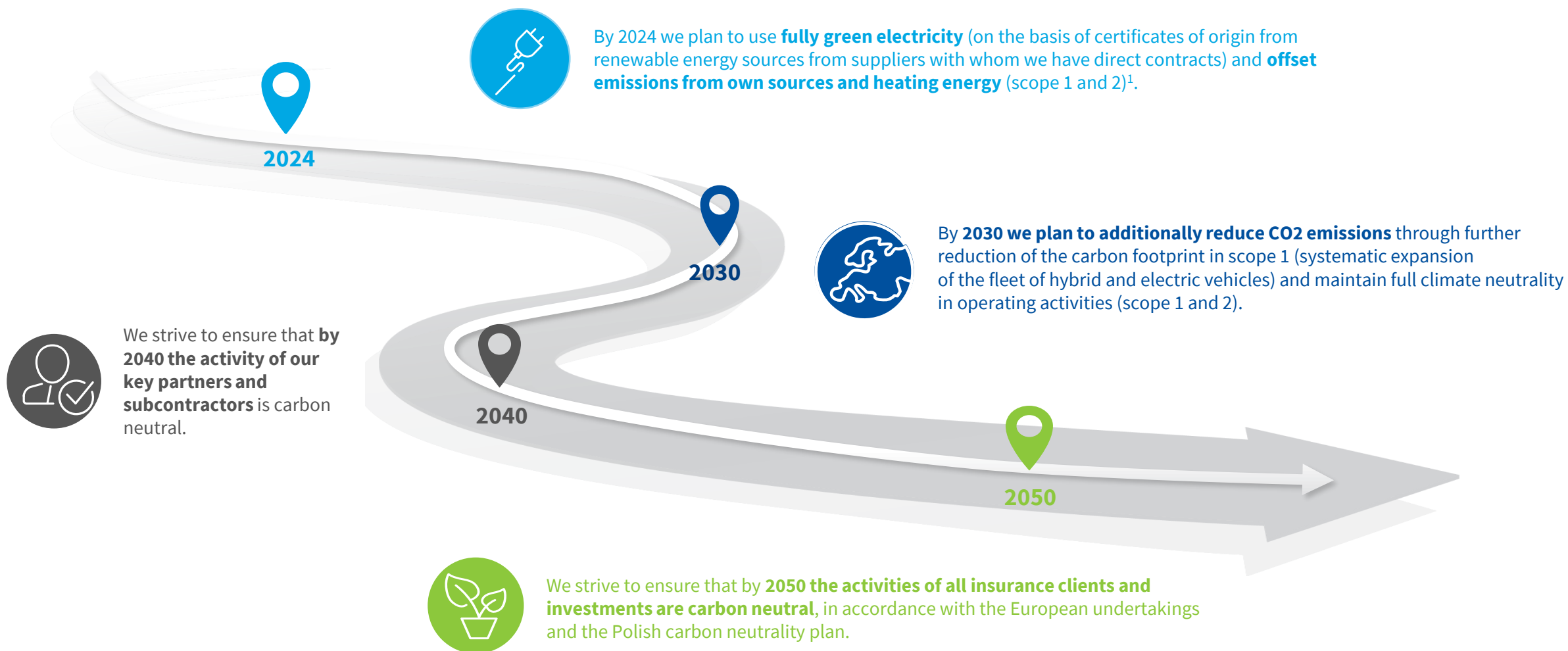
We expect **organic growth, at least at the pace of growth of the respective foreign market**.

We will achieve the strategic objective:

- in **non-life insurance** in the Baltic States by retaining the leading position and ranking TOP3 in Estonia, and maintaining a stable TOP10 position in the Ukrainian market,
- in **life insurance** – through becoming a TOP3 player in Lithuania and Ukraine.



We will be an active participant in the green energy transformation...



1) The definition of scope 1 and 2 is available on the page with indicator definitions
Comments regarding emission scopes refer to the classification specified in the GHG Protocol

...taking actions towards ultimate climate neutrality...

2024 Goals

→ Increase of the current exposure in investments supporting climate and energy transformation by **500 m PLN in 2021-2024**

→ **Assessment from the ESG perspective of 55 percent of the biggest corporate insurance clients** from sectors sensitive to ESG risks

→ Achieving **CO2 neutrality in own operations** (scope 1 and 2) thanks to reduction of emissions, purchase of green energy certificates of origin (in own properties where PZU and PZU Życie have signed direct electricity supply agreements) and offset of CO2 emissions

Actions



- We conduct investment activity respecting the **principles of sustainable development**
- We support **energy transformation of the Polish economy** - by 2024 we will develop a development strategy for a portfolio in low-emission and sustainable industries until 2050
- We invest in climate-friendly products and sectors; we will systematically **increase the share of sustainable and green investments and funds in our portfolio**



Investments

- We consistently and responsibly support our clients and the public in the journey towards **climate neutrality**
- By 2024 we plan to **expand and increase our insurance offer supporting decarbonization** and energy mix change process
- We consciously and responsibly manage the **risk associated with our activity and climate transformation**



Insurance

- We will offset direct **CO2 emissions of PZU and PZU Życie** to the extent it is not possible to reduce them
- **We will reduce consumption of resources** – water, paper, energy, toners, petrol, Diesel oil – we will use certified materials and raw materials
- We will increase the employees' environmental awareness
- To develop a responsible organization making decisions supporting sustainable development we will fully **incorporate ESG factors into the process of managing individual risk categories**



Operating activities

... and ensuring better life quality of our employees and clients.

2024 Goals

- **10-15 million recipients of social activities** in the area of safety and sustainable lifestyle during the year
- **70 percent of employees** covered by the well-being program

- Giving consideration to **ESG targets in the Companies strategic objectives** and handing them over for execution by Senior Management
- **Giving consideration to ESG requirements in 70 percent of key procurement processes**

Actions



- We consistently **support education and training for road participants** and conduct social campaigns to augment the safety on Polish roads
- As a leader in the insurance market we want to set **market standards and inspire others to take actions improving safety** – therefore we undertake initiatives towards insurance education and projects supporting sustainable lifestyles
- Being one of the largest employers in Poland we put special emphasis on the **health and well-being of our employees** – we strengthen their skills, offering them a broad range of training
- We take care of not only physical health and prophylactics but also care for **preventing mental health problems**, which intensify, especially during the pandemic



Social responsibility

- We constantly develop and **strengthen the organizational culture based on openness and ethics** and make our employees aware of the meaning underlying the norms that we observe
- As a market leader we assume responsibility for **fostering responsible attitudes of the employees** at each level of the organization
- We are aware that we have material impact on the procurement market and **assume responsibility for fostering the highest business standards in our environment** – we expect that our business partners will comply with the Best Practices for PZU Group's Suppliers and conduct their activity in a sustainable and responsible manner
- We want to be an active member of key organizations which deal with sustainable development issues and operate in the Polish market – therefore one of our ambitions is to **actively take part in the experience exchange forums and constantly improve the solutions in the area of ESG**



Corporate governance



PZU Group strategy for 2021-2024

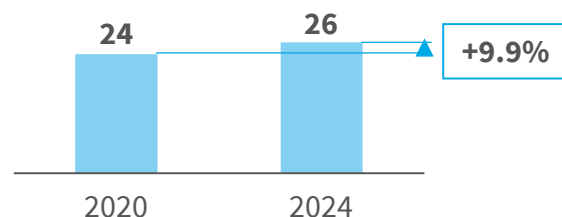
1. PZU Group 2020
2. Our operating environment
3. What we want to achieve
4. How will we achieve it
- 5. PZU Group 2024**



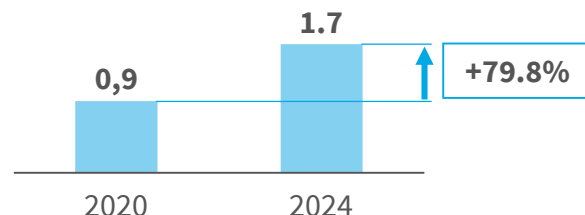
We will measure the success of our strategy using financial measures...

We will consistently **develop our activity**

PZU's gross written premium¹ (bn PLN)

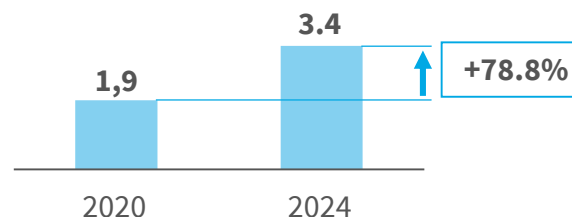


PZU Zdrowie's revenues (bn PLN)

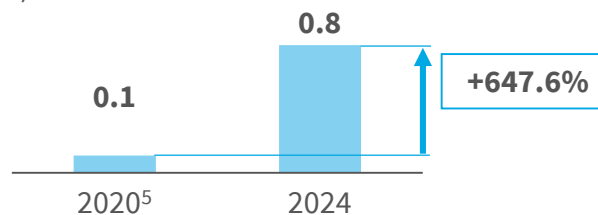


We will significantly improve the net result while increasing the contribution of Bank Pekao and Alior Bank

PZU's net profit² (bn PLN)

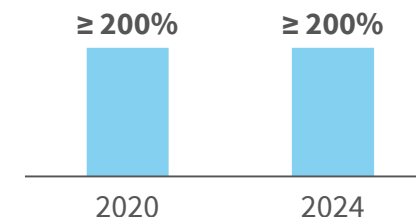


Banks' contribution to PZU Group's net result³ (bn PLN)

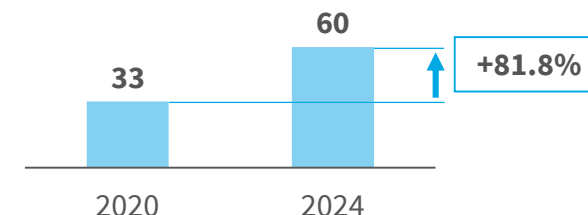


We will retain **high capital stability** and **increase the value of assets** under management

Solvency II ratio (%)

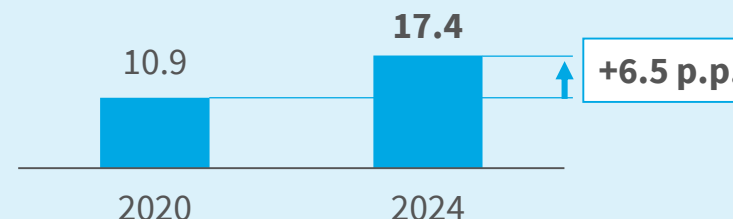


Assets under management⁴ (bn PLN)



As a result we will reach an **above average return on equity**

PZU's ROE (%)



1) Gross written premium of the PZU Group
2) Net profit attributable to the parent company

3) Net profit attributable to the parent company
4) Third party assets under management TFI PZU, Pekao TFI and Alior TFI

5) Does not incorporate the impairment losses for intangible assets following from the acquisition of Alior Bank and Bank Pekao (definition in the additional comments)

... and ESG indicators, which will allow us to achieve financial success in a sustainable fashion

We set the objective of **supporting the development of low-emission economy, caring for sustainable transformation**

We want to encourage our clients and **local communities to lead a sustainable and safe lifestyle**

We will take care of **responsible management giving consideration to ESG factors**

Reaching climate neutrality of own operations thanks to reduction of emissions, purchase of green energy and compensation of CO² emissions

Number of recipients of social activities in the area of safety and sustainable lifestyle during the year

Giving consideration to **ESG targets** in the Company's strategic objectives **and handing them over for execution by Senior Management**

scope 1 and 2

10-15 m

ESG goals in Senior Mgmt targets

55%

500 m

70%

70%

Assessment from the ESG perspective of **55 percent of the biggest corporate insurance clients** from sectors sensitive to ESG risks

Increase of the current exposure in investments supporting climate and energy transformation by **500 m PLN** in 2021-2024

Percentage of employees covered by the **#Well-being program**

Percentage of key procurement processes which **give consideration to ESG criteria**

We define our indicators as follows:

Financial indicators

Name	Definition
Gross written premium of the PZU Group	Annual sum of gross written premium of all Group PZU entities, excluding intragroup transactions
PZU Zdrowie's revenue	Annual gross written premium on health insurance (non-life and life), annual revenue on subscriptions, occupational medicine, moje PZU (Zdrowie) portal, telemedicine and all products implemented during the year, regardless of the distribution company, and annual revenues of all centers
PZU's net profit attributable to the parent company	Annual net profit recorded by the PZU Group attributable to equity holders of the parent company
Banks' contribution to the net result attributable to the parent company	Annual sum of the contribution of Bank Pekao and Alior Bank to the net profit recorded by the PZU Group attributable to equity holders of the parent company
Solvency II indicator	Quotient of own funds and the solvency capital requirement (SCR)
Assets under management	Third party assets under management TFI PZU, Pekao TFI and Alior TFI
PZU ROE	Return on equity (ROE) attributable to the owners of the parent company

ESG indicators

Name	Definition
Reaching climate neutrality of own operations thanks to reduction of emissions, purchase of green energy and offsetting	<p>PZU and PZU Życie's climate neutrality in scope 1 and scope 2, reached through emission reduction measures, purchase of electricity from RES (in own properties where PZU and PZU Życie have signed direct electricity supply agreements) and a program for offset of own emissions and electricity purchased from non-RES sources.</p> <p>SCOPE 1 – Direct emissions caused by the combustion of fuels in stationary or mobile sources owned or supervised by the company, emissions resulting from technological processes OR escaping cooling agents.</p> <p>SCOPE 2 – Indirect energy emissions arising from the consumption of imported (purchased or supplied from outside) electricity, heat, process steam and cooling (in practice GHG emissions are generated at the place of production of these utilities).</p>
Percentage of the biggest corporate insurance clients from sectors sensitive to ESG risks, assessed from the perspective of ESG factors	Percentage of key corporate insurance clients assessed from the perspective of ESG factors. ESG criteria will be developed in 2021, screening and assessment will be carried out in the next years. 55% clients from the part of the client portfolio defined in 2021 will be assessed. The ESG criteria level will be incentivizing not excluding for clients.
Increase of the current exposure in investments supporting climate and energy transformation	Increase of the exposure understood as an undertaking to invest in technologies supporting energy transformation, i.e. mainly in RES industries, within PZU Group resources.
Number of recipients of social activities in the area of safety and sustainable lifestyle during the year	The sum of all social activities, including social campaigns, prevention efforts, prophylactic programs conducted for corporate and mass clients obtained annually.
Percentage of employees covered by the well-being program	Percentage of employees who at least once took advantage of an activity offered under the well-being program.
Percentage of key procurement processes giving consideration to ESG requirements	Key procurement processes for products and services for which ESG risks have been diagnosed.

List of abbreviations



Abbreviation	Expanded version
AI	Artificial Intelligence
Alior Bank	Alior Bank Spółka Akcyjna with its registered office in Warsaw
Bank Pekao	Bank Polska Kasa Opieki Spółka Akcyjna with its registered office in Warsaw
CAGR	Compound Annual Growth Rate
CPI	Consumer Price Index
CRM	Customer Relationship Management
DPS	Dividend per share
EPS	Earnings per share
ESG	Environmental, Social and Corporate Governance (Company's actions from the viewpoint of their impact on environmental protection, caring about society and corporate governance)
EU27	27 European Union member states (after the UK's exit)
FFS	Fee for service
IoT	Internet of Things
IZFiA	Chamber of Fund and Asset Management
KNF	Polish Financial Supervision Authority
NPS	Net Promoter Score (client loyalty metric)
OFE	Open-end pension fund
PIU	Polish Insurance Association
GDP	Gross Domestic Product
EPS	Employee Pension Plan
PPK	Employee Capital Schemes
PZU	Powszechny Zakład Ubezpieczeń Spółka Akcyjna with its registered office in Warsaw (PZU SA) and Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna with its registered office in Warsaw (PZU Życie SA)
ROE	Return on equity
TFI	Towarzystwo Funduszy Inwestycyjnych
TUW	Mutual Insurance Company

List of additional comments



This Strategy covers the strategic actions to be taken in 2021-2024 in the business of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (PZU SA) and Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (PZU Życie SA) and other PZU Group entities in terms of their contribution to the business of the PZU Group.

Scope	Comment
22 million unique clients	Estimate of the joint database of PZU SA, PZU Życie SA, PTE PZU, TFI PZU, Link4, Bank Pekao and Alior Bank consisting of non-redundant individual clients and small companies, including natural persons running sole proprietorships in the databases of the aforementioned PZU Group entities.
Percentage differences	The percentage differences between the figures for 2020 and 2024 which are presented in the charts, in commentaries or in titles are calculated for the figures in 000s PLN. The figures for 2020 and 2024 presented in the charts, in the commentaries or in the titles, for visual reasons, were rounded off to m or bn PLN. Consequently, the percentage differences between the figures for 2020 and 2024 may slightly differ from the figures which would follow from the calculations for the data presented in the charts, in commentaries or in titles, due to the rounding.
Dividend policy	1) According to the Management Board's plans and risk and solvency self-assessment of the parent company, the own funds of the parent company and the PZU Group following the declaration or payment of a dividend will remain at a level that will ensure fulfillment of the conditions specified in the capital policy. 2) When determining the dividend the regulatory authority's recommendations concerning dividends will be taken into consideration. The above assumptions may be changed in the event of material changes in the external environment, including macroeconomic and legal environment. Material changes as a result of implementation of IFRS 17 may impact the ultimate shape of the dividend policy from 2024.
Main portfolio	The PZU SA and PZU Życie investment portfolio, excluding subordinated assets and investment products.
Impairment losses for intangible assets following from the acquisition of Alior Bank and Bank Pekao SA	The impairment losses for goodwill and intangible assets following from the acquisition of Alior Bank and Bank Pekao SA.

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