



PZU Group's financial results

in 1Q24

Warsaw, 21 May 2024

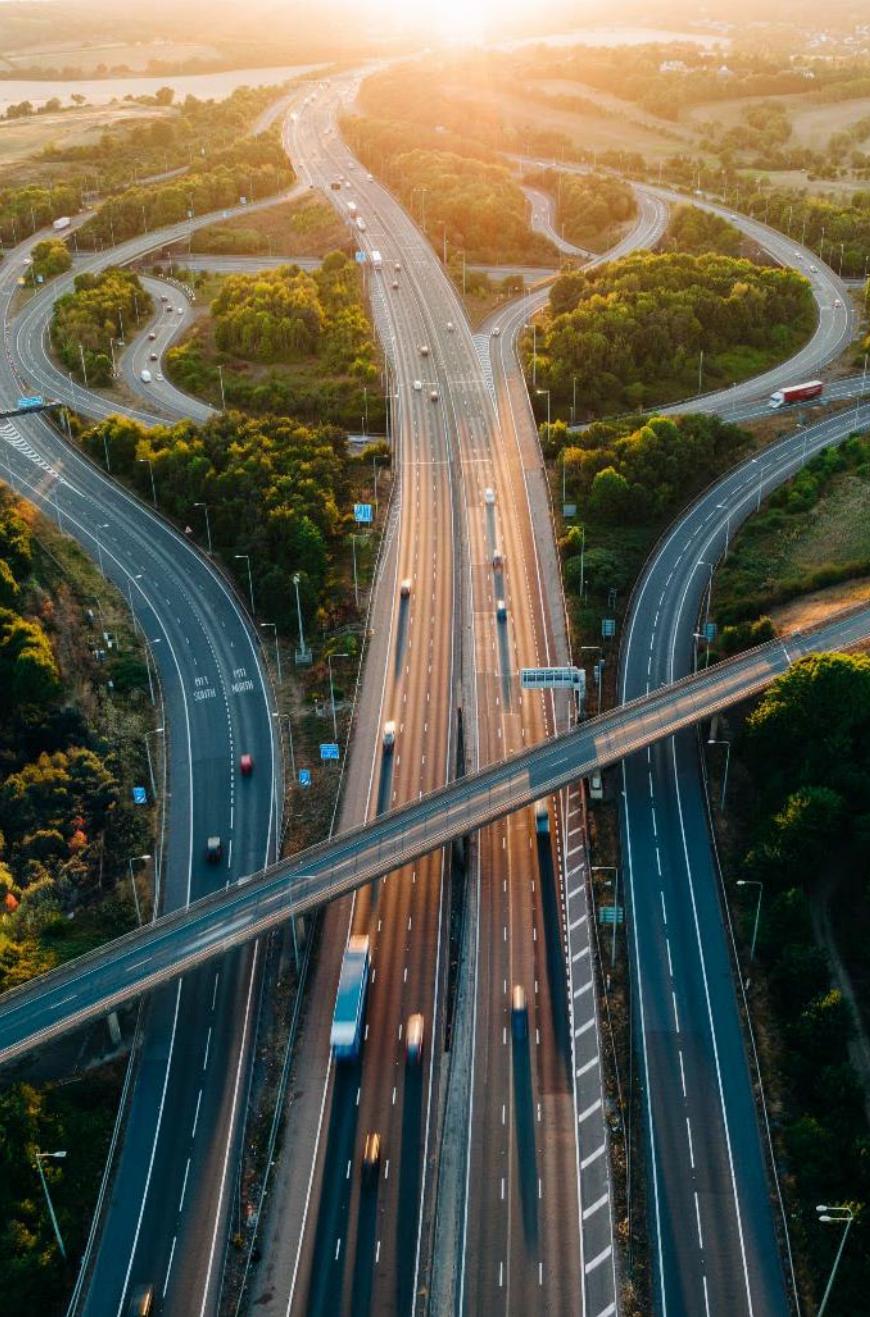


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1. Main achievements and plans

Strong, complementary market competencies



Artur Olech
PZU SA CEO

A manager with more than 30 years of experience in the insurance and financial market, both in the private and public domain

- 2016-2024 VC investor, founder and CEO of insurtech Trasti
- 2014-2016 president of Postal Insurance
- 1998-2014 managing director and then vice-president and president of the Generali Poland Group
- 1997-1998 director at Volkswagen Bank and Volkswagen Leasing Polska



Jarosław Mastalerz
PZU Życie SA CEO

He has held key positions on the management boards of international banks and insurance companies in Poland for more than 25 years

- 2017-2024 managing partner at VC fund mAccelerator
- 2007-2017 vice-president of mBank
- 2003-2006 member of the Management Board and Chief Financial Officer of Generali Polska
- 1998-2003 member of the Management Board and Chief Financial Officer of Zurich Polska



Tomasz Kulik
PZU Group CFO

An experienced manager in the areas of planning, financial control, capital management. For more than 12 years he has been associated with PZU Group

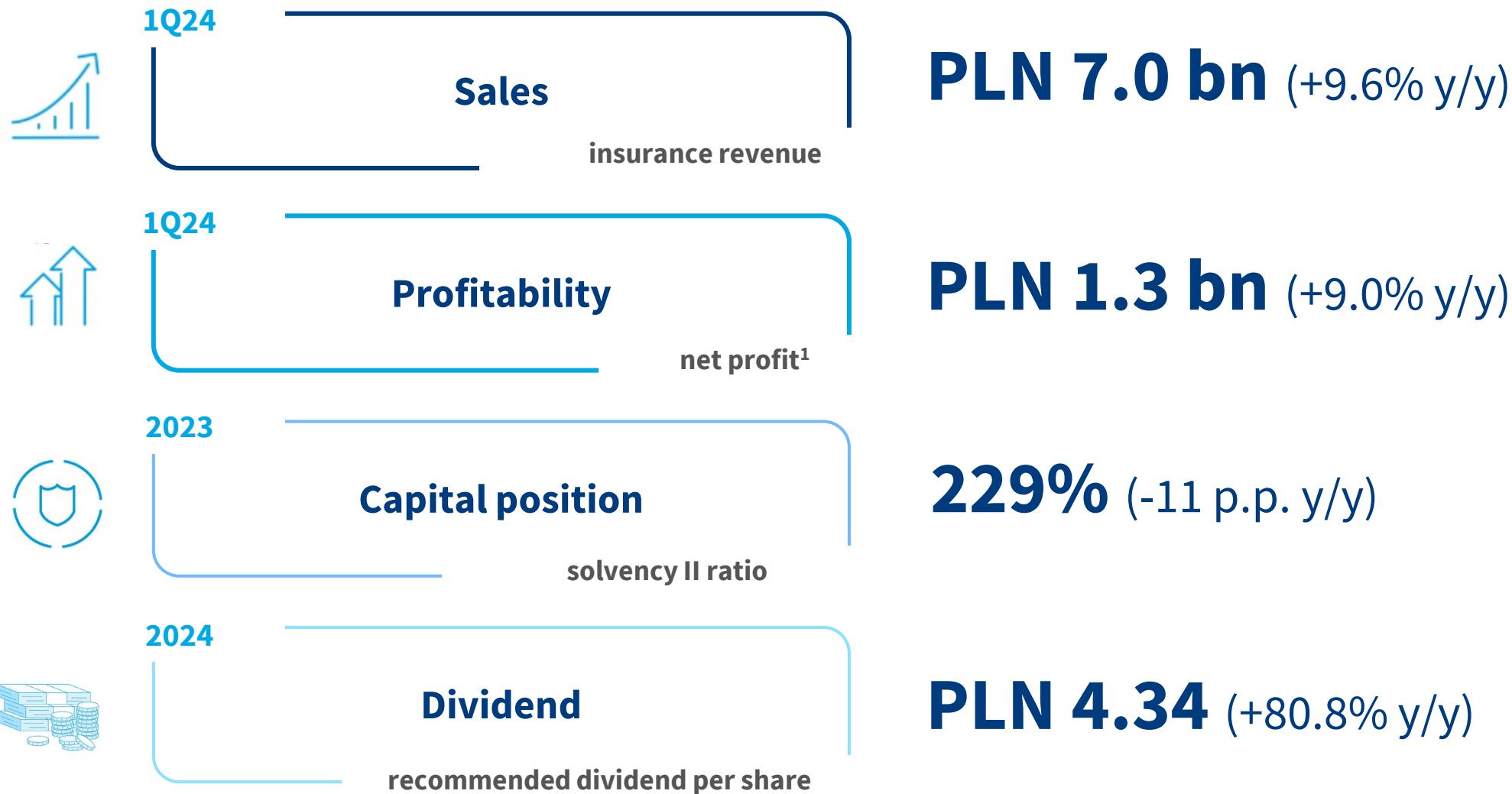
- od 2016 member of the Management Board and Chief Financial Officer of PZU Group
- 2013 -2016 vice-president of TFI PZU and PZU Asset Management
- 2012-2016 director of the Planning and Controlling Department at PZU Group
- 2005 -2011 director of control and reporting processes at Aviva Europe



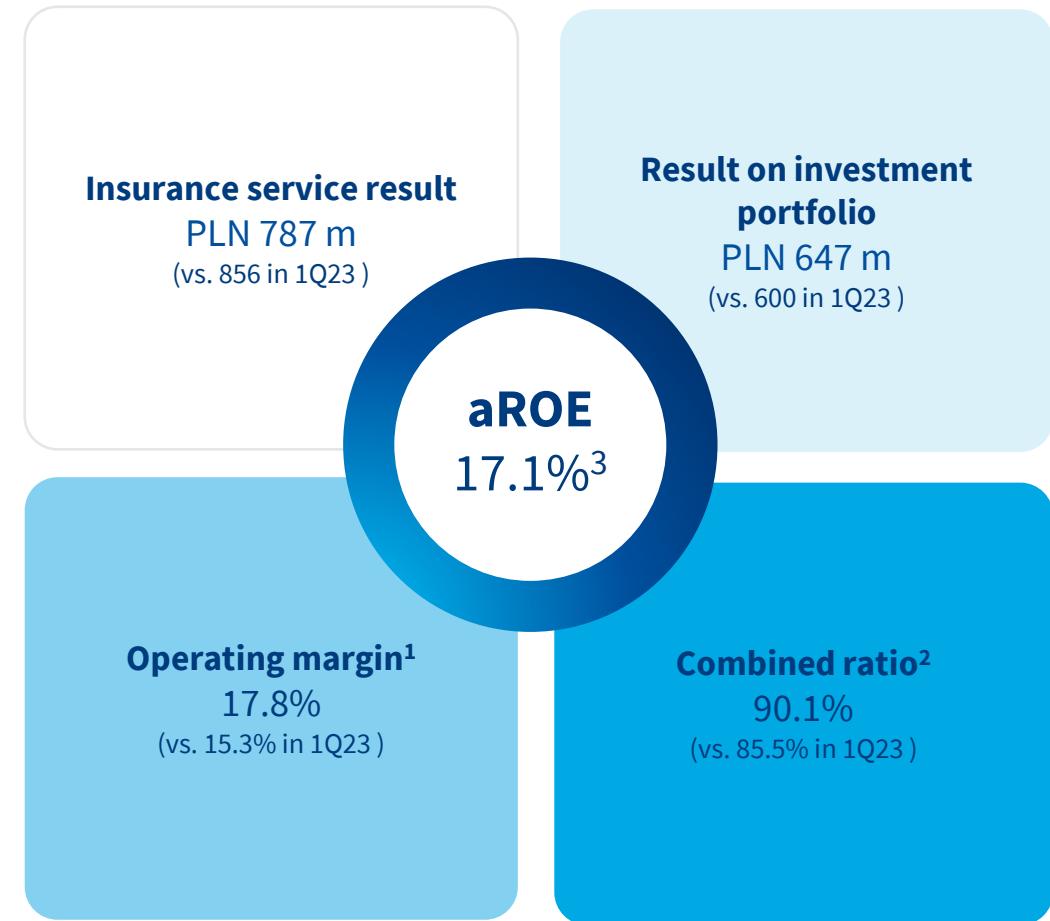
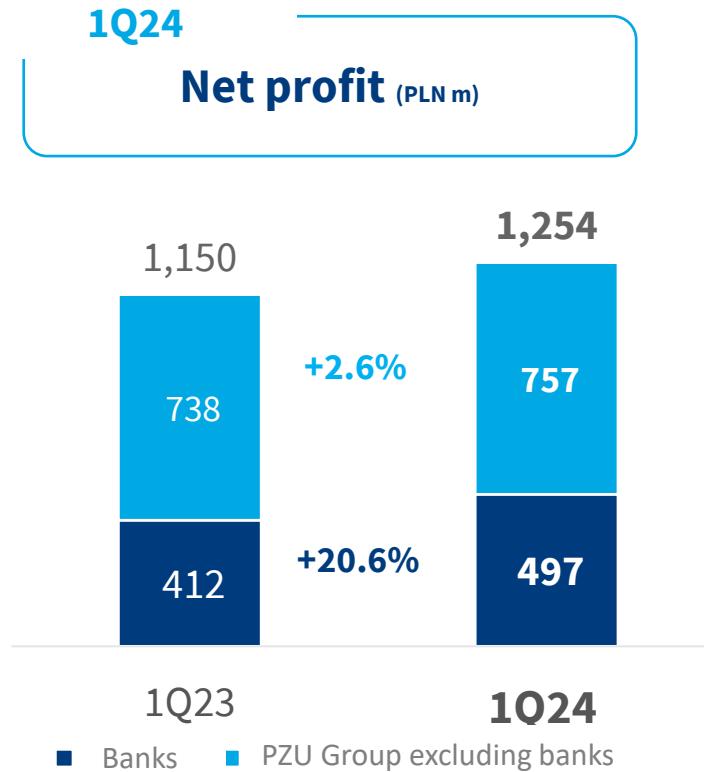
First month behind us

- **Professionalization of management staff in the PZU Group**
- **Strengthening the management team**
 - New people with long and varied experience in the insurance and banking industry, acquisition of competencies unique in the market
- **Change in the composition of the bodies of key PZU Group companies**
 - Changes made to the Supervisory Boards and Management Boards of PZU Życie, TFI PZU, PZU Życie, TUW PZUW, as well as LINK4, Bank Pekao and Alior Bank, among others
- **Work on new organizational structure of the PZU Group**

Solid business volume growth, high profitability and dividend



Stable results in the face of new challenges



1. Margin for group and individually continued insurance segment

2. Non-life insurance in PZU Group (Poland)

3. aROE in 1Q24, attributable to owners of the parent company, return on equity excluding the cumulative effect of change in discount rates for valuation of insurance liabilities

Our plans for the near future

2Q24

Completion of HR processes at key PZU Group companies coupled with the new operating model

2-4Q24

Strengthening the foundation of the insurance business

- profitability of motor insurance
- strengthening the health area, improving operational efficiency
- increasing the penetration of life insurance

2-4Q24

Maximizing synergy effects within the PZU Group

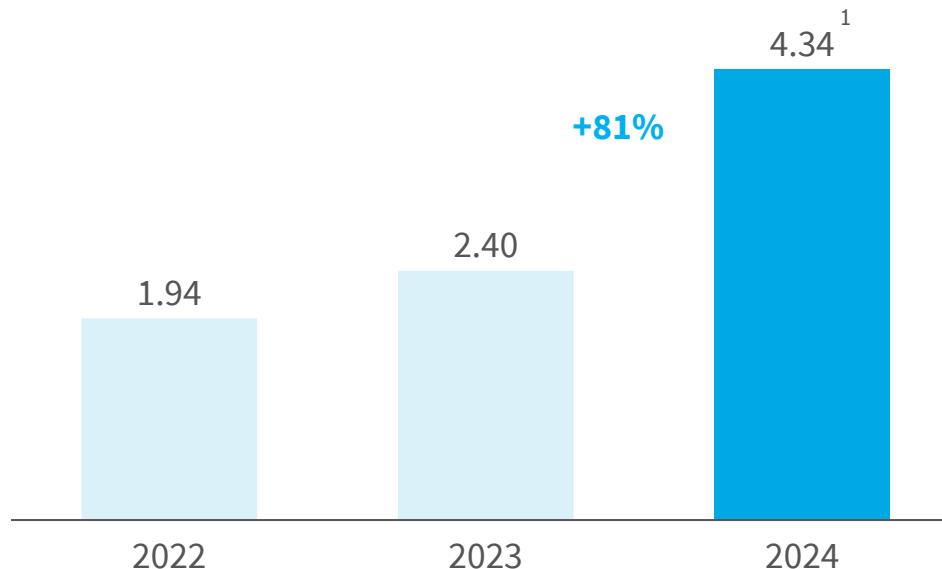
- distribution
- expenses / purchases
- joint back-office processes

4Q24

Preparation and announcement of the new strategy of PZU Group

Attractive dividend yield

Dividend per share (PLN)



Recommended dividend of PLN 4.34 per share¹,
translates into a dividend yield of **7.9%**²

S&P Global Ratings at **A-** with a **stable outlook** confirmed by the agency on
1 March 2024

A-
STABLE

S&P Global
Ratings



The Solvency II ratio for the PZU Group one of the higher ones compared to the average for European insurers (%)

1. Dividend recommended by the Management Board of PZU SA, subject to the decision of the Shareholder Meeting

2. Based on share price as of 20.05.2024

3. As at 31 December 2023

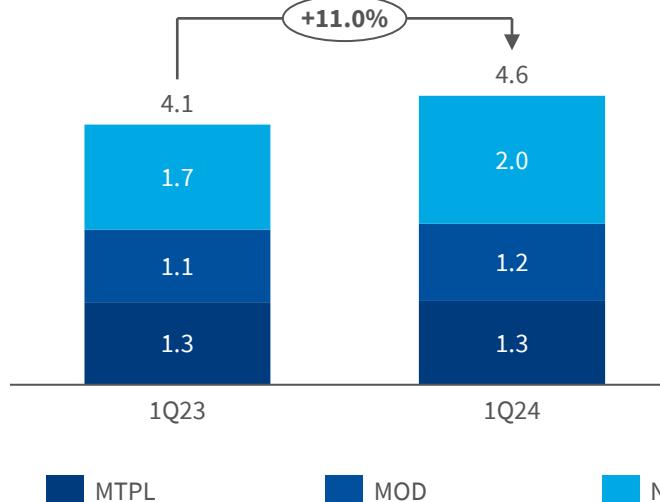


2. Business development

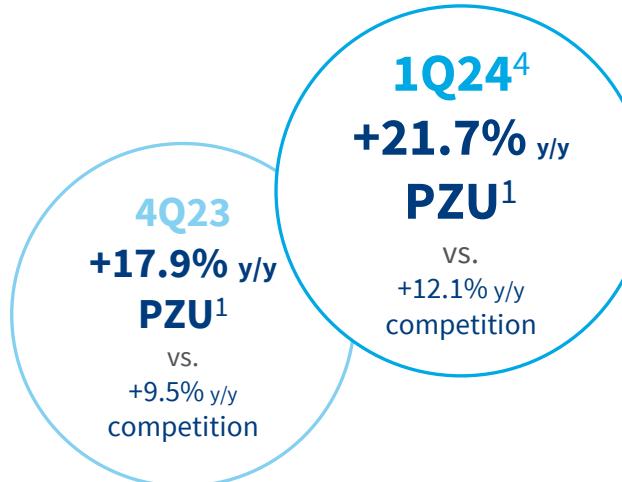
PZU Group – non-life insurance in Poland

PZU Group gross written premiums¹ in 1Q24

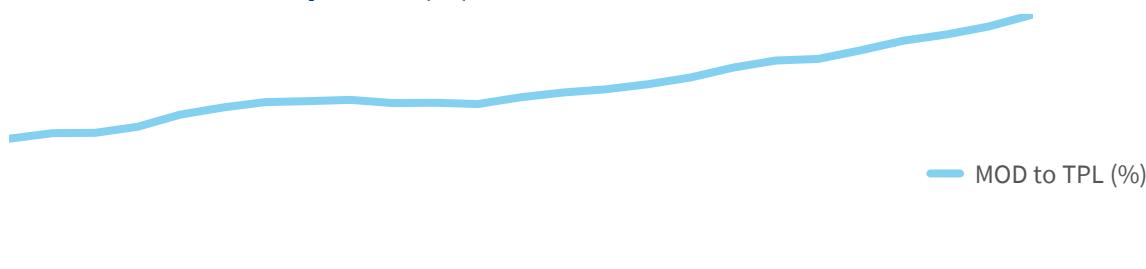
value (PLN bn) and dynamics y/y



PZU's dynamics y/y vs. competition³



Ratio of MOD to TPL policies (%)²



- Another quarter with higher premium dynamics of PZU Group against the competition in the area of **non-motor insurance⁴**, with higher contribution to the result and lower cyclicity at the expense of motor insurance products
- The increase is particularly visible **in insurance against fire and other damage to property** and marine and inland waterway casco insurance (including the acquisition of several large contracts)
- Higher motor insurance sales (+3.8% y/y)**, similarly as in 2023, mainly thanks to **MOD insurance** – increase in written premiums by 6.4% y/y as a result of an increase in average premiums (a consequence of the increase in sums insured against the rising value of vehicles)
- Lower premium dynamics from motor insurance versus competitors⁴

1. Gross written premium – external

2. PZU, based on active policies, standardized ratio

3. Non-motor

4. 1Q24/1Q23 based on estimates

PZU – Product initiatives: non-life insurance

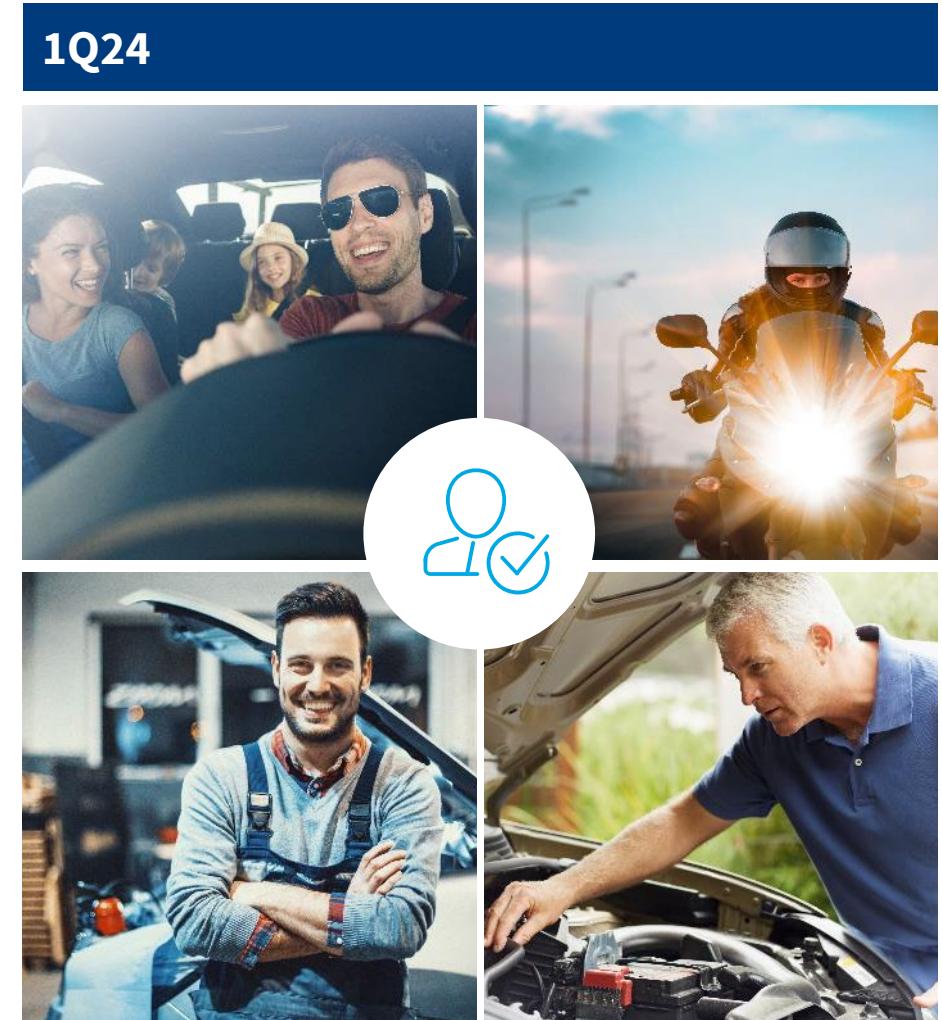
Introduction of the Auto Serwis option to the PZU AUTO Assistance product, thanks to which the client gets:

- assistance in case of failure (max. 2 times) during the insurance period
- towing of the vehicle to the repair shop
- coverage of labor costs when repairing the car up to PLN 2,000
- replacement vehicle and many other services

The Auto Serwis option can be used in the event of failure of key vehicle components, including:

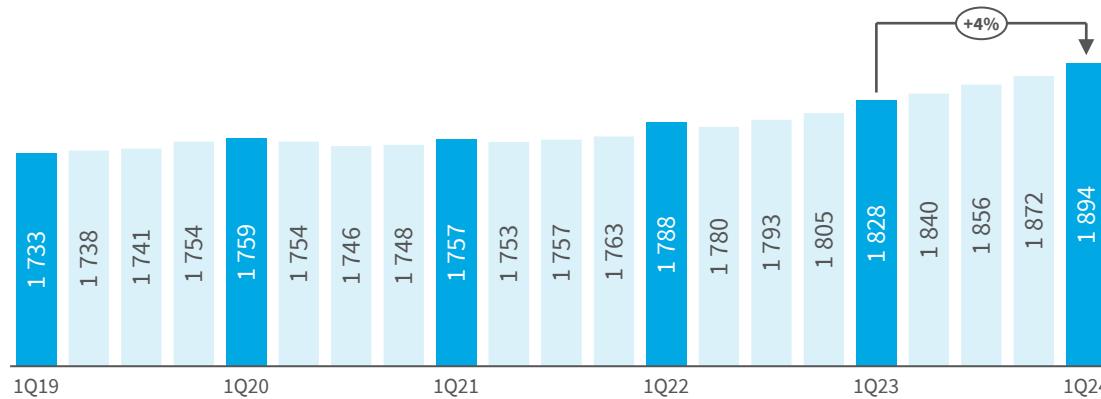
- systems: braking, suspension, steering, fuel, drivetrain, electrical system
- anti-theft protections
- seat belts
- engine including engine cooling system

This is a unique option on the Polish market.

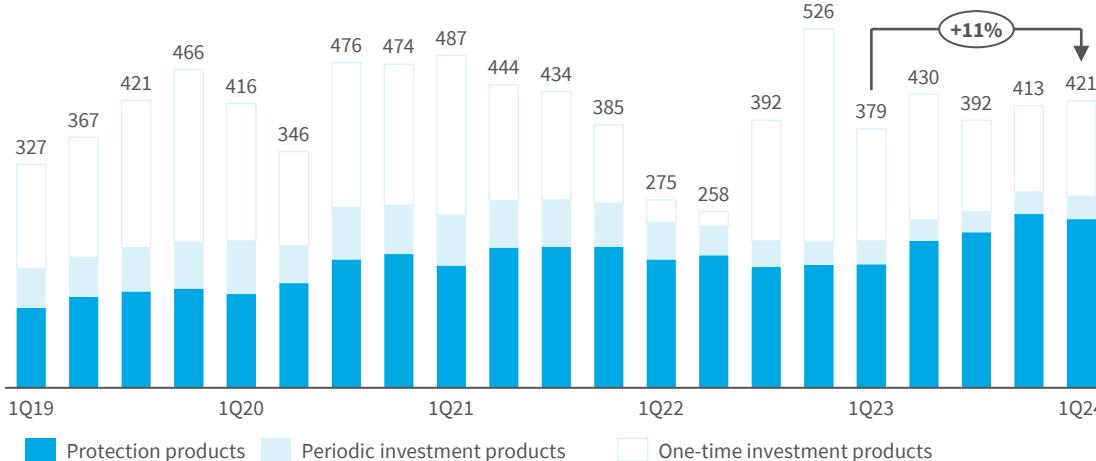


PZU Życie – life insurance

PZU Życie gross written premiums from group insurance and IC (PLN m)



PZU Życie gross written premiums from individual insurance (PLN m)



Group and individually continued insurance

- Development of **health insurance portfolio**, as a consequence of acquiring new entities while increasing average premiums (impact of cyclical portfolio tariff-setting in response to the rising cost of medical services)
- Sales growth of PZU na Życie Plus and PZU Ochrona i Zdrowie insurance**
- Higher levels of premiums from EPSSs**

Individual insurance

- Portfolio development and sales growth of individual protection insurance, mainly type J
- Growth in premiums from bank protection products**, mainly insurance offered in cooperation with **Alior Bank and Bank Pekao** to mortgage loans and cash loans
- Recovery in sales of individual investment banking products**, mainly **Multi kapitał** offered in cooperation with Alior Bank, and **Świat Inwestycji Premium** offered in cooperation with Bank Pekao
- Maintaining high sales of individual life and endowment insurance** with a guaranteed sum insured offered in partnership with VeloBank starting in the second quarter of 2023 – **PZU Stabilne jutro** (lower premium level in 1Q124 compared to 1Q23 of the Pewny Profit product in cooperation with Pekao banks, Bezpieczne Jutro in cooperation with Alior Bank and the PZU Bezpieczny Zysk product available in branches)

PZU Życie – Product initiatives: life insurance

PZU Life and Health Package (1Q24)

- New package life insurance of a protective nature offered to individual clients
- It allows to choose from a range of risks within ready-made packages tailored to meet different client needs
- It offers different levels of sum insured and premiums
- Insurance is designed for different age groups
- The client can extend the coverage with daily access to comprehensive medical care under PZU Zdrowie
- Lifetime coverage in selected packages!

PZU Perspective for the Future

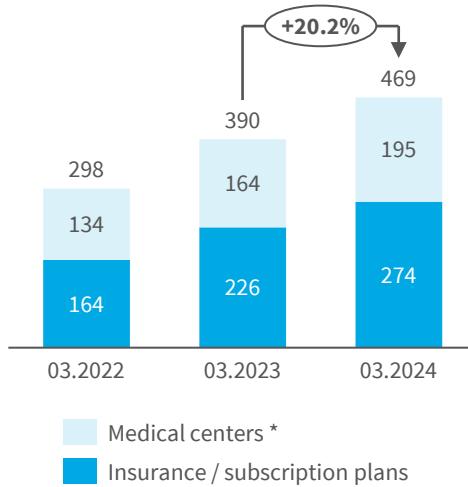
Insurance combines financial security in case of death and regular capital building for the future

- The amount of benefit paid at the end of the contract period is guaranteed and can increase in subsequent years thanks to a bonus mechanism that is unique on the Polish market
- The insurance allows you to easily extend your coverage, with up to a dozen additional contracts that provide financial support in the event of illness, accident, disability, etc., for example – for the insured as well as for the spouse/partner and children

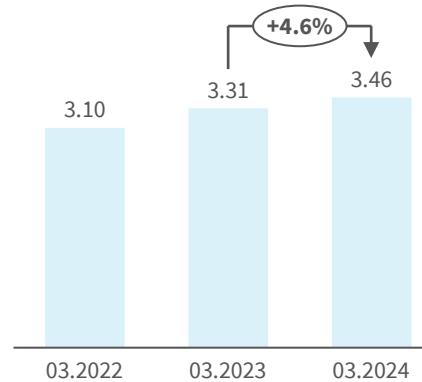


Development of the scale of operations of the health pillar

Revenue (PLN m)

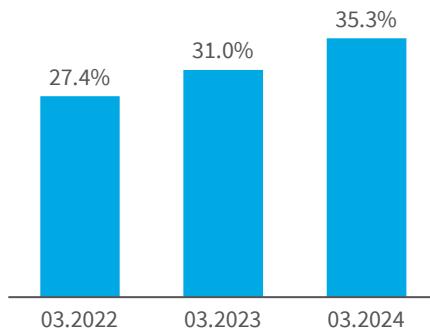


Number of contracts at the end of the period (m)

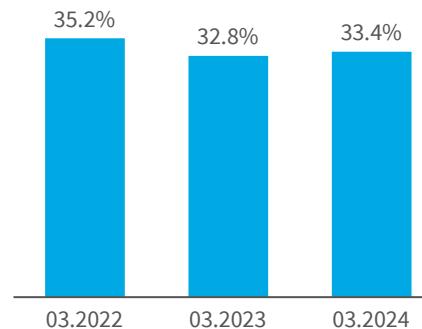


- **High revenue growth (mainly in terms of outpatient contracts and additions to continued insurance)**, reflecting high medical services inflation, significantly higher than general inflation
- **Increase in the number of health product contracts in 1Q24**, among others, thanks to the sale of more health add-ons to protection products (allowing access to specialists, outpatient rehabilitation, selected tests and treatments, among others)
- Maintaining a high level of portfolio renewals – despite high medical inflation

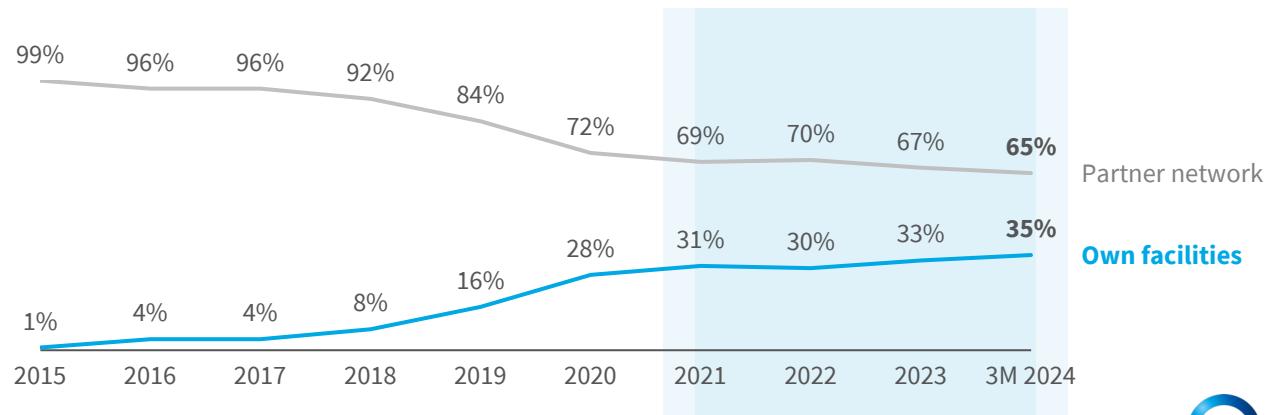
Appointments scheduled online through myPZU



Number of telemedicine consultations (to total consultations)



Services (subscriptions and health insurance) provided in own facilities and partner network



* Data of facilities presented for the period from the beginning of the year regardless of the moment of acquisition

We are developing the Health Ecosystem – configuration of individual medical packages

In the PZU Group's Strategy for 2021–2024, we assumed that we would revolutionize the approach to healthcare in Poland and become the most comprehensive medical advisor to provide the best private healthcare.



Medical package configuration

PZU Zdrowie has provided patients with a new option for configuring individual medical packages. At the stage of selecting a package in the mojePZU portal, it is possible to modify the coverage and customize it according to the patient's needs. Each of the default proposed four ranges of the Medical Package "For You" can be customized independently in terms of laboratory diagnostic tests, diagnostic imaging, rehabilitation, or restorative dentistry.



Intuitive comparison engine

Thanks to the intuitive interface, users will smoothly go through the selection of options, the process does not require medical expertise. The configurator allows you to generate three variants of the annual health care package, which are presented in a clear overview. The table is updated with each change, making it easy to compare multiple pricing options. The configuration takes place in the mojePZU portal, where medical package holders will then conveniently schedule appointments, check recommendations or book medication at the pharmacy.



A wide range of services

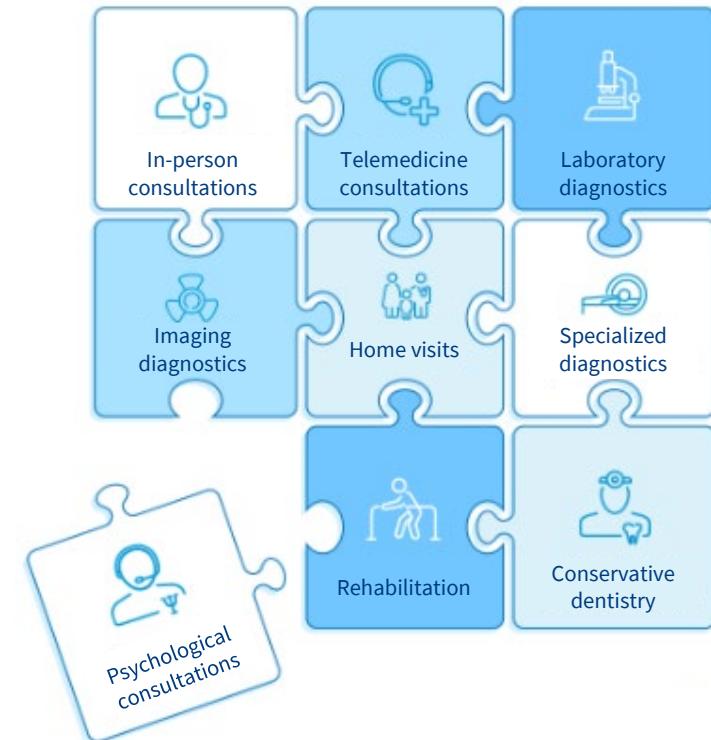
The "For You" medical package includes:

- inpatient appointments with doctors in up to 30 specialties,
- telemedicine consultations in up to 14 specialties,
- rehabilitation treatments in selected ranges,
- appointments with a psychologist or psychiatrist – free or at a discount,
- access to conservative dentistry treatments in selected ranges.



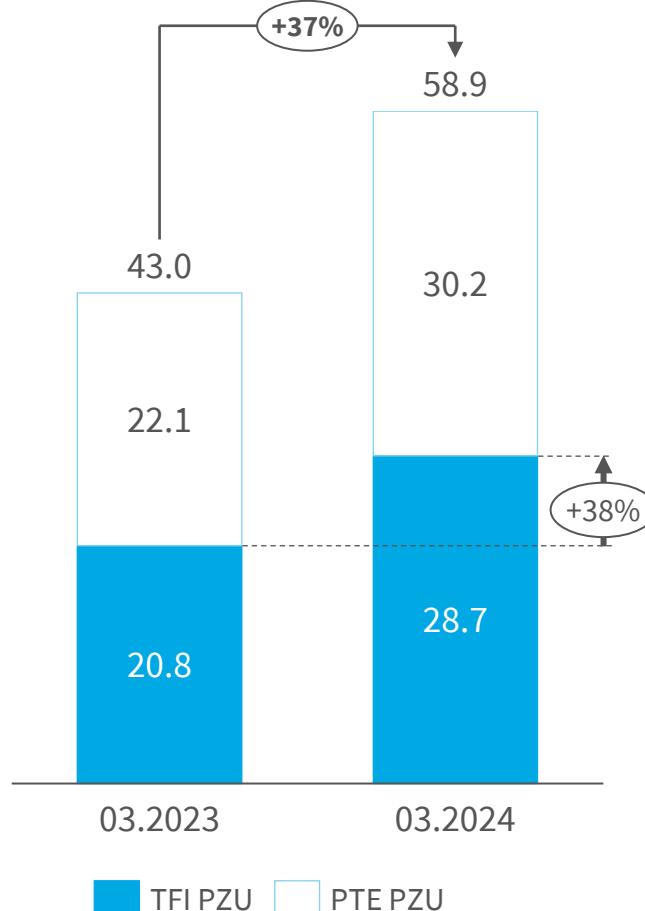
Health care tailored to your needs

Medical package configurator

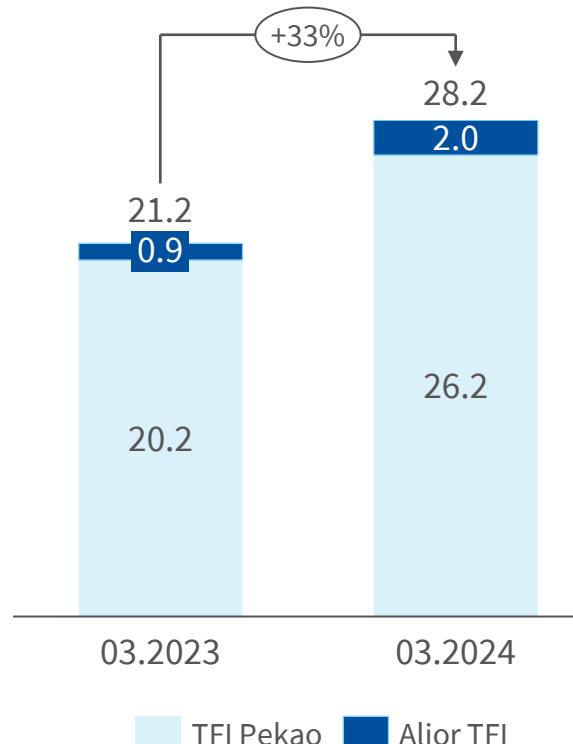


Assets under management

Assets of external clients of TFI PZU and PTE PZU¹ (PLN bn)



Assets of external clients of TFI owned by banks of the PZU Group (PLN bn)



- **TFI PZU**

- Increase in assets under management of external clients in 1Q24 from PLN 20.8 bn to PLN 28.7 bn (+38% y/y)
- #3 in terms of net sales after the first quarter of 2024, net sales of TFI PZU funds amounted to **+PLN 1.5 bn**
- throughout 1Q24 market inflows to funds amounted to PLN 12.6 bn – **TFI PZU's share at 11.7%**

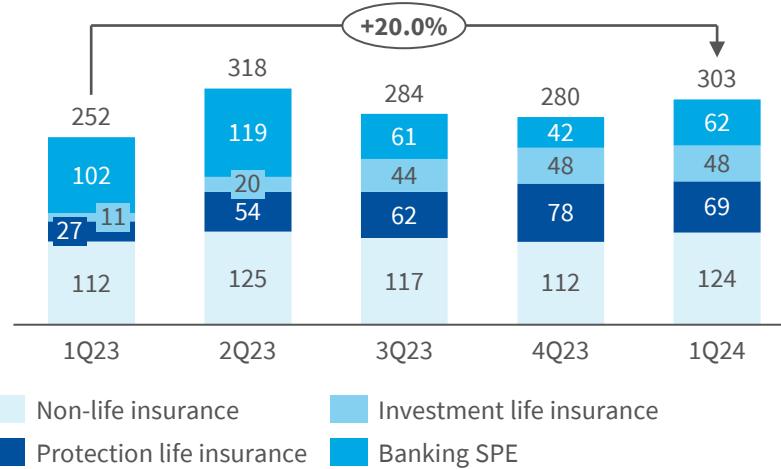
- **ECS assets** at the end of 1Q24 **amounted to PLN 5.2 bn**, up 80% y/y and 13.3% vs. end of 2023

- **TFI PZU's stable second place in the ECS market** in terms of the value of assets under management **with a share of 21.2%** as of the end of 1Q24 – double the next entity's share

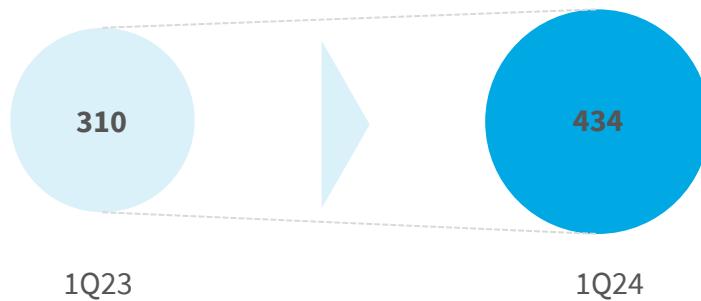
1. Assets managed by PTE PZU are not included as an objective in the PZU Group's new strategy for 2021–2024. Assets including TFI Energia.

Bancassurance and assurbanking

Gross written premium raised in cooperation with Bank Pekao and Alior Bank (PLN m)



Gross written premium collected in cooperation with banks (PLN m)



Business backdrop:

- Sales affected by changing macroeconomic environment and dynamic conditions in financial markets
- Continued robust growth in mortgage loans demand after last year's deceleration due to the high level of interest rates and high inflation
- Gradual increase in sales growth of investment products, including unit-linked products

Bancassurance:

- Development of insurance product offerings at the Group's banks, including finalization of work on implementing CPI-linked products into the amended **Recommendation U**
- Gradual **increase in sales of insurance products linked to loans and mortgage loans**
- Increased sales growth of unit-linked products** with still high sales of products with a guaranteed rate of return for the client, utilizing the potential of high interest rates

Assurbanking:

Sales of banking products in the PZU network

- Sales of accounts (ROR) for individual and corporate clients of Bank Pekao SA **is currently offered in 208 PZU branches**
- The "Auto z Kontem" special offer – joint RoR sales offer of Bank Pekao with PZU's MTPL insurance has been extended until the end of May 2024
- Total clients' loans and deposits acquired by PZU for the bank at the end of March 2024 is PLN 2.1 bn**

Cash Portal

- Further increase in the base of potential clients
- More than doubled revenue compared to 1Q23
- Launching a campaign to SME clients



3. Financial results

PZU Group results under IFRS 17

	1Q23*	1Q24	Change y/y
m PLN			
PZU GROUP EXCL. ALIOR BANK AND BANK PEKAO			
Gross insurance revenue	6 399	7 012	9,6%
Net insurance revenue	6 034	6 587	9,2%
Insurance service expenses (net)	(5 178)	(5 800)	12,0%
Net insurance claims and benefits ¹	(3 557)	(3 976)	11,8%
Administrative expenses	(553)	(611)	10,5%
Acquisition expenses	(1 027)	(1 139)	10,9%
Loss component amortization	268	261	(2,6%)
Recognition of the loss component	(309)	(335)	8,4%
Insurance service result	856	787	(8,1%)
Net financial revenue	280	281	0,4%
Insurance and outward reinsurance finance income or expenses	(464)	(439)	(5,4%)
Result from investment activities - allocated to insurance segments	744	720	(3,2%)
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	738	757	2,6%
BANKS: ALIOR AND PEKAO			
Net profit (loss) attributable to equity holders of the parent company	412	497	20,6%
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	1 150	1 254	9,0%
MAIN FINANCIAL RATIOS (%)			
aROE ²	18,8	17,1	(1,7) p.p.
Claims ratio (with net loss component)	59,6	61,5	1,9 p.p.
Administrative expense ratio	9,2	9,3	0,1 p.p.
Acquisition expense ratio	17,0	17,3	0,3 p.p.
Combined ratio ³	85,5	90,1	4,6 p.p.
Margin ⁴	15,3	17,8	2,5 p.p.

* PZU Group restated financial data for prior periods in the 2023 interim reports due to:

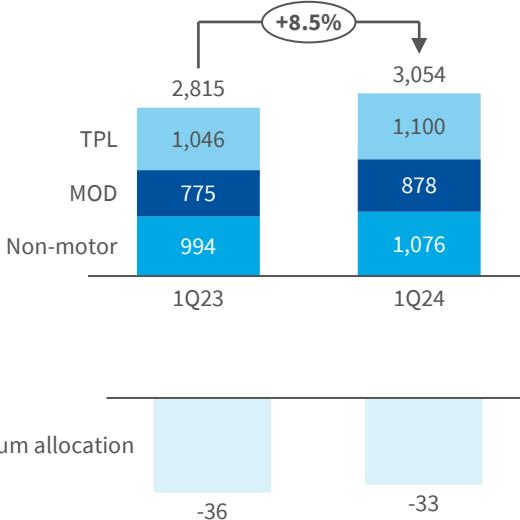
- the shaping of interpretations of the IFRS 17 standard and the development of consistent approaches among insurers and advisors
- the ability to obtain historical data for unit-linked products, which at the same time resulted in a change in the accounting principle of calculation for the transition date. Changed measurement method from fair value approach to modified retrospective approach (MRA)
- addressing the auditor's comments after the first full audit

The restatement also applied to all comparative periods, so effectively the financial figures from 1Q22 were changed.

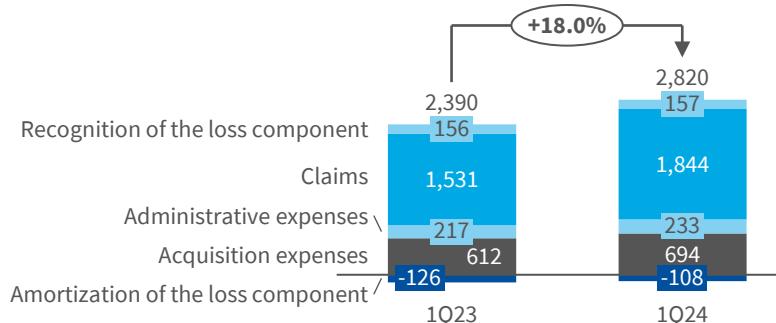
1. Excluding the investment component (mainly applies to unit-linked products)
2. aROE – adjusted return on equity, calculated on a capital basis excluding cumulative other comprehensive income relating to insurance and reinsurance financial income and expenses. Net result and equity attributable to owners of the parent company, annual return
3. Only for non-life insurance in PZU Group in Poland
4. Margin for group and individually continued insurance segment in Poland

Non-life insurance under IFRS 17 – mass insurance segment

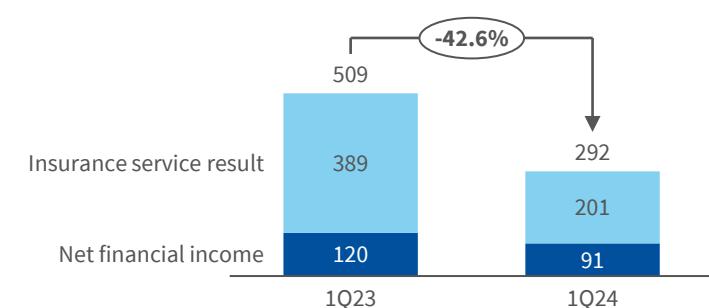
Insurance revenue (PLN m)



Net insurance service expenses (PLN m)



Operating result (PLN m)



Reinsurance premium allocation



Insurance revenue growth is a product of:

- increase in amortization of liability for remaining coverage (LRC) for portfolios:
 - MOD +12.7% y/y – impact of high premium growth in 2H23 and the first months of 2024 (increase in average premiums as a consequence of rising vehicle values and thus sum insured). Higher number of insurance contracts – due to, among other things, higher availability of vehicles than a year ago (new car registrations up 12.7% y/y)
 - non-motor +5.3% y/y – a consequence of growth of PZU Dom home insurance (impact of refreshed offer and higher propensity of clients to increase insurance amounts) and PZU Firma offered to SME
 - a higher level of premiums allocated to cover acquisition expenses as a consequence of growing sales and a simultaneous increase in commission expenses

An increase in the net insurance service expenses (+18.0% y/y) is a product of:

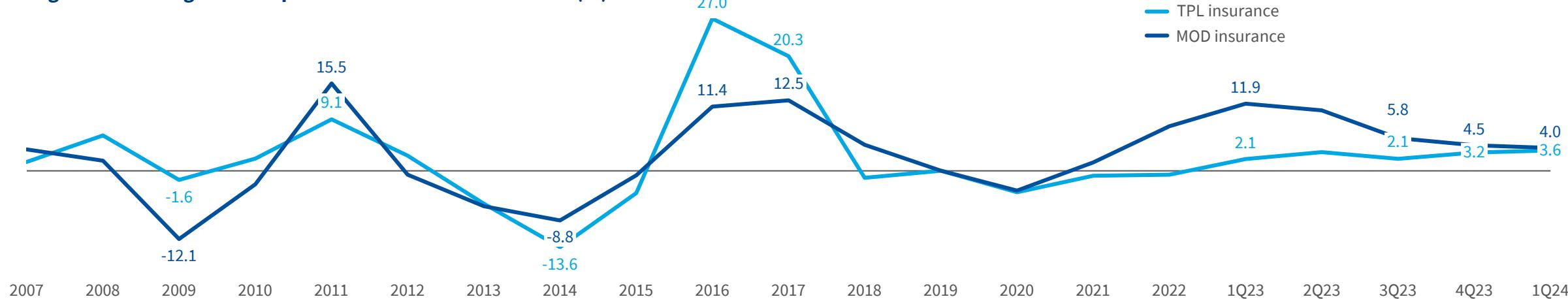
- higher liabilities (y/y) for the current year's claims and release of a lower y/y net excess of prior years' claims reserves over the current projected value of payouts;
- higher costs of activities, including acquisition and administrative expenses attributable to insurance operations. The increase in administrative expenses results primarily from higher personnel costs and in real estate costs (including rental services) and IT expenses
- recognition of the loss component, including on the inward reinsurance portfolio with PZU Group companies as a consequence of the increase in claims inflation

The decline in operating profit is a cumulative effect of:

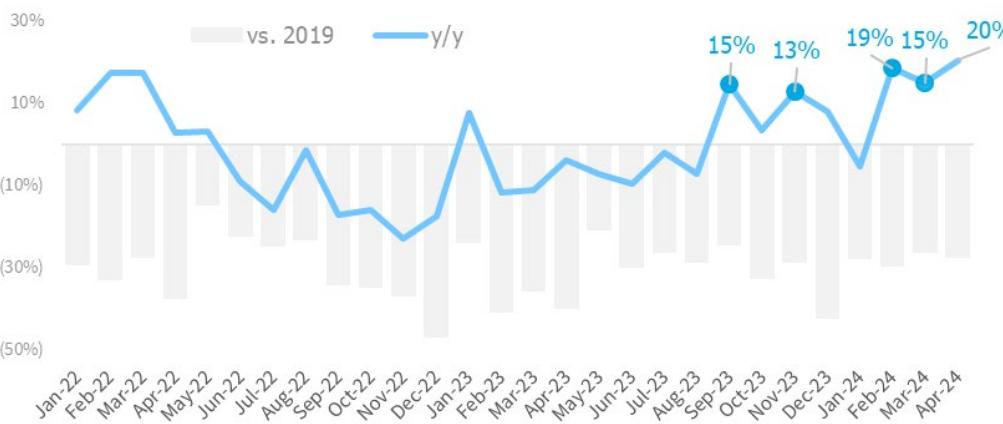
- deterioration in the result on the motor insurance portfolio, including TPL insurance, by PLN 113 m y/y
- lower level of excess of investment result over net financing costs mainly as a consequence of:
 - decrease (PLN 21 m y/y) in investment income due to loss on sale of foreign sovereign bonds as well as last year's gains on valuation of inflation bonds
 - higher net financial expenses (PLN 8 m y/y) correlated with portfolio growth

Motor insurance market in Poland – change in average price and frequency of claims

Change in the average market price of TPL and MOD insurance (%)¹



Change in the number of traffic accidents y/y and compared to 2019²



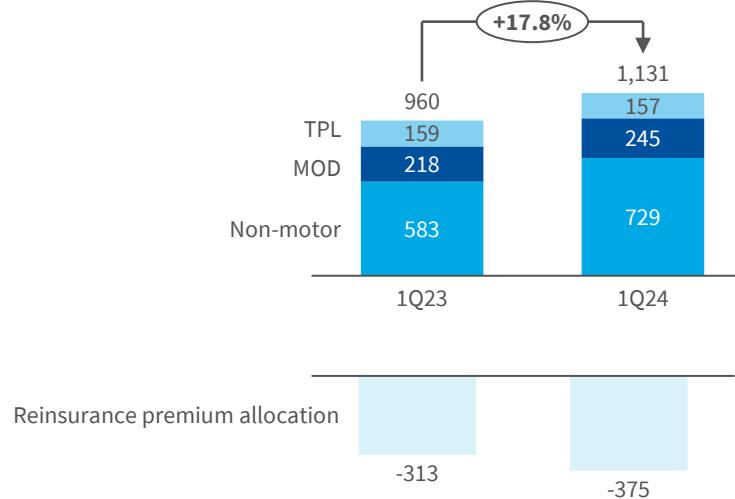
- **Increase in the frequency of claims y/y** despite a permanent change in the working model (popularization of hybrid solutions) and changes in the tariff of fines and penalty points translating into greater caution among drivers
- **Increase in the number of traffic accidents² y/y** as a consequence of, among other things, weather changes (good driving conditions), and an earlier start to the motorcycle season than last year
- **Another quarter with a continuation of increases in the average price of TPL insurance, initiated in 1H23**

1. Own compilation based on market reports of KNF and PIU

2. Own compilation based on police data

Non-life insurance under IFRS 17 – corporate insurance segment

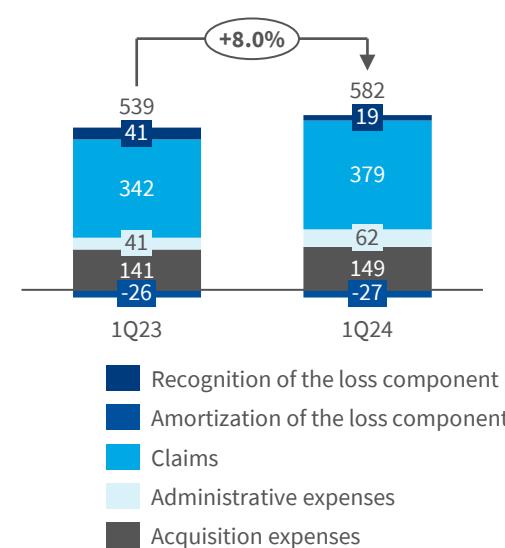
Insurance revenue (PLN m)



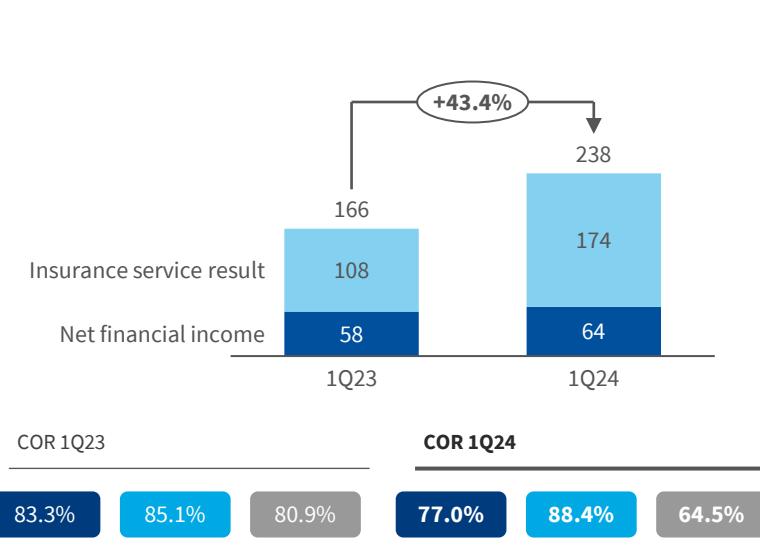
Insurance revenue growth is a product of:

- increase in amortization of liability for remaining coverage (LRC) for insurance:
 - Auto Casco – the impact of the increase in average premiums resulting from higher sums insured (increasing value of vehicles) and better matching the offer to the client's risk profile
 - non-motor (+29.4% y/y) – the result of securing large contracts in the second half of 2023, including the renewal in November 2023 of a contract with an oil company with a premium of more than PLN 500 m (a y/y increase in premium of more than PLN 100 m) and the conclusion of a contract with a power generation client with a premium of more than PLN 200 m. The effect is reinforced by strong sales in first quarter of 2024 in strategic client area
- higher y/y levels of premium allocated to cover acquisition expenses – impact of portfolio development

Net insurance service expenses (PLN m)



Operating result (PLN m)



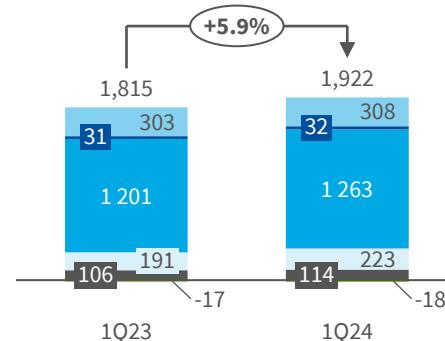
A higher insurance service result is a product of an increase in non-motor insurance.

A higher level of excess of investment result over net financing costs mainly as a consequence of an increase in investment income (+ PLN 6 m y/y) as a result of a higher increase in the required balance of assets to cover liabilities

The level of net financial expenses remained stable with respect to the comparable period last year

Life insurance under IFRS 17 – group and individually continued insurance

Insurance revenue (PLN m)

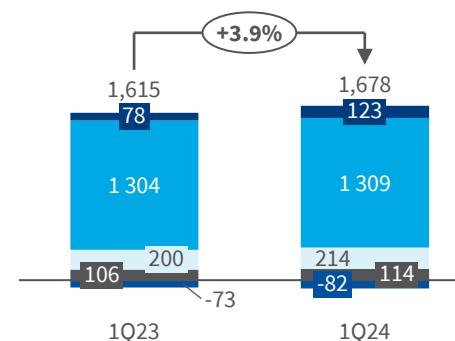


- Release of the CSM
- Release of risk adjustment for non-financial risks
- Expected claims and benefits
- Expected expenses
- Premiums related to acquisition expenses
- Other

Higher insurance revenue as a result of:

- a higher level of premiums to cover expected claims and benefits as a result of a higher expected utilization of health insurance benefits
- higher revenue to cover rising acquisition expenses
- a higher level of expected expenses, mainly on the group insurance portfolio as a consequence of rising fixed expenses (including personnel and IT expenses)
- CSM growth mainly on the portfolio of individually continued insurance as a consequence of higher upsale of additional risks and voluntary indexation of premiums (impact of high inflation)

Insurance service expenses (PLN m)

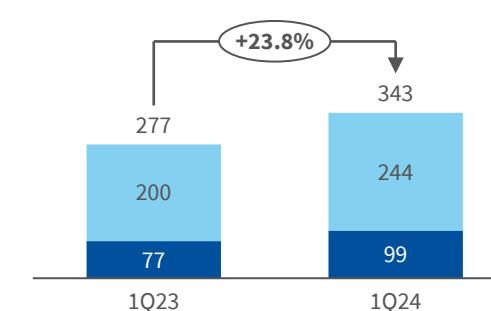


- Recognition of the loss component
- Loss component amortization
- Claims and benefits
- Administrative expenses attributable to the insurance business
- Acquisition expenses amortization

An increase in the net insurance service expenses as a result of:

- higher claims and benefits – the effect of continued high utilization of health insurance benefits
- higher administrative expenses – mainly personnel and IT expenses
- an increase in the loss component due to the higher recognition of a component for current period cohorts – the impact of a slower premium tariff-setting process along with a high level of utilization of medical benefits (medical service cost inflation)

Operating result (PLN m)



15.3%

17.8%

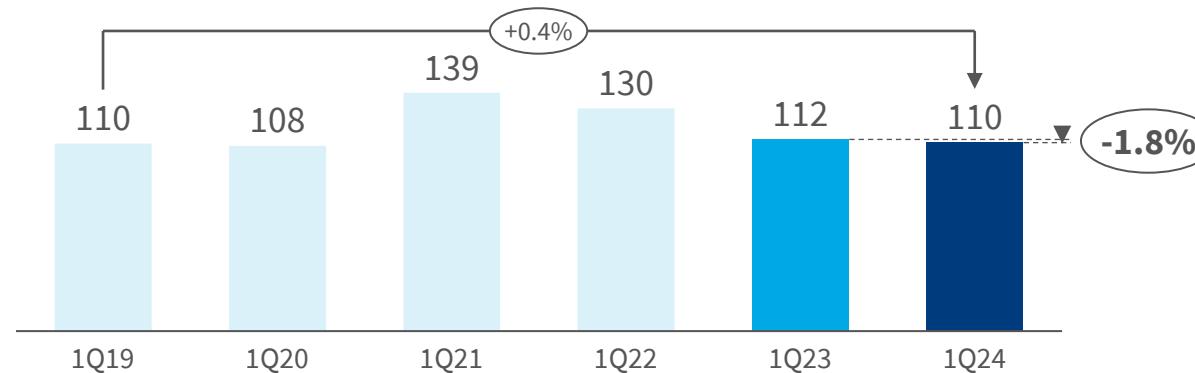
Margin

The increase in operating profit is a cumulative effect of:

- higher insurance service result (PLN 44 m y/y)
- the increase in the level of net financial income as a product of:
 - higher investment result (PLN 28 m y/y) – particularly as a result of an increase in the required level of assets to cover liabilities as well as a higher result of listed shares due to the increase in indices
 - higher net financial expenses (PLN 6 m y/y) correlated with portfolio growth

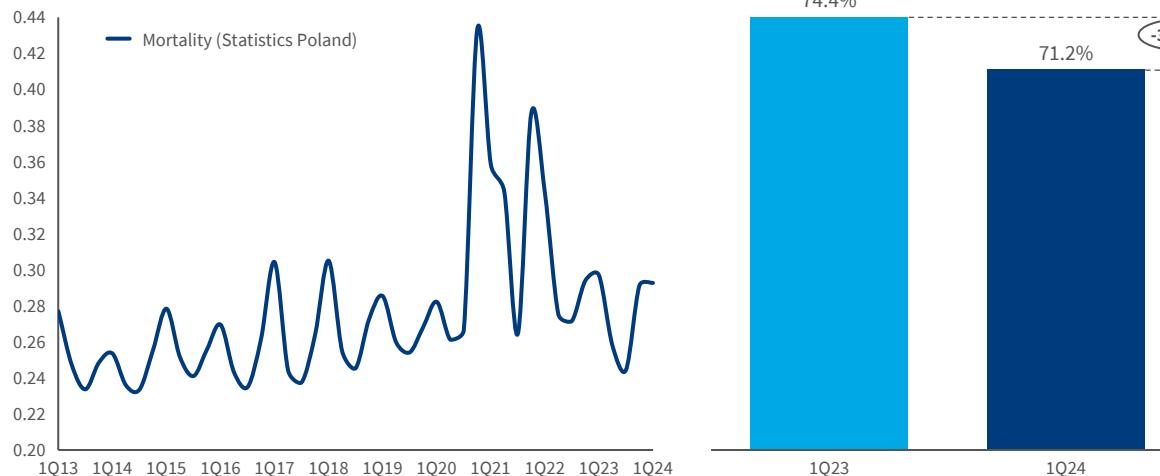
Pandemic vs. claims ratio in group insurance and IC segment in 1Q24

Number of deaths per quarter in Poland from 2019 to 2024 (in ths)¹

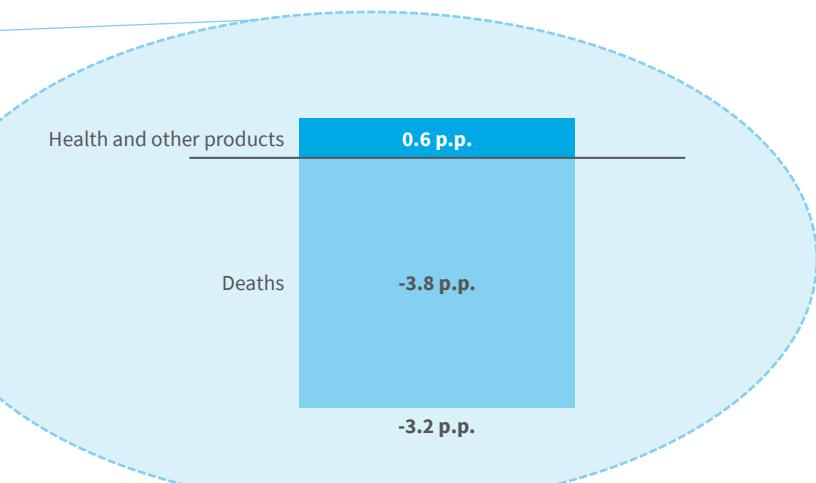


- Number of deaths in Poland in 1Q24 lower than a year ago while and a simultaneous increase relative to the pre-pandemic period in 2019
- In 1Q24, claims ratio for group and individually continued segment protection products continued at lower levels compared to 1Q of the previous year

Death incidence in Poland vs. claims ratio² in the group and individually continued insurance segment



Impact of individual risks on the y/y change in segment claims ratio²

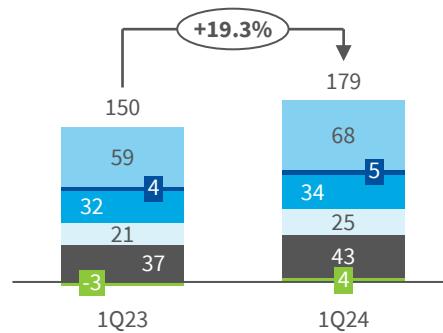


1. Consistent with the Statistics Poland's data

2. Claims ratio under IFRS17 – the quotient of net insurance claims and benefits and insurance revenue. It only takes into account protection products.

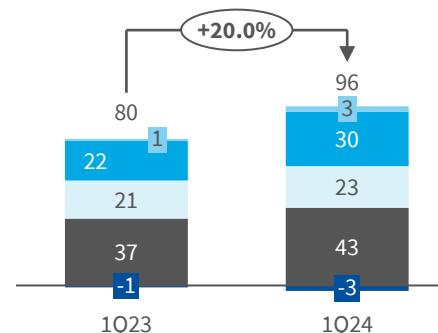
Life insurance under IFRS 17 – individual protection insurance

Insurance revenue (PLN m)



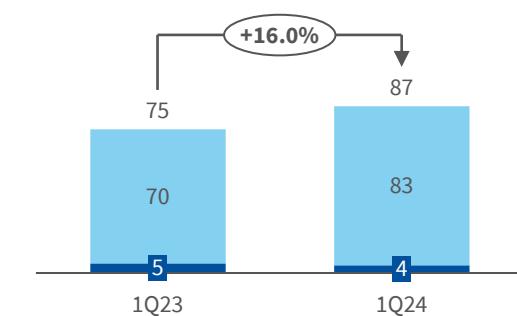
- Release of the CSM
- Release of risk adjustment for non-financial risks
- Expected claims and benefits
- Expected expenses
- Premiums related to acquisition expenses
- Other

Insurance service expenses (PLN m)



- Recognition of the loss component
- Loss component amortization
- Claims and benefits
- Administrative expenses attributable to the insurance business
- Acquisition expenses amortization

Operating result (PLN m)



- Insurance service result
- Net financial income

An increase in revenue resulting from:

- a higher level of premiums to cover expected claims and benefits – a result of a decline in the Annuity portfolio and an increase in life and endowment insurance and term insurance
- higher contractual service margins as a result of portfolio expansion mainly in bancassurance (PLN +4.3 m y/y) and life and endowment insurance (PLN +3.1 m y/y)
- increase in other income (+7 m y/y) – impact of higher-than-expected premium level from bancassurance (positive reception of “2% Safe Mortgage” offer resulting in lower level of cancellation of contracts with single premium)

The increase in costs in this segment was driven by:

- higher realization of current period claims and benefits with leveled claims ratio levels
- higher administrative expenses as a result of higher personnel and IT expenses

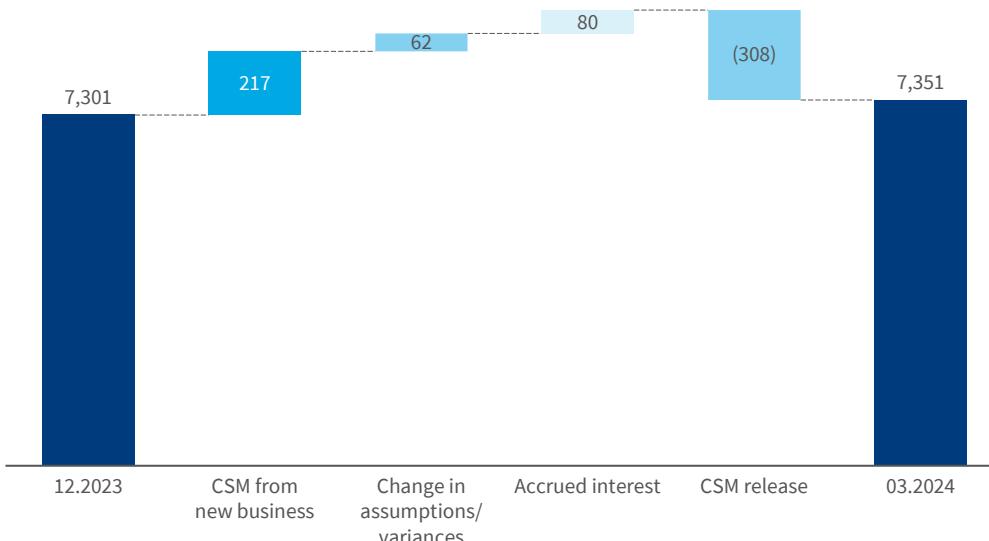
The increase in operating profit is a cumulative effect of:

- higher insurance service result (PLN +13 m y/y);
- lower net financial income as a consequence of an increase in financial expenses (PLN 2 m y/y) consistent with an increase in liabilities with a slight increase in net investment income by PLN 1 m y/y

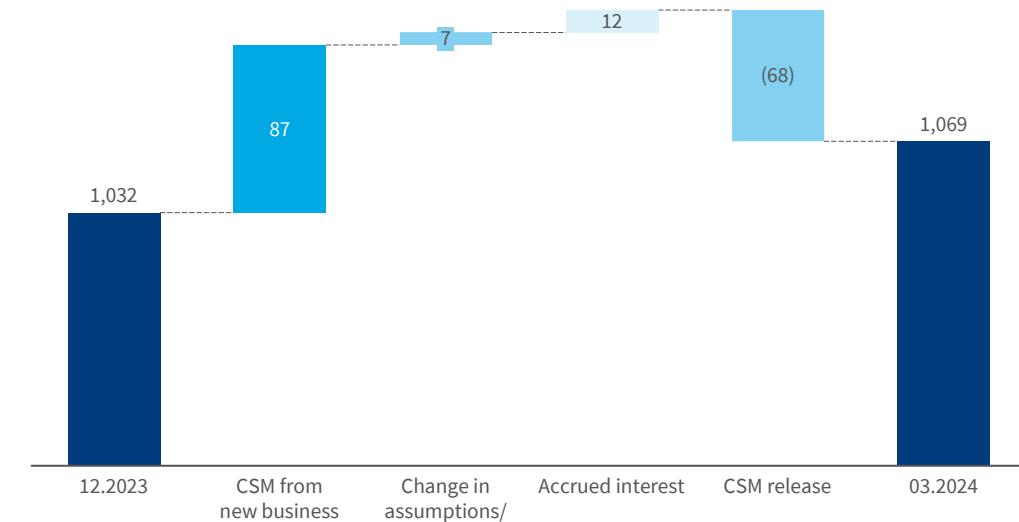
* Net financial income – result on investment activity less financial expenses from insurance

Life insurance in Poland under IFRS 17 – evolution of contractual service margin

Group and individually continued insurance – CSM (PLN m)



Individual protection insurance – CSM (PLN m)



The change in CSM contractual service margin (value of future profits) between balance sheet dates is due to:

- additional CSM from the sale of new business in the amount of PLN 217 m
- variances in the development of the insured portfolio, positive impact resulting mainly from the upsale of riders in individually continued insurance (PLN +49 m)
- CSM increase by the change in the time value of money – accrued interest
- CSM release of PLN 308 m – profit attributable to the current period

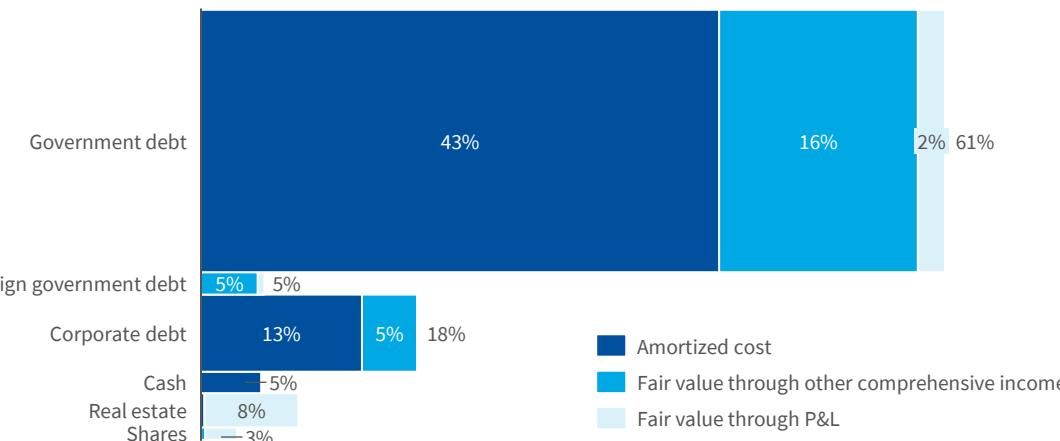
The change in CSM contractual service margin (value of future profits) between balance sheet dates is due to:

- additional CSM from the sale of new business in the amount of PLN 87 m
- variances in the development of the insured's portfolio (PLN 7 m)
- CSM increase by the change in the time value of money – accrued interest
- CSM release in the amount of PLN 68 m – profit attributable to the current period

Investment result

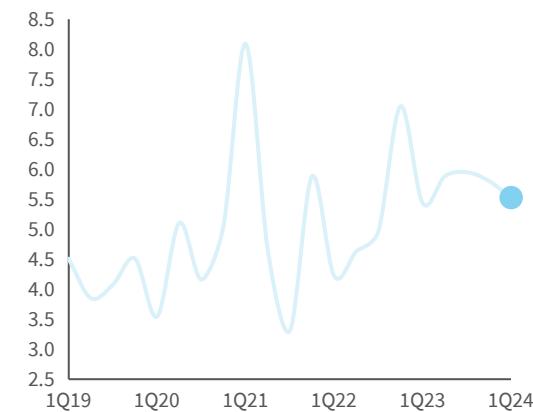
IFRS, m PLN	1Q23	1Q24	Change y/y
Investment income less interest expenses	4 525	5 135	13,5%
Investment result allocated to insurance segments in Poland ex unit-linked	507	521	2,8%
Unit-linked	212	161	(24,1%)
Investment result allocated to insurance segments abroad	25	38	52,0%
Surplus portfolio, TFI, PTE	45	92	104,4%
Banking activities including PPA	3 736	4 323	15,7%
Total, insurance segments, investment activities and other	789	812	2,9%
Main portfolio	600	647	7,8%
Debt instruments - interest	507	519	2,4%
Debt instruments - revaluation and execution	8	22	180,1%
Equity instruments	(16)	49	x
Real estate	101	57	(43,9%)
Investment products	212	161	(24,1%)
Other	(23)	4	x

Structure of the core portfolio by asset class and methods of their valuation

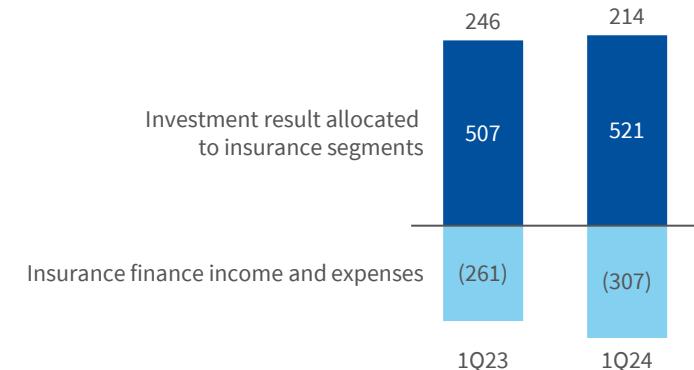


- Secure portfolio structure:** debt instruments account for 84% of the portfolio, government debt is 61% of the portfolio
- Profitability of the main portfolio** with FX on liabilities **at 5.5 % in 1Q24**
- Higher interest income y/y** due to the purchase of Polish treasury bonds at high market yields
- Improvement of the equity instruments portfolio result y/y due to the increase in indices
- Lower y/y real estate portfolio** caused by last year's higher income from swap points on currency hedging instruments
- Positive impact of other items** particularly as a result of the increase in the result from investments of subordinated companies

Return on FX core portfolio from liabilities (%)



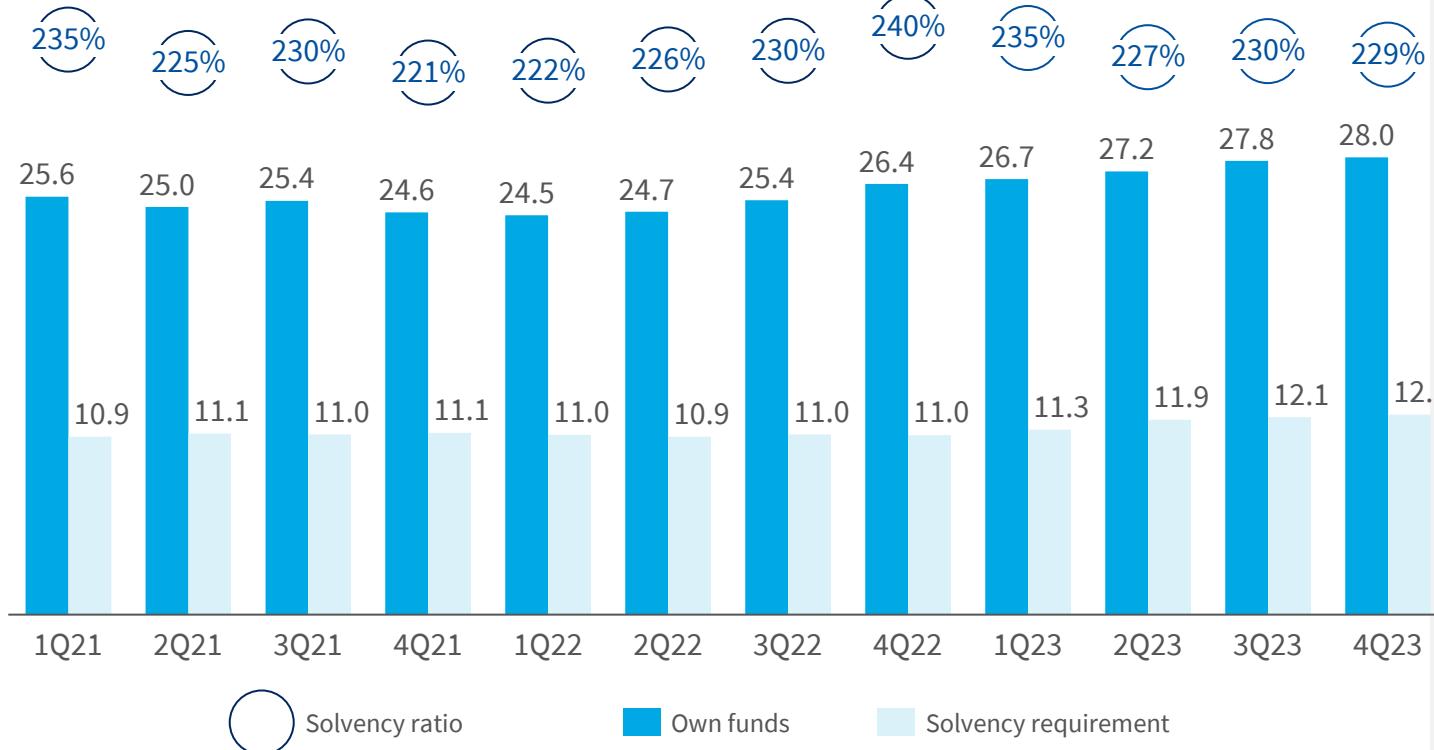
Investment result allocated to insurance segments in relation to insurance expenses and revenue* (PLN m)



* Excluding unit-linked and foreign operations

High level of solvency of the Group

Solvency II ratio¹, 31 December 2023



Solvency ratio calculated according to the formula:
Own funds / solvency requirement.

Annual data based on audited reports on solvency and financial condition (SFCR) available at <https://www.pzu.pl/relacje-inwestorskie>. Other unaudited data.

1. Infra-annual data presented in accordance with the previous methodology, according to which own funds were reduced by 80% of the PZU Group's consolidated result attributable to PZU shareholders. It does not take into account the new rules included in the KNF's circular letter to insurance companies dated 16 April 2021, according to which, starting from 1Q 21 a new element in the calculation of company and group solvency in interim periods is an adjustment for the entire amount of dividends expected for the year.

2. Before the effects of diversification

Increase in own funds in 4Q23 by PLN 0.2 bn

Main causes:

- operating flows (PLN +1.2 bn)
- investment results (PLN +0.6 bn) and bond valuation (PLN +1.1 bn)
- increase in own funds of other sectors (PLN +0.3 bn PLN)
- decrease in own funds by anticipated dividend (PLN -1.2 bn PLN)
- increase in the best estimate of provisions and reinsurance receivables (PLN -1.8 bn)

SCR growth in 4Q23 by PLN 0.2 bn

The main drivers of the q/q decline:

- increase in the requirement of entities belonging to sectors other than insurance (PLN +0.1 bn)
- decrease due to tax adjustment (PLN +0.1 bn)
- decrease in the basic solvency capital requirement (BSCR, PLN -0.03 bn),



Standalone results of PZU SA – impact of banks and dividends of PZU Życie

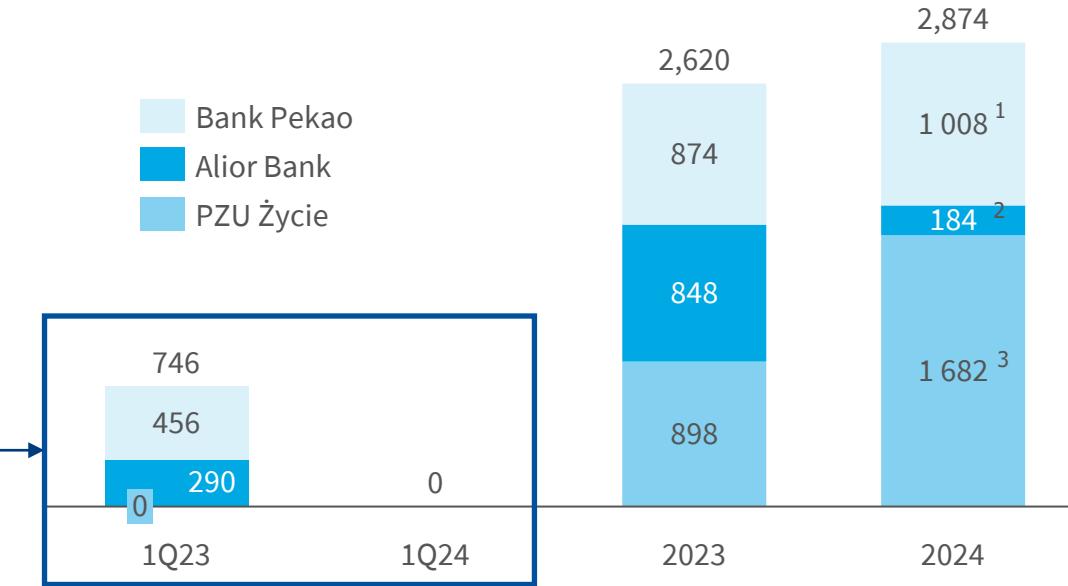
PZU SA's standalone result in 1Q24

(PLN m, local accounting standards)

	1Q23	1Q24
Gross written premium	4,443	4,904
Net earned premium	3,251	3,560
Technical result	268	375
Investment income (excluding income transferred to technical account)	940	185
Net profit	962	301

Impact of banks and PZU Życie on PZU SA's results

(PLN m)



Drop in PZU SA's investment income in 1Q24 vs. 1Q23 results from the specifics of equity method, used for valuation of subsidiaries (including banks). **1Q23 was impacted by reversal of negative valuations of banks recognized in previous periods.** Further growth in bank's net asset values in 1Q24, which result in a build-up of the book value exceeding purchase price, **is recognized in revaluation reserve (in equity)**

Received dividends and the increase in bank capitals recognized in 2023 amounted to jointly PLN 2.6 bn. Dividends paid in 2024 and declared for payment in 2024⁴ exceed that amount by over PLN 250 m

1. Dividend paid by Bank Pekao

2. Dividend approved by Alior Bank's Shareholder Meeting

3. Dividend proposed by PZU Życie Management Board

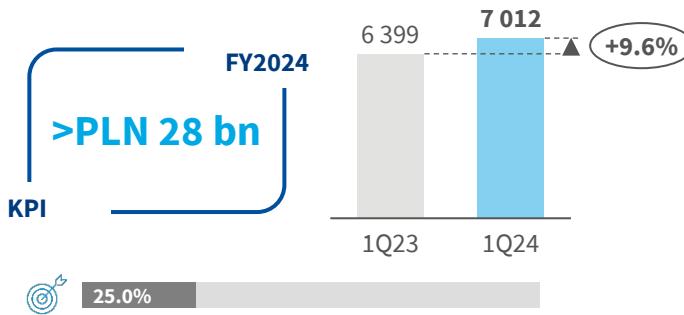
4. Bank Pekao, Alior Bank, PZU Życie



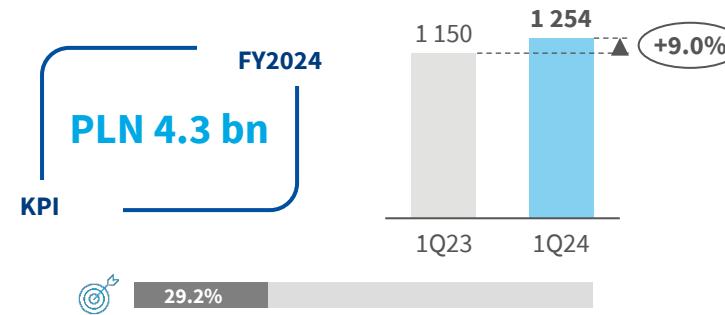
4. Strategy

Strategic goals until 2024 and their implementation in 1Q24

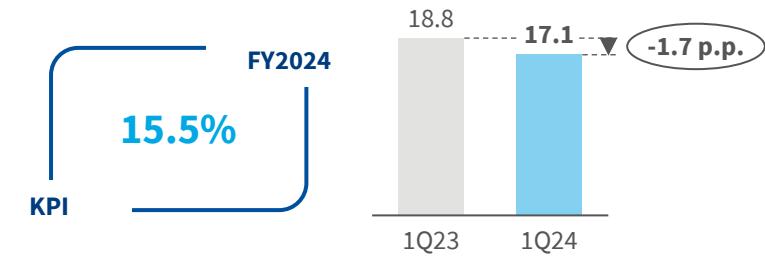
Gross insurance revenue¹ (PLN m)



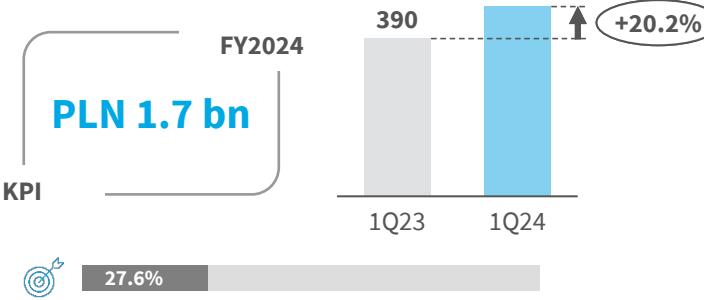
PZU Group net profit² (PLN m)



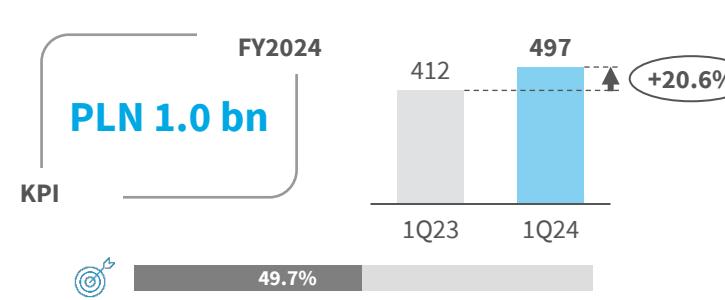
aROE³ (%)



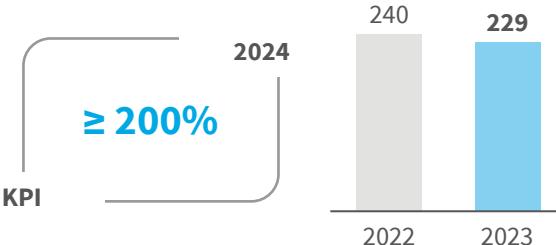
Health Pillar Revenue (PLN m)



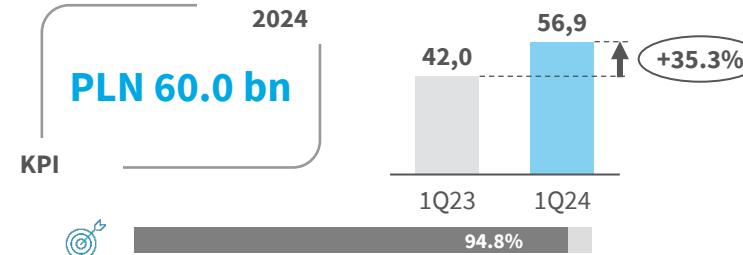
Banks' contribution to PZU Group's net results² (PLN m)



Solvency II ratio (%)



Assets under management⁴ (PLN bn)



1. Gross insurance revenue of PZU Group
2. Net profit attributable to the shareholders of the parent company
3. Adjusted return on equity (aROE %). Calculated on an equity basis excluding other comprehensive income from insurance business (reflecting the impact in the macroeconomic environment on the PZU Group's capital)
4. External client assets under management of TFI PZU, Pekao TFI and Alior TFI

27.04.2023 – Presentation “The impact of the implementation of IFRS 17 and changes in the macroeconomic environment on the indicators of the PZU Group Strategy for 2021–2024”

https://www.pzu.pl/_fileserver/item/1545908

We offer farmers and fruit growers the reduction of crop costs with the support of artificial intelligence

One of the objectives of the PZU Group's Strategy for 2021–2024 is to focus on taking advantage of the opportunities presented by new technologies, including AI, Big Data and solutions that support the development of advanced analytics.



PZU's proprietary program and cooperation with Agro Smart Lab

The solution introduced for our clients is the result of PZU's cooperation with the Polish company Agro Smart Lab, which offers the Farm Smart system. This is a pioneering cooperation between the insurance sector and an entity that supports smart agriculture. The PZU iAgro platform, based on this system, makes it possible to take advantage of a precise monitoring and signaling system for disease infections and pests. The solution is also characterized by the first CO₂ savings calculator integrated with a precision farming system

How the platform works

The system allows to determine when and how many protective treatments to apply. A procedure carried out too late, or a wrongly identified pathogen, may decrease the quality of the crops. The system is based on the use of modern, self-contained measuring stations. They measure many parameters, for example, air and substrate humidity, precipitation, and leaf wetting time through an "artificial leaf" sensor. The stations are accompanied by pest traps equipped with computer vision systems (AI and Computer Vision algorithms). Each day, they send photos of the pests they have caught to the system, which are tagged and counted by an algorithm. The tool brings together more than 70 mathematical disease models developed by researchers from around the world

Key benefits

Farmers using the tool's features can reduce crop losses and cut unnecessary use of crop protection products, which translates into reduced production costs. In addition, PZU iAgro helps to optimize environmental impact with a calculator that converts reduced agronomic treatments into saved CO₂

Currently, the program is run in a pilot formula – in 6 voivodships with the highest concentration of crops insured during the spring season



Sustainable development



PZU with high rating
in a global survey
CDP environmental
survey

PZU received a high “B” grade in CDP's Global Environmental Survey

- PZU's actions have been rated B by the Carbon Disclosure Project (CDP), an international non-profit organization that runs the world's leading environmental disclosure platform
- PZU recorded an increase over last year's grade (C) and achieved an average grade for Europe and the financial services sector
- The rating authors gave high marks to PZU's performance in reducing Scope 1 and Scope 2 greenhouse gas emissions. They also appreciated PZU's initiatives to reduce its impact on climate change and the development of its low-carbon product portfolio. PZU has also improved its climate risk management process compared to previous years



Implementation of the ENERGY PRO program



Winter Senior Academy



Inauguration of Energy PRO project – Energy Sustainable Company

- PZU Lab, along with its partners – the Institute of Fluid-Flow Machinery of the Polish Academy of Sciences and the KEZO Research Center, as well as Alior Leasing inaugurated a new project focused on connecting the world of industry with the world of insurance
- The Energy Pro project includes a comprehensive implementation of investments in energy security – from analysis process and energy cost through construction of the company's energy model, report with decision options, financing – to design and supervision of the investment process with implementation, commissioning and acceptance
- PZU Lab certifies suppliers of the RES solution – this process takes place at the level of the entire supply chain – from design to operations

Winter Senior Academy – lessons on health

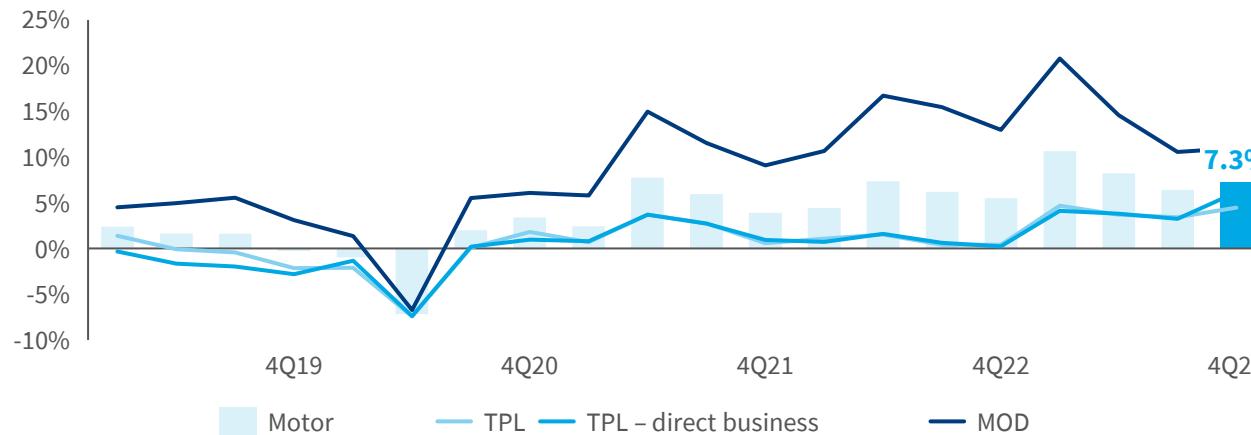
- PZU Zdrowie, in cooperation with the National Institute of Silver Economy, hosted a series of free webinars on the health of mature people
- The goal of the Winter Senior Academy was to promote health prevention among senior citizens
- Thematic meetings about dietetics, physiotherapy and cardiology, were led by PZU Zdrowie experts



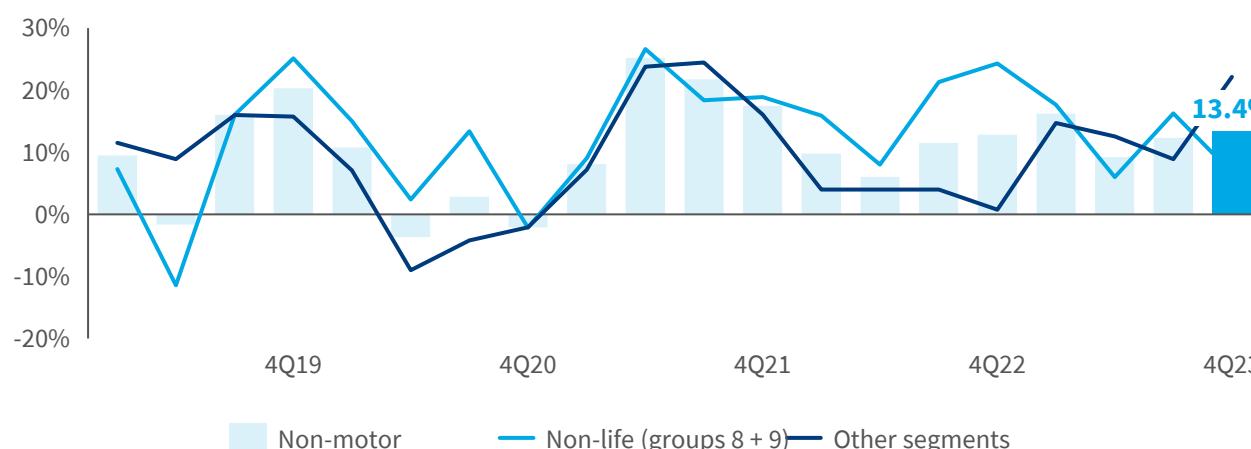
5. Annexes

Trends in the non-life insurance market in Poland

Motor insurance market dynamics¹, y/y



Non-motor insurance market dynamics¹, y/y



1. According to the KNF's report after 4Q 23

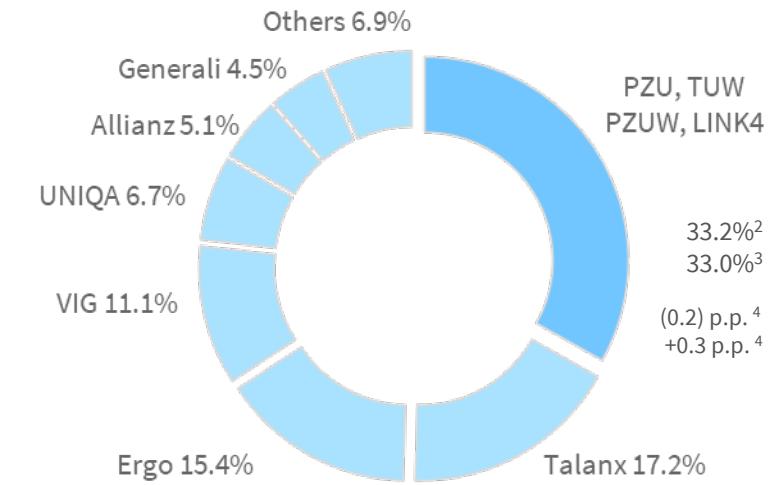
2. According to the KNF's report after 4Q 23; i.e., market and market share including PZU's inward reinsurance to LINK4 and TUW PZUW

3. PZU Group's market share in non-life insurance on direct business after 4Q 23

4. Change in share y/y, respectively: including PZU's inward reinsurance to LINK4 and TUW PZUW and from direct business

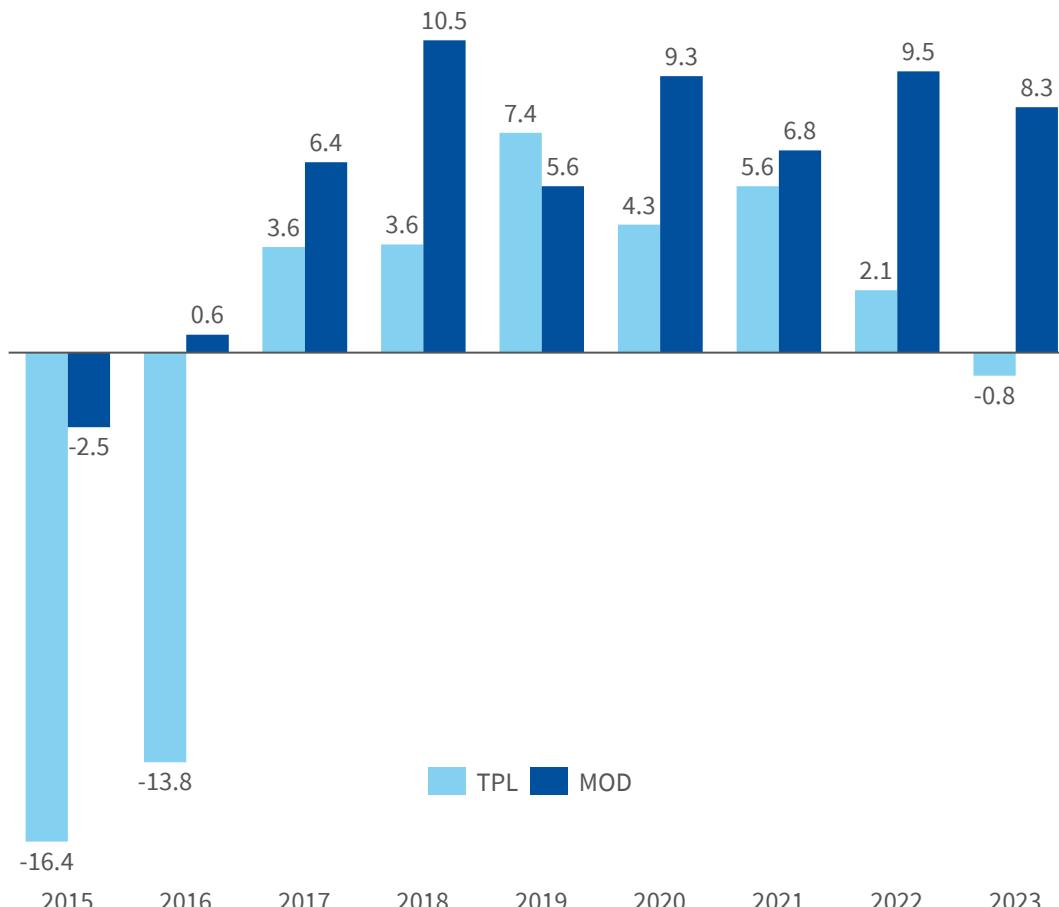
- **The motor insurance market grew in 4Q23 (gross written premium +7.3% y/y).** Growth mainly in MOD insurance (+11.0% y/y) and increasing dynamics in TPL insurance sector +4.5% y/y (+6.2% from direct business). TPL insurance premiums from direct business in 4Q23 were rising due to an increase in average prices (+4.0% y/y)¹ accompanied by an increase in the number of TPL policies (+2.1% y/y)
- **Continued growth in non-motor insurance (+13.4% y/y).** Non-life insurance (+PLN 268.9 m, +6.7% y/y), general TPL insurance (+PLN 183.6 m; +18.6% y/y) and marine, aviation and transport insurance (+PLN 175.0 m, +108.2% y/y) were the biggest contributors to growth in value terms
- **PZU Group's market share in non-life insurance** (direct business) after 4Q23 was 33,0%
- **High share of PZU Group's technical result in the technical result of the market at 50.0%¹**

Market shares in 2023²



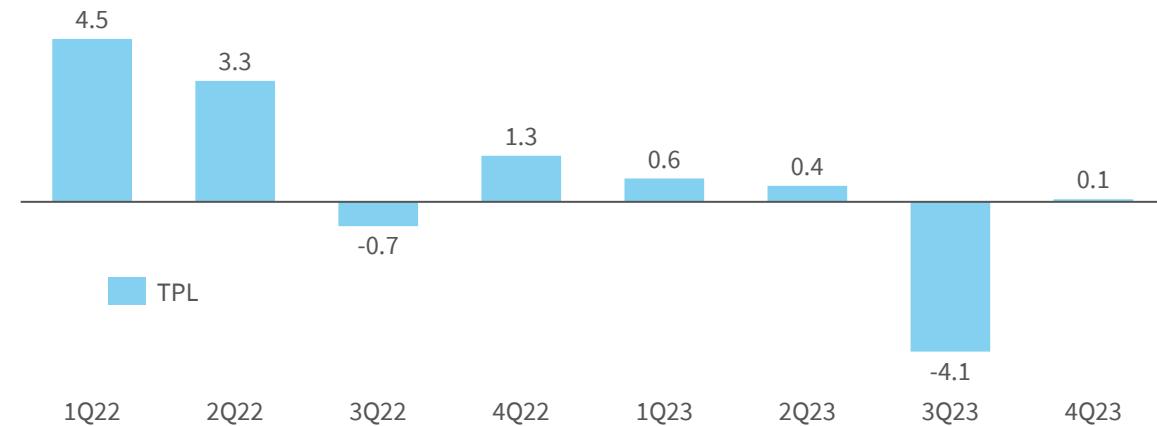
Motor insurance market in Poland - profitability

TPL and MOD insurance market profitability, YTD, %¹



- 2023 has marked the first technical loss on a TPL insurance product since 2016. After gradually deteriorating for several quarters with a slight improvement in the last quarter of 2023.
- Maintaining MOD insurance profitability at a good high level

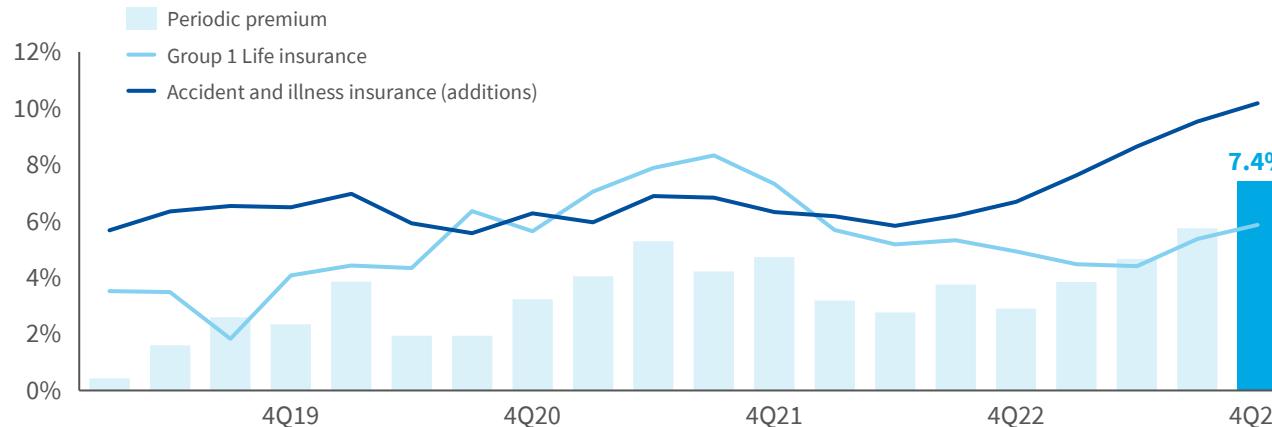
TPL market insurance profitability, on a quarterly basis, %¹



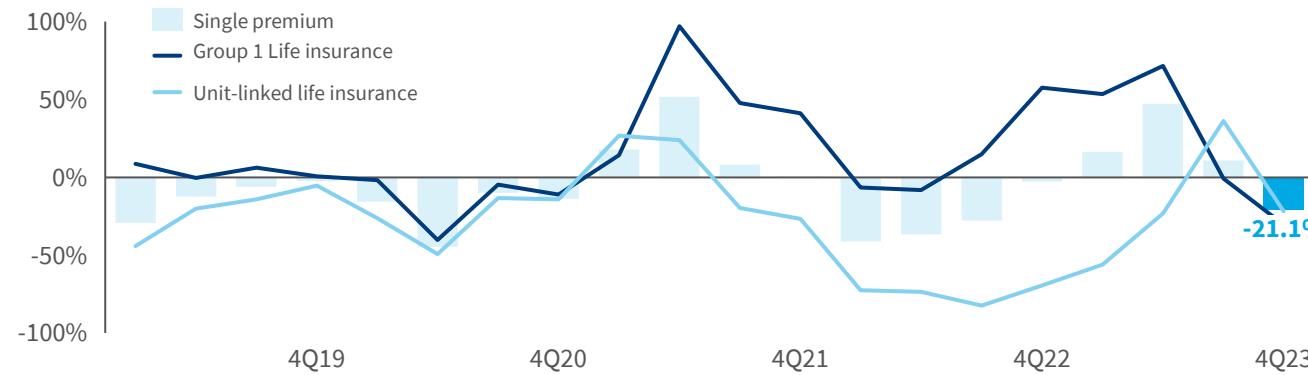
¹Source: The Quarterly Bulletin of the Polish Financial Supervision Authority (www.knf.gov.pl). Insurance Market 3/2023; Profitability as a quotient of technical result and net earned premiums

Trends in the life insurance market in Poland

Dynamics of insurance market with periodic premiums¹, y/y



Dynamics of insurance market with single premiums¹, y/y

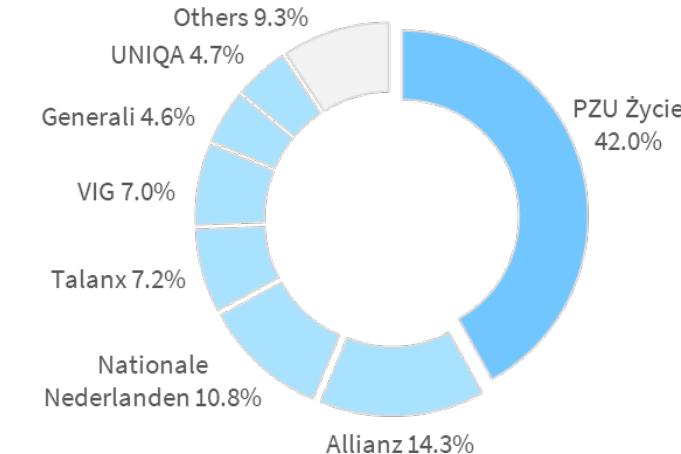


1. According to the KNF's report after 4Q23

2. PZU Group's share of gross written premiums from insurance premiums paid periodically as reported by the KNF after 4Q23

- **Periodic premium insurance market** (87% of the market) **grew in 4Q with a dynamics of 7.4% y/y** – biggest impact by value: Group V insurance – **accident and illness insurance (+PLN +188.9 m, +10.2% y/y)** and **Group I life insurance (+PLN +112.7 m, +5.9% y/y)**
- **Return to declines in insurance with single premiums** (13% of the market) **-21.1% y/y**. Biggest negative impact by value of Group I insurance – **life insurance (-PLN 225.1 m, -30.4% y/y)**, with an increase in Group V **accident and illness insurance (+PLN 57.6 m, +86.8% y/y)**
- **PZU Group's growing share in the single-premium insurance market** (29.6% after 12 months of 2023 against 23.5% after 12 months of 2022) – impact of the introduction of a new individual life and endowment insurance with guaranteed sums insured in the second half of 2022; product offered in PZU branches and in cooperation with PZU Group banks
- PZU Group's stable share of the periodically paid insurance market in 2023 at the level of **42.0%**.

Market shares in periodic premium² in 2023



Profitability by operating activities segments under IFRS 17

Insurance segments	Insurance revenue			Result*			Combined ratio / Margin	
	1Q23	1Q24	Change y/y	1Q23	1Q24	Change y/y	1Q23	1Q24
m PLN, IFRS17								
Total non-life insurance – Poland	3 775	4 185	10,9%	675	530	(21,5%)	85,5%	90,1%
Mass insurance – Poland	2 815	3 054	8,5%	509	292	(42,6%)	86,0%	93,3%
Motor TPL	1 046	1 100	5,2%	59	-54	x	94,3%	104,9%
MOD	775	878	13,3%	83	60	(27,7%)	89,2%	93,2%
Other products	994	1 076	8,2%	247	195	(21,1%)	74,6%	81,4%
Net financial revenue	x	x	x	120	91	(24,2%)	x	x
Corporate insurance – Poland	960	1 131	17,8%	166	238	43,4%	83,3%	77,0%
Motor TPL	159	157	(1,3%)	5	2	(60,0%)	96,8%	98,7%
MOD	218	245	12,4%	50	44	(12,0%)	76,4%	81,6%
Other products	583	729	25,0%	53	128	141,5%	80,9%	64,5%
Net financial revenue	x	x	x	58	64	10,3%	x	x
Total life insurance – Poland	1 989	2 125	6,8%	364	444	22,0%	18,3%	20,9%
Group and individually continued insurance	1 815	1 922	5,9%	277	343	23,8%	15,3%	17,8%
Individual insurance	150	179	19,3%	75	87	16,0%	50,0%	48,6%
Investment insurance	24	24	x	12	14	16,7%	x	x
Total non-life insurance – Ukraine and Baltic States	614	685	11,6%	82	85	3,7%	87,5%	89,2%
Baltic countries	576	633	9,9%	70	77	10,0%	88,2%	89,1%
Ukraine	38	52	36,8%	12	8	(33,3%)	76,3%	90,4%
Total life insurance – Ukraine and Baltic States	21	17	(19,0%)	15	9	(40,0%)	71,4%	52,9%
Lithuania	10	11	10,0%	5	4	(20,0%)	50,0%	36,4%
Ukraine	11	6	(45,5%)	10	5	(50,0%)	90,9%	83,3%

* Operating result

Insurance service result

PZU Group gross written premium

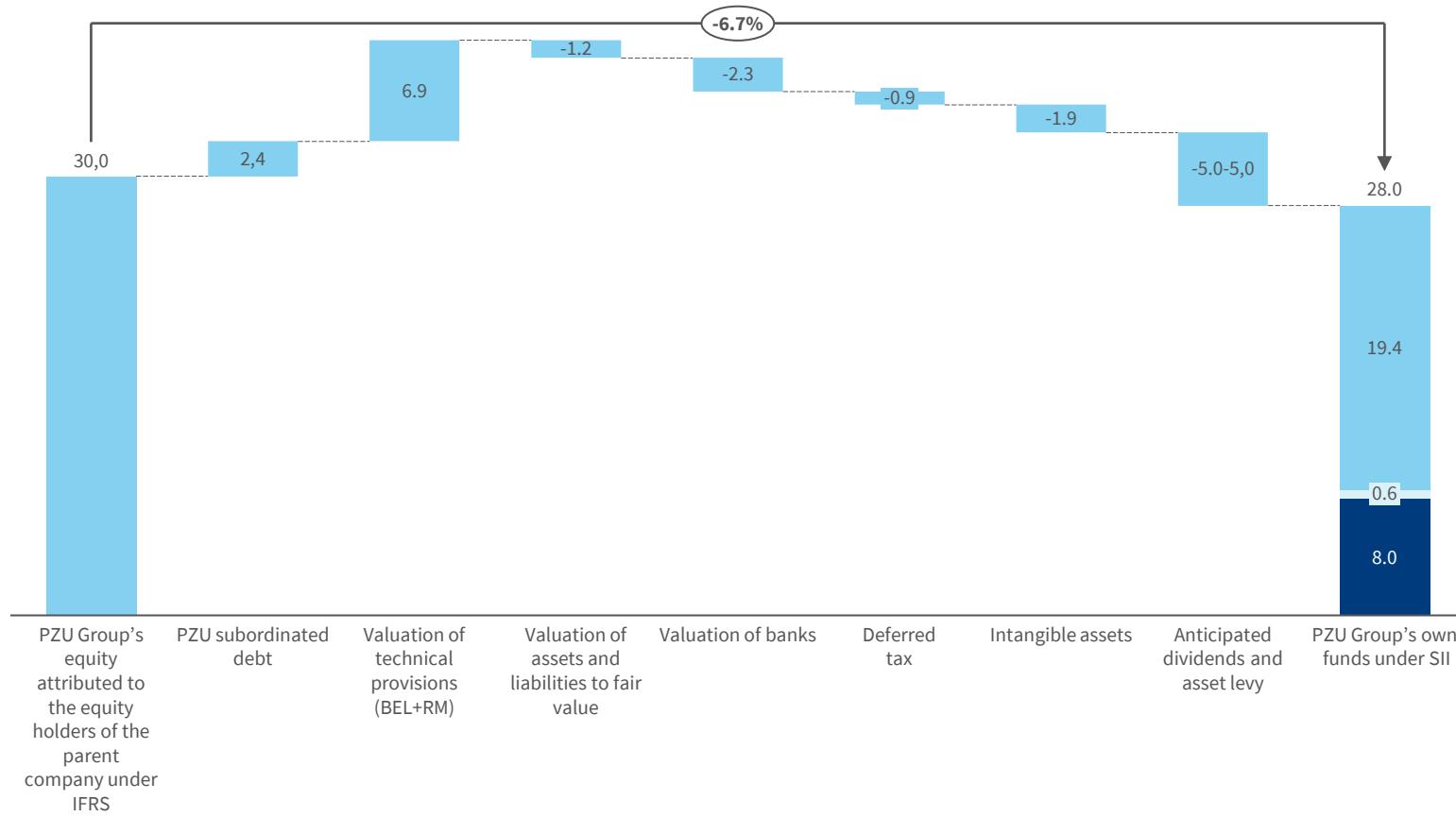
Insurance segments m PLN, local GAAP	1Q23	4Q23	1Q24	Change y/y	Change q/q
External gross written premium	7,053	8,269	7,657	8.6%	(7.4%)
Razem ub. majątkowe i osobowe - Polska	4,111	5,223	4,565	11.0%	(12.6%)
Mass insurance – Poland	3,240	3,308	3,424	5.7%	3.5%
Motor TPL	1,146	1,152	1,172	2.3%	1.7%
MOD	917	908	991	8.1%	9.1%
Other products	1,177	1,248	1,261	7.1%	1.0%
Corporate insurance – Poland	871	1,915	1,141	31.0%	(40.4%)
Motor TPL	159	184	154	(3.1%)	(16.3%)
MOD	227	262	226	(0.4%)	(13.7%)
Other products	485	1,469	761	56.9%	(48.2%)
Total life insurance – Poland	2,206	2,284	2,315	5.0%	1.3%
Group and individually continued insurance - Poland	1,828	1,872	1,894	3.7%	1.2%
Individual insurance – Poland	378	413	421	11.2%	1.9%
Premium on protection products	181	255	247	36.3%	(3.0%)
Premium on periodic investment products	34	32	33	(0.5%)	4.4%
Premium on single investment products	163	126	140	(14.2%)	11.2%
Total non-life insurance – Ukraine and Baltic States	700	710	742	5.9%	4.5%
Baltic countries	663	648	691	4.3%	6.7%
Ukraine	37	62	50	36.0%	(18.8%)
Total life insurance – Ukraine and Baltic States	36	39	36	(0.1%)	(7.8%)
Lithuania	25	26	25	1.2%	(2.7%)
Ukraine	11	13	11	(3.1%)	(18.0%)



Own funds

PZU Group data in Solvency II as of 31 December 2023 (PLN bn)

Comparison of own funds and consolidated equity under IFRS



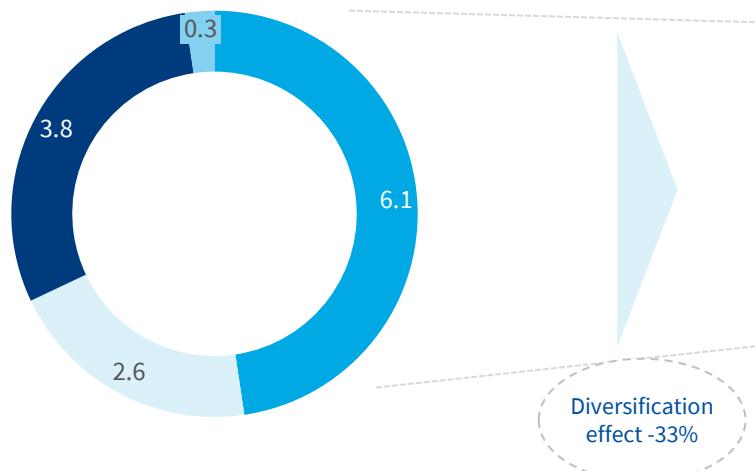
Own funds according to SII:

- contractual service margin as the main reason for differences in technical provisions valuation
- less anticipated dividends; in interim periods – 80% of the PZU Group's profit attributable to shareholders of the parent company
- less projections of the amount of tax on assets expected to be paid by insurance companies within 12 months after the balance sheet date

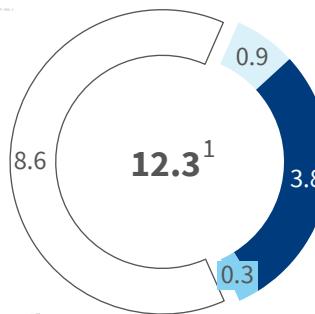
Solvency capital requirement (SCR)

PZU Group data in Solvency II as of 31 December 2023 (PLN bn)

Basic solvency capital requirement (BSCR)



Solvency capital requirement (SCR)



Diversification effect -33%

- Non-life and health insurance
- Life insurance
- Market risk
- Counterparty's insolvency (CDR)

- BSCR
- Operational risk
- Banks
- Other (TFI, PTE)

Increase in solvency requirement in 4Q23 by PLN 0.2 bn.

Main reasons for SCR changes:

- decrease in risk in non-life insurance (-PLN 0.06 bn²) in the face of a lower premium plan and an increase in the liability limit of reinsurers for catastrophic risks
- PLN +0.05 bn increase in market risk² caused by:
 - decrease in equity and real estate exposure (-PLN 0.03 bn²) and an increase in credit spread risk (PLN 0.07 bn²)
 - decrease in rate risk after decrease in long-term rates (-PLN 0.04 bn²)
 - increase in currency risk (increase in short position according to SII regulation on EUR, +PLN 0.07 bn²)
- decrease in tax adjustment due to increase in non-tax market valuation of banks (+PLN 0.06 bn²)
- increase in requirements of banks and investment entities (+PLN 0.13 bn²) due to, among other things, a change in Pekao's method of calculating operational risk.

1. The difference between SCR and a total of: BSCR, operational risk, the requirement of the banking sector and other financial institutions is due to the tax adjustment (LAC DT).

2. Before the effects of diversification.

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Thank you

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