This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

Independent Auditor's Report

To the General Shareholders' Meeting and Supervisory Board of Powszechny Zakład Ubezpieczeń S.A.

Report on the Audit of the Annual Consolidated Financial Statements

Opinion

We have audited the accompanying annual consolidated financial statements of Powszechny Zakład Ubezpieczeń S.A. Group (the "Group"), whose parent entity is Powszechny Zakład Ubezpieczeń S.A. (the „Parent Entity"), which comprise:

- the consolidated statement of financial position as at 31 December 2023;

and, for the period from 1 January to 31 December 2023:

- the consolidated profit or loss account;
- the consolidated statement of other comprehensive income;
- the consolidated statement of changes in equity;
- the consolidated cash flow statement;

and

- the supplementary information and notes

(the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements of the Group:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS EU") and the adopted accounting policy;
- comply, in all material respects, with regard to form and content, with applicable laws and the provisions of the Parent Entity's articles of association.

Our audit opinion on the consolidated financial statements is consistent with our report to the Audit Committee dated 20 March 2024.

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Company registered at the District Court for the capital city of Warsaw in Warsaw, 12th Commercial Division of the National Business Register.

KRS 0000339379
NIP: 527-26-15-362
REGON: 142078130

Basis for Opinion

We conducted our audit in accordance with:

- International Standards on Auditing as adopted by the National Council of Statutory Auditors and the Council of Polish Agency for Audit Oversight as National Standards on Auditing (the “NSA”);
- the act on statutory auditors, audit firms and public oversight dated 11 May 2017 (the “Act on statutory auditors”);
- regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the “EU Regulation”); and
- other applicable laws.

Our responsibilities under those standards and regulations are further described in the Auditor’s Responsibility for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Ethics

We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) as adopted by the resolution of the National Council of Statutory Auditors („NCSA”), together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Poland and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During our audit the key statutory auditor and the audit firm remained independent of the Group in accordance with requirements of the Act on statutory auditors and the EU Regulation.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They are the most significant assessed risks of material misstatement, including those due to fraud. Key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon we have summarised our response to those risks. We do not provide a separate opinion on these matters. We have determined the following key audit matters:

<table>
<tr><th colspan="2">Initial application of IFRS 17 Insurance contracts</th></tr>
<tr><td colspan="2">Total net impact of initial application of IFRS 17 “Insurance contracts” (“IFRS 17” or “the Standard”) as at 1 January 2022 (“transition date”) amounted to PLN 4 992 million (Cr), recognized as an increase in retained earnings by PLN 5 724 million and a decrease in accumulated other comprehensive income (OCI) by PLN 732 million.
Reference to the consolidated financial statements: Note 6.2.1 “Implementation of IFRS 17”</td></tr>
<tr><td>Key point of research</td><td>Our response</td></tr>
<tr><td>IFRS 17, effective for annual reporting periods beginning on 1 January 2023, introduced new recognition, measurement, presentation and disclosure requirements for insurance contracts. Following the requirements of the Standard, at transition date, the Group identified, recognized and measured each group of insurance contracts</td><td>Our audit procedures, performed with the assistance of our own actuarial specialists, included, among others:

• inspecting the Group’s accounting policies and actuarial methods and models, and</td></tr>
</table>

based on the full retrospective approach (FRA), unless impracticable, in which case modified retrospective approach (MRA) or fair value approach were applied. The above approaches were applied to different groups of insurance contracts, as considered appropriate under the circumstances. The Standard's adoption was associated with the following main complexities: — application of the said approaches required significant judgment and developing new assumptions; — under the Standard, the Group was also required to the determine the appropriate model to be applied in measuring the liability for remaining coverage (LRC) for a given group of contracts. Management's use of the premium allocation approach (PAA) or variable fee approach (VFA) was associated with a complex eligibility assessment; — IFRS 17 expanded on the scope of disclosures required in the Group's consolidated financial statements compared with those previously required by IFRS 4 Insurance contracts. In the wake of the above factors, auditing the Standard's initial application by the Group was also complex and required significant judgement due to complexity of models and accounting policy choices. The area was therefore considered by us to be a key audit matter.	assessing their compliance with the requirements of the Standard; • for a sample of insurance contracts, challenging the grouping of the contracts, by inspecting the contractual conditions and also evaluating the appropriateness of the transition approach adopted; • challenging key assumptions applied within the transition-date measurement models, by reference to a range of external and internal sources of data; • for the full retrospective approach (FRA), recalculating the CSM for a sample of groups of insurance contracts; • for the modified retrospective approach (MRA), challenging whether the modifications applied, including those related to future cash flows at the date of initial recognition, were derived using reasonable and supportable information and maximized the use of information that would have been used to apply a fully retrospective approach; • challenging, for a sample of insurance contract groups, management's judgements and estimates applied in establishing the eligibility for the use of the PAA or VFA measurement models for the LRC; • examining whether the Group's disclosures in the consolidated financial statements appropriately address the relevant quantitative and qualitative requirements of IFRS 17.

Liability for incurred claims for insurance contracts under the premium allocation approach

The carrying amount of LIC - insurance contracts under PAA: PLN 15,990 million as at 31 December 2023 (including PLN 14,837 million of PVFCF and PLN 1,153 million of RA) and PLN 13,493 million as at 31 December 2022 (including PLN 12,357 million of PVFCF and PLN 1,136 million of RA).

Reference to the consolidated financial statements: Note 11. "Insurance contracts and reinsurance contracts" and Note 11.4.1.1 "Analysis by remaining coverage period and claims incurred"

Key audit matter	Our response
Liability for incurred claims for insurance contracts under PAA (LIC) constitutes a significant element of insurance contract liabilities in the Group's statement of financial position. In measuring the liability, the Management Board of the Parent Entity was required to estimate the present value of future cashflows (PVFCF) for claims that occurred until 31 December 2023 and the risk adjustment for non-financial risk (RA) arising from the uncertainty in the said cashflows.	Our audit procedures, performed with the assistance of our actuarial specialists, included, among others: • assessing the methods of estimating the IBNR and RBNP for annuities applied by the Group, for consistency of application and also against relevant legal, regulatory and financial reporting requirements; • testing the design, implementation and operating effectiveness of selected controls

The estimation of PVFCF in part related to incurred but not reported claims (IBNR) and reported annuity claims (RBNP for annuities) requires the Management Board of the Parent Entity to apply professional judgment as well as complex and subjective assumptions, especially for lines of business that are considered longer tail such as Motor Third Party Liability (MTPL). This is the case in particular for development of bodily injury claims, including annuities, as well as pain and suffer claims, as a result of the lack of comprehensive information on past occurrence of such type of claims that still burden the risk of payment. In addition, the ultimate loss amounts are also uncertain due primarily to demographic factors and lack of detailed legal solutions regulating the amount of pain and suffer claims. Relatively insignificant changes in the key assumptions may have a material impact on the amount of the LIC. The key assumptions include: — claims development ratios; — indexation levels of annuities; and — assumed mortality. Estimating IBNR and RBNP for annuities also requires applying complex formulas and calculation tools that may not work properly and / or rely on incorrect assumptions. In addition, a number of acceptable actuarial methods exist for determining the IBNR and RBNP for annuities. In the wake of the above factors, satisfying ourselves regarding measurement of the LIC, required our increased attention in the audit and as such was determined to be a key audit matter.	within the process of estimating IBNR and RBNP for annuities, including those over: — establishing and revising actuarial assumptions; — completeness and accuracy of the underlying data; and — output of the calculation of IBNR and RBNP for annuities; • for selected insurance contract groups - independent recalculation of the IBNR and RBNP for annuities and investigating any material differences in comparison to the Group's estimate; • performing a retrospective assessment of the Group's estimation of IBNR by comparing the prior year's estimate with the actual outcomes; • assessing the key assumptions in the estimation of IBNR and RBNP for annuities, by analysing changes over time in their value, as well as: — for claim development ratios - by reference to the Group's historical data regarding reported and settled claims; — for indexation levels of annuities - by reference to the Group's analysis of historical changes in the amounts of paid annuities; — for assumed mortality – by reference to publicly available data regarding annual number of deaths in each age bucket. • examining whether the Group's disclosures in the consolidated financial statements relating to LIC under PAA appropriately address the relevant quantitative and qualitative requirements of the applicable financial reporting framework.

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Liability for remaining coverage (LRC) for life insurance contracts not measured under the premium allocation approach (PAA)	
The carrying amount of Insurance contract liabilities for life insurance contracts not measured under PAA: PLN 19,584 million (including PLN 9,676 million of PVFCFs, PLN 1,458 million of RA LRC and PLN 8,450 million of CSM) as at 31 December 2023 and PLN 17,754 million (including PLN 8,263 million of PVFCFs, PLN 1,341 million of RA LRC and PLN 8,150 million of CSM) as at 31 December 2022. Reference to the consolidated financial statements: Note 11 "Insurance contracts and reinsurance contracts" and Note 11.4.1.2. "Analysis by valued component - contracts not measured under PAA"	
Key audit matter	**Our response**
Liability for remaining coverage – LRC for life insurance contracts not measured under PAA ('the liability") represents a significant element of insurance contract liabilities in the Group's statement of financial position. In measuring the liability, management was required to estimate the present value of future cash flows (PVFCFs), risk adjustment for non-financial risk (RA LRC) and contractual service margin (CSM). Estimation of PVFCFs requires the Management Board of the Parent Entity to apply professional judgment, as well as complex and subjective assumptions, including those with a long-time horizon. Those assumptions are treated as inputs into the cash flow models using actuarial methods. PVFCFs and further data and assumptions are then used to calculate the RA LRC and CSM. Relatively insignificant changes in the key assumptions may have a material impact on the amount of the liability. The key assumptions include: — mortality, accident, and morbidity rates; — resignation/lapse ratios; — expenses; and — discount rates. The determination of PVFCFs also requires applying complex formulas and calculation tools that may not work properly and / or rely on incorrect assumptions. For the above reasons, we considered the measurement of liability for remaining coverage for life insurance contracts not measured under PAA to be a key audit matter.	Our audit procedures, performed with the assistance of our own actuarial specialists, included, among others: • evaluating the Group's methods and models applied in estimating the liability, for consistency of application and also against relevant legal, regulatory and financial reporting requirements; • testing the design, implementation and operating effectiveness of selected controls within the process of the liability measurement, including those over: — establishing and revising actuarial assumptions; — completeness and accuracy of underlying data; and — calculation of PVFCFs. • challenging the key actuarial assumptions used by the Group, as follows: — mortality, accident and morbidity rates, lapse ratios and expenses - by reference to the Group's historical studies or external market data, as considered appropriate; — discount rates – primarily by reference to risk free rates obtained from publicly available external sources. • for selected groups of insurance contracts - independently recalculating PVFCFs and comparing the results to those of the Group at 31 December 2023; • examining whether the LRC-related disclosures in the consolidated financial statements appropriately address the qualitative and quantitative requirements of the relevant financial reporting standards.

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Expected credit losses for loan receivables from clients and provisions for off-balance-sheet liabilities in banking activity	
The carrying amount of loan receivables from clients in banking activity amounted to PLN 218,808 million as at 31 December 2023 and PLN 212,693 million as at 31 December 2022. Allowance for expected credit losses on loan receivables from clients amounted to PLN 13,867 million as at 31 December 2023 and PLN 14,563 million as at 31 December 2022. Provisions for off-balance sheet commitments amounted to PLN 578 million as at 31 December 2023 and PLN 514 million as at 31 December 2022. Net allowances for expected credit losses in 2023 amounted to PLN (1,124) million, and in 2022 PLN (3,068) million. Reference to the consolidated financial statements: Note 16 „ Movement in allowances for expected credit losses and impairment losses on financial instruments", Note 33 "Loan receivables from customers", Note 38 "Expected credit losses and impairment of financial assets" and Note 46 „Provisions"	
Key audit matter	**Our response**
Loan receivables from clients carried at amortized cost or at fair value through other comprehensive income are presented net of impairment allowances estimated based on the expected credit loss model. The process of estimating the allowances includes two key stages - identification of default or significant increase in credit risk, and measurement of expected credit losses. The loss allowance represents a reporting-date estimate of the credit losses expected to occur on loan receivables over the following 12 months or over the entire lifetime of the exposure. Default and significant increase in credit risk are identified mainly based on payment delinquencies, borrowers' financial standing and the current assessment of the probability of default as compared to one at the exposure's initial recognition. Expected credit losses are estimated individually and, for homogenous loan portfolios, collectively, based on statistical methods using risk parameters. The collective method relies on significant assumptions determined for each homogeneous group of loan receivables, including risk parameters such as the probability of default (PD), loss given default (LGD) or exposure at default (EAD) as well as the criteria/ allocation thresholds to risk categories (stages), based on historical data and also considering expected macroeconomic conditions. Measurement of collective expected credit losses requires the Parent Entity's Management Board to use significant judgment and make significant assumptions, particularly with respect to projections of future economic conditions, identification of default and significant increase in	Our audit procedures, performed with the assistance of our own credit risk and IT audit specialists, included, among others: • evaluating methods used in establishing the risk parameters and estimating individual and collective expected credit losses against the requirements of the applicable financial reporting standard; • testing the design, implementation and operating effectiveness of selected internal controls (including general IT system controls) applied in the process of estimating allowances for expected credit losses (including the controls related to monitoring of borrowers' credit risk and verification of collateral values); • challenging the appropriateness of the Group's identification of default and significant increase in credit risk for the purposes of classification of exposures into stages, considering qualitative and quantitative criteria; • assessing relevance and reliability of the input data and challenging the key assumptions used by the Group in its measurement of the expected credit losses, including those used in establishing the key parameters for the collective method, such as, in particular, transfer logic between stages, PD, LGD and EAD, through, among other things, challenging the look-back period applied and the assumed effects of expected future economic conditions on risk parameters;

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<td>credit risk and the selection of data to be used to establish the statistical model parameters.

Also, for loans assessed on an individual basis, significant judgment and assumptions relate to the recovery scenarios, collateral valuations and timing of cash flows. Relatively insignificant changes in these assumptions and other relevant model parameters could have a material impact on the Group's estimate of expected credit losses.

We considered this area to be a key audit matter due to the significant inherent risk of error and fraud (as regards loan receivables assessed on a collective basis) and significant estimation uncertainty associated with the measurement of the allowances for expected credit losses, and also due to the magnitude of the loan portfolio, resulting in its material effects on the consolidated financial statements.</td>
<td>• independently recalculating selected statistical parameters and collective allowances for expected credit losses, for a sample of exposures or loan portfolios;
• for a sample of exposures assessed individually – challenging the Group's identification of significant increase in credit risk and default and, for impaired assets – challenging the key assumptions applied in the credit loss estimates, including those for the amount and timing of recovery, and also independently recalculating the amounts of the allowances;
• evaluating the completeness and appropriateness of disclosures in the consolidated financial statements on significant judgments and estimates related to expected credit losses, and also performing an analysis of the expected credit losses' sensitivity to changes in key assumptions.</td>
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<tr>
<th colspan="2">Business risk, including claims related to Swiss franc (CHF) loans</th>
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<td colspan="2">The carrying amount of loans in CHF amounted to PLN 239 million on 31 December 2023 and PLN 413 million as at 31 December 2022. Due to the risks related to the current and potential legal claims filed by borrowers who have, in the past, been granted mortgage loans denominated in or indexed to CHF (“CHF loans”), the carrying amount of the loan portfolio was reduced by PLN 1,650 million on 31 December 2023 and by PLN 1,824 million at 31 December 2022.

In respect of CHF loans which have been:
– repaid by borrowers,
– not repaid by borrowers, as regards legal costs and statutory late payment interest, or
– not repaid by borrowers, in the amount of the excess of the expected cash outflow over the net book value,

a provision was recognized in the amount of PLN 948 million as at 31 December 2023 (PLN 479 million as at 31 December 2022).

Reference to the consolidated financial statements: Note 8.5.3.2. 'Currency risk' and Note 46 'Provisions'</td>
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<th>Key audit matter</th>
<th>Our response</th>
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<tr>
<td>The Group conducts its business operations on regulated markets; it is therefore exposed to an increased risk of changes in legislation and events that may reduce cash flows from financial contracts with customers or result in an obligation or liability arising from past events, whose settlement will require an outflow of resources embodying economic benefits ("risk amount").

As at 31 December 2023, the above relates in particular to the effects of the ruling by the Court of Justice of the European Union ("CJEU") dated</td>
<td>Our audit procedures, performed with the assistance of our own credit risk specialists, included, among others:
• challenging the method used by the Group to estimate the financial effects of the CHF loan-related claims by borrowers, as well as the related accounting policy;
• testing the design and implementation of selected internal controls with respect to identification, monitoring and estimating the risk amount resulting from CHF loan-related claims;</td>
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</table>

3 October 2019 (Case C- 260/18) and subsequent CJEU decisions in CHF loans-related cases, in particular as regards the rulings issued in 2023. Following the said rulings, for a number of consecutive years, the Group witnessed an increase in the number of lawsuits filed by CHF loan borrowers. The Group expects the growth in the number of lawsuits to continue for some time, which, given lack of uniform line of jurisprudence, may result in lower-than-contractual expected cash flows from CHF loans and in resulting losses incurred by the Group. The Group estimated the amount of expected loss, considering the effects of court proceedings as well as possible out-of-court settlements, with key assumptions including those for the expected amounts of loans subject to the claims, likelihood of unfavorable case outcomes and of various possible court verdicts, the expected magnitude of possible out-of-court settlements with borrowers, legal costs, statutory late payment interest and discount rates. Relatively minor changes in key assumptions may materially impact the amounts of the Group's losses. In the wake of the above factors, satisfying ourselves regarding the Group's estimate of the risk amount and related disclosures in the consolidated financial statements required our significant attention in the audit of the consolidated financial statements, and as such was considered by us to be a key audit matter.	• assessing the relevance and reliability of the input data used in estimating the allowances and provisions for risks associated with CHF loans, by tracing them to the Group's IT systems and the claims register; • analyzing an opinion by a legal firm engaged by the Group, including its assessment of the effects thereon of the CJEU's 3 October 2019 ruling, considering court verdicts in Poland in similar cases issued following the said CJEU ruling, the Group's practices and loan agreement templates used for CHF loans; • challenging key assumptions used by the Group in estimating allowances / provisions for risks associated with the CHF loan portfolio, among other things, through: — analysing responses received independently from the Group's external legal counsels and their assessment of the financial effects of the above-mentioned cases; — challenging the expected level of customer debt balance inquiries (as a leading indicator of new lawsuits) as well as the level of expected conversion of debt balance inquiries into lawsuits filed, by reference to the Group's historical data; — assessment of the appropriateness and correctness of the statistical function applied to project the expected value of loan agreements subject to the lawsuits; — challenging the assumptions made in the context of the CJEU's rulings dated 15 June 2023 (Case C-520/21) and 7 December 2023 (Case C-140/22); — challenging the estimated amounts of legal costs and statutory late payment interest, by reference to legislative requirements, and the applied discount rates, by reference to publicly available data; — assessment of the estimated financial effects of out-of-court settlements by reference to the effects of past executed settlements; • independently recalculating, for a sample of CHF loans, the amount of the allowance/ provision; • assessing the sensitivity of the amounts of provisions for the risks stemming from the

	CHF loan portfolio to changes in key assumptions and assessing whether the assumptions applied may be indicative of the Management Board of the Parent Entity's bias; • evaluating the completeness and appropriateness of disclosures in the consolidated financial statements in respect of the estimation of risk allowances / provisions resulting from the CHF loan portfolio, against the requirements of the relevant financial reporting standards.

Impairment of goodwill

The carrying amount of goodwill amounted to PLN 2,801 million as at 31 December 2023 and PLN 2,808 million as at 31 December 2022.

Reference to the consolidated financial statements: Note 27 "Goodwill"

Key audit matter	**Our response**
As at 31 December 2023, goodwill related to acquisition of subsidiaries, in the amount of PLN 2,801 million, was recognized in the Group's consolidated financial statements. As described in Note 27, goodwill, which is not subject to amortization, is tested annually for impairment, regardless of the existence of any impairment triggers. Accordingly, as at 31 December 2023, the Group estimated the recoverable amount of goodwill, based on the value-in-use of the cash-generating units ("CGU") to which it was allocated. Based o the test results, no impairment was identified and no impairment losses recognized. Estimating a CGU's recoverable amount is complex and requires the Management Board of the Parent Entity to apply professional judgement and to make complex and subjective assumptions. Relatively insignificant changes in key assumptions may have a material impact on the estimate of the recoverable amount. Such key assumptions included: the amounts of expected future cash flows, growth rates in the residual period and discount rates. For the above reasons, impairment of goodwill was considered by us as a key audit matter.	Our audit procedures, performed with the assistance of our own valuation specialists, included, among others: • testing the design and implementation of selected internal controls within the process of testing goodwill for impairment, including those over key assumptions and data; • challenging the appropriateness of the grouping of assets and allocation of goodwill into CGUs; • In respect of the Group's value-in-use method and model: — assessing whether the method meets the requirements of the applicable financial reporting standards and the model is mathematically correct and logically consistent; — challenging the key assumptions used therein, as follows: ○ the forecasted financial results and cash flows of each CGU tested - by reference approved budgets, historical data and considering the accuracy of budgeting in previous periods; ○ growth rates in the residual period - by reference to market data; ○ discount rates - among other things, by reference to publicly available data, considering the characteristics of a given CGU;

	• evaluating the completeness and appropriateness of disclosures in the consolidated financial statements in respect of goodwill and related impairment testing.

Responsibility of the Management Board and Supervisory Board of the Parent Entity for the Consolidated Financial Statements

The Management Board of the Parent Entity is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS EU, the adopted accounting policy, the applicable laws and the provisions of the Parent Entity's articles of association and for such internal control as the Management Board of the Parent Entity determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board of the Parent Entity is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board of the Parent Entity either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

According to the accounting act dated 29 September 1994 (the "Accounting Act"), the Management Board and members of the Supervisory Board of the Parent Entity are required to ensure that the consolidated financial statements are in compliance with the requirements set forth in the Accounting Act. Members of the Supervisory Board of the Parent Entity are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

The scope of audit does not include assurance on the future viability of the Group or on the efficiency or effectiveness with which the Management Board of the Parent Entity has conducted or will conduct the affairs of the Group.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Parent Entity;

- conclude on the appropriateness of the Management Board of the Parent Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report on the audit of the consolidated financial statements to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report on the audit of the consolidated financial statements. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the Parent Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee of the Parent Entity with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee of the Parent Entity, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditors' report on the audit of the consolidated financial statements unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

The other information comprises:

- the selected financial data;
- the Management report on activities of the PZU Capital Group and PZU SA for the year ended 31 December 2023 (the "report on activities") prepared together with Management report on activities of the Parent Entity, including the corporate governance statement, which is a separate part of the report on activities and including the letter of the President of the Management Board to the Shareholders and the statement of the Management Board of the Parent Entity regarding the preparation of the financial statements and the report on the activities;
- the separate report on non-financial information referred to in art. 49b paragraph 9 of the Accounting Act;
- the Supervisory Board's assessment of the financial statements and the report on activities;
- the statement of the Supervisory Board regarding the Audit Committee;
- the information from the Parent Entity's Management Board on the selection of an audit firm

(together the "other information"). (together the "other information").

Responsibility of the Management Board and Supervisory Board

The Management Board of the Parent Entity is responsible for the other information in accordance with applicable laws.

The Management Board and members of the Supervisory Board of the Parent Entity are required to ensure that the report on activities, including the corporate governance statement and the report on non-financial information referred to in art. 55 paragraph 2c of the Accounting Act are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility was to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact.

In accordance with the Act on statutory auditors our responsibility was to report if the report on activities was prepared in accordance with applicable laws and the information given in the report on activities is consistent with the consolidated financial statements.

Moreover, in accordance with the requirements of the Act on statutory auditors our responsibility was to report whether the Group included in the statement on corporate governance the information required by the applicable laws and regulations, and in relation to specific information indicated in those laws or regulations, to determine whether it complies with the applicable laws and is consistent with the consolidated financial statements and to inform whether the Group prepared a separate report on non-financial information.

The selected financial data, the report on activities, the report on non-financial information, and the information from the Parent Entity's Management Board on the selection of an audit firm we obtained before the date of this audit report, whereas the Supervisory Board's assessment of the financial statements and the report on activities, as well as the statement of the Supervisory Board regarding the Audit Committee will be available after that date. If we find a significant distortion in the Supervisory Board's assessment of the financial statements or in the statement of the Supervisory Board regarding the Audit Committee, we are obliged to inform the Supervisory Board of the Parent Entity.

Opinion on the Report on Activities

Based on the work undertaken in the course of our audit of the consolidated financial statements, in our opinion, the accompanying report on activities, in all material respects:

- has been prepared in accordance with applicable laws, and
- is consistent with the consolidated financial statements.

Opinion on the Statement on Corporate Governance

In our opinion, the corporate governance statement, which is a separate part of the report on activities, includes the information required by paragraph 70 subparagraph 6 point 5 of the Decree of the Ministry of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent of information required by the laws of a non-member state (the "decree").

Furthermore, in our opinion, the information identified in paragraph 70 subparagraph 6 point 5 letter c-f, h and letter i of the decree, included in the corporate governance statement, in all material respects:

- has been prepared in accordance with applicable laws; and
- is consistent with the consolidated financial statements.

Information about the Statement on Non-financial Information

In accordance with the requirements of the Act on statutory auditors, we report that the Group has prepared a separate report on non-financial information referred to in art. 55 paragraph 2c of the Accounting Act.

We have not performed any assurance procedures in relation to the separate report on non-financial information and, accordingly, we do not express any assurance conclusion thereon.

Statement on other Information

Furthermore, based on our knowledge about the Group and its environment obtained in the audit of the consolidated financial statements, we have not identified material misstatements in the report on activities and the other information.

Report on Other Legal and Regulatory Requirements

Information on Compliance with Prudential Regulations

The Management Board of the Parent Entity is responsible for the Group's compliance with the applicable prudential regulations defined in separate laws, in particular whether the Entity has recognised technical provisions for accounting purposes in the amount sufficient to fully cover the amount of current and future liabilities arising from insurance or reinsurance contracts.

Our responsibility was to inform in our auditor's report whether the Group complies with the applicable prudential regulations defined in separate laws, in particular whether as at 31 December 2023 the Group has recognised technical provisions for accounting purposes referred to in Art. 277 of the act on insurance and reinsurance activities dated 11 September 2015, in the amount sufficient to fully cover the amount of current and future liabilities arising from insurance or reinsurance contracts and for life insurance companies, in the meaning of the act on the organization and operation of pension funds dated 28 August 1997, ("act on pension funds"), whether such entities appropriately determined the solvency margin and has appropriate level of own assets referred to in Art. 106j paragraph 3 point 3 of that act not lower then the solvency margin and guarantee capital.

The audit objective was not to express an opinion on the Group's compliance with the applicable prudential regulations and therefore we do not express such an opinion.

Based on our audit of the consolidated financial statements of the Group, we inform that we have not identified any instances of non-compliance, in the period from 1 January to 31 December 2023, of the Group with the applicable prudential regulations, defined in separate laws, in particular in respect of the recognition as at 31 December 2023 of technical provisions for accounting purposes in the amount sufficient to fully cover the value of current and future liabilities arising from insurance or reinsurance contracts, that could have a material impact on the consolidated financial statements of the Group and that by 31 December 2023 none of the life insurance companies based in Poland that are part of the Group has not entered into agreements with occupational pension funds for premium collection referred to in Art. 2 paragraph 4 of the act on pension funds, where the Group would provide cover against biometric risks or guarantees connected with realization of pension schemes of foreign employer. Thus, the Group was not obliged to calculate solvency margin and possess own funds referred to in Art. 106j of the act on pension funds.

Statement on Services Other than Audit of the Financial Statements

To the best of our knowledge and belief, we did not provide prohibited non-audit services referred to in Art. 5 paragraph 1 second subparagraph of the EU Regulation and Art. 136 of the act on statutory auditors.

Services other than audit of the financial statements, which were provided to the Group and entities under the control of the Parent Entity in the audited period are listed in point 57.1 „ Remuneration of the audit firm conducting the audit of the financial statements" of the supplementary information and explanations to the consolidated financial statements.

Appointment of the Audit Firm

We have been appointed for the first time to audit the annual consolidated financial statements of the Group by resolution of the Supervisory Board dated 18 February 2014 and reappointed in the following years, including the resolution dated 28 May 2020 to audit the annual consolidated financial statements for the year ended 31 December 2022. Our period of total uninterrupted engagement is 10 years, covering the periods ended 31 December 2014 to 31 December 2023.

Opinion on Compliance of the Consolidated Financial Statements Prepared in the Single Electronic Reporting Format with the Requirements of the Regulatory Technical Standards on the Specification of a Single Electronic Reporting Format

As part of our audit of the consolidated financial statements we were engaged to perform a reasonable assurance engagement in order to express an opinion on whether the consolidated financial statements of the Group as at 31 December 2023 and for the year then ended prepared in the single electronic reporting format included in the reporting package named pzu-2023-12-31-pl.zip (the "consolidated financial statements in the ESEF format") were tagged in accordance with the requirements specified in the Commission Delegated Regulation (EU) of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation").

Defining the Criteria and Description of the Subject Matter of the Service

The consolidated financial statements in the ESEF format have been prepared by the Management Board of the Parent Entity to meet the tagging requirements and technical requirements for the specification of a single electronic reporting format, which are defined in the ESEF Regulation. The subject of our assurance service is the compliance of the tagging of the consolidated financial statements in the ESEF format with the requirements of the ESEF Regulation, and the requirements set out in these regulations are, in our opinion, appropriate criteria for our opinion.

Responsibility of the Management Board and Supervisory Board of the Parent Entity

The Management Board of the Parent Entity is responsible for the preparation of consolidated financial statements in the ESEF format in accordance with the tagging requirements and technical conditions of a single electronic reporting format, which are specified in the ESEF Regulation. Such responsibility includes the selection and application of appropriate XBRL tags using the taxonomy specified in that regulation.

This responsibility of the Management Board of the Parent Entity includes designing, implementing and maintaining internal control relevant to the preparation of the consolidated financial statements in the ESEF format that is free from material non-compliance with requirements specified in the ESEF Regulation, whether due to fraud or error.

The members of the Parent Entity's Supervisory Board are responsible for overseeing the financial reporting process, including the preparation of financial statements in the format required by applicable law.

Auditor's Responsibility

Our objective is to issue an opinion about whether the consolidated financial statements in the ESEF format were tagged in accordance with the requirements specified in the ESEF Regulation.

We conducted our engagement in accordance with the National Standard on Assurance Services Other than Audit or Review 3001PL "Audit of financial statements prepared in a single electronic reporting format" as adopted by the NCSA ("NSAE 3001PL") and where applicable, in accordance with the International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" as adopted by the NCSA as the National Standard on Assurance Engagement 3000 (Revised) ("NSAE 3000 (R)"). These standards requires that the auditor plans and performs procedures to obtain reasonable assurance about whether the consolidated financial statements in the ESEF format were prepared in accordance with specified criteria.

Reasonable assurance is a high level of assurance, but it is not guaranteed that the assurance engagement conducted in accordance with NSAE 3001PL and where applicable, in accordance with NSAE 3000 (R) will always detect material misstatement.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements, whether due to fraud or error. In making those risk assessments, the auditor has considered internal controls relevant to the preparation of the consolidated financial statements in the ESEF format in accordance with the specified criteria in order to design procedures that are appropriate, which provide the auditor with sufficient and appropriate evidence under the circumstances. The assessment of internal controls was not performed for the purpose of expressing an opinion thereon.

Summary of the Work Performed

Our procedures planned and performed included, among others:

- obtaining an understanding of the process of preparing the consolidated financial statements in the ESEF format, including selection and application of XBRL tags by the Parent Entity and ensuring compliance with the ESEF Regulation, including an understanding of the mechanisms of internal control relevant to this process,
- reconciling on a selected sample the tagged information included in the consolidated financial statements in the ESEF format to the audited consolidated financial statements,
- assessing by using a specialized IT tool compliance with the regulatory technical standards regarding the specification of a single electronic reporting format,
- assessing the completeness of tagging with respect to
  - all numbers in a declared currency disclosed in the consolidated financial statements in the ESEF format, and
  - notes comprising a summary of significant accounting policies and other explanatory information on a sample of XBRL tags, in particular block tags, in accordance with the mandatory elements of the core taxonomy contained in Annex II of ESEF Regulation,
- inspecting the block tagging to assess whether the regulatory technical standards 'requirement has been correctly applied to include the relevant data within the scope of the digital tag, on a sample basis,
- assessing whether the XBRL tags from the core taxonomy specified in the ESEF Regulation were properly applied, and whether the taxonomy extensions were used in situations where the closest core taxonomy element could misrepresent the accounting meaning of the disclosure on a sample basis,
- assessing the correctness of anchoring of the applied taxonomy extensions in the core taxonomy specified in the ESEF Regulation on a sample basis,
- inspecting how the data is presented within the digital tag to assess whether the presentation is reasonable within the boundaries of the technical capabilities connected with block tagging, on a sample basis.

Requirements of the Quality Control and Ethical Requirements, including Independence

The firm applies International Standard on Quality Management (PL) 1 "*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services*

Engagement" as adopted by the Council of Polish Agency for Audit Oversight as National Standard on Quality Control 1, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the IESBA Code as adopted by the resolution of the NCSA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as other independence and ethical requirements, applicable to this assurance engagement in Poland.

Opinion on Compliance with the Requirements of ESEF Regulation

Our opinion has been formed on the basis of, and is subject to, the matters outlined above.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance with the requirements of the ESEF Regulation.

In our opinion, the consolidated financial statements in the ESEF format as at 31 December 2023 and for the year then ended was tagged, in all material respects, in accordance with the requirements of the ESEF Regulation.

On behalf of audit firm
KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546

Signed on the Polish original

Justyna Zań

Key Statutory Auditor
Registration No. 12750
Proxy

Warsaw, 20 March 2024