

# PZU Group’s financial results

in 1H25 and
2Q25

Warsaw, 28 August 2025

# Contents




- Main achievements and plans 3
- Business development in 2Q25 9
- Financial results in 2Q25 19
- PZU Group Strategy 2025–2027 30
- Annexes 32




# 1. Main achievements and plans

# Scale-up, high profitability and strong capital position

**1H25**



## Revenues

**insurance revenue**

PLN **15.2** bn

+**0.9** bn y/y

**1H25**



## Profitability

**net profit**[1]

PLN **3.2** bn

aROE **21.2%**[3]

**1Q25**



## Capital position

**Solvency II ratio**

**PZU Group 225%**

PZU SA **232%**

**2025**



## Dividend

**dividend per share**[2]

PLN **4.47**

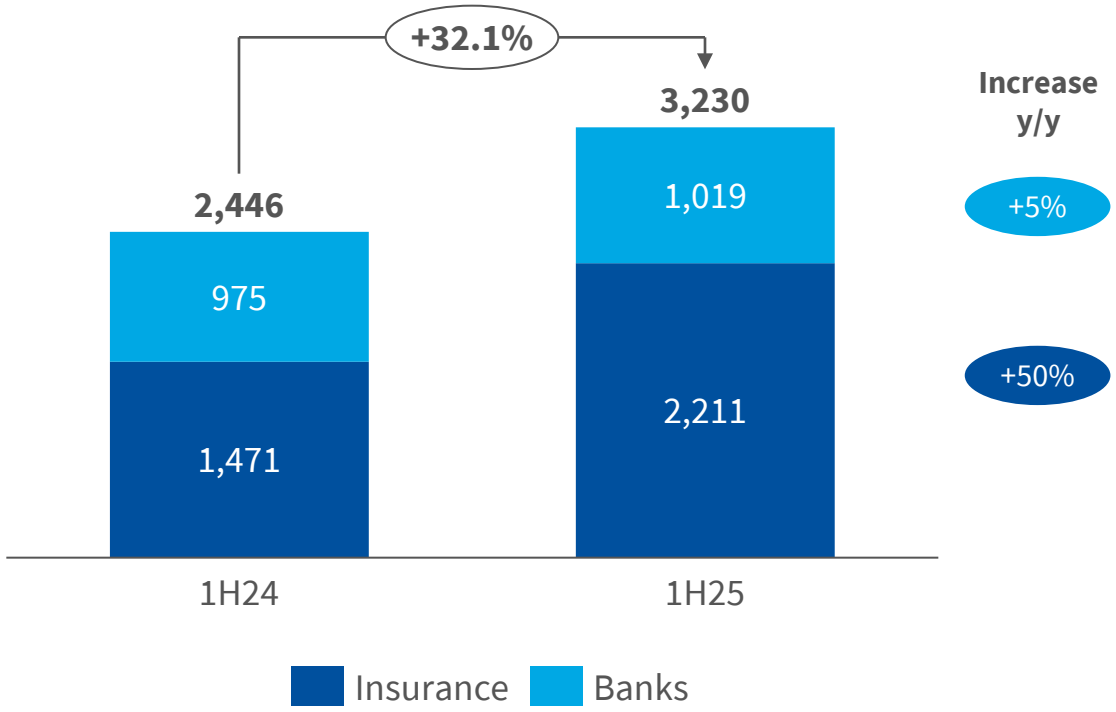
dividend yield ~ **7%**

1. Attributable to equity holders of the parent company
2. Approved by the General Shareholder Meeting
3. aROE – attributable to owners of the parent company, annualized return on equity excluding the cumulative effect of change in discount rates for valuation of insurance liabilities

# Dynamic growth of results in 1H25

**1H25**

## Net profit (PLN m)




**Insurance service result**
PLN 2,155 m
(vs. 1,600 m 1H24)

**Result on investment portfolio**
PLN 1,406 m
(vs. PLN 1,235 m in 1H24)

**aROE**
21.2%[3]

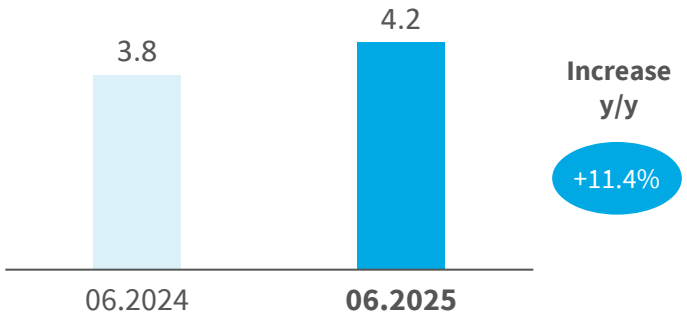
**Operating margin[1]**
26.1%
(vs. 24.5% in 1H24)

**Combined ratio[2]**
87.9%
(vs. 92.5% in 1H24)

1. Life insurance (Poland)
2. Non-life insurance in PZU Group (Poland)
3. aROE in 1H24, attributable to owners of the parent company, return on equity excluding the cumulative effect of change in discount rates for valuation of insurance liabilities

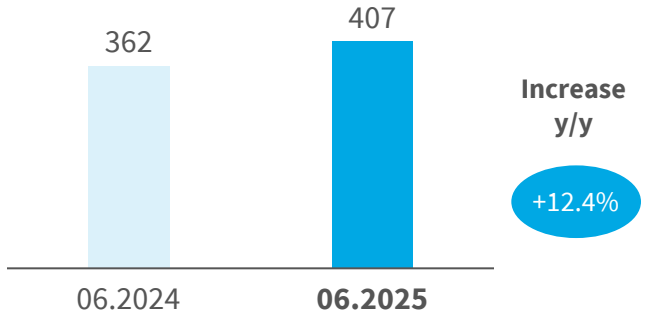
# Scale-up and development of complementary offerings

## Non-motor insurance revenue (PLN bn)



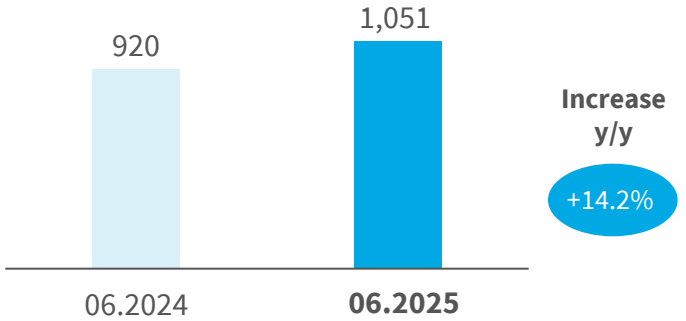

**Revenues growth in insurance against fire and other damage to property**

## Individual protection insurance revenue[1] (PLN m)



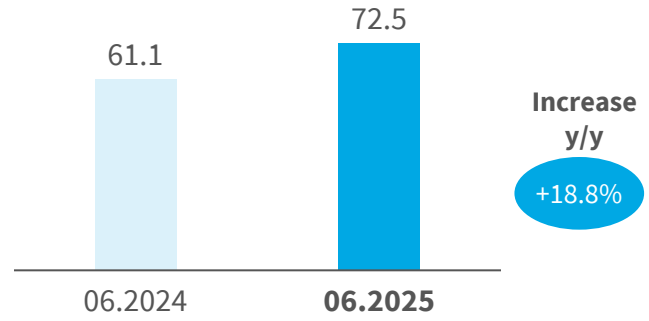

**Dynamic growth of the portfolio of protection insurance**

## Health Pillar Revenue (PLN m)




**Growing importance of remote service channels for patients**

## Assets of external clients of TFI PZU, Pekao TFI and Alior TFI (PLN bn)




**TFI PZU – #1 among "non-bank TFIs"**
**PLN +1 bn in inflows**

## PZU Group

PLN **520** bn of assets
**+38** bn y/y

# High rating and secure foundation for doing business

## Credit rating and financial strength rating

**A-**

**POSITIVE**

S&P Global Ratings

**225%** SII

### Solvency II ratio significantly over 200%

- Solvency II for PZU Group at **225%**[1]
- Average for European insurers is 214%[1]

**80%** bonds

### Dominant share of bonds in the investment portfolio

- Bonds represent **80%** of the investment portfolio, including **65%** represented by sovereign bonds
- Stability of return rates owing to the portfolio structure and long-term management strategy
- Closed currency position

**100%** ≥ A

### Effective reinsurance protection

- The reinsurance program to limit the impact of catastrophic events and others
- **45%** of PZU reinsurers with A rating[2] and **55%** with AA rating[2]

1. As at 31 March 2025
2. S&P/AM Best rating, as at 31.03.2025

# Proven help in the toughest of times



## PZU offers assistance to those affected by the fire in Ząbki

Since the early morning of 4 July 2025, PZU's mobile experts have been present at the site of a major fire that broke out the evening before, shortly after 7:00 PM, in a residential estate in Ząbki, near Warsaw. The fire completely destroyed the roof, attic, and upper floors of the building, damaging over 200 apartments and leaving more than 500 people without a home.

**PZU launched simplified claims handling procedures. A PZU Mobile Office also arrived on-site**, where those affected could report their losses directly, obtain information about temporary housing prepared for them, and receive other forms of support.

**Even as the fire was still being extinguished**, PZU employees identified residents of the building who are PZU clients and initiated the **pre-claims support process**. They contacted them to find out whether they needed a hotel, temporary housing, or any other form of assistance. Actions continued until information was gathered from all potentially affected individuals.

**On the same day, PZU initiated the first compensation payments.** By the end of 5 July, decisions had been issued in over 60% of the cases reported by PZU-insured residents of the fire-damaged building. The total amount of compensation paid for the entire incident reached nearly PLN 5.8 m. PZU settled claims related to 45 apartments affected by the fire.







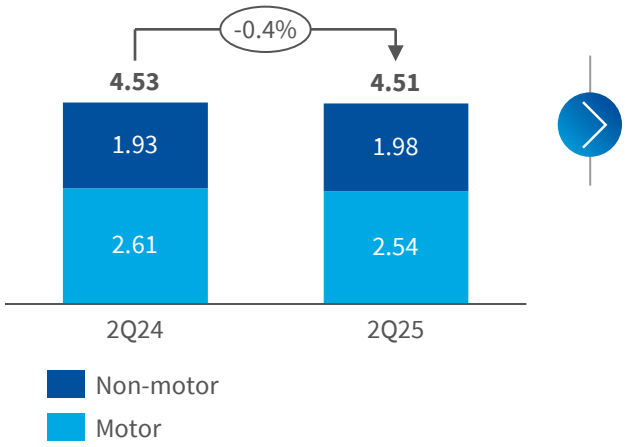



# 2. Business development in 2Q25

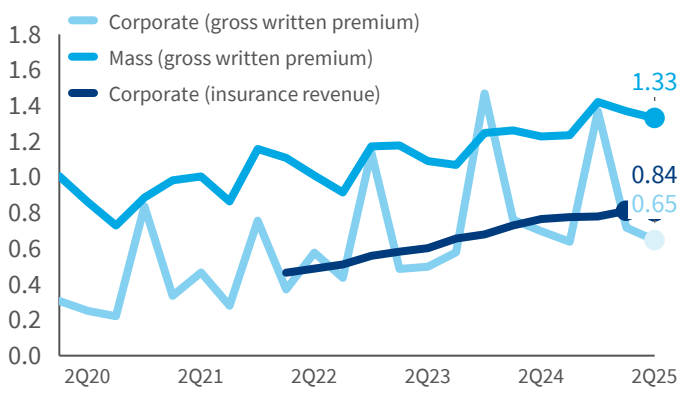
# PZU Group with high dynamic growth in non-motor insurance

## Gross written premium (PLN bn)[1] and its dynamics (%, y/y)

### PZU Group in Poland



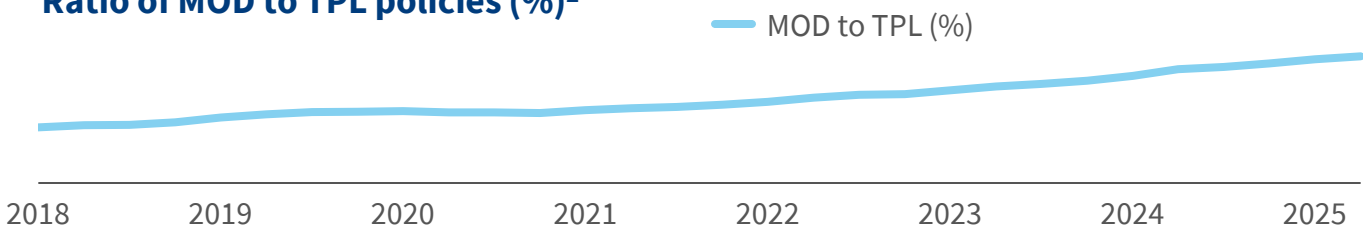

### PZU Group in Poland – non-motor insurance




**Growth y/y**

- +8.4% y/y
- +9.4% y/y
- -7.3% y/y

## Ratio of MOD to TPL policies (%)[2]




### Non-motor insurance

1. Growth mainly in **TPL insurance,** both in the mass market and corporate segments, as well as in fire and other property damage insurance, and in assistance services in the mass market segment
2. In 2Q 25, **continued growth in mass insurance (+8.4% y/y)**, in the corporate segment **seasonally lower premiums (PLN 0.6 bn)**, slightly lower y/y

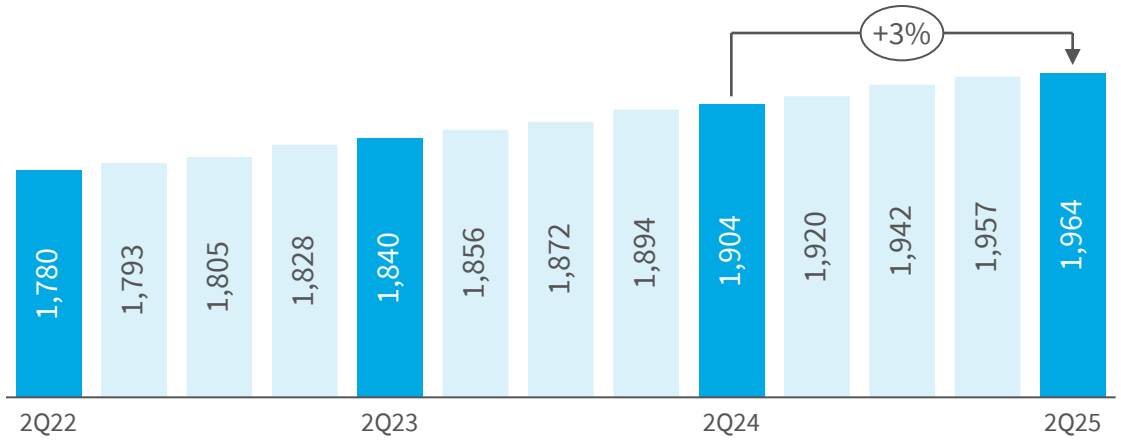
### Motor insurance

1. **Lower sales of motor insurance (-2.7% y/y)**, largely as a result of a consistent price increase policy aimed at improving portfolio profitability, mainly in the multi-agency channel, which is characterized by high price sensitivity

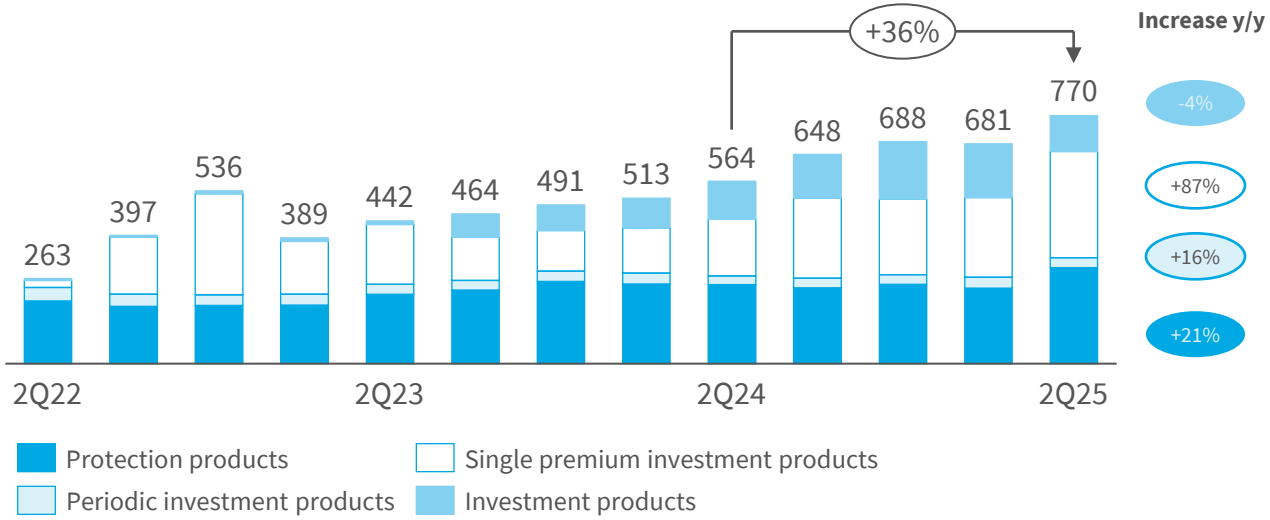
1. Gross written premium – external
2. PZU, based on active policies, standardized ratio

# PZU Życie with stable 3% growth in the written premiums from group and individually continued insurance, acceleration of individual insurance growth (36% y/y)

**PZU Życie gross written premiums from group and individually continued insurance (PLN m)**




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




## Group and individually continued insurance

1. Development of the portfolio of other **group protection insurance** and **individually continued insurance**.
2. The increase in premiums from **health insurance** – impact of tariff changes and acquisition of new entities.

## Individual insurance

1. Continued trend of growth in sales of individual life and endowment insurance, including an offering of insurance with bonuses (**PZU Perspektywa na Przyszłość**) and package insurance (**PZU Pakiet na Życie i Zdrowie**), tailored to life situation, age, and individual clients' needs
2. Growth in written premiums from **bancassurance** mainly due to:
   - high sales of **life and endowment insurance** with single premium and guaranteed sums insured
   - **investment banking products**

# We are implementing innovations in products and operations to deliver greater value to our customers

## Selected PZU activities in 1H25 in terms of the product offering and operational efficiency

### PZU Dom

We have made changes to the PZU Dom insurance, making the offering more appealing. We are offering broader standard coverage which includes, among others, insurance of objects from breakage and of installations outside the house (e.g., photovoltaic systems). Photovoltaic systems and heat pumps are insured regardless of power, also from the risk of failure (e.g., due to operating error). Private TPL insurance has also changed, now covering any property of the insured in Poland (before the change, the coverage was for damage caused only in connection with the ownership of the property indicated in the policy), and providing broader protection already under the basic coverage



### PZU Rowerzysta in an exclusive network

As part of a new offering for clients in proprietary channels, a special product – PZU Rowerzysta – was introduced, available through an exclusive sales network, via ubeStrefa. The difference from the standard offer is, among others, a simpler purchase path and broader coverage. Among others, it allows insuring children in safety seats and bike trailers against accidents, and insuring bicycles against burglary up to even PLN 30,000



### Proposals based on data collected by GenAI in corporate property insurance

We have run tests to implement an AI platform that would allow us to analyze requests for proposals and other processes in an automated manner, to:

- automate data acquisition in the risk assessment process
- reduce the time needed to prepare and present proposals and increase the number of serviceable requests



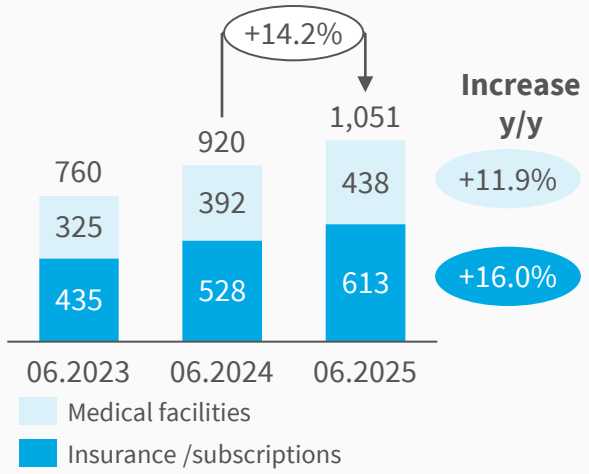
### AI Assistant

In the first half of 2025, more than 12,000 PZU employees were given access to a chatbot-based AI assistant based on generative artificial intelligence. This is one of the largest implementations of such a tool for employees in Poland and another PZU project using GenAI. Implementation of the tool will translate into improved productivity of PZU employees in all business areas



# Health area – larger scale of operations, increased operational efficiency

**Revenue (PLN m)**

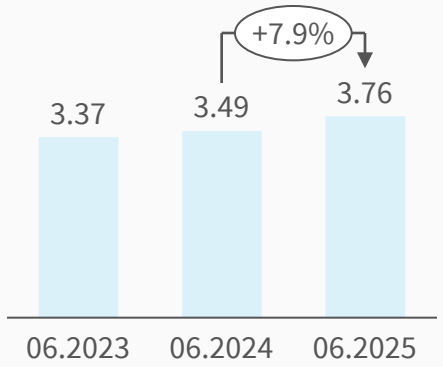



**Increase y/y**

+11.9%

+16.0%

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




## Business results

1. **16% revenue growth** thanks to higher average premiums – mainly due to PZU Zdrowie's own products (**subscriptions**) and **insurance**
2. **An increase of nearly 12% in revenues of medical facilities** – driven primarily by sales to the National Health Fund (NFZ) and commercial sales in a *fee-for-service* model

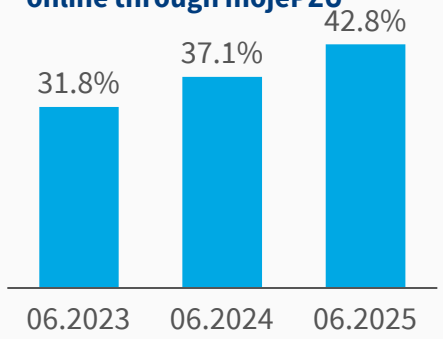
## Product offering

**Increase in the number of health product contracts at the end of 2Q25**, among other things, by the sale of add-ons to protection products (including treatments and pharmaceutical products)

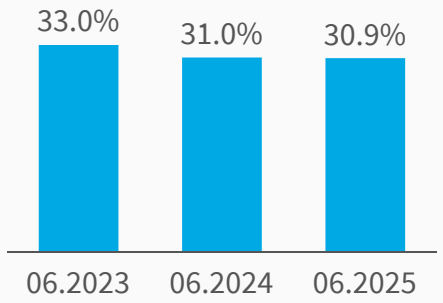
## Digitization of the service model

**The growing importance of remote service channels** for patients, the share of appointments arranged through mojePZU rose to 42.8% in June 2025

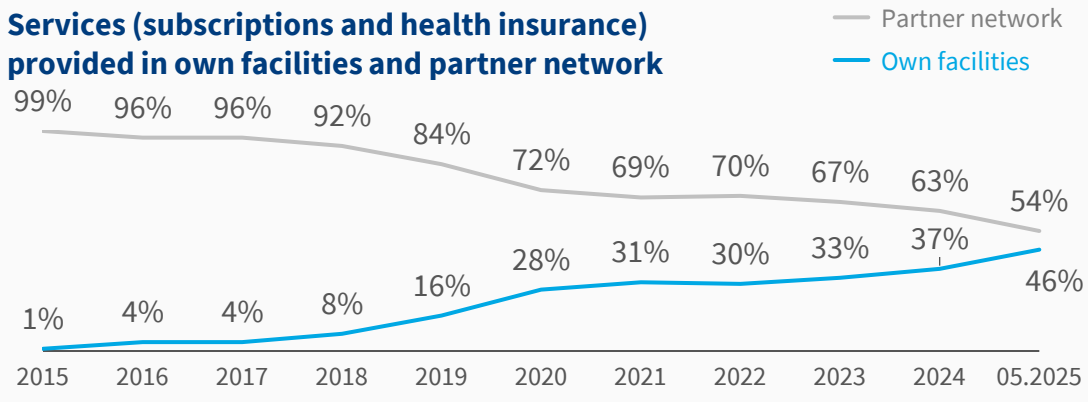
**Appointments arranged online through mojePZU**




**Number of telemedicine consultations (to total consultations)**




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



# PZU Zdrowie – new medical center and expansion of diagnostic imaging network




**New PZU Zdrowie medical center in Poznan now open**

In early May, PZU Zdrowie opened a new medical center in Poznań for patients. Located at ul. Starołęcka 42, the facility offers multi-specialty services.

Its offering is complemented by a diagnostic imaging lab operated by PZU Zdrowie, located in the same building.




**New PZU Zdrowie diagnostic imaging lab in the Mazowieckie Voivodeship**

PZU Zdrowie continues the modernization of its diagnostic imaging network, which is one of the largest in Poland. In January, the medical operator launched a new MRI lab in Zielonka, at ul. Marecka 38. This is another facility – after Wołomin – expanding the PZU Zdrowie network in the eastern part of the Warsaw metropolitan area.

**There are now over 40 PZU Zdrowie Diagnostic Imaging labs operating across Poland.**

# PZU Zdrowie – VIP service and extending medical care with travel insurance



## New VIP occupational medicine service

VIP Occupational Medicine at PZU Zdrowie is a service that enables all necessary consultations and examinations to be completed in a single day. If needed, additional laboratory tests can be performed. Thanks to a dedicated hotline, an appointment is scheduled within three business days.

The service is provided at a PZU Zdrowie facility in Warsaw, equipped with a reception area and a Premium room that ensures privacy and comfort. A dedicated VIP patient care coordinator oversees the entire visit, ensuring smooth service, comfort, and attention to the client's individual needs.



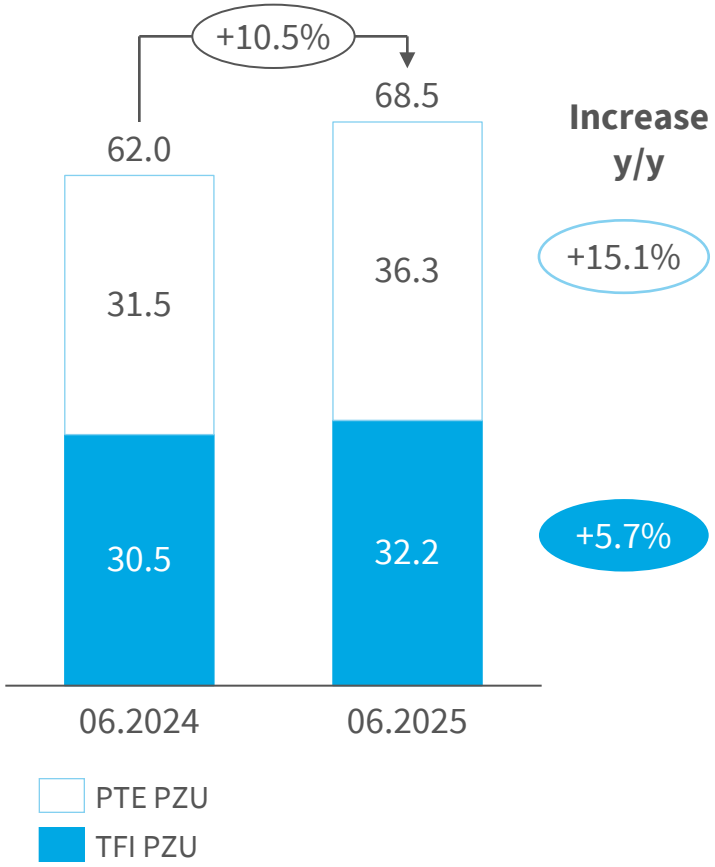
## Safe travels with PZU Zdrowie – new travel insurance offer

PZU Zdrowie has expanded its medical care offering with travel insurance that provides comprehensive health and property protection during trips – both personal and business-related.

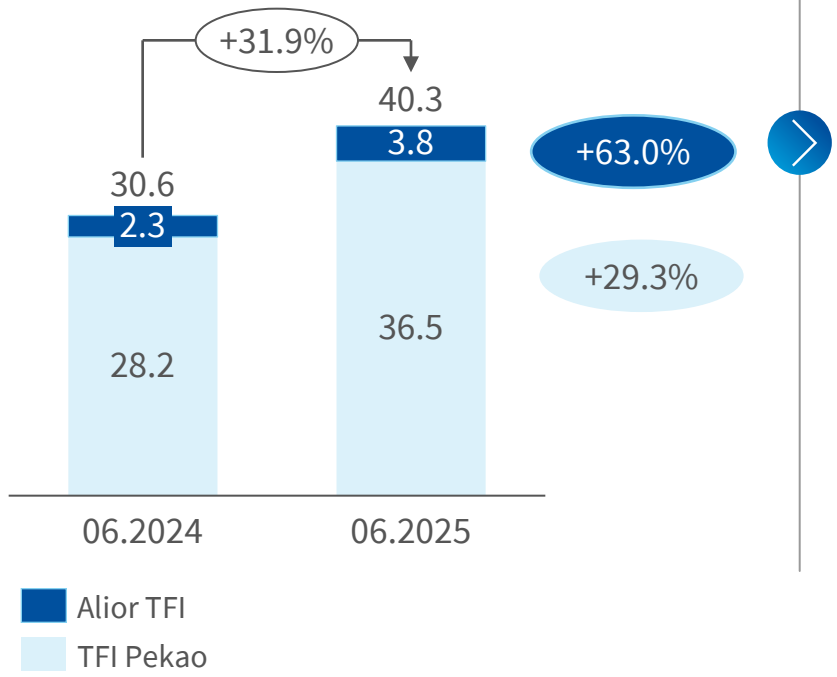
The travel insurance covers accidents, medical expenses, assistance, third-party liability, baggage protection, and incidents related to recreational sports. It is another product, alongside travel vaccinations, dedicated to travelers.

# Assets under management at PZU Group companies with high growth

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




## Assets of external clients TFI of PZU Group banks (PLN bn)




## TFI PZU in 1H25

1. **#1 among "non-bank TFIs"** and #4 in the market for net sales of capital market funds from an external client **PLN +1.97 bn**[1]
2. Market inflows to funds amounted to PLN 21.5 bn – **TFI PZU's share at 9.2%**
3. **ECS assets** at **PLN 8.4 bn (up 41.5% y/y)**
4. **TFI PZU's second place in the ECS market** in terms of the value of assets under management **with a share of 21.8%** – **more than double** the next entity's **lead**

[1] excluding transactions on dedicated fund

# inPZU – exposure to gold

## inPZU Akcje Rynku Złota




**inPZU Gold Market Shares – over 55% growth since the beginning of the year**

- inPZU Gold Market Shares rose by over 55% in the first half of 2025. The fund invests in shares of gold mining companies – so-called gold miners – through exposure to the MSCI ACWI Select Gold Miners IMI Net Total Return Index.
- The companies with the largest weights in the index, such as Newmont Mining Corp, Agnico Eagle Mines, and Barrick Mining Corporation, are based in Canada and the USA, although their mining operations are located worldwide.

## inPZU Gold

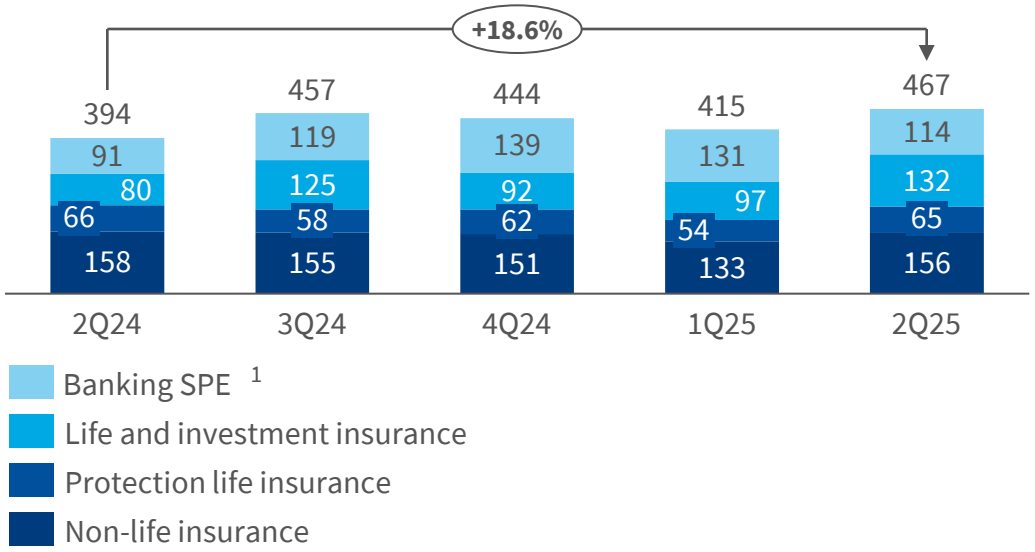


**inPZU Gold – coming soon – fund available on the inPZU platform starting September**

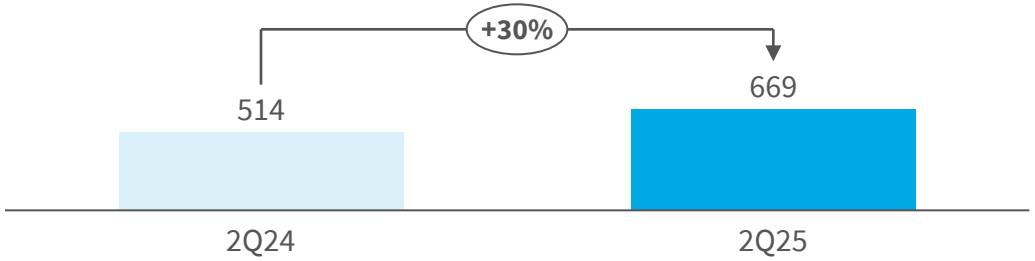
- inPZU Gold is a new commodity fund in the inPZU offering, which aims to track the LBMA Gold Price index and provide direct exposure to gold prices.
- The fund will invest in financial instruments such as ETCs (exchange-traded commodities) and ETPs (exchange-traded products), whose value is linked to the price of gold.

# Bancassurance – premiums raised through cooperation with PZU Group banks increased by nearly 20% y/y

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




## Gross written premium raised in cooperation with banks (PLN m)




1. Continued **high sales growth for products with a guaranteed rate of return** (SPE)
2. **Stable** sales **level** of **unit-linked** products
3. **Development of the stand-alone offer: doubling the number of policies sold y/y** for motor insurance at Bank Pekao
4. High sales levels of linked products for **mortgage loans** and **cash loans** in banks within the PZU Group

1. Premiums written from SPE bank products also include investment contracts



# 3. Financial results in 2Q25

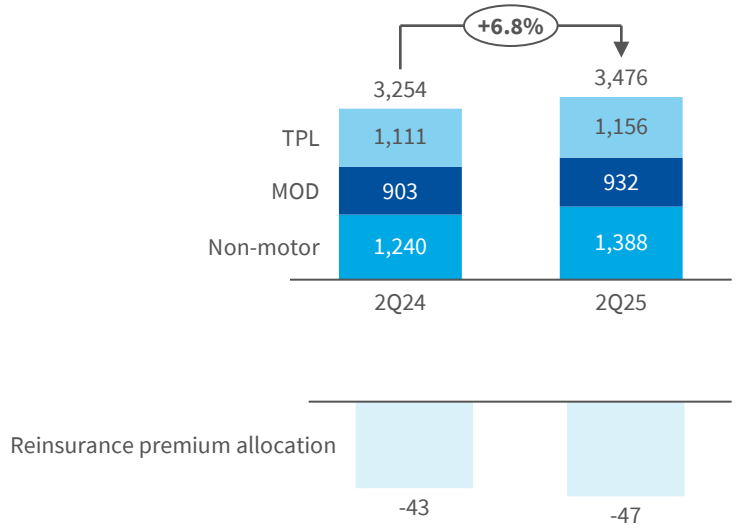
# PZU Group results under IFRS 17

| m PLN | 2Q24 | 1Q25 | 2Q25 | Change y/y | Change q/q |
|---|---|---|---|---|---|
| **PZU GROUP** EXCL. ALIOR BANK AND BANK PEKAO | | | | | |
| Gross insurance revenue | 7 283 | 7 533 | 7 693 | *5,6%* | *2,1%* |
| Net insurance revenue | 6 810 | 7 033 | 7 199 | *5,7%* | *2,4%* |
| Insurance service expenses (net) | (5 997) | (5 782) | (6 295) | *5,0%* | *8,9%* |
| Net insurance claims and benefits[1] | (4 130) | (4 005) | (4 451) | *7,8%* | *11,1%* |
| Administrative expenses | (603) | (633) | (620) | *2,8%* | *(2,1%)* |
| Acquisition expenses | (1 192) | (1 210) | (1 237) | *3,8%* | *2,2%* |
| Loss component amortization | 271 | 269 | 242 | *(10,7%)* | *(10,0%)* |
| Recognition and change of the loss component | (343) | (203) | (229) | *(33,2%)* | *12,8%* |
| Insurance service result | 813 | 1 251 | 904 | *11,2%* | *(27,7%)* |
| Net financial revenue | 289 | 326 | 332 | *14,9%* | *1,8%* |
| Insurance and outward reinsurance finance income or expenses | (399) | (494) | (522) | *30,8%* | *5,7%* |
| Result from investment activities - allocated to insurance segments | 688 | 820 | 854 | *24,1%* | *4,1%* |
| **NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY** | **714** | **1 267** | **944** | ***32,2%*** | ***(25,5%)*** |
| **BANKS:** ALIOR AND PEKAO | | | | | |
| Net profit (loss) attributable to equity holders of the parent company | 478 | 493 | 526 | *10,0%* | *6,7%* |
| **NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY** | **1 192** | **1 760** | **1 470** | ***23,3%*** | ***(16,5%)*** |
| **MAIN FINANCIAL RATIOS (%)** | | | | | |
| aROE[2] | 16,6 | 22,4 | 18,7 | *2,1 p.p.* | *(3,7) p.p.* |
| Claims ratio (with net loss component) | 61,7 | 56,0 | 61,6 | *(0,1) p.p.* | *5,6 p.p.* |
| Administrative expense ratio | 8,9 | 9,0 | 8,6 | *(0,3) p.p.* | *(0,4) p.p.* |
| Acquisition expense ratio | 17,5 | 17,2 | 17,2 | *(0,3) p.p.* | - |
| Combined ratio[3] | 94,9 | 82,5 | 93,0 | *(1,9) p.p.* | *10,5 p.p.* |
| Margin[4] | 26,4 | 21,2 | 25,6 | *(0,8) p.p.* | *4,4 p.p.* |

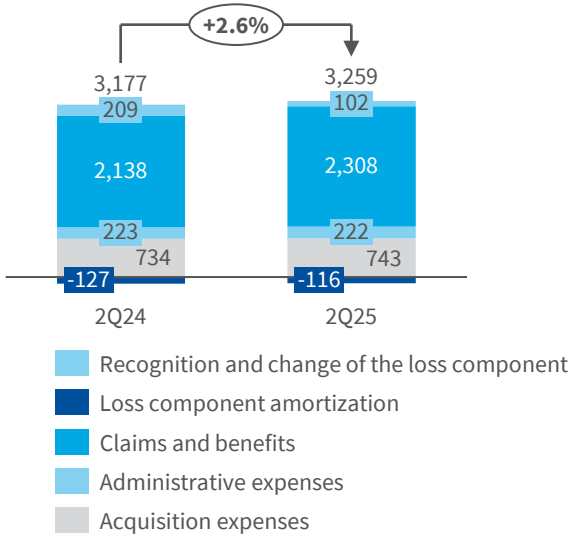
1. Excluding the investment component (mainly applies to unit-linked products)
2. aROE – adjusted return on equity, calculated on a capital basis excluding cumulative other comprehensive income relating to insurance and reinsurance financial income and expenses. Net result and equity attributable to 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

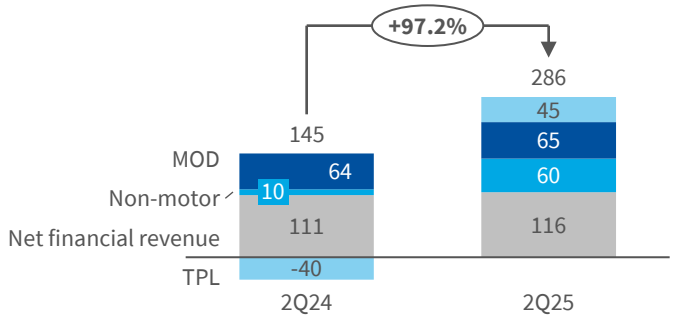
## Insurance revenue (PLN m)




## Net insurance service expenses (PLN m)




## Operating result (PLN m)




| COR 2Q24 | | | COR 2Q25 | | |
|---|---|---|---|---|---|
| 98.9% | 98.8% | 99.2% | 95.0% | 94.7% | 95.6% |

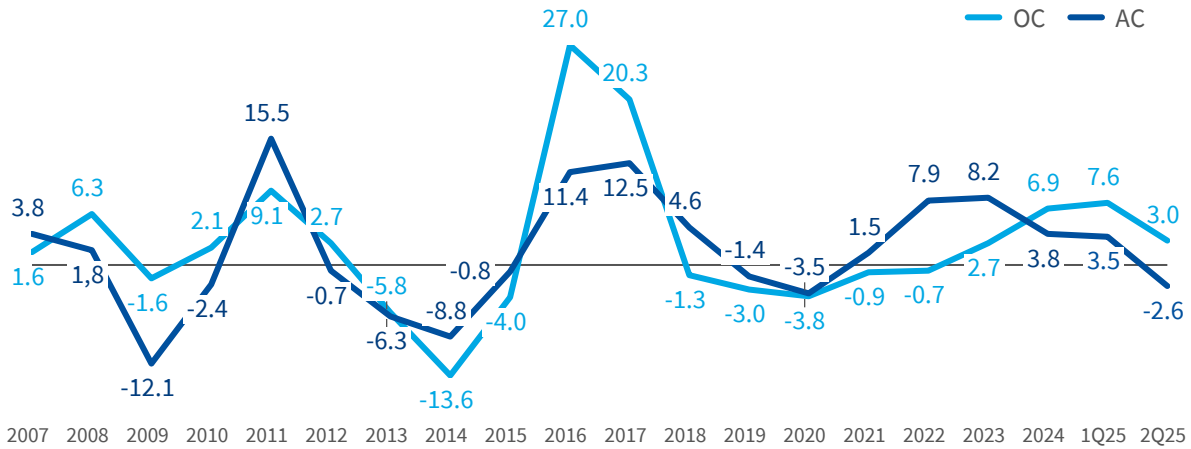
- Increase in amortization of liability for remaining coverage (LRC) for portfolios:
  - **non-motor +13.5% y/y** – consequence of the development of housing insurance (impact of tariff increases and refreshed offerings – *greater transparency and broad coverage as standard without choosing complicated options*) and PZU Firma insurance offered to small and medium-sized enterprises
  - **motor insurance +5.6% y/y** – the impact of gradual changes in tariffs, following claims inflation and the frequency of claims
- **Higher level of premiums allocated to cover acquisition expenses (PLN +9 m y/y)** – the cumulative effect of growing premiums and a simultaneous increased share in the portfolio of voluntary insurance

- **Higher y/y current year claims** liabilities – a result of lower level of claims in MTPL insurance and a deterioration in non-motor insurance (impacted by an excessive number of claims caused by hailstorms)
- Significantly **lower y/y recognition of a new loss component** with a stable level of amortization, mainly in MTPL insurance (PLN +53 m y/y) due to tariff changes (reflecting inflation in claims) and changes in the pace of claims inflation growth. The effect was amplified by lower y/y recognition of the component in non-motor insurance related to fire and other property damage claims.
- **An increase in the amortization of cash flows from acquisition (+1.2% y/y)** due to portfolio growth and a higher share of non-motor insurance

- **Improvement of the results on both the non-motor insurance portfolio** (PLN +50 m y/y) and **the motor insurance portfolio**, including TPL insurance by PLN 85 m y/y
- Higher **excess of investment result over net financing costs** following the purchase to the portfolio of Polish government bonds at high yields in the market

# Motor insurance market in Poland in accordance with the PAS – change in average price and frequency of claims

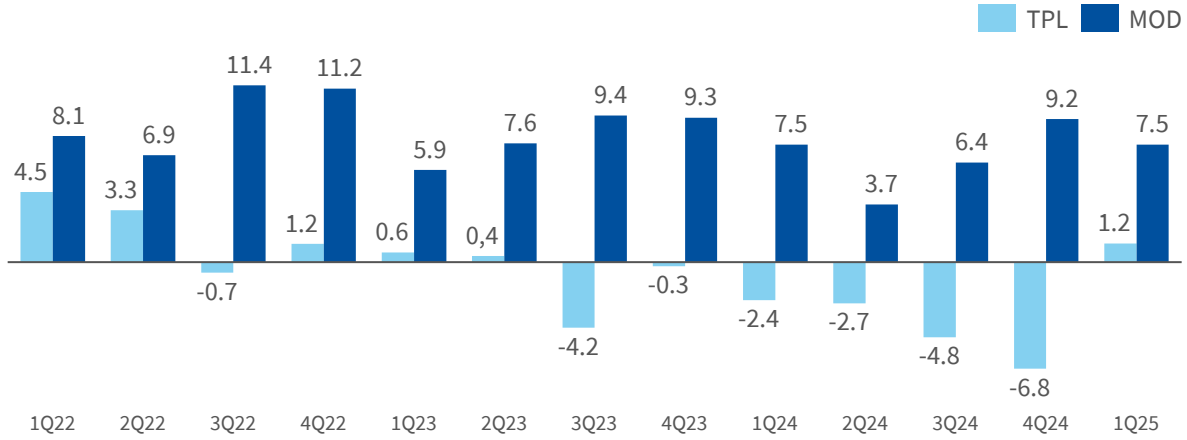
## Change in the average market price of TPL and MOD insurance (%)[1]



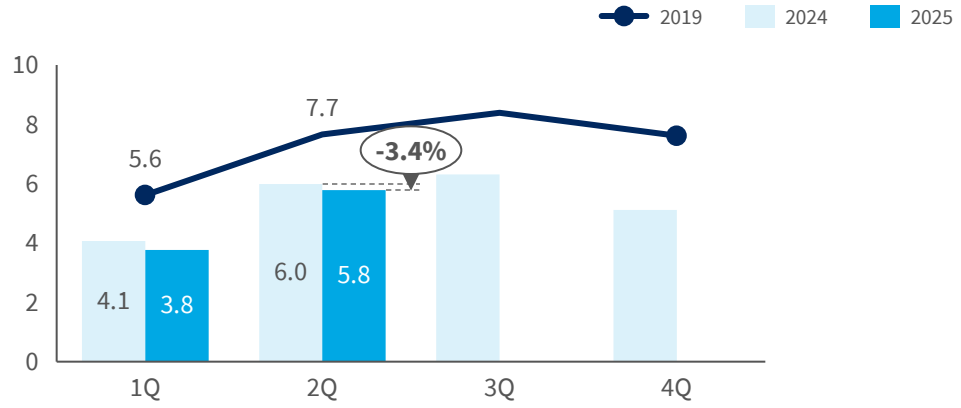

**In MTPL insurance:**

- **After** 5 years of declining average prices from 2018–2022 and **two years of premium increases, there was a renewed slowdown in 2025, indicating active pricing policies among key competitors** vying for market share
- **Market profitability** (direct business) **rose sharply in 1Q to 1.2%**.
- During this time, **PZU consistently pursued a price increase policy**, resulting in slower sales growth
- Despite a noticeable slowdown in the frequency of road incidents, the overall level of claims **remained stable amid a continuously rising average claim value**
- **Premium increases still appear insufficient to sustainably reverse the trend of unprofitability in MTPL** insurance amid claims inflation. At the same time, **high profitability in MOD insurance and low profitability in TPL insurance is increasing pressure on MOD insurance**, which may lead to a margin decline

## TPL and MOD insurance market profitability, quarterly, %[3]



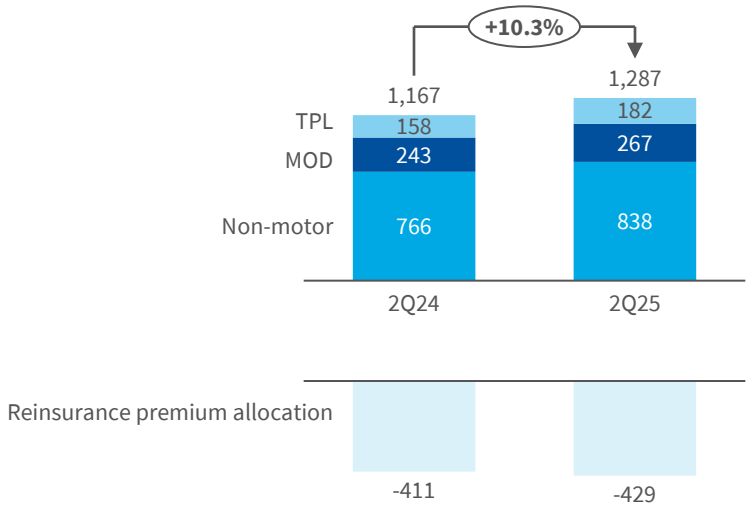

## Number of traffic incidents in 2025 and 2024 vs. pre-pandemic period (quarterly, in thousands)[2]



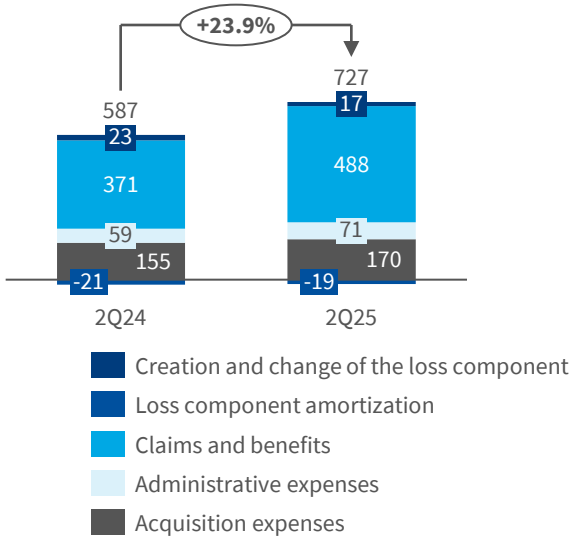

1. Own compilation based on market reports of KNF and PIU
2. Own compilation based on police data
3. Source: The Quarterly Bulletin of the Polish Financial Supervision Authority (www.knf.gov.pl). Insurance Market" direct business; Profitability as a quotient of technical result and net earned premiums

# Non-life insurance under IFRS 17 – corporate insurance segment

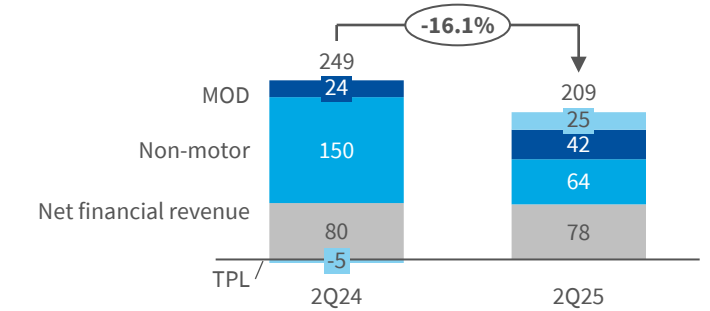
## Insurance revenue (PLN m)

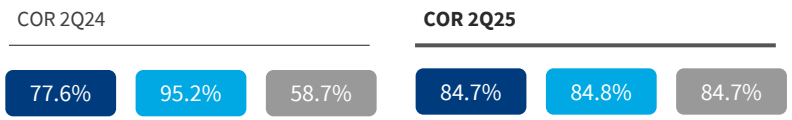



## Net insurance service expenses (PLN m)




## Operating result (PLN m)




- Increase in amortization of liability for remaining coverage **(LRC)** for:
  - **non-motor insurance (+9.3% y/y)** – effect of earning 2024 premiums, including large contracts concluded in 4Q24 (contracts with fuel and power generation clients) and higher y/y sales in 2025
  - **motor insurance (+12.5% y/y) –** effect of growth both in MOD and MTPL insurance (effect of good sales of the current year)
- Higher y/y levels **of premiums allocated to cover acquisition expenses** due to portfolio development and changes in product mix

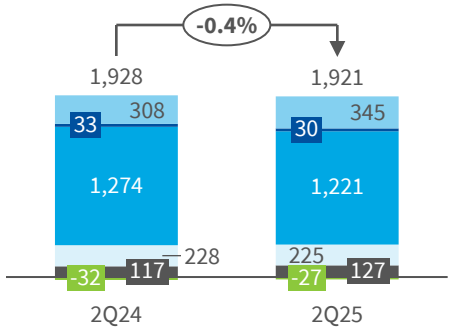
- **Higher level of claims and benefits** resulting from**:**
  - release of a lower y/y net excess of prior years' claims reserves over the current value of payouts – mainly in non-motor insurance
  - increase y/y in **net liabilities for current year claims** (PLN -92 m y/y), primarily in non-motor insurance, non-life insurance – influenced by a high-value fire claim impacting the result by over PLN 60 m
- **Increase in acquisition expenses** alongside a decrease in the cost ratio relative to revenues, both in non-motor and motor insurance

- **Lower insurance service results,** mainly in the non-motor insurance area, as a consequence of higher y/y claims ratios
- **Slightly lower net financial revenue** (-2 m y/y)

COR RATIO | **Corporate insurance segment** | **Corporate insurance segment – motor** | **Corporate insurance segment – non-motor**

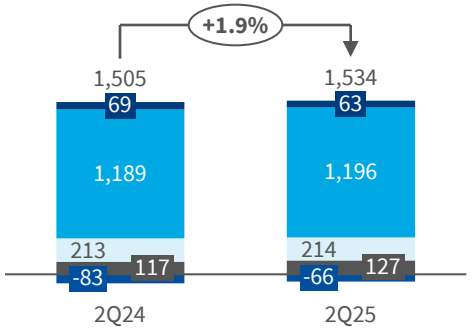
# Life insurance under IFRS 17 – group and individually continued insurance

## Insurance revenue (PLN m)



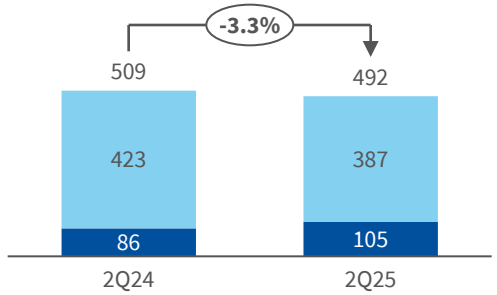

- Release of the CSM
- Release of risk adjustment for non-financial risks
- Expected claims and benefits
- Expected expenses
- Premiums related to acquisition expenses
- Other

## Insurance service expenses (PLN m)




- Recognition and change of the loss component
- Loss component amortization
- Claims and benefits
- Administrative expenses
- Acquisition expenses

## Operating result (PLN m)




- Insurance service result
- Net financial revenue

- **Expected claims and benefits** were lower by PLN 53 m, mainly due to the application of a calendarization (introduction of uneven risk distribution over time into modelling from 2025 onwards) in modeling of the expected claims and benefits for the individually continued insurance portfolio (PLN -15 m y/y) and the group and group health insurance portfolio (PLN -36 m y/y)
- **An increase in release of CSM**, mainly on health insurance and individually continued insurance portfolios, related to the growth in the carrying amount of CSM
- Higher revenue to cover **rising acquisition expenses**

- Lower by PLN 6 m y/y **recognition and change of the loss component** mainly related to new sales of group and group health insurance and lower **loss component amortization** (PLN +17 m y/y)
- **Higher claims and benefits –** primarily as a result of increased benefits from individually continued insurance (PLN +8 m y/y) and group health insurance (PLN +5 m y/y), partially offset by a decrease in benefits from group insurance (PLN -7 m y/y)
- Slight increase in an **amortization of acquisition expenses** (PLN +10 m y/y) primarily related to the group and group health insurance correlated to a sales growth

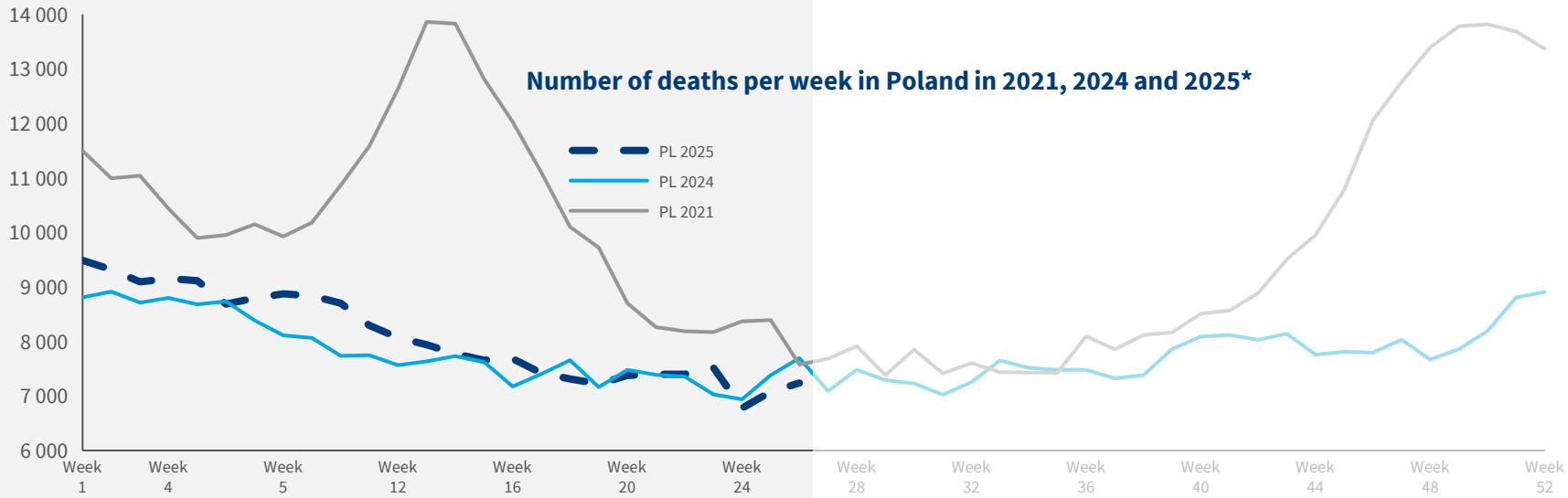
- Decline in insurance service result (PLN -36 m y/y) while maintaining **high portfolio profitability**. The decrease is primarily observed in group health insurance – in the second quarter of 2024 much higher loss component amortization from previous periods, which resulted in the decrease of the insurance service result in a non-representative way
- An **increase in net financial revenue** due to higher returns generated on equity instruments as well as the purchase of Polish government securities for the portfolio at high market yield levels

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

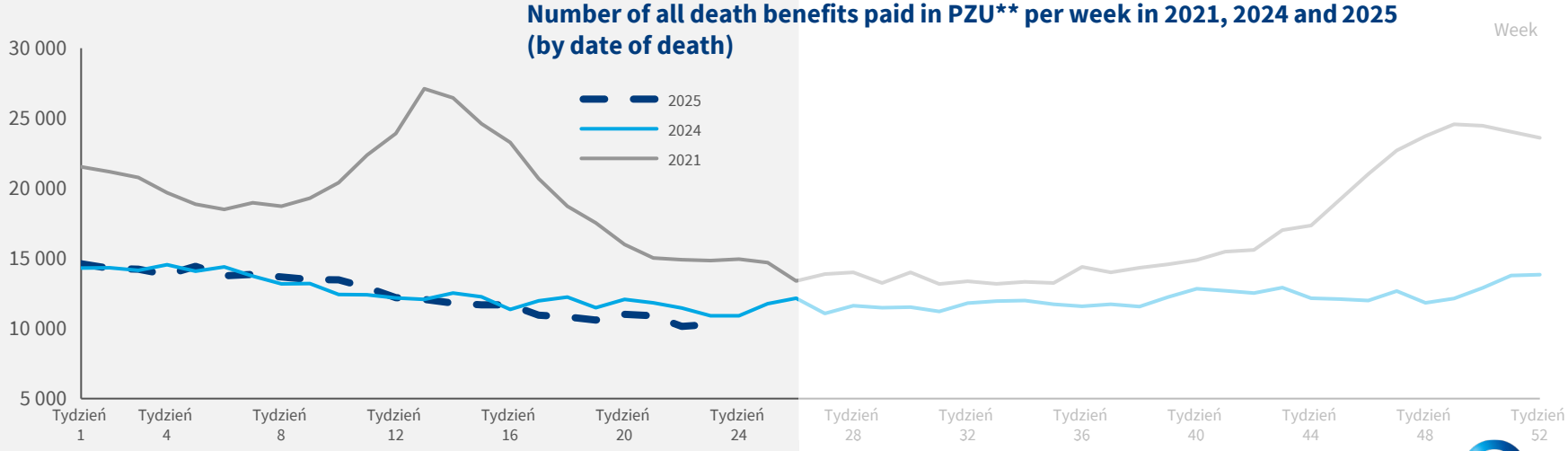
# PZU portfolio against mortality in Poland in 2Q25

1. The second quarter is usually a period of seasonally lower number of deaths
2. In 2Q24, an average of 7.4 thousand death certificates were issued per week, compared to 7.3 thousand in the same period last year (+1% y/y)
3. Throughout 2024, an average of 7.8 thousand deaths per week were registered, which is in line with 2017–2019 levels, i.e., the pre-pandemic period
4. Death benefits down by nearly 7% compared to the second quarter of 2024

**Number of deaths per week in Poland in 2021, 2024 and 2025***




**Number of all death benefits paid in PZU** per week in 2021, 2024 and 2025 (by date of death)**

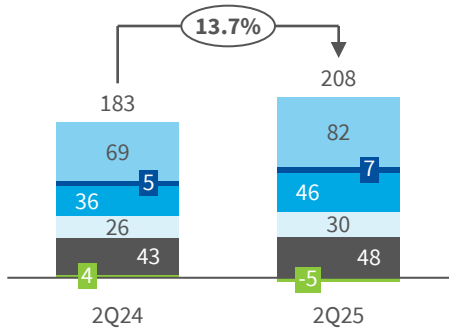



** figures from Statistics Poland*

*** includes all PZU products and the following risks: death of primary insured, death of spouse, death of parents, death of in-laws. Data for the current year may be incomplete, this is due to the time that elapses between the occurrence of an event and its reporting to the insurer and payment.*

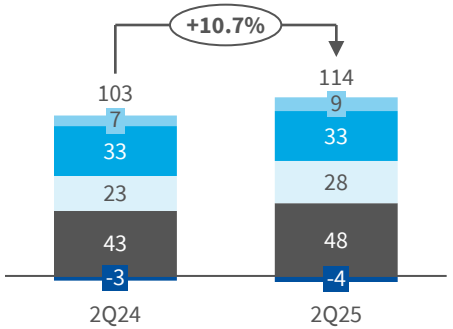
# Life insurance under IFRS 17 – individual protection insurance

## Insurance revenue (PLN m)



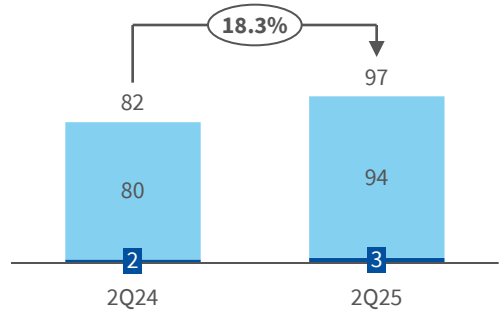

- Release of the CSM
- Release of risk adjustment for non-financial risks
- Expected claims and benefits
- Expected expenses
- Premiums related to acquisition expenses
- Other

## Insurance service expenses (PLN m)




- Recognition and change of the loss component
- Loss component amortization
- Claims and benefits
- Administrative expenses
- Acquisition expenses

## Operating result (PLN m)




- Insurance service result
- Net financial revenue

Revenue growth mainly driven by:

- **individual protection insurance with profit participation**, with revenues increasing by PLN 12.3 m y/y mainly driven by **higher CSM release (PLN +6.1 m y/y)** and increased revenues to cover rising costs correlated with the scale of the business
- **individual protection insurance**, with revenues increasing by PLN 13.3 m y/y, mainly driven by an increase in revenues to cover expected claims and benefits(PLN +5.4 m y/y), **higher CSM release (PLN +4.5 m y/y)**, increase in revenues to cover rising acquisition expenses (PLN +4 m y/y)

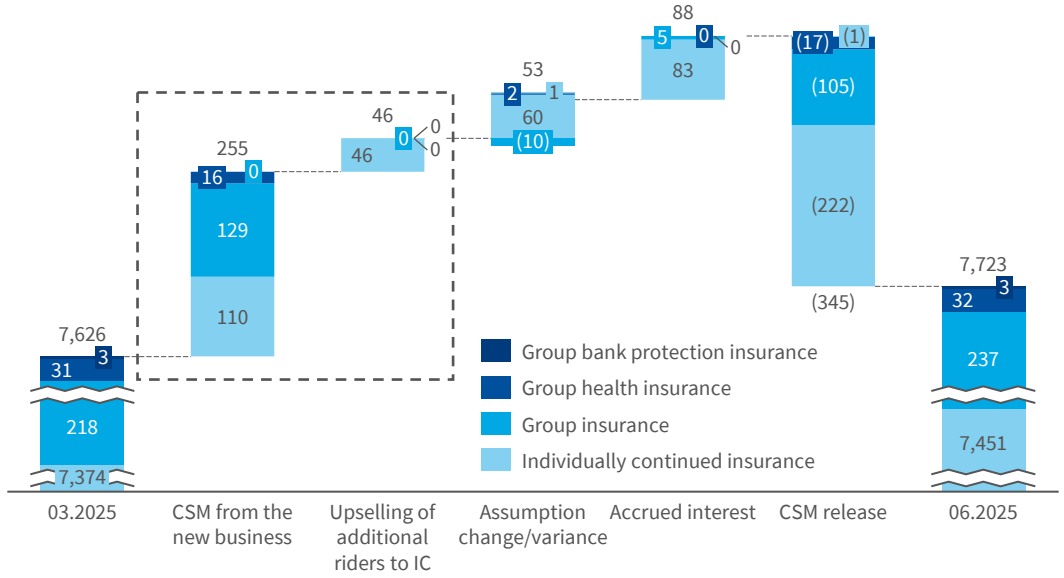
- Higher **recognition and change of the loss component** due to a PLN 1.3 m y/y increase in the loss component created for new sales of bank protection insurance (an effect of switching from single premium to periodic premium), as well as a PLN 1.3 m y/y increase in the loss component created for products introduced in 2024 as a result of higher sales
- Higher **administrative expenses** mainly for products introduced during 2024 (PLN +4.2 m) – PZU Perspektywa na Przyszłość, hybrid insurance and package Insurance (PZU Pakiet na Życie i Zdrowie)
- Higher **amortization of an acquisition expenses**

- An increase in insurance service result with **higher margins realized on the individual bank protection insurance portfolio, the individual protection insurance portfolio with profit sharing and the portfolio of individual protection insurance**, alongside lower margins realized on the portfolio of individual package insurance
- Increase in **net financial revenue** (PLN +1 m y/y)

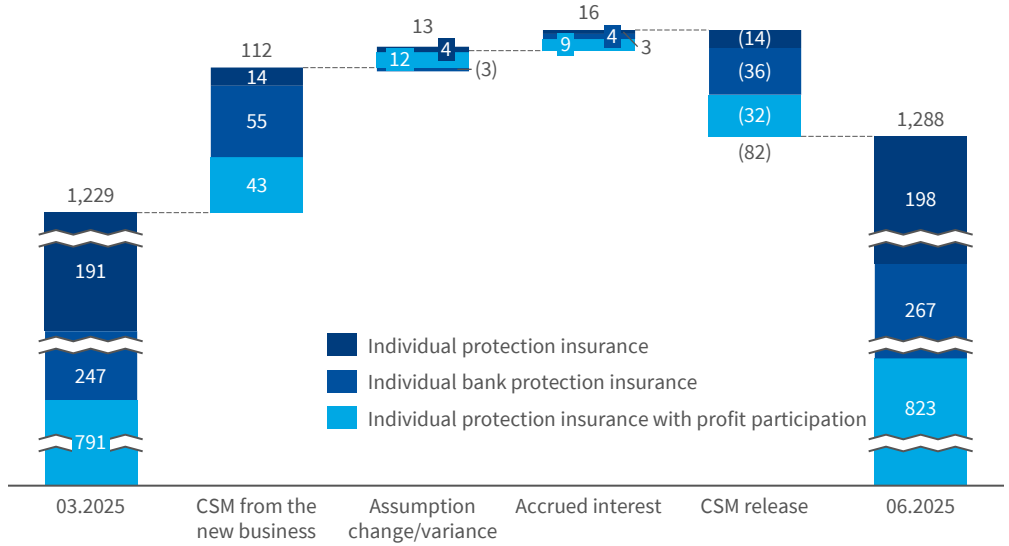
* Net financial revenue – result on investment activity less financial expenses from insurance

# Life insurance 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 255 m, including PLN 129 m from group insurance, PLN 110 m from individually continued insurance and PLN 16 m from group health insurance
- Upselling of additional riders to individually continued insurance recognized as variance (PLN +46 m)
- Positive deviations in the growth of the insured portfolio (PLN +53 m), including the positive effect of premium indexation for inflation in individually continued insurance
- CSM increase by the change in the time value of money – accrued interest
- CSM release of PLN 345 m – profit attributable to the current period – including PLN 222 m from individually continued insurance, PLN 105 m from group insurance, PLN 17 m from group health insurance and PLN 1 m from group bank protection insurance

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 112 m, including PLN 55 m from individual bank protection insurance, PLN 25 m from individual protection insurance with profit sharing, PLN 18 m from hybrid insurance
- Variances in the development of the insured's portfolio (PLN +13 m) – arising from the difference between modelled and actual cash flows constituting approximately 1% of the CSM
- CSM increase by the change in the time value of money – accrued interest
- CSM release in the amount of PLN 82 m – profit attributable to the current period – including PLN 36 m from individual bank protection insurance, PLN 30 m from individual protection insurance with profit sharing, PLN 11 m from individual protection insurance

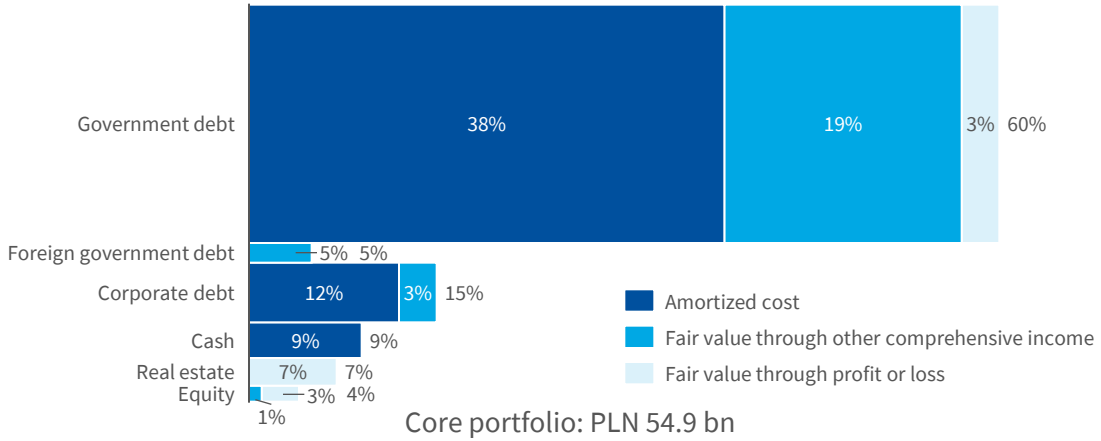
# Investment result

| IFRS, PLN m | 2Q24 | 1Q25 | 2Q25 | Change y/y |
|---|---|---|---|---|
| **Investment income less interest expenses** | **4 723** | **5 533** | **5 488** | *16,2%* |
| Investment result allocated to insurance segments in Poland ex unit-linked | 537 | 549 | 584 | *8,8%* |
| Unit-linked | 119 | 257 | 228 | *91,6%* |
| Investment result allocated to insurance segments abroad | 32 | 25 | 40 | *25,0%* |
| Surplus portfolio, TFI, PTE | (39) | 176 | (43) | *x* |
| Banking activities including PPA | 4 074 | 4 526 | 4 679 | *14,9%* |
| **Total, insurance segments, investment activities and other** | **649** | **1 007** | **809** | ***24,7%*** |
| Main portfolio | 588 | 733 | 673 | *14,5%* |
| Debt instruments - interest | 564 | 586 | 590 | *4,7%* |
| Debt instruments - revaluation and execution | (17) | (24) | 22 | *x* |
| Equity instruments | 34 | 89 | 61 | *81,0%* |
| Real estate | 7 | 82 | (1) | *x* |
| Investment products | 119 | 257 | 228 | *91,6%* |
| Other | (58) | 17 | (92) | *x* |

*Restated data.

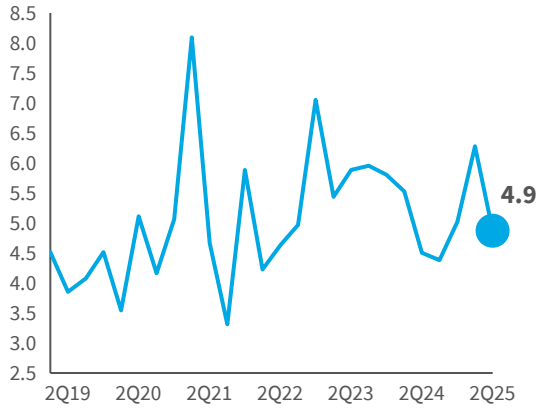
1. **Secure portfolio structure:** debt instruments account for 80% of the portfolio, government debt is 65% of the portfolio
2. **Profitability** of the core portfolio with FX on liabilities at 4.9 % in 2Q25
3. **Higher interest income** - the purchase of Polish Treasury bonds at high yields in the market
4. **Higher results from the valuation and realization of debt instruments –** significant impact of positive exchange rate differences, y/y increase in performance of Polish government bond portfolio
5. **Higher year-on-year results from equity instruments** due to stronger growth in stock market indices, partially offset compared to the previous quarter by lower returns, particularly in the medical sector and Private Equity
6. **Lower results from the real estate portfolio** – negative impact of valuations, especially in the office segment as well as higher fitout costs
7. **The negative impact of other items** mainly relates to temporary exchange rate differences in real estate valuations – an amount that is eliminated in semi-annual periods

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

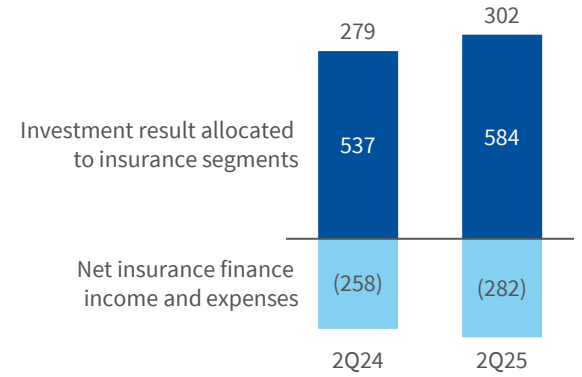



Core portfolio: PLN 54.9 bn
PZU Life Życie investment products: PLN 7.8 bn

## Return on FX core portfolio from liabilities (%)



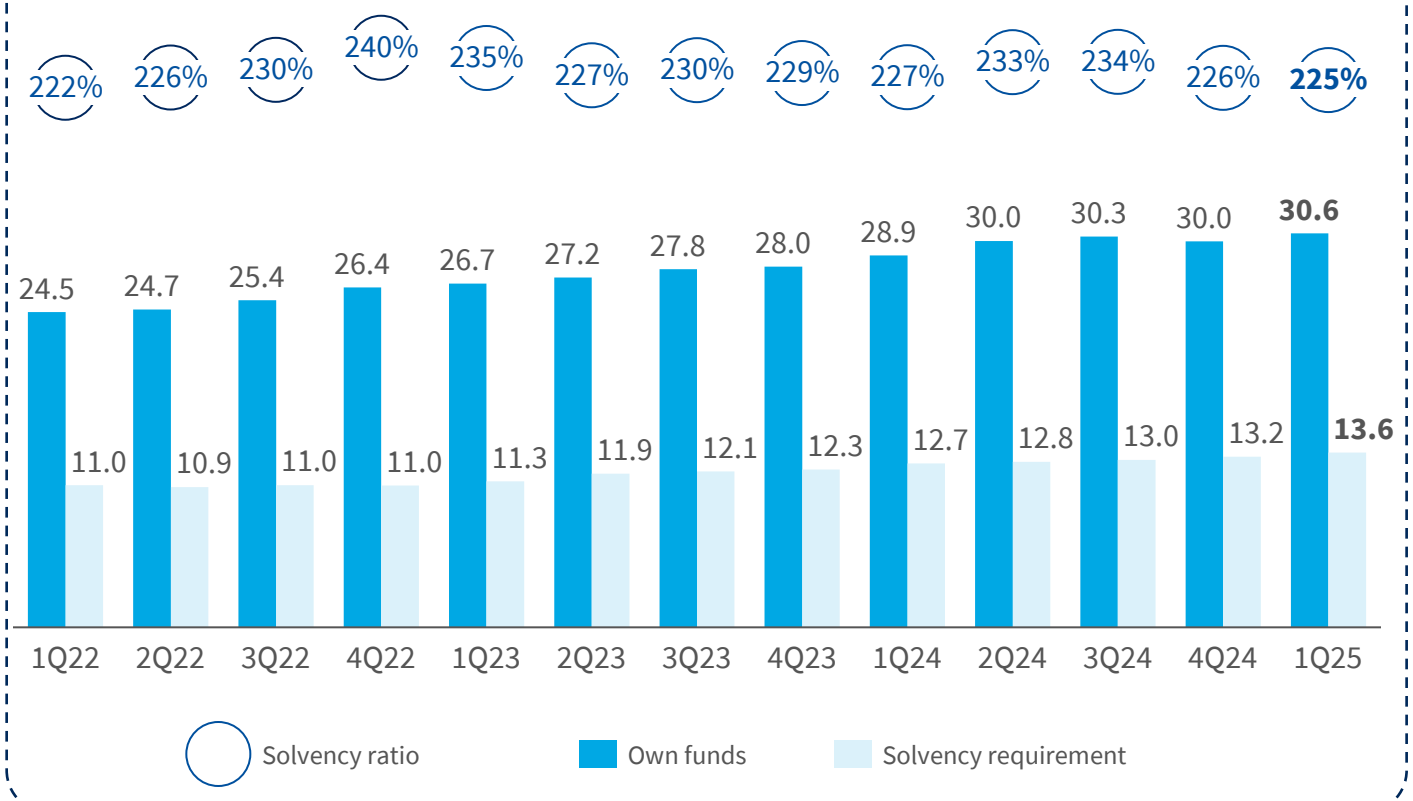

## Investment result allocated to insurance segments in relation to net insurance expenses and revenue* (PLN m)




** Excluding unit-linked and foreign operations*

# High level of solvency of the Group

**Solvency II ratio[1], 31 March 2025**




**Increase in own funds** in 1Q25 **by PLN 0.6 bn**

Main causes:

1. operating flows and investment results (PLN +1.8 bn);
2. increase in bank valuation (PLN +0.3 bn;
3. dividends are expected at the level of 80% of the PZU Group's profit attributable to the shareholders of the parent company (PLN -1.4 bn). In connection with EIOPA's opinion 25/135 "Supervisory Statement on Deduction of Foreseeable Dividends from Own Funds under Solvency II," starting from 1Q25[1], the above approach has been adopted as the basis for supervisory reporting.

**SCR growth** in 1Q25 by PLN **0.4 bn**

The main drivers of the q/q changes:

1. increase in the Basic Solvency Capital Requirement (BSCR, PLN +0.3 billion). The main contributing factors were: an increase in catastrophe risk in property and personal insurance (PLN +0.25 billion), market risk (PLN +0.09 billion), and life insurance risk (PLN +0.06 billion) – values before the effect of diversification;
2. neutral impact of the implementation of CRR3 on banks belonging to the PZU Group.

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. In connection with EIOPA's opinion 25/135 "Supervisory Statement on Deduction of Foreseeable Dividends from Own Funds under Solvency II" from January 2025, starting in 1Q25 own funds are reduced for the purposes of interim supervisory reporting by 80% of the PZU Group's consolidated result attributable to PZU shareholders. As a result, starting from 1Q25, there will be no differences between the expected dividend reducing own funds reported in the interim data submitted to the Supervisory Authority and the data included in investor presentations. The historical interim data presented are consistent with this principle and with previous presentations.

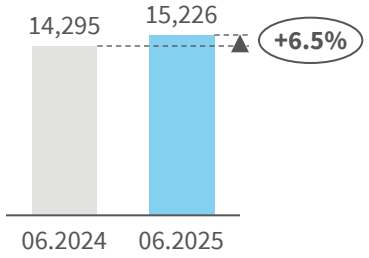


# 4. Strategy for 2025–2027

# Strategic goals until 2027 and their implementation

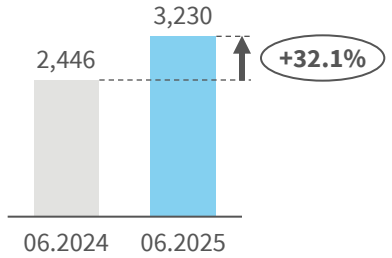
**Gross insurance revenue**[1] (PLN m)

FY2027: >PLN 36 bn



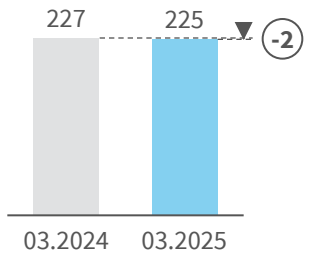

**PZU Group net profit**[2] (PLN m)

FY2027: >PLN 6.2 bn



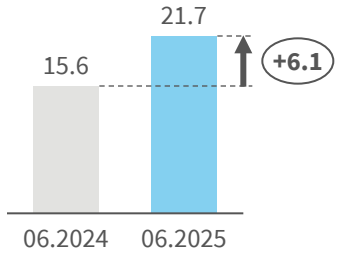

**Solvency II ratio** (%)[7]

2027: > 190%



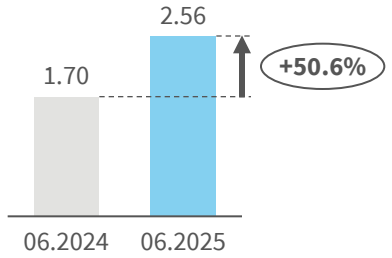

**ROE**[3] (%)

FY2027: > 19%



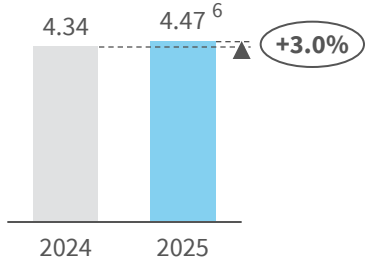

**EPS**[3] (PLN)

FY2027: > 5.1



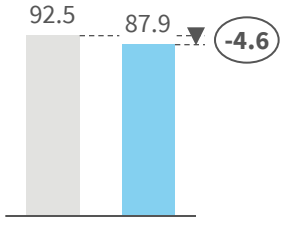

**DPS** (PLN)

FY2027: ≥ 4.5



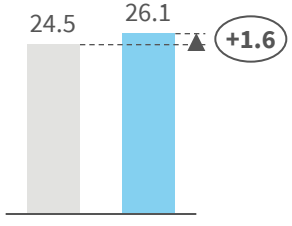

**COR**[4] (%)

FY2027: < 90%



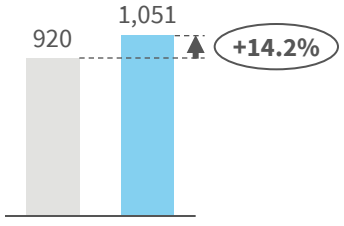

**Margin**[5] (%)

FY2027: > 20%



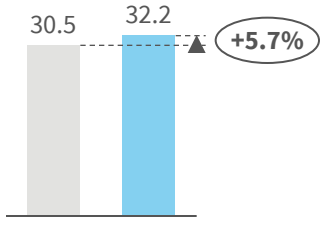

**Health Pillar revenue** (PLN m)

FY2027: >PLN 3 bn




**Assets of external clients of TFI PZU** (PLN bn)

2027: >PLN 49 bn



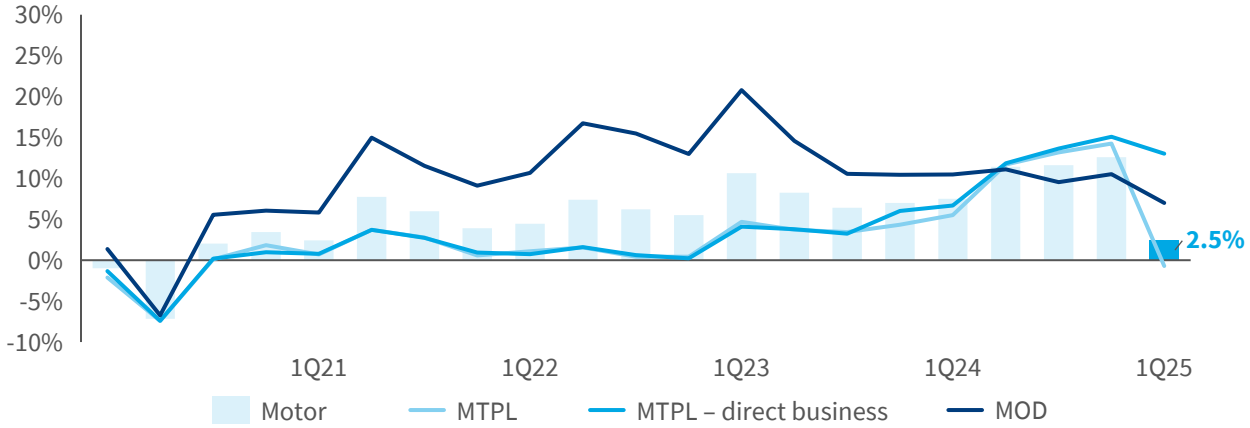

1. Gross insurance revenues of PZU Group
2. Net profit attributable to the shareholders of the parent company
3. Core business, excluding banks
4. Combined ratio (COR) in non-life insurance in Poland
5. Life insurance operating margin in Poland
6. Dividend approved by the Shareholder Meeting
7. Data for 1Q24 and 1Q25 are presented according to the methodology where own funds are reduced by 80% of the interim consolidated result of the PZU Group attributable to PZU shareholders. Starting from 1Q25, in connection with EIOPA's opinion 25/135 "Supervisory Statement on Deduction of Foreseeable Dividends from Own Funds under Solvency II" from January 2025, there will be no differences between the expected dividend reducing own funds reported in the interim data submitted to the Supervisory Authority and the data included in investor presentations.



# 5. Annexes

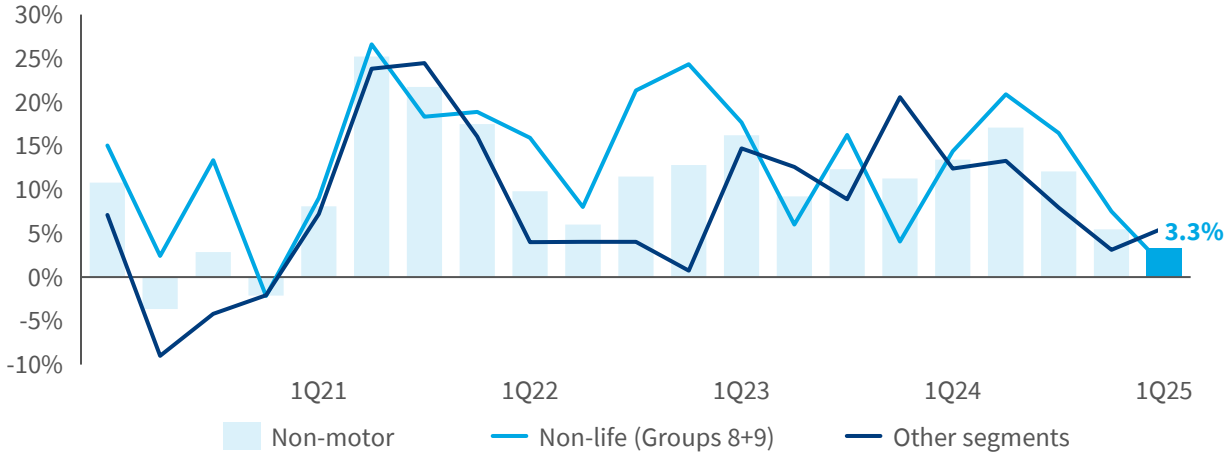
# Trends in the non-life insurance market in Poland

## Motor insurance market dynamics[1], y/y

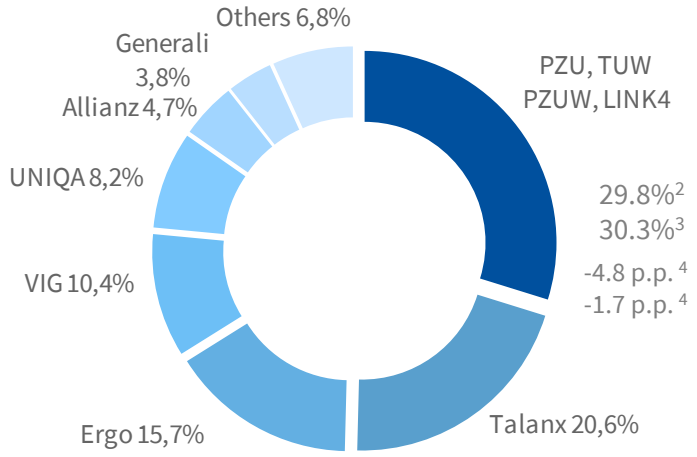



1. **Lower growth dynamics in the motor insurance market (+2.5% y/y), mainly due to a decrease in the inward reinsurance premium.** Growth in direct business premiums for MTPL insurance by 13.0%, growth in MOD insurance by 8.1%, slightly lower than in the previous quarter
2. **Limited growth in non-motor insurance (+3.3% y/y; direct business +4.3% y/y).** The largest contributors to growth in value terms were general MTPL insurance (PLN +114.7 m, +9.3% y/y), MOD insurance (PLN +103.7 m; +16.3% y/y), and a decline in accident and sickness insurance (PLN -35.6 m, -4.6% y/y).
3. **PZU Group's market share in non-life insurance (direct business)** in 1Q25 was 30%
4. **High share of PZU Group's technical result in the technical result of the market at 42%**

## Non-motor insurance market dynamics[1], y/y



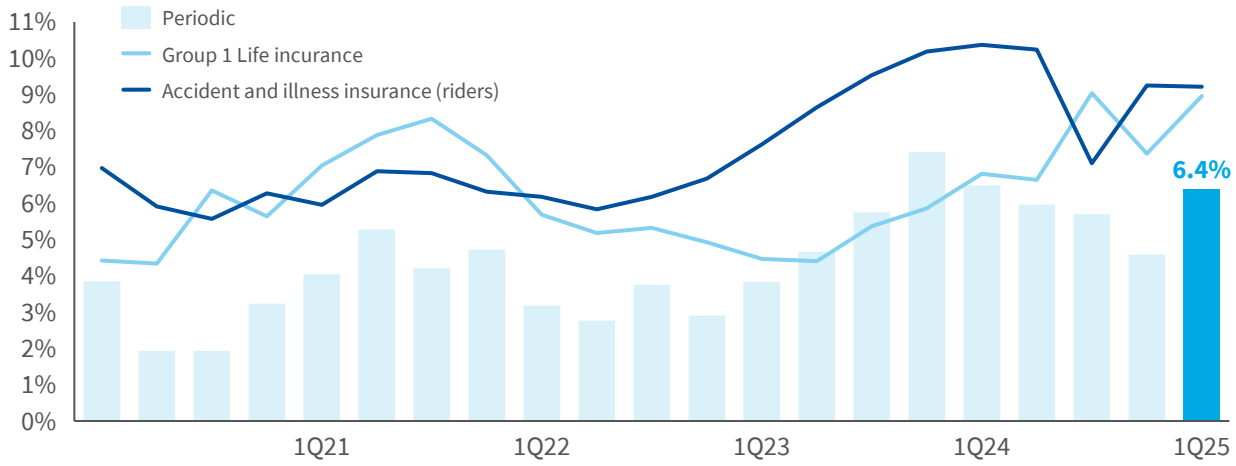

## Market shares in 1Q 25[2]




1. According to the KNF's report after 1Q25
2. According to the KNF's report after 1Q25; 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 1Q25
4. Change in share y/y, respectively: including PZU's inward reinsurance to LINK4 and TUW PZUW and from direct business

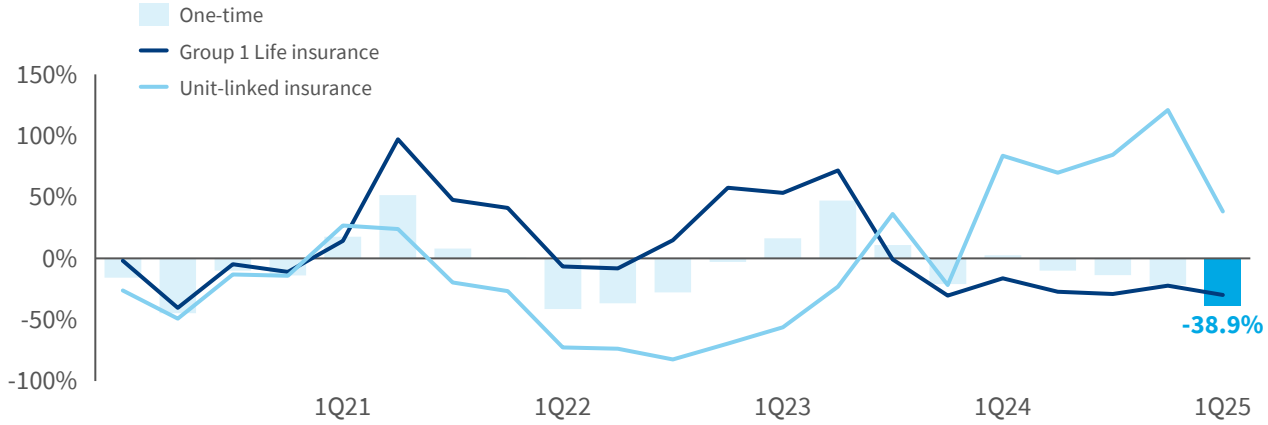
# Life insurance market in Poland

## Insurance market with periodic premiums dynamics[1], y/y

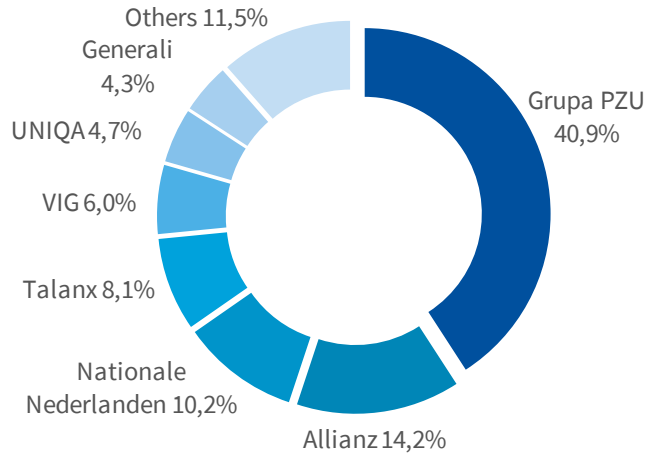



1. **Periodic premium insurance market** (92% of the market) **grew in 1Q by 6.4% y/y**
   The biggest impact by value: **accident and illness insurance** (PLN +193.2 m, +9.2% y/y) and **Group I insurance** (life insurance) (PLN +184.9 m, +9.0% y/y)
2. **Deeper decline in insurance with single premiums** (8% of the market) **-38.9% y/y**.
   The biggest positive impact by value of unit-linked insurance **(PLN +50.4 m, +38.2% y/y)**, with a decrease in **Group V** – accident and health insurance **(PLN -194.5 m)**
   **and Group I** – life insurance **(PLN -152.5 m, -29.8% y/y)**
3. **PZU Group's share of the single-premium insurance market surged** (90.5% in 1Q25 vs. 38.0% in 1Q24) – impact of high sales of insurance offered in cooperation with the Group's banks, including: individual life and endowment insurance with guaranteed sums insured
4. PZU's stable share of the periodically paid insurance market **40.9%**

## Insurance market with single premiums dynamics[1], y/y




## Market shares in periodic premium[2] in 1Q25




1. According to the quarterly reports of the KNF
2. PZU Group's share of gross written premiums from insurance premiums paid periodically as reported by the KNF in 1Q25

# Profitability by operating activities segments under IFRS 17

| Insurance segments | Insurance revenue | | | Result* | | | Combined ratio / Margin | |
|---|---|---|---|---|---|---|---|---|
| **m PLN, IFRS17** | **2Q24** | **2Q25** | **Change y/y** | **2Q24** | **2Q25** | **Change y/y** | **2Q24** | **2Q25** |
| Total non-life insurance – Poland | 4 421 | 4 763 | *7,7%* | 394 | 495 | *25,6%* | 94,9% | 93,0% |
| Mass insurance – Poland | 3 254 | 3 476 | *6,8%* | 145 | 286 | *97,2%* | 98,9% | 95,0% |
| Motor TPL | 1 111 | 1 156 | *4,1%* | -40 | 45 | *x* | 103,6% | 96,1% |
| MOD | 903 | 932 | *3,2%* | 64 | 65 | *1,6%* | 92,9% | 93,0% |
| Other products | 1 240 | 1 388 | *11,9%* | 10 | 60 | *x* | 99,2% | 95,6% |
| Net financial revenue | x | x | *x* | 111 | 116 | *4,5%* | x | x |
| Corporate insurance – Poland | 1 167 | 1 287 | *10,3%* | 249 | 209 | *(16,1%)* | 77,6% | 84,7% |
| Motor TPL | 158 | 182 | *15,2%* | -5 | 25 | *x* | 103,2% | 86,2% |
| MOD | 243 | 267 | *9,9%* | 24 | 42 | *75,0%* | 89,8% | 83,8% |
| Other products | 766 | 838 | *9,4%* | 150 | 64 | *(57,3%)* | 58,7% | 84,7% |
| Net financial revenue | x | x | *x* | 80 | 78 | *(2,5%)* | x | x |
| Total life insurance – Poland | 2 138 | 2 156 | *0,8%* | 600 | 606 | *1,0%* | 28,1% | 28,1% |
| Group and individually continued insurance | 1 928 | 1 921 | *(0,4%)* | 509 | 492 | *(3,3%)* | 26,4% | 25,6% |
| Individual insurance | 183 | 208 | *13,7%* | 82 | 97 | *18,3%* | 44,8% | 46,6% |
| Investment insurance | 27 | 27 | *x* | 9 | 17 | *88,9%* | x | x |
| Total non-life insurance – Ukraine and Baltic States | 703 | 756 | *7,5%* | 106 | 127 | *19,8%* | 87,1% | 85,8% |
| Baltic countries | 651 | 702 | *7,8%* | 106 | 122 | *15,1%* | 85,6% | 85,0% |
| Ukraine | 52 | 54 | *3,8%* | 0 | 5 | *x* | 105,8% | 96,2% |
| Total life insurance – Ukraine and Baltic States | 21 | 18 | *(14,3%)* | 3 | 8 | *166,7%* | 14,3% | 44,4% |
| Lithuania | 11 | 12 | *9,1%* | 2 | 3 | *50,0%* | 18,2% | 25,0% |
| Ukraine | 10 | 6 | *(40,0%)* | 1 | 5 | *x* | 10,0% | 83,3% |

* Operating Result

Insurance service result

# PZU Group gross written premium

| Insurance segments<br>m PLN, local GAAP | 2Q24 | 1Q25 | 2Q25 | Change y/y | Change q/q |
|---|---|---|---|---|---|
| **External gross written premium** [1] | **7 779** | **8 125** | **8 069** | *3,7%* | *(0,7%)* |
| **Total non-life insurance - Poland** | **4 532** | **4 677** | **4 514** | ***(0,4%)*** | ***(3,5%)*** |
| Mass insurance – Poland | 3 408 | 3 509 | 3 415 | *0,2%* | *(2,7%)* |
| Motor TPL | 1 205 | 1 168 | 1 156 | *(4,1%)* | *(1,0%)* |
| MOD | 976 | 971 | 929 | *(4,8%)* | *(4,3%)* |
| Other products | 1 227 | 1 370 | 1 330 | *8,4%* | *(2,9%)* |
| Corporate insurance – Poland | 1 124 | 1 168 | 1 099 | *(2,2%)* | *(5,9%)* |
| Motor TPL | 165 | 192 | 190 | *15,2%* | *(1,0%)* |
| MOD | 261 | 259 | 262 | *0,4%* | *1,2%* |
| Other products | 698 | 717 | 647 | *(7,3%)* | *(9,8%)* |
| **Total life insurance – Poland** [1] | **2 469** | **2 637** | **2 734** | ***10,7%*** | ***3,6%*** |
| Group and individually continued insurance - Poland | 1 904 | 1 957 | 1 964 | *3,1%* | *0,4%* |
| Individual insurance – Poland | 564 | 681 | 770 | *36,4%* | *13,1%* |
| Premium on protection products | 245 | 234 | 297 | *(4,3%)* | *x* |
| Premium on periodic investment products | 27 | 34 | 31 | *25,2%* | *x* |
| Premium on single investment products | 175 | 246 | 328 | *40,4%* | *x* |
| Investment contracts | 118 | 167 | 113 | *(3,7%)* | *(32,1%)* |
| **Total non-life insurance – Ukraine and Baltic States** | **739** | **773** | **784** | ***6,1%*** | ***1,4%*** |
| Baltic countries | 680 | 720 | 715 | *5,1%* | *(0,7%)* |
| Ukraine | 59 | 53 | 69 | *17,6%* | *31,1%* |
| **Total life insurance – Ukraine and Baltic States** | **39** | **38** | **38** | ***(3,5%)*** | ***(0,3%)*** |
| Lithuania | 31 | 28 | 30 | *(2,5%)* | *9,1%* |
| Ukraine | 8 | 10 | 7 | *(7,3%)* | *(26,4%)* |

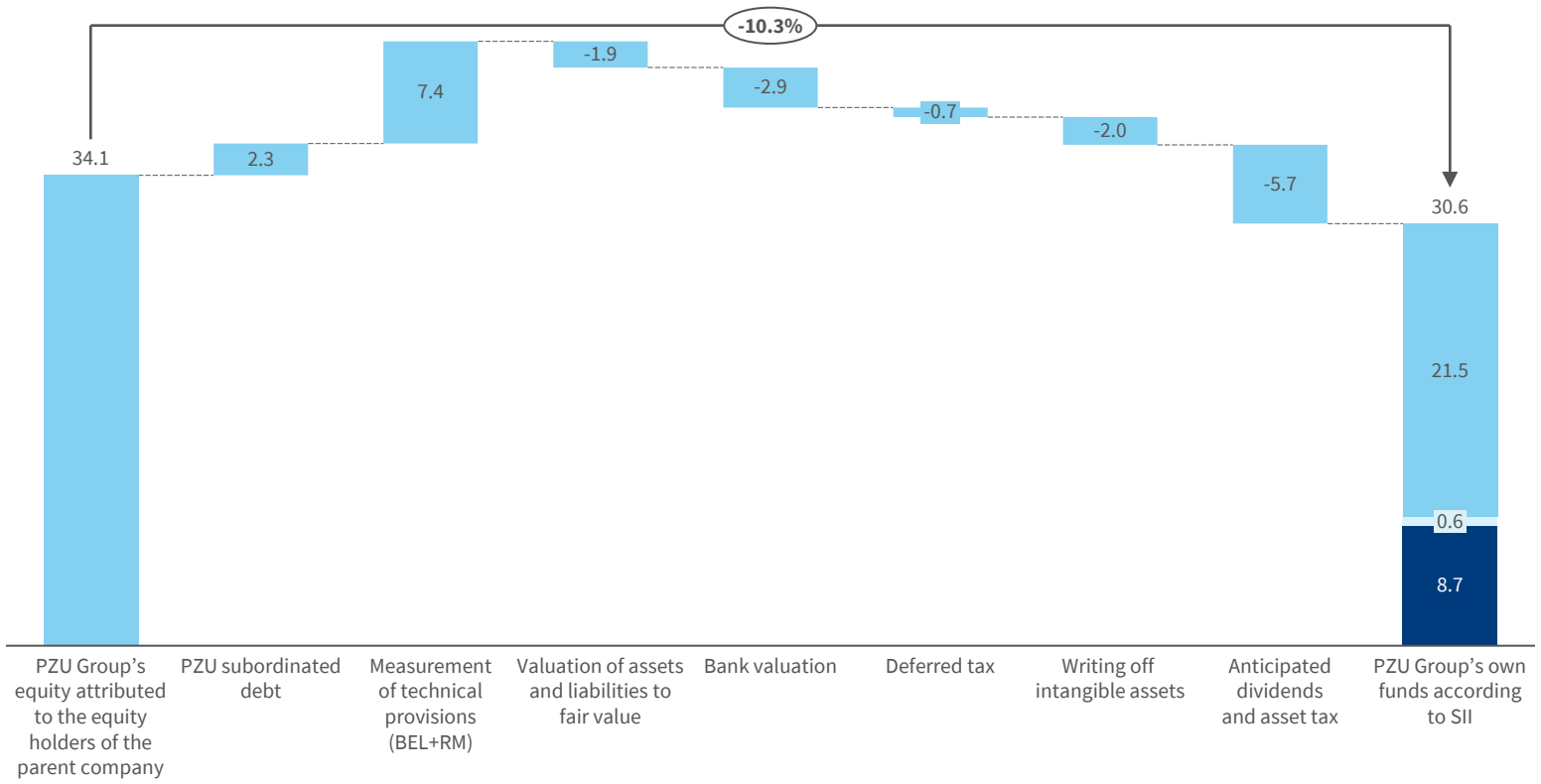


1. Includes investment contracts, presentation change

# Own funds

## PZU Group data in Solvency II as of 31 March 2025 (PLN bn)

### Comparison of own funds and consolidated equity under IFRS

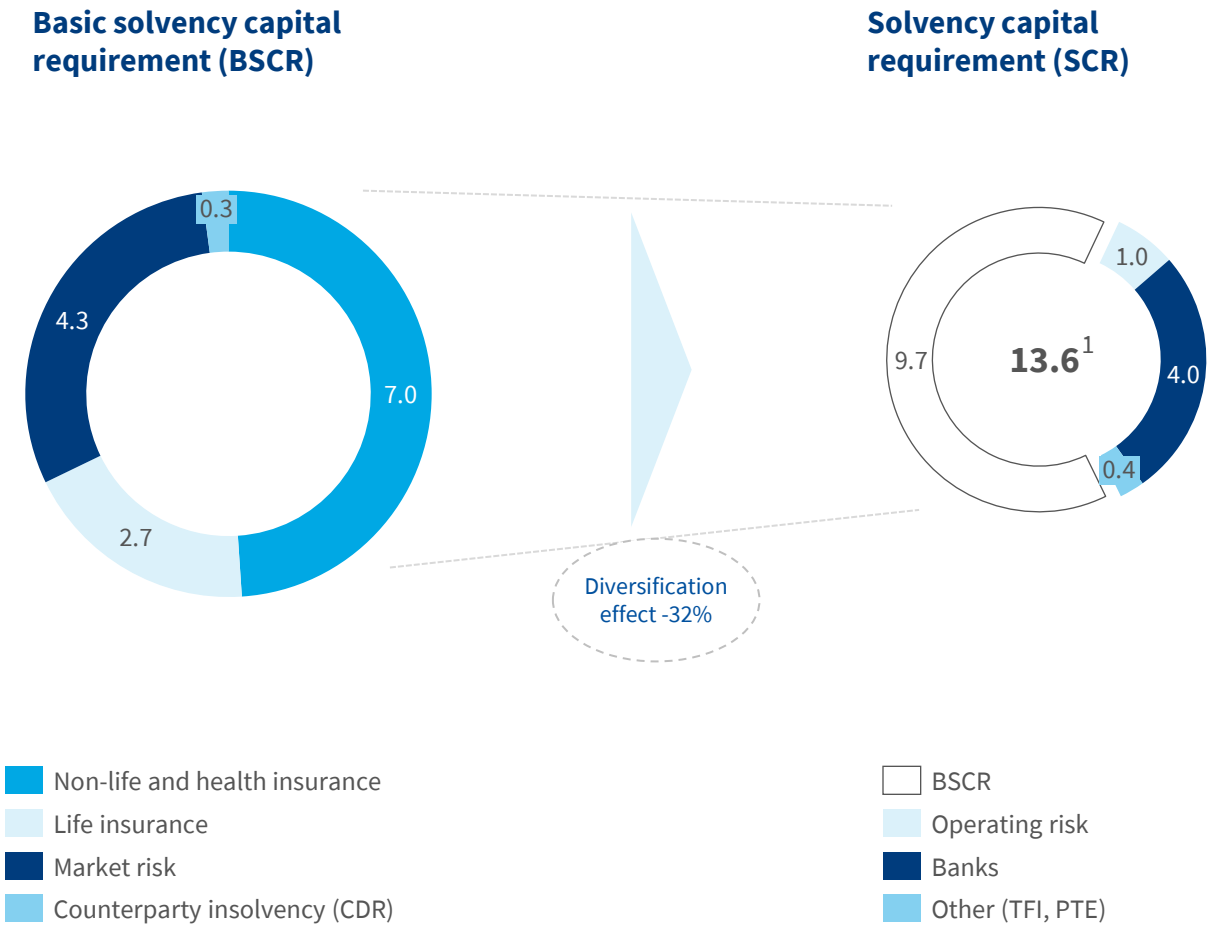



Own funds according to WII:

1. contractual service margin as the main reason for differences in technical provisions valuation
2. less anticipated dividends; in interim periods – 80% of the PZU Group's profit attributable to shareholders of the parent company
3. 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 March 2025 (PLN bn)




Increase in solvency requirement in 1Q25 by PLN 0.3 bn.
Main reasons for SCR change**:**

1. increased risks in non-life insurance (PLN +0.25 bn[2]) – mainly due to higher natural catastrophe risk (floods) and increased volumes (the volume increase also impacts operational risk, which rose by PLN 0.02 bn). Due to the rise in flood exposure, PZU expanded its reinsurance coverage in 2Q25

2. increase in market risk by PLN +0.09 bn[2], mainly caused by:
 - higher interest rate risk following increased exposure to debt instruments,
- higher equity price risk due to increased investments in investment funds and an increase in capital surcharge (increase in symmetric adjustment by 2.5 p.p. as a consequence of rising stock indices),
- decrease in currency risk after reducing the gap following increased investments in EUR

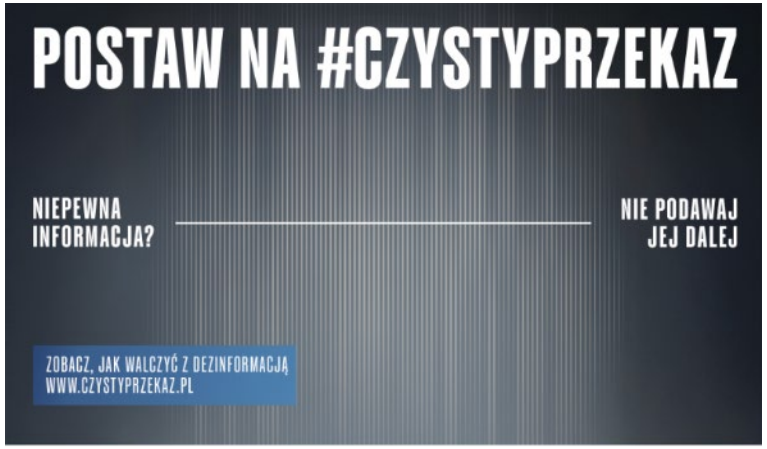
3. increase in life insurance risk by PLN +0.06 bn[2], driven by higher lapse risk due to growth in the portfolio of individual products, including products with capital funds, and longer cash flow projections for group products

4. banking risk remained largely unchanged. The impact of CRR3 regulatory changes was positive for the Pekao Group (reduction in operational risk) and negative for the Alior Bank Group

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.

# Sustainable development







**New opportunities for the development of the energy sector**

PZU LAB SA, TUW PZUW, and Energa have signed a cooperation agreement. Together, they will research, test, and implement innovative solutions key to the modernization and development of the Polish energy sector, especially in managing energy from renewable sources and energy storage.

- The goal of the agreement is to achieve shared business, research, and educational objectives for the three companies. Planned activities include collaboration on innovative and R&D projects, as well as commercialization and promotion of the resulting solutions.

**Educational and social campaign "Clean Message"**

The "Clean Message" campaign aims to educate and demonstrate how to protect yourself and others in a world full of misinformation.

- On the campaign website www.czystyprzekaz.pl, the Foundation shows how to filter information and verify sources. It also provides access to very simple, practical tools.
- The campaign is supported by the Polish Presidency of the Council of the EU, the National Freedom Institute, NASK, the Center for Research on Prejudice at the University of Warsaw, the Center for Disinformation Studies at Collegium, the Foundation "Dbam o Mój Zasięg," the Geremek Foundation, the School with Class Foundation, and the Demagog Association.

**PZU Lokalnie**

PZU Lokalnie is a project that allows users to check how their local area ranks in terms of safety, health, and quality of life.

- The PZU Lokalnie city ranking covers 38 Polish cities with over 100 thousand inhabitants.
- For each of the 38 cities included in the ranking, PZU has prepared a page highlighting its strengths and position compared to neighboring cities. The full ranking is available at www.pzu.pl/lokalnie.
- The ranking was prepared by members of the AI Lab at SGH, working on projects related to artificial intelligence and digital transformation in the economy.

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# Thank you

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