We warmly welcome you to the conference dedicated to the results of the PZU Group for 3Q24. The presentation will be led by Mr. Artur Olech, President of the PZU Management Board, Mr. Jarosław Mastalerz, President of the PZU Życie Management Board, and Mr. Tomasz Kulik, member of the PZU and PZU Życie Management Board. The presentation will be opened by Mr. Artur Olech, President. Mr. President, I am passing the floor.

Good morning. I would like to warmly welcome you to our quarterly presentation of the group's results. At the beginning, I would like to propose the following format for our meeting. Today, we will primarily focus on the results themselves. I'm sure you will have some thoughts and questions regarding the past, but in about a week and a half, on 2 December, we plan to announce our strategy, where we'll discuss many of those topics in more detail. So, of course, we won't shy away from answering any questions, but for the sake of order, it would be best to focus on the results today. Also, regarding the quantity and quality of information we provide, we will refer more to what we plan to show on 2 December. We sincerely invite you to join us on 2 December. I hope that the invitations have already reached you, and we look forward to seeing you there. In our company, we have such meetings for the markets and various stakeholders. Then, we will also have one for employees. So that's ahead of us. Today, I would like to talk about the results, and before I dive into the results, I'd like to address the following matter. Over these last 6 months, we've really been working hard not only on the strategy but also on many challenges that our group is facing. These issues have been related to the current situation, the entry of many new people into the company, who joined us over these months, and we've faced some of the biggest challenges or problems standing in front of us. These challenges were mainly related to the operational model, the structure of our assets, including the role of banks within our group and how they are positioned in the group's structure. A huge challenge we've faced was the situation in the motor insurance market, which we tackled immediately upon arrival. This was driven by pricing levels, inflation, and many other challenges. I will talk more about this later. But also, in the meantime, we were hit by major events that we had no special control over. These include events in the second quarter related to agricultural insurance, weather-related events, and the third quarter, which was indeed marked by the issue of flooding. I will also want to briefly address this in the upcoming slides. The results we published and that I would like to present to you show nearly 22 billion in insurance revenue, which is almost 1.9 billion more than last year. This is a very solid, if not more than solid, growth. In non-life insurance, which will be detailed further, it's almost an 11% increase overall. In the non-motor insurance segment, which is very important to us, we're seeing a growth of over 15%, and almost 9% in motor insurance. But the biggest challenge here is the issue of profitability, and I would say, operational efficiency. As for the net profit, it's 3.7 billion with an ROE of almost 17% after three quarters. The third-quarter result, despite the events that I will comment on shortly, is nearly 693 million from insurance services and 1.215 billion profit for the parent company. This, it seems, is a positive piece of information, above the market consensus, though definitely lower than last year. Last year was a record year, and a year without such sudden events. Many factors also influenced the results of the previous year. However, we are focusing on the here and now, and the future. A very strong capital position, which I will touch on shortly, of the group. And absolutely not shaken by the catastrophic or natural events that took place in the last two quarters. As for the dividend, you are all well aware of that, so I won't go into that in detail. I've already touched a little on topline and revenues. The main factor driving them is indeed non-motor insurance, corporate insurance, as well as home insurance. Almost a 19% increase in revenue in this segment. Health is also a very positive piece of information. There will be further details shortly on life insurance, where the results in the main areas are either very solid or very good. As for the areas we want to develop, Jarek Mastalerz will talk about this, and the growth of external clients' assets in our TFI is almost 26%. A very important contributor to our results were the banks, which have already revealed their results here, above consensus, leveraging the market momentum. The assets of the banks today are almost PLN 494 billion. But indeed, apart from these assets, the main impact on our results comes from the contribution of our banks. In both cases, Pekao SA and Alior exceeded these plans or consensus expectations. Here, they significantly helped in our third-quarter results. Referring to the contribution and what caused the main year-on-year declines, as you've seen, the weather-related events, so the second quarter being agricultural-related and the third quarter being flood-related. Roughly, it's about an equal split. Detailed data will be presented later. Of the 400 million, nearly 350 million is split roughly evenly. Both of these had an impact and are reflected in this year's results. Had they not occurred, the result would be very comparable to the third-quarter results of the previous year. We also have some one-off events, which are also related to past decisions. We have a write-off in investment activities for Olefiny of over PLN 100 million. I will comment on this shortly at the end. But in general, these are matters that are also related to, I would say, external circumstances. However, on our side, the main operational challenge is the flood, and from a technical insurance perspective, it's the motor insurance, which I will also discuss shortly. The operating margin is 24.4%. The combined ratio's deterioration is directly attributable to these three elements I've mentioned: the flood, agricultural insurance, and also the motor insurance issues. I think this warrants further comment shortly. An important point is also our capital position and credibility. The solvency ratio stands at 233.3%, significantly higher than the market average. I would say higher than that of our main competitors. We have a well-structured and quite secure investment portfolio with nearly 80% of it in bonds, with government bonds taking the dominant position. Effective assurance. This effective assurance was significant because today, despite the numbers related to the flood, which I will provide in detail shortly, it had an important impact but was not such that it would significantly affect our stability or drastically change the results. What is important to mention is that one of the first decisions we made halfway through the year, of course without knowing that the flood would happen, was to significantly alter our assurance program regarding our large exposure to catastrophic risks, and we slightly increased our safety level while maintaining a certain level of retention, which I will mention shortly. We were prepared for much larger events, and I will admit that the initial information we received indicated that this could have a far-reaching impact on our results, but fortunately, from a financial perspective, it did not have such an effect. Although, of course, for many people affected by it, it was a tragic event. I want to say two sentences now about how the situation with the flood unfolded operationally and what we did. There are three aspects to this: There is a financial element, which probably does not interest you. But there is also an element of agility and efficiency of the company, which we demonstrated in a very difficult and critical moment for our organization. And finally, what conclusions we can draw for the future, because there are specific conclusions related to how we see the market and what may still happen in the market, for example, in terms of widespread catastrophic insurance or overall insurance awareness. We reacted very quickly. First of all, I want to say that the Polish state acted very well. We were very well, very precisely warned, which is important. We had information about the scale, and even information about the amount of water compared to what was experienced in 1997. The flood was expected to be very dramatic in terms of data, and the volume of information was overwhelming. We received these alerts several days before the wave even reached us, around September 12th or 13th. At that point, we had already formed crisis committees because we were prepared for operational action and conducted thorough analyses of what impact this might have on the results. I can tell you without going into details, those were billion-dollar expectations. So what else did we do? We sent out full warning information to all our clients before the flood occurred, along with instructions on how to contact us in the event of damage, to minimize any potential confusion. I would also say that we were concerned about operational risks. People might not know where to call or how to get in touch, etc. Additionally, when the critical waves hit, by day 12, we were already on-site, after two or three days, with our mobile claims handling centers and teams. We began paying out the first advances on claims on the 15th, 16th, and 17th, which was essentially just after the flood passed through those towns, permanently destroying them. We also decided to change our approach to the traditional claims handling process, which usually involves waiting, sending pictures, and having an appraiser assess the damage, a process that can take up to 30 days. On-site, we gave our employees the authority to handle claims, even in full, on the spot. In the first few days, when we saw that a house was completely destroyed, we allowed decisions to be made right there for payouts up to several hundred thousand złotys, with the highest payout reaching 600 000 or even 500 000 złotys. This was truly a non-standard action, done overnight, which contrasts with the usual process where you wait for the water to subside and assessments to be made. This approach was fundamental for client satisfaction, our presence on the ground, and certain operational factors. At that time, we were concerned that we would have to repeat the process, as there were differing opinions among us. However, the results we achieved were, I would say, surprising and very positive for us. Now, to the numbers: we have already paid out nearly 400 million in compensation, of which the amount that could potentially affect us due to the insurance program is 275 million. Tomek, remind me, today the amount stands at around 250 million. We have already accounted for the entire value, and in general, the full amount has been recognized. What's important is the operational side on the right side. This has a huge impact. There have been 48 000 claims reported from the flood cohort. These are not all our claims, but only those related to the flood. We already know about almost all of them. There may still be some isolated cases coming in, and it could reach 50 000 due to some delays. Keep in mind that it's been only about a month and a half since the event happened in mid-September, so it's a very short time relatively from the moment it occurred. We have already paid or fully handled almost 46 000 claims. So, in reality, we have processed everything. Therefore, we know that our exposure today, the maximum gross exposure, is about PLN 500 million. This is something completely unusual and non-standard in such a process, and this is what happened during this time. And this is also something I wanted to mention: the following situation occurred. First of all, the information is complete; we know it is fully managed operationally. However, one more thing happened. Unfortunately, in the insurance industry, we also live with various types of complaints and claims, and in non-life insurance, they typically represent about 7–8% during peaceful times, when everything is running smoothly. Statistically speaking, this is the normal situation when we handle claims, as there can be misunderstandings and other situations. We thought that in the case of a flood, this percentage would significantly increase due to emotions, delays, and other factors. I want to tell you that, of the claims reported, we are currently seeing around 1%, which is a few hundred complaints. So, we have completely the opposite effect in the case of a catastrophic event. We've actually seen an improvement in client satisfaction. This is already visible to us in two key parameters that we measure very closely. Our MPS has increased by several percentage points in the past two months, and our brand awareness, not only in the flooded areas but in general, has also risen by several percent. Through these actions, by doing simple and straightforward marketing efforts – nothing more – we have seen an unprecedented growth in such a short period. This is extremely significant for us. And I want to tell you this because it shows a certain agency within a large organization facing a major challenge. It shows agility. But it also shows one thing: this may be a moment for us to reconsider things for the future. Just like we approach the process of client experience, which, from the perspective of a country like Poland, is of huge importance. This is because building awareness, reaching clients, and making them aware that these insurances are truly needed is an obvious thing. It can, and I am convinced it will, eventually have an impact – thanks to this external shock – on the overall insurance penetration level in Poland, which, as you know, has been stuck at around 2.2% of GDP for years. And we haven't been able to break through this 2.2–3% barrier. I believe this is an opportunity for us as a market to leverage this good example, even comparing it to what happened in Spain, looking at the reaction of the entire ecosystem. Because it's not just us – it's also a matter of the state, local authorities, and so on. We need to make the most of this moment. And we are working intensively with the market on this as well, to possibly introduce some systemic solutions, such as the issue of universal catastrophe insurance, which we believe should exist in a country like Poland, especially in light of new risks. In my view, such insurance would form the basis for increasing insurance penetration in general. It's another external opportunity to reconnect with the client – to make the client aware of these external factors. External shocks are a good example of that. I hope that we, as a market, will make use of this opportunity. At PZU, we have been strongly engaged in this effort, together with our colleagues from across the market, and I believe we have a broad social mandate, so to speak – but I also believe we have a real, practical mandate, thanks to our close relationship with the regulator and so on. To have this conversation, and perhaps something like this will happen in Poland. Of course, I don't know for sure – but it is a fact. This has already happened, and today we know that such events will occur – we just don't know whether they will happen in two years, three, or five. But they definitely will, because that's the reality we are facing. That's why resilience needs to be built. And here, the role of insurance companies – including PZU – is multifaceted. It's not only about our involvement in infrastructure-related projects through debt instruments and various initiatives tied to flood protection infrastructure. We also see our role there – the more infrastructure there is, the lower the risk. However, no infrastructure will ever fully protect us from floods or hurricanes. What matters is having a strong dialog and awareness at the local government level – and we've been present on the ground. It's a matter of not building certain types of infrastructure in areas that are potentially at risk. We can make use of our data for that, and so on. And the third, most important issue is the matter of catastrophe insurance. Well, Ladies and Gentlemen, I would like to... I think this is a topic that may have also been of interest to you. I wanted to share this information with you here, and now move on to a more detailed discussion of the individual results. I'll now ask Tomek to speak, followed by Jarek, about insurance in the various groups – or specific lines of business.

As you well know, in this part we present what has happened at PZU in comparison to the market. This time, we focus is on the third quarter. In the third quarter, in the area of non-life insurance, we saw a continuation of the very strong growth that occurred in both the first and second quarters – with particular emphasis on the non-motor segment, whose dynamics account for the majority of the growth and also most of the profitability generated on the insurance side. So, what happened in the third quarter? In the third quarter, the growth measured by written premium – also relative to the market – was 10%, with nearly 14% growth in non-motor insurance, driven in particular by very strong dynamics on the corporate client side. The main areas of growth included fire and other property damage insurance (class 8/9), third-party liability insurance (general TPL), and assistance services (class 13). On the motor insurance side, growth was significantly lower and largely driven by price increases, which in turn are a response to rising inflation in average claim costs and persistently elevated claim frequencies. As a result, the growth came in at 8.5%. When it comes to pricing, we are in line with the market. We'll say a few more words about that in the second part of the presentation. As for MTPL, the 7% year-on-year growth is a result of both an increase in the number of risks covered and rising prices. As you can see, the saturation of

MTPL/TPL policies has been steadily increasing over several quarters. Therefore, from a coverage perspective, we are beneficiaries of this market situation. The second component, of course, is the price increase, which should more or less guarantee that we maintain stable profitability in this particular product. Moving on, I would like to invite Jarek to speak. Sorry.

Thank you very much, Tomek, for handing over the floor. First, group insurance. Individual continuation. It may seem that this 3% growth is not very spectacular, but we would like to remind you that we have a very high market share. So, every increase means that we are maintaining this share and effectively competing – not by lowering prices. As you saw in the earlier slides, even during this period, the margin from individually continued group insurance increased by nearly two percentage points compared to the same period last year. Now, regarding individual insurance, we have seen a very strong acceleration — a 31% growth. We expect this kind of momentum to continue. The individual life insurance segment is actually where we pilot-launched our new organizational structure, the Business Unit. We clearly see that time-to-market, decisiveness, speed of action, responsiveness, and the ability to get things done have increased, so to speak, exponentially. So, what does that mean? So, we expect that next year this team will be able to respond even better and faster to market needs and maintain growth and momentum. There is still much less in individual life insurance compared to competitors and definitely below PZU's potential. Now, on to health insurance. I would like to draw your attention to the fact that revenues grew at nearly 19%, while the number of insured individuals increased by only 2.5%. This clearly shows the effect of price increases. We have managed to convince clients to accept higher prices, and as a result, the inflation in healthcare costs – which negatively affected the profitability of this product last year and even earlier this year – is now clearly reflected. The market accepted these new prices with some delay compared to the rising cost of medical visits, but at a similar level, so this product will definitely start to achieve a certain level of profitability. We also plan to slightly change the way we organize and manage our health insurance area – not as part of the strategy goals here – but so that everyone is more focused, of course, on maintaining a certain market share growth, but above all, on profitability. This is a product that is very price-sensitive and is also subject to significant fluctuations – specifically increases in inflation related to healthcare costs.

The gross written premium through banks shows a 61% increase overall, and a 47.5% increase in cooperation with all banks. Regarding cooperation with Pekao SA and Alior Bank, we even have certain summaries that we have prepared. As we know, banking never met the expectations – not only at PZU but also worldwide – that were placed in them. However, we concluded that thanks to close cooperation, the banks in our group have acquired clients with assets totaling PLN 2.4 billion. This is definitely something noticeable, even in the large balance sheets of banks like Pekao SA and the smaller one like Alior. Now, assets under management have increased by 26%. Now, of course, we have almost 30% growth in our TFI, which is similar to the growth achieved by Pekao S.A. TFI. There is slightly lower growth in PTN, but we know that this is a business where asset inflows and related factors are highly regulated, so it's difficult to say that we could influence this to achieve more, as you know, it is completely beyond our control. What is important, however, is the net inflows to the TFIs. Of course, we managed to achieve a 9% market share, which places us as the best TFI outside of bank-owned TFIs. Obviously, bank-owned TFIs have different results due to their distribution channels. As you know, we do not cooperate with banks regarding the distribution of our TFI because each of our banks has its own TFIs. And Tomek,

thank you very much. A quick recap, where do we stand after the third quarter? Taking into account all the challenges that the President has already mentioned, what I would like to emphasize once again is the very high sales dynamics, mainly achieved under this new standard. Thanks to our reach to clients both this year and, importantly, at the end of last year. As a result, the acquisition processes that allowed us to benefit in various insurance lines are reflected in this new measure – insurance revenues under the new standard. The last 12 months matter. In this area, we grew by 8 and 60% year-on-year in the quarter.

The main growth comes from non-life insurance activities, particularly in the Polish market, with a dynamic of 9.6%. In the case of corporate insurance, growth is even higher – double-digit, nearly 13%. From the life insurance perspective, there is very high growth. The President mentioned 7.5%, with especially large increases in the individual insurance segment in foreign markets. On the property insurance side, growth is around 5–6%. This is under strong pressure due to the situation in the Ukrainian market – we all know it is difficult to operate there, especially regarding life insurance. This component is under significant pressure and decline. Higher reinsurance and a higher percentage of assignments – a form of risk-sharing – allow us to optimally manage profitability, which worked very well, especially this quarter. As a result, at the level of net revenues (i.e., after assigning premiums to reinsurers), the year-on-year growth is somewhat lower, just under 8%. Regarding insurance service costs, this quarter was largely dictated by flood-related events. We mentioned a net impact of 275 million on the third quarter's results. We continue to observe elevated claims ratios, particularly in MTPL insurance. And here are two pieces of information. First, a positive one: recovery of profitability in corporate client TPL insurance. As a result, we are already able in the third quarter of this year to benefit from profitability, with a combined ratio below 99%. As for TPL insurance for mass clients, there was a one-off event – a single increase in annuity provisions. This was a consequence of applying the 2023 life expectancy tables in the provision calculations. These tables show that, in the post-COVID reality, we are living longer. And therefore, the cash flows related to annuities will most likely remain in our portfolio for a bit longer, which necessitates recognition of this sudden increase. This amounts to approximately PLN 40 million, translating into a 3-percentage-point impact on the combined ratio in TPL insurance for mass clients. As for the share of administrative and acquisition costs – the share of administrative costs in revenue remains at a similar level, while the share of acquisition costs has decreased. As a result, we can say that the overall share of these two cost components in revenue is declining, which allows PZU to retain slightly more margin. As for the increase in administrative costs themselves, the main drivers are inflationary pressure, personnel expenses, and all contracts indexed to the minimum wage. Let me just remind you that the year-on-year increase in the minimum wage is over 9% in total, which directly contributes to the cost increases we are discussing. Amortization of the loss component. Creation of the loss component. In total, these two lines have a net positive impact of PLN 15 million on the result – at a comparable level to last year. Let me also remind you that the calculation of this component takes into account events that are characterized by a certain level of recurrence. Therefore, this component is not based on flood-related events. As a result, we observe a decline compared to the second quarter, for example. Taking into account financial costs and the result from investment activities – both the portion allocated to the insurance segments and the excess portion – we end up with a net profit attributable to equity holders of the parent company from non-banking activities amounting to PLN 626 million. After adjusting for the strong contribution of the banking segment, this allows us to close the quarter with a total profit of PLN 1.215 billion. As for the profit attributable to PZU, despite a year-on-year decline – – it is higher than market consensus and higher than in the second quarter. Therefore, we can say that in a quarter marked by significant challenges, we've managed to come through relatively well. Return on equity stands at 17%, with stable or even lower cost-to-income ratios. High margins in insurance. In life insurance. Well, and for obvious reasons, a deterioration in non-life insurance profitability. Moving on to the analysis of individual segments, starting with the mass segment: Revenue growth of 8.5%, driven mainly by two product lines – MTPL, with double-digit growth of 11–11.5%. As we mentioned, both the pricing parameter and the MTPL-to-TPL penetration rate are contributing to the growth we've been observing for several quarters now. On the non-motor insurance side, we're also seeing significant increases – between 10% and 25%. This part of the business, which in a typical quarter – one not significantly affected by flood-related events – usually generates strong returns, is again contributing to high profitability. On the cost side of insurance services, we are primarily seeing the impact of three key factors: the effect of floods, as previously discussed, the impact of the increase in annuity provisions,

and the rise in operating costs, driven mainly by inflation and personnel-related expenses. All of this translates into a decline in the operating result and a combined ratio exceeding 100%. As for what we are currently observing in the motor insurance market, we're seeing a continued increase in TPL insurance, following the growth recorded in the first half of the year. In the third quarter, TPL insurance grew by around 8% – a slight correction, but still within an upward trend. In terms of MTPL insurance, we saw a 3% increase by the end of the third quarter. A positive development is the slowdown in the growth of claim frequency and accident rates. However, we are still operating at elevated levels compared to the pre-COVID period. Another piece of good news is that we are seeing a deceleration in the growth of the average claim value.

Assuming these pricing trends continue, this should allow us to gradually close the profitability gap that we are currently facing in the insurance business. And let me add – because this may come up in questions – that the results in motor insurance reflect both what is happening in the Bezos portfolio and in Link4. We've said before that this is a major challenge. We have taken certain steps related to reorganization and restructuring within the company – specifically, I would say, in Link4 – primarily focused on profitability, pricing, and claims management. These efforts are underway, and we are already seeing the first effects in Link4's contribution to results – namely, a reduced loss. However, this still weighs heavily on the Group's overall performance. As for PZU itself, we have also made adjustments to pricing, both in the second and third quarters.

You should know that this company has relatively high premiums compared to the market, so what we are doing today is all about making adjustments in specific segments.

As we can see here, the market in our assessment shows around 8% price growth dynamics in the fourth quarter. In this fourth quarter, despite operating from a higher base, we've also managed to achieve that 8% increase in average premiums year-on-year. Given that we are starting from a slightly different base, seeing a meaningful improvement in our performance trend will still require some time – that's simply the nature of earned premium. What we're doing now – let's say in the third quarter – will only start contributing to results in the fourth quarter and in the following year. So, to be clear, this year's result is really a result of pricing and claims severity from previous periods. Secondly, this is also a very intensive effort in the area of what we call Operational Excellence in the claims handling process. And here, too, there is still a lot of work for us to do in terms of efficiency. This work – especially with the arrival of, and I have high hopes here – new management in this area, or rather new-old management, since Tomek Tarkowski led claims handling at PZU many years ago and gained a lot of experience. I believe you will see the results of this work. Of course, as Tomek also indirectly mentioned, the behavior of the market is not without significance. But the market is moving in a positive direction. We are seeing that trend, especially growing understanding. It might not yet be at the level many would like it to be, but it's not just about price. It's also about a broader range of actions on our side – mainly cost-related, but above all focused on the efficiency of average claims. We still see a lot of room for improvement there. And we're already seeing some early signs. I think I've already somewhat touched on this. I would like the positive trend to become visible in the fourth quarter, mainly in the cost-related areas. The pricing and market-related elements, we will see those only next year, but achieving that earlier will be very, very, very difficult — that's just the nature of this business. What is important, and this is a significant advantage we have over many companies, is that we are not a monoline insurer. We are a company that performs strongly in other areas, as we have shown, so frankly, we have the ability to do a lot here as well. Overall results in other segments help us. That said, the profitability of motor insurance remains one of our top priorities today. That is why we are also organizing an operational model to manage this area better – the topic of business units. The mass non-life insurance segment will be an absolutely separate area, where product, pricing, administration, and service will be in the hands of the decision-makers. So it will look completely different than before, and there will be full responsibility for the technical result.

Jarek mentioned the units that are already in place, but certainly one of the business unit areas will be the mass non-life insurance segment, with strong leadership and solid competency support. And here, the responsibility for building profitability will be exactly as we expect. Thank you very much. Moving on to the corporate segment. The corporate segment continues to maintain double-digit growth rates – this time at 12.6%. However, what is perhaps even more important is that after a difficult third quarter, during which we witnessed quite sudden mass events, the corporate segment comes out relatively unscathed and records solid profitability in both motor and non-motor insurance. This is the most important information. Profitability, measured by the combined ratio, stands at 88.7%. Therefore, in every respect, this is a very, very positive story. In this third quarter, with the consistent scaling up of non-motor insurance, particularly in group insurance, and individually continued insurance, the President has already said a few words on this topic. I would just like to mention what lies behind these very high margins, behind the increase in operating profit, with margins at the level of 26%. Above all, it is a dynamic growth in revenues. They are driven by a higher premium level intended to cover expected benefits – primarily in the health segment – so this is one component of the increasing administrative costs and the premium allocated to cover those costs, especially in group insurance. There is also an increase in CSM amortization, and that's a very important point. It shows that we are not only consistently maintaining but also able to build and improve that value. Additionally, there is a higher portion of premiums allocated to cover rising acquisition costs and service-related expenses. On the insurance side, it's primarily higher claims and benefits related to increased utilization of health risks, as well as administrative costs – including personnel expenses in that component. As for how we observe changes in claim ratios post-pandemic: We are now in a situation where we can say we've returned to 2019 levels. We no longer have the positive impact we had been seeing over the past few quarters. So the current readings are practically the same as back then. In the first half – actually even more so, because in July and August the claim ratios were similar to last year – September, however, shows an increase. As a result, in terms of the number of deaths, we are seeing the first break in the trend that had previously prevailed, which has also translated, as you can see, into the loss ratio in the group and individually continued insurance segment – we're seeing an increase in the loss ratio by 50 basis points compared to last year. As for individual protection insurance, we've already mentioned the very strong growth dynamics. What is particularly encouraging, however, is the higher amortization of the contractual service margin, mainly due to the higher profitability of the insurance portfolio developed in cooperation with banks. As a result, CSM amortization increased by 30% year-on-year, and the premium level is, of course, higher to cover the expected increase in costs and benefits. On the insurance cost side, there is a positive impact from portfolio evolution on the change in the loss component, mainly in annuity insurance and life insurance. So overall, two very positive developments. Two very positive developments, both on the revenue side and on the cost side, which contribute to the significant increases we're seeing. In terms of this segment’s contribution to the consolidated result – and with regard to the CSM and how the margin has evolved –

I think the most important message is that, year-on-year and quarter over quarter, we continue to build this value. The increases are especially visible in individual protection insurance, and this is the area where we want to significantly grow value. We see further growth potential here. At the same time, we are fully aware that in the case of group insurance, we’re dealing with a very mature portfolio, where our focus will be on defending and maintaining that value. However, the area in which we aim to build value with strong, dynamic growth – and from which we also intend to benefit in future periods – is individual protection insurance. The asset portfolio this quarter delivered growth of nearly 19%,

and after adjusting for investment products, the increase was over 9%. What is encouraging is the higher interest result – up almost 9% year-on-year, specifically 8.8%. There is, however, a caveat – as already mentioned by the President – which is a lower valuation resulting from the transfer of one corporate exposure to the Stage 3 impairment category (lifetime expected credit losses). As a result, there was a reduced contribution and a decline in valuation results for debt instruments in the corporate segment. There was also a slight decrease in the result from the equity instrument portfolio. Last year, during this period, we benefited from dividend income from listed equity holdings, so in comparison, this element contributed to a slightly lower result this time. Additionally, there was a weaker contribution from currency hedging instruments. And this time, we observed a significant year-on-year difference in the impact of temporary differences – mainly in relation to exchange rate differences affecting the valuation of real estate and hedging positions. Due to the synchronization of exchange rates in every first and third quarter, this time we saw a significant impact of this factor on the year-on-year change in the result. As for our solvency level – it remains very high. These are very strong readings, which – considering this rather unique quarter, burdened by one-off events – allow us to look ahead with optimism. This growth is primarily driven by operating cash flows, higher investment results, and dividends from bank subsidiaries,

while at the same time, capital requirements increased due to scale expansion – mainly in non-life insurance. So, that's the current state of our capital position. A few words on our current strategy and how it's tracking: As you can see, in nearly every area, we can say one thing –

we're well on track to delivering on this strategy. This is the penultimate quarter in which we will be reporting to you on the progress of this strategy. Let me just remind you that this strategy – in terms of its timing and announcement – was communicated during a period of significant uncertainty and volatility. That makes it all the more satisfying that we are approaching its successful conclusion,

with consistently high return on equity, as measured by the adjustment indicator,

which stands at nearly 17%. And with that, I'll hand it over to the President.

Ladies and Gentlemen, before we move on to the Q&A session, I'd like to present one more point here. I believe that this period of just over six months, during which I've had the pleasure of leading the Group – a time of change for many people and numerous changes within the Management Board – has truly been a period of intense activity. We've also dealt with various matters related to summarizing past developments and defining our starting points for the future. I'd like to share three reflections here, as I treat this meeting as something of a closing chapter to this period. In about a week and a half, when we talk about the strategy, I'd like to focus on the future – to show how we will approach certain matters going forward. But today, I see this as an opportunity to provide some closure and frame it properly. At the request of stakeholders and shareholders, and in the interest of transparency, we conducted a standard professional opening report process – so-called opening audits. We received such a request and carried it out in a very professional manner, inviting not just one, but two renowned auditing firms to take part in the process. This report was very comprehensive and revealed several areas of the company's operations. Audits are not meant to praise – they are meant to assess whether something is functioning well, moderately, or poorly. To put it simply, the report identified things that are working well, some that are average, and some that are problematic. For those areas that were not functioning properly – or appeared to be problematic – we conducted further analysis to determine whether the issues stemmed from normal business risk, poor decisions, lack of competence, or potentially from actions that could be described as improper or concerning. In the cases where the third category applied, we carried out additional reviews. In the interest of shareholders, we also submitted appropriate notifications to the relevant authorities. These actions have already been taken. A few matters still remain open, but based on the legal analyses, we have so far submitted six such notifications within the Group. What's especially important – and I want to emphasize this to you – is that all the related business events have been fully reflected in the books. There was no need for any changes in this area – the necessary corrections had already been made. What we focused on was assessing decision-making and procedural aspects – whether the issue was a breach or simply a procedural failure. In that sense, this matter is now closed. At the same time, I must say that we have also identified certain challenges – some of which our shareholders had already raised in previous discussions. These relate to governance structure, the operating model, and, most importantly, the capital group itself. We addressed these matters without delay as soon as they emerged, and they will be reflected in the strategic directions and materials we will present in a week and a half. How we want to approach the group's strategic assets, including banks and other core assets, we will share with you in about a week and a half. At the same time, we have taken immediate actions in areas that require moves here and now, regardless of the overall strategy. This concerns the operating model. Therefore, we have been progressively implementing business units and will complete this implementation. This means we will divide the entire organization into these areas, plus, of course, there will be support functions that won't be allocated to business units, such as operations or claims handling – so issues that are, you could say, company-wide. It's clear that not everything will be delegated. However, we want to focus people around the same clients and distribution channels, giving them full empowerment and responsibility, but also the ability to act in order to better meet these challenges. We will show this in its final form as well. I also want to inform you that some of these things have already happened. I mentioned this a quarter ago, and today we are getting closer and closer to a full model. The third thing that has happened, which is important in the context of the approach to the new strategy, is that we have invited many managers from the market to cooperate at the management board level. I think there are many people you know, with extensive and proven experience – track records in various organizations. There are new people, spectacular returns to PZU, including at director and managerial levels. PZU has become an attractive entity on the market today, and I believe many talented people would like to work here because the topic of agency and impact is very important. At the same time, it's no coincidence that I mentioned the flood issue and our response. It shows that this organization, which is undergoing change, is capable of appropriately reacting to certain events and even turning difficult challenges into opportunities. That's why it's a great example for us – these internal efforts, and in the case of the flood, it involved over 1 000 people engaged at various levels. I think this was also a very important element of cultural identification and internal awareness within the organization, which also reflects well on the strategy that was presented to you here three years ago. It shows, and the results of this strategy and work demonstrate, that essentially in all areas this strategy will be implemented. We weren't directly here when that session was presented, but most of the people in this company have been involved in this process. And despite the fact that these three years have brought us a lot of volatility – including COVID-19, inflation, the war, as well as weather-related events – the strategy that this PZU organization committed to several years ago, despite these fluctuations of positive and negative elements, will be delivered. In my opinion, this is a very good sign for us because we will also present our aspirations and goals. That strength and those capabilities are here. And I think with this message, full of awareness of our own strengths but also respect for what lies ahead, I would like to invite you once again to that meeting in about a week and a half, where we will talk about the future. We are at your disposal regarding questions about the results – and more. So, please.

Thank you. Maybe first, we'll ask if there are any questions from the floor.

Good morning, Kamil Stolarski from Santander. Here is my question. I have a few questions, I'll try to be quick. Starting with the flood and the 275 million – I have two questions here. Can I simplify it and assume that this amount represents the retention level? That is one question. And the second one. There was a comment that PZU improved its reinsurance program. My question is: since such events are expected to repeat, what will be the impact of this improvement?

If we assume that an identical flood happens next year, will the costs for PZU be lower? And to what extent was the reinsurance program modified?

First of all, for today, yes – it's approximately the level of the retention. So, such a flood occurred, and that's our cost. This program can still be modified each year. Our exposure depends on what kind of flood it is, of course – but in terms of the dimensions we're talking about now, that is, a few hundred million – that is our bill. The program is structured in such a way that it includes the retention amount, then assigning risk to reinsurers, and then co-financing above certain thresholds. We've simply increased that threshold level. So, we've increased our resilience to this kind of flood – let's call it the first layer. We are now better protected against such events, even if the amounts involved were significantly higher than what we're seeing today. In other words, we've increased our safety buffer in this area. If we were to experience a truly severe flood – for example, on the scale of the 1997 flood, with non-functioning infrastructure and the same areas inundated as back then, but considering the current level of assets – then we'd be talking about damages in the billions, not just hundreds of millions. So we are quite well prepared for that. We have made preparations for such events. However, as I mentioned, the cost of the program is still a factor. We have also optimized those costs. Now, what I said – the key takeaway from this flood event is the following. In my view, the point of this dialog is this: Today, we can see that the infrastructure is different – but still probably not where it needs to be in Poland in order to protect against such events. Some of the infrastructure in Poland worked, Racibórz, for example, but things in the Kotlina Kłodzka completely didn't work, did they? So, for instance, if that infrastructure improves – and it should – that would make a difference. A good example would be the Czechs and Austrians, who have built excellent flood infrastructure. But for example, the Germans have not. We have a phenomenal post-flood initiative in that region, built together. In Poland, something is still not quite right. So here we see our role in participating in these programs. If such programs are government and EU-funded, they must happen. Then, the level of risk exposure estimated by us may change because it will likely be lower, but no infrastructure can guarantee 100%. 13%. The third layer, which we will also work on, is the issue of dialog with local governments and raising awareness of the level of their insurance coverage, but also the infrastructure, let's say, at the local government level, in which we can participate. The third issue will be discussions about catastrophic insurance. If such elements come into play, it will also have an impact. Today we don't have that yet. So, we have the first element, let's say the second, but not the third yet. So, So, answering your question directly: if nothing happens, if nothing changes? I, for one, am convinced that it will change. We are facing a flood next year, and we can't change that. Well, something like this would hit in roughly the same scale, in terms of the outcome. Unless it's a very catastrophic event, in which case we would take responsibility together with the tenants. But we have significantly raised this level, this moment, in order to increase our safety, right? Above the 270 million to, let's say, billion-level amounts. Yes. Sure. Thank you. We've done it. Thank you. Two more questions from me. However, regarding the issue of the non-life insurance segment and the motor insurance one. The mass one. I'm wondering if, as we forecast, we are waiting for those very unprofitable products to phase out, the portfolios sold some time ago? That's the question. Or is it the case that the current production, at today's prices, is also problematic and far from profitability, which would be satisfactory for PZU? Well, the bit of luck in all of this is that the Polish insurance market is a market for annual products, so we can re-quote every year in some way, meaning we don't have long-term obligations like that. This is the first thing, and of course, we will soon see the effect of pricing both for new business and existing business, but that's not the only issue. The second matter is also operational. It's about the claims handling process, cost optimization – not just the amount of benefit payouts, but also the costs around it, such as vehicle rental, the time for claims handling, and so on. Here we see significant potential. Yes, the first diagnosis is that. I won't go into the details, but the improvement in factors or component costs could be visible a bit sooner, because we can implement some things faster before the premium starts to generate income. So, that doesn't mean we'll just wait for this portfolio to phase out. We will act both on costs we've already addressed that also affect the current portfolio, right? Because today we are paying out claims from policies we've already sold, so there's nothing we can do there. The only thing we can do is improve cost efficiency or the level, I'd say, of average claims. I'm not even talking about payouts, but also about various other costs. Ok. But also the second thing, which also shows, to be completely open, is that we're slowly seeing an analogy: the faster you pay, the less you pay. Paradoxically, this means that process efficiency, quick client response, leads to fewer replacement vehicles, fewer various other costs, and so on. So this is very important. Prolonging this process for various reasons leads to higher actual costs, right? So, we will work in this direction. These are a few topics, a few ideas, and you will see the effect. I'm convinced it will happen earlier. The pricing effect will be slightly delayed. Please also remember that, despite everything, motor insurance should always be viewed not only through the lens of the premium itself but also the additional income from the cash flow that this product generates. Therefore, it has always been the case that in a high-interest-rate environment, insurance companies intentionally adopt sometimes more aggressive pricing policies to offset the higher costs of investment returns. Well, to be honest, I come from the old school, where motor insurance reserves were typically twice the premium, meaning at 100%, there were still provisions relative to the income. Today, it would be times two, times five, or even 10%. A very fat margin back in those days – 100% was the norm, and everyone said, "Yes, yes, just more, more, it's not about the premium, but about having that cash flow and investing it." The market, of course, learned not to function in that way indefinitely, because it got hit with interest rate cuts. But today we're in a situation where no one plans to be above 100% in the long term and live only from investment returns, because that would be irrational, even though the market operated like that for 30 years or so. But it's also true that the ability to raise prices… When we look, especially at our competitors who don't report in IFRS, meaning they see those old Polish reserves somewhere, their approach is such that they look at it as a whole. They don't just focus on the core motor business, but they also look at the investment returns from provisions, which, to be honest, are part of the motor segment. Everyone views it a bit more in detail. As a result, a drop in interest rates will also lead them to rationalize their pricing policy, and the core results will improve. Thank you. I think the effect, above all, will be very strong on the process side of claims settlement and cost optimization – that's something that should happen faster. But we are also aware that indeed, during this period of high interest rates, our competitors, our colleagues, and the market in general are also aware of it. So improving this efficiency is probably a common topic, which also means some price adjustments. I think these are happening, and will probably continue to happen, but it's also about improving efficiency in quickly reaching customers during the claims handling process. If this happens, the customer will be willing to pay a little more, because Polish motor insurance is still among the cheapest in Europe, yet we have the same cars, the same assets, and so on. However, this is a very competitive market, so we really need to show the client the value in the form of the process, the speed of payout. Then, convenience becomes an element that can be monetized. Yes, I'm convinced of that.

Thank you. One more question. It might touch a bit on the strategy, but also relates to the second point of summary and closing the loop. Maybe I misunderstood, but I understood from the president that there were reports regarding the current structure of the group being inefficient and reports about the group structure. I wanted to ask what exactly...

I said we're closing the loop on certain things related to so-called opening audits, those issues that were media-covered. In this sense, I wanted to close the loop on that. The second topic I mentioned is that these were the challenges we've had over the last six months. It's about maybe not closing it, but establishing that moment of transition, because the management changed, a lot of things changed, so I wanted to close the audit topic at this point. And to say that we've done what we could, and the matter is now concluded. The important thing is that, in the meantime, the issue of the group structure from the operational model perspective, but also regarding our assets, has been the subject of our efforts. What we've done in the last two quarters is two things. The first is that we've already introduced some of these business trips, and we will complete this process in the coming weeks.

Additionally, we've prepared a strategy, which we will present, outlining how we want the group structure to look in the context of banks and other important assets, such as Link4, TFI, and so on. We will say more or less in this direction. Thank you. Sure. Thank you. That's what I meant. It wasn't the subject of the audits. There were just a few other things. Right.

Thank you. Do we have any more questions from the floor? We have a few questions from the Internet, and two are indirectly related to the flood. One thing: is there still any potential impact from the flood on the results in the fourth quarter?

No. I don't think so. So, net no longer? No. Net already. No. There will still be payouts, but as for the results, everything we have is already accounted for. I think this is a quick process. We can probably say this. The fact that we slightly changed the paradigm from a regular, standard model to a more, let's call it, extraordinary model, has brought very good results. First, we are seeing results very quickly, and we've improved customer satisfaction, which is not obvious in the case of large-scale events. That's it. The answer is no.

And one more question from Autonomus. In part, the President has already responded to Autonomus's question. It was a question about changes to the reinsurance program. This has already been discussed. The additional question is when do these changes take effect?

Well, they've already taken effect. We changed our reinsurance program in the middle of the year, so we were already covered by it. In other words, if the flood had been more severe, we would have already been the beneficiary of that program. In the middle of the year, we increased our safety regarding the first layer, and fortunately, we haven't had to use it yet because the flood wasn't as dramatic as it could have been. It was very serious and tragic for many people, but as you can see, in terms of results, it cost us about the same, roughly the same as incidents like agricultural insurance, which weren't catastrophic but more weather-related, like the entire large-scale flood event. They cost us about the same. I think it was 230, I don't remember, in the second quarter. Such additional things, those sudden events. But the flood, as a catastrophe, cost 275.

And there are a few more questions regarding communication. The first question is whether we could share our outlook for TPL insurance prices in 2025? Do we believe that prices next year will follow the inflation of claims?

I can answer the question this way. This time, we do not assume that price changes will be similar to those we saw in the previous cycle. I just want to remind you that after the large losses in 2015 and 2016, which exceeded one billion złoty, in each subsequent year, the market rebounded with price increases of 30–40% in the next two years. We don't assume that this time the situation will be as dramatic. We expect the market to correct prices and should end up with positive results next year. However, they will not feature the sharp margin buildup seen in the previous cycle. There's also one difference between what we observed in the past and what we see today from the perspective of the speed of reaction. I realize that this response may not have been as quick as many of you would have expected, but the environment and the insurance market reacted much faster, not allowing us to see losses in the range of several hundred million or even a billion złoty in a single product today. As a result, we've already reacted. This was visible in the development of both TPL and MTPL insurance prices. On the other hand, if we look at how the results appear – could I ask for the remote? If we look at the quarterly and cumulative results, from the profitability perspective of the TPL insurance market, quarterly we are at a market loss of -2.6%. These are not dramatic figures, and they can be corrected with the measures the President mentioned, meaning continued moderate price increases. Of course, as we've said, we are trying to do this in a responsible way, but at the same time, through work on the cost side, meaning both the process and the process-related costs, which should allow us, as I mentioned earlier, to close the profitability gap. I'm convinced that prices will reflect the requirements regarding profitability and inflation, and the market will behave rationally in this regard. However, it will be backed by, I would say, the creation of very specific value for the ideal client in the claims handling process. I hope this is the scenario for next year, but of course, I won't say what my thoughts are on the exact percentage. What percentage will it be? I won't say that here. But I believe that elements related to the pressure that is currently on financial markets, as well as the need to build profitability with falling rates on core activities, will take place. I think the market will behave rationally. And of course, the drop in interest rates will definitely have a major impact on this. If the interest rate drop is delayed, then such price movements may still happen later. Please remember that if the investment result from the cash flow generated by the volume of this business is still very, very decent, it is only when it starts to shrink because interest rates are shrinking that there will be more pressure to return to this and, well, make money on it using a simple calculator like premium and claims costs.

Another question from Autonomus. In the mass segment, the core increased from 95% in the third quarter of last year to 108% in the third quarter of this year. Was there any impact from the weather? That's the first part of the question. The second part is: when should this improve, assuming our outlook on prices comes to fruition?

I understand this is a question about the entire non-life and TPL insurance business. TPL. I don't understand. Regarding weather events, from the perspective of TPL insurance, they don't have an impact because we can talk about the effect of large weather fluctuations on driver concentration, and that leads to increased frequency, which we've observed. We've mentioned this before, that this element should also be considered when pricing TPL insurance, meaning the growing volatility, which translates into concentration, and how there's a correlation between these two factors – temporary or short-term increases in frequency as a result of significant weather shocks. That's part of the answer to this question. As for other issues related to the flood, of course, floods do not apply to TPL insurance. Floods concern non-life insurance, and in this context, they are already reflected in our results and should not have an impact on the fourth quarter results or next year. Therefore, what needs to be addressed are the higher readings, particularly in the segment of clients who are more price-sensitive. In our case, this also includes clients not only from the PZU portfolio but also from PZU Link4, as the President mentioned. Here, certain actions aimed at optimizing the operational model should help us, but I understand that we will discuss this more during the strategic meeting. These should allow us to manage this issue. And the last question about communication: What was the impact of the increase from Trigon? What was the impact of the increase in the annuity provision for TPL insurance on the results in the third quarter, and is it a one-off effect? This is a one-off effect. It was an increase of exactly 37 million, an increase of 3 percentage points in the core of the mass TPL insurance segment in this quarter, the third quarter. A question about communication from HsBC: PZU has grown dynamically above the competition in non-motor insurance. Is this sustainable? That’s the first part of the question. Second question: is there a risk that this aggressive competition will also shift to the motor insurance line, in terms of sales? We assume that we will be able to continue maintaining our competitive advantages today, in terms of reaching certain client segments, and also in relation to the competitors we operate with in this market. We have a rather unique distribution model. We are probably the only ones equipped, for example, with products that reach a very specific client and are able to generate very high returns within the group. Let me remind you that the majority of our activities here are reinsured by PZU S.A. and then transferred back to the market via retrocession. Therefore, this is a model where we are the beneficiaries, and it represents a sustainable competitive advantage for PZU compared to the rest of the market. Taking into account our expectations regarding the macroeconomic situation, considering both EU funds and the anticipated increases in investments in Poland that are being announced and we believe should occur, we assume that this will also translate into an increased demand for insurance services, particularly in the corporate segment, which should be observing and benefiting from infrastructure projects, including those related to changes in the energy mix. We want to participate in these projects both as an insurer and as an investor, considering the asset base we hold and the capacity of our balance sheet.

And the question about the dividend or the policy from Autonomus: is the dividend or capital policy currently being changed, and will it be part of the strategic plan?

Yes. It will be part of our strategic presentation in a week and a half. What we can also say is that, as you can see, even events like floods, with this level of reinsurance, not only protect capital (i.e., the existence of the companies) but also safeguard profit to some extent, and certainly ensure the ability to pay out regular dividend cash flows. When preparing our strategy, we have previously met with many of you, but also with many other shareholders and investors. We are fully aware of the importance of stability and the size of the dividend in the valuation of both PZU and other insurance companies listed on the European market. This strategy will strongly address and demonstrate our ability not only to pay dividends but also to build and increase dividend payouts. And the last question I have from the internet is from PKO BP Securities: What was the scale of the change in the investment result due to swap points and actuarial assumptions in the third quarter of 2024? I don't recall this specifically, so I can't share detailed information. The year-on-year difference in swap points was in the range of a few dozen million, definitely not more than 50 million. In terms of cash flow, the value was comparable, plus or minus the exchange rate change. As for the valuation, as you know, the third quarter was not exposed to valuation changes in any way. Valuations are updated every second and fourth quarter. Then we do valuations using actuarial assumptions, and that's when changes are reflected in our books. In this quarter, only the hedging position and cash flow were impacted. From the point of view of comparability, these were similar to the same period last year.

We don't have any more questions, so I'd like to sincerely thank you for the presentation. Thank you for your participation, and we invite you to the presentation.

We look forward to seeing you! Yes, we invite you to 2 December.