Powszechny Zakład Ubezpieczeń Spółka Akcyjna Group

Solvency and financial condition report
as at and for the financial year ended 31 December 2025

Table of contents

Glossary

MOD – motor own damage insurance;

aROE – adjusted return on equity, calculated on the basis of equity, excluding cumulative other comprehensive income relating to insurance and reinsurance finance income and expenses;

BFG – Bank Guarantee Fund [Polish: Bankowy Fundusz Gwarancyjny];

economic balance sheet – balance sheet of the PZU Group prepared in accordance with the measurement principles of the SII System;

BSCR – basic solvency capital requirement in the SII system;

COR – Combined operating ratio, calculated for the non-life insurance sector. This is the ratio of insurance service expenses, including amounts recoverable from reinsurers to the net income on insurance activities (Combined Operating Ratio);

CSM – contractual service margin;

SII Directive – Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II);

EIOPA – European Insurance and Occupational Pensions Authority;

WSE – Warsaw Stock Exchange;

PZU Group – PZU as the parent company together with its subsidiaries, including subsidiary companies within the meaning of the applicable provisions of accounting law;

GUS – Statistics Poland;

PZU Group company – PZU or subsidiary;

subsidiary – business unit (also a non-corporate business unit such as a civil-law partnership or a mutual fund) directly or indirectly controlled by PZU; the fact of the exercise of such control results from the grounds laid down in International Financial Reporting Standard 10 “Consolidated Financial Statements”;

KNF, regulatory authority – Polish Financial Supervision Authority;

PZU Group Financial Conglomerate – financial conglomerate within the meaning of the Act of 15 April 2005 on Supplementary Oversight over Credit Institutions, Insurance Undertakings, Reinsurance Undertakings and Investment Firms Comprising a Financial Conglomerate, in which PZU acts as the leading entity;

Commercial Company Code – Commercial Company Code of 15 September 2000;

LIC – liability for incurred claims;

LRC – liability for remaining coverage;

MCR – minimum consolidated group SCR in the SII system (minimum capital requirement);

IFRS – International Financial Reporting Standards, as endorsed by the European Commission, published and in force as at 31 December 2025;

TPL – third party liability insurance;

PZU branches – field outlets of PZU and PZU Życie carrying out insurance activities in the area of direct client service, including product sales;

ORSA – assessment of general needs regarding solvency, consistent compliance with capital requirements and technical provisions requirements and materiality with which the risk profile deviates from the assumptions underlying the solvency capital requirement, carried out on the basis of the "Own risk and solvency assessment policy in the PZU Group, PZU SA and PZU Życie SA", in accordance with the Insurance Activity Act and EIOPA guidelines (own risk and solvency assessment);

PAA – method for the valuation of liabilities under insurance agreements in line with IFRS 17, based on premium allocation (premium allocation approach);

PIU – Polish Insurance Association;

PZU Capital Management Policy – PZU Group's Capital and Dividend Policy for 2025–2027, adopted by a resolution of the PZU Management Board on 28 November 2024 and approved by the Supervisory Board on 2 December 2024;

PAS – Polish Accounting Standards, as laid down in the Accounting Act and in the executive regulations thereto, in particular in the Finance Minister's Regulation of 12 April 2016 on the specific accounting policies of insurance and reinsurance undertakings and the Finance Minister's Regulation of 17 November 2024 on the recognition, measurement, disclosure and presentation of financial instruments; in matters not regulated in the Accounting Act and in the executive regulations thereto, National Accounting Standards or IFRS are applied accordingly;

QRT – quarterly and annual quantitative reporting templates;

Capital Requirements Regulation, CRR – Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;

Delegated Regulation – delegated regulation of 10 October 2014, supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), as amended;

implementing regulation applicable to the SFCR – Commission Implementing Regulation (EU) 2023/895 of 4 April 2023 laying down implementing technical standards for the application of Directive 2009/138/EC of the European Parliament and the Council with regard to the procedures, formats and templates for the disclosure by insurance and reinsurance undertakings of their report on their solvency and financial condition and repealing Implementing Regulation (EU) 2015/2452;

SCR – consolidated solvency capital requirement in the SII system, which pursuant to Article 336 of the Delegated Regulation consists of the following positions: a solvency capital requirement calculated on the basis of consolidated data following the rules laid down for the standard formula, the proportional share of the capital requirement (including hypothetical requirements) of undertakings from other financial sectors, the requirement for affiliated entities not consolidated by the full method (solvency capital requirement);

consolidated financial statements – consolidated financial statements of the PZU Group prepared in accordance with IFRSs;

SFCR – PZU Group's solvency and financial condition report;

PZU Group Strategy – PZU Group Strategy for 2025–2027, "With Confidence into the Future";

SII System – the entirety of legal requirements as set out in the SII Directive and regulations issued on its basis. The SII Directive has been incorporated in Polish legislation by the Insurance Activity Act;

unit-linked – insurance product of an investment nature tied to a Unit-Linked Fund in which the investment risk is borne by the policyholder;

Act on Statutory Auditors – Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017;

Insurance Activity Act – Act of 11 September 2015 on Insurance and Reinsurance Activity;

Act on Mutual Funds – Act on Mutual Funds and Management of Alternative Investment Funds of 27 May 2004;

Act on Trading in Financial Instruments – Act on Trading in Financial Instruments of 29 July 2005;

Act on Public Offerings – the Act of 29 July 2005 on Public Offerings and the Conditions for Offering Financial Instruments in an Organized Trading System and on Public Companies;

Accounting Act – Accounting Act of 29 September 1994;

Act on the Rules for Shaping the Compensation of Persons Managing Certain Companies – Act of 9 June 2016 on the Rules for Shaping the Compensation of Persons Managing Certain Companies;

Act on Rules for Managing State Property – Act on Rules for Managing State Property of 16 December 2016;

Banking Law – Act of 29 August 1997 entitled Banking Law;

EIOPA guidelines – EIOPA guidelines pertaining to public disclosures and reporting;

Corporate Governance Rules – Corporate Governance Rules for Supervised Institutions issued by KNF, in effect since 1 January 2015;

Names of business units:

- Alior Bank – Alior Bank SA.
- Balta – AAS "BALTA".
- Alior Bank Group – Alior Bank with its subsidiaries: Alior Services sp. z o.o., Alior Leasing sp. z o.o., Meritum Services ICB SA, Alior Towarzystwo Funduszy Inwestycyjnych SA, AL Finance sp. z o.o., Corsham sp. z o.o., RBL_VC sp. z o.o., RBL_VC sp. z o.o. ASI SKA, Alior Leasing Individual sp. z o.o.
- Pekao Group – Pekao with its subsidiaries: Pekao Bank Hipoteczny SA, Pekao Leasing sp. z o.o., Pekao Investment Banking SA, Pekao Inwestycje Dłużne sp. z o.o., Pekao Faktoring sp. z o.o., Pekao Towarzystwo Funduszy Inwestycyjnych SA, Centrum Kart SA, Pekao Financial Services sp. z o.o., Pekao Direct sp. z o.o. (on 29 April 2026, the company changed its name to Pekao CoNext sp. z o.o.), Pekao Property SA in liquidation, Pekao Fundusz Kapitałowy sp. z o.o., Pekao Investment Management SA, PeUF sp. z o.o.
- LD – AB "Lietuvos draudimas".
- Link4 – Link4 Towarzystwo Ubezpieczeń SA;
- Pekao – Bank Pekao SA;
- PG TUW – Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych in liquidation.
- PG TUWnŻ – Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych na Życie in liquidation.
- PTE PZU – Powszechne Towarzystwo Emerytalne PZU SA.
- PZU – Powszechny Zakład Ubezpieczeń Spółka Akcyjna.
- PZU LT GD - UAB "PZU Lietuva gyvybes draudimas".
- PZU CO – PZU Centrum Operacji SA.
- PZU Ukraine – PRJSC IC "PZU Ukraine".
- PZU Ukraine Life – PRJSC IC "PZU Ukraine Life Insurance".
- PZU Życie – Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna.
- TFI PZU – Towarzystwo Funduszy Inwestycyjnych PZU SA.
- TUW PZUW – Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych.

Summary

Basis of preparation

The Solvency and Financial Condition Report has been drawn up and disclosed in order to satisfy the requirements under Article 412 of the Insurance Activity Act, which implements the requirements of the SII Directive into the national legal system. The layout of this report is consistent with annex XX to the Delegated Regulation, with the reservation that only information relevant to PZU Group's business is disclosed.

The SFCR has been prepared in accordance with the provisions of:

- Insurance Activity Act;
- Delegated Regulation;
- EIOPA guidelines;
- implementing regulation applicable to the SFCR.

Assets, liabilities and own funds have been measured by applying the provisions of the Insurance Activity Act, the Delegated Regulation, the EIOPA guidelines on the recognition and measurement of assets and liabilities other than technical provisions, the EIOPA guidelines on the measurement of technical provisions and the EIOPA guidelines on the classification of own funds, in consideration of requirements applicable to corporate groups.

The SCR is calculated in accordance with Article 336 of the Delegated Regulation and consists of the following components:

- the Solvency Capital Requirement calculated on the basis of consolidated data in line with the rules set out for the standard formula;
- pro rata share of capital requirements (including hypothetical ones) of business units from other financial sectors;
- requirement for related business units not consolidated by the full method.

The main goal of SCR is to reflect, to the fullest extent possible, the risks associated with the conducted activity.

Unless noted otherwise, all amounts presented in this report are stated in millions of Polish zloty.

Operating activity and results of the PZU Group

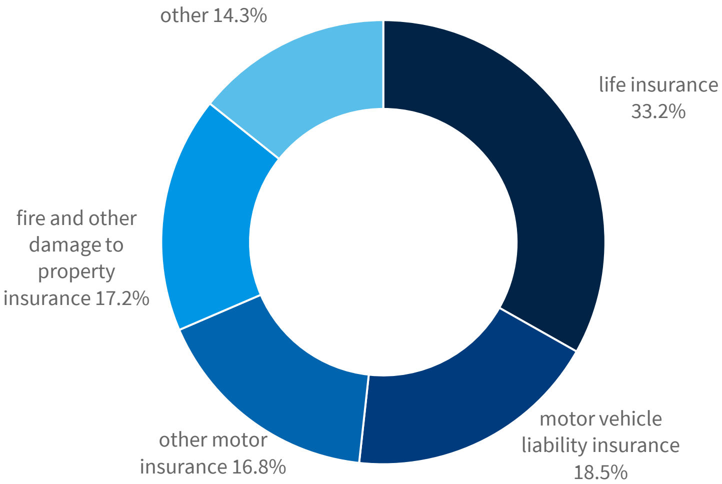
As at 31 December 2025, the consolidated assets of the PZU Group, headed by PZU, according to IFRS amounted to PLN 535,483 million. The PZU Group is engaged in insurance activities in five countries.

PZU Group units are active in life insurance and non-life insurance, as well as in banking, investment, pension and leasing products, and medical services. They render assistance services to retail clients and businesses through strategic partnerships.

The PZU Group structure includes two banking groups – the Alior Bank Group (part of the PZU Group since 2015) and the Pekao Group (part of the PZU Group since 2017).

The chart below shows the breakdown of the most significant business lines in the SII system PZU Group in 2025 measured by gross written premium set under Article 1(11) of the Delegated Regulation.

Chart 1. The most significant business lines in the SII system in 2025 measured by gross written premium set under Article 1(11) of the Delegated Regulation



The PZU Group achieved the following results (taken from the consolidated financial statements for 2025, prepared in accordance with IFRS):

Table 1. Level of the PZU Group's financial performance

Item name	Value (in PLN million)		Change 2025/2024	
	2025	2024	(in PLN million)	%
Insurance service result	4,801	3,515	1,286	36.6%
Net profit, including:	13,987	12,221	1,766	14.5%
- profit (loss) attributable to the equity holders of the Parent Company	6,699	5,342	1,357	25.4%
- profit (loss) attributed to holders of non-controlling interest	7,288	6,879	409	5.9%

The table includes comments on each item of the PZU Group's operating result for 2025 (taken from the consolidated financial statements for 2025, prepared in accordance with IFRS).

Table 2. Description of changes in each item of the PZU Group's operating result

Item name	Value (in PLN million)		Change 2025/2024		Comments
	2025	2024	(in PLN million)	%	
Insurance revenue	30,882	29,423	1,459	5.0%	The increase in insurance revenue was driven by higher sales dynamics in the following areas: • in the mass non-life insurance segment, mainly homeowners insurance (PZU DOM) (growth linked to the new version of the offering – broad standard coverage) and PZU Firma insurance products offered to small and medium-sized enterprises (better alignment of the offering with risk); • in the corporate non-life insurance segment, both motor insurance (increase in the average premium and strong sales in the current year, in particular insurance of leased assets) and non-motor insurance (impact of earning premiums from 2024, including a contract with a customer from the energy generation sector, as well as high sales in 2025, mainly in the strategic client area); • in the Baltic countries segment, in non-life insurance, including property and health insurance (increase in the number of policies) and MTPL motor insurance (portfolio development in the Lithuanian market); • in the individual life insurance segment (protection-type), as a result of higher release of the contractual service margin, including in bancassurance and in individual life insurance with profit participation and term life insurance, as well as an increase in written premiums intended to cover expected claims and benefits due to portfolio growth; • in the group and individually continued life insurance segment, as a result of a lower level of premiums required to cover expected claims and benefits, reflecting the assumed lower utilization of benefits in health insurance, as well as higher release of the contractual service margin in 2025 across all insurance groups.
Insurance service expenses	(24,957)	(25,116)	159	(0,6%)	The level of insurance service expenses, similar to that of the previous year, was the net effect of the following changes: • higher claims liabilities of the current year , mainly in the corporate insurance segment (in both non-motor and motor insurance), in group and individually continued insurance, and in the Baltics segment. the increases were partially offset by a decline in current year claims liabilities in the mass insurance segment (mainly in non-motor insurance – with an above-normal number of mass claims caused by weather events in 2024); • development of claims reserves from prior years with a positive y/y impact on the result, mainly in the corporate non-life insurance segment; • excess depreciation over the creation of a loss component in the bulk life insurers on life insurance segment, mainly on the MTPL portfolio, and a decrease in the loss component in the investment life insurance segment as a result of a change in assumptions for partial redemptions and costs in the IKE product; • higher administrative expenses attributable to insurance operations due to increased personnel costs (impact of salary increases), higher IT costs due to the development of the IT area and building competencies in the area of system maintenance;

Item name	Value (in PLN million)		Change 2025/2024		Comments
	2025	2024	(in PLN million)	%	
					• higher amortization of acquisition cash flow as a consequence of growing sales while commission expenses increased (impact of change in distribution of sales by channel).
Net investment income[1]	29,439	28,208	1,231	4.4%	Higher net investment income was recorded both in investment results generated by banking operations[2] and by non-banking activities. The higher net investment result in banks was driven in particular by an increase in interest income (despite lower interest rate levels), resulting from higher loan volumes. The positive y/y change was also due to the recognition in 2024 of costs related to credit holidays (costs associated with the modification of PLN-denominated mortgage loan agreements granted to consumers due to the suspension of repayments) in the amount of PLN 153 million in Pekao and PLN 62 million in Alior Bank. Net investment income excluding banking activities was higher than in 2024, mainly due to: • increase in the results generated in the investment activity on the asset portfolio that constitute investment insurance coverage, which has no impact on the PZU Group's total net result, as it is offset by the change in insurance financial income and expenses; • higher interest income from debt portfolios measured at fair value through other comprehensive income due to, i.a., the purchasing of high-yield instruments for the portfolio; • higher performance of equity instruments, in particular, due to favorable market , conditions, stronger increases in the valuation of Private Equity funds as well as a gain from the sale of some of the stocks in the portfolio; • higher swap point income from foreign currency derivatives hedging the valuation of the commercial real estate portfolio.
Interest expenses	(7,415)	(8,243)	828	(10,0%)	The decrease was mainly related to the reduction in the cost of deposit funding in Pekao Group and Alior Bank Group.
Fee and commission result	4,199	3,842	357	9.3%	The increase was mainly driven by higher income from funds and investment fund companies, resulting from a higher level of assets under management. An increase was also recorded in brokerage commission income in banks, higher margin on foreign currency transactions with customers, as well as lower costs of card and ATM transactions.
PZU Group's non-insurance operating expenses	(11,206)	(10,514)	(692)	6.6%	The increase was mainly driven by higher costs of external services in banks, particularly in the area of IT costs. Additionally, in 2025 there was a PLN 212 million higher charge related to BFG contributions.
Legal risk costs of foreign	(819)	(729)	(90)	12.3%	The increase was recorded in Alior Bank and was mainly due to an update of the expected financial impact of court judgments and a forecast of a future influx of lawsuits from borrowers.

[1] The sum of the following line items in the consolidated profit and loss account: "Interest income calculated using the effective interest rate and equalized to them", "Other net investment income", "Result on derecognition of financial instruments and investments not measured at fair value through profit or loss", "Result from allowances for expected credit losses" and "Net movement in fair value of assets and liabilities measured at fair value".

[2] Banking activity: data of Pekao and Alior Bank.

Item name	Value (in PLN million)		Change 2025/2024		Comments
	2025	2024	(in PLN million)	%	
currency mortgage loans					
Other operating income and expenses	891	1,043	(152)	(14,6%)	The change in the balance of other operating income and expenses was mainly driven by: the creation of provisions for consumer protection-related issues in Pekao Group in the amount of PLN 202 million, an increase in revenue from medical services, and the reversal in 2024 of an impairment loss on assets arising from the acquisition of Alior Bank Group (i.e. trademark and customer relationships) in the amount of PLN 115 million.

In 2025, the PZU Group generated an adjusted return on equity (aROE)[3] of 20.7%, up 2.7 p.p. compared to 2024.

The most recent rating action took place on 28 May 2024, when the agency S&P Global Ratings affirmed the financial strength rating of PZU Group, PZU Życie and TUW PZUW at 'A-', as well as the credit ratings of PZU and PZU Życie at 'A-'. The financial perspective was upgraded from stable to positive. On 23 May 2025 and 11 March 2026, S&P Global Ratings affirmed the rating of PZU Group at A-, with a positive outlook.

System of governance

The system of governance in place in the PZU Group companies, including its organization, is commensurate with the scale of operations, the extent of realized functions and the scale and complexity of risks, and it effectively supports the achievement of strategic objectives as well as immediate business and operating goals.

The system of governance in PZU Group companies comprises in particular the organizational structures and formal and process solutions required by the laws as well as following from the uniqueness of regulatory requirements applicable to each type of company. The division of powers between individual persons participating in the management of a given PZU Group company is defined by the internal regulation and power-of-attorney system.

Model solutions are worked out and implemented on the PZU level. The implementation of these solutions in PZU Group companies takes into account the scale, uniqueness and nature of the activity they conduct.

The system of governance comprises in particular solutions designed to ensure the PZU Group company's adherence to regulatory requirements and the effectiveness and efficiency of its operations and to safeguard the availability and reliability of financial and non-financial information.

During the reporting period, there were changes in the composition of the PZU Supervisory Board and PZU Management Board, as well as in the positions of PZU Group Directors in PZU. The changes are presented in section B.1.

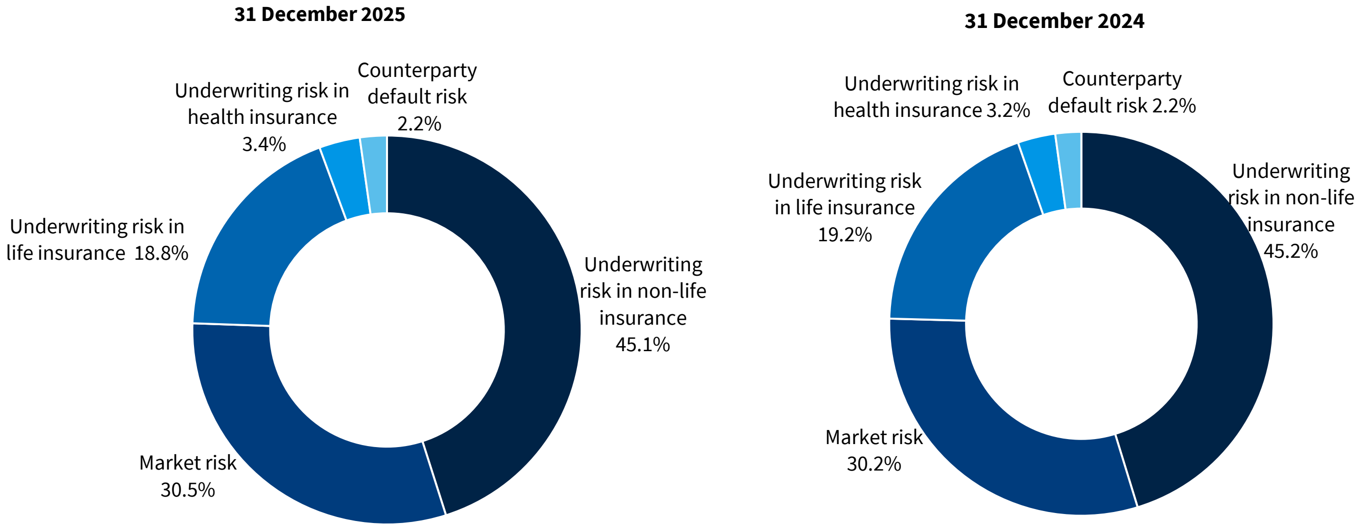
In addition, in June 2025, the Investment Risk Committee in PZU Group and PZU Życie was dissolved, and its responsibilities were taken over by the Asset and Liability Management Committee.

[3] Attributable to equity holders of the parent company.

Risk profile

PZU's risk profile results from the nature of its business and the PZU Group's strategy and business plans; it is subject to periodical monitoring and control. Given the scale of insurance operations by the PZU Group companies and the amount of funds earmarked for investment, the most significant risks according to the standard formula are underwriting risk, market risk and the risk associated with the activity of undertakings operating in other financial sectors. In the last item, credit risk is the most important.

Chart 2. The share of individual risks in the basic solvency capital requirement prior to the diversification as at 31 December 2025 and 31 December 2024



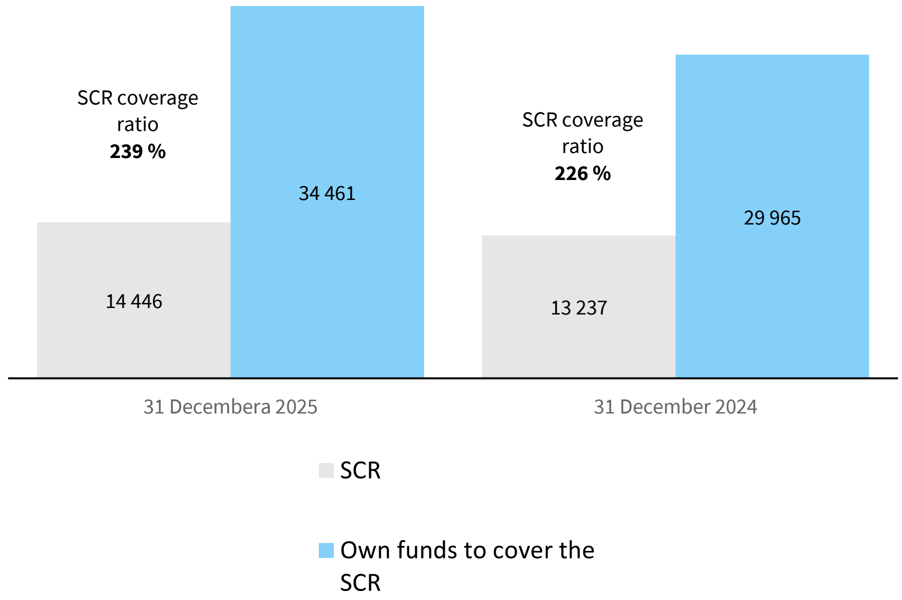
A detailed list of risks and a description of the process for managing the control of these risks are presented in section C. of this report.

In compliance with the applicable provisions of the SII system, the PZU Group it calculates its SCR reflecting the value of eligible own funds that would enable the PZU Group to cover significant unforeseen losses within one year. SCR is to ensure sufficient degree of protection of the interests of the insured.

PZU Group's SCR is calculated on the basis of the standard formula according to the SII system and includes the following risks: underwriting risk, counterparty insolvency risk, operational risk and the adjustment related to the capacity of deferred income tax to cover losses. Also, a separate category of the capital requirement takes into account requirements for subsidiaries that are not subject to consolidation using the full method according to the SII system, in particular requirements for subsidiaries from financial sectors other than the insurance sector.

At year-end 2025, the SCR was PLN 14,446 million, up 9% from year-end 2024. This increase was mainly due to higher underwriting risk in non-life insurance (primarily as a result of an increased capital requirement for catastrophe risk following an increase in exposure to natural disasters risk) and higher market risk (primarily as a result of an increased capital requirement for interest rate risk, equity risk and credit spread risk).

Chart 3. SCR coverage ratio



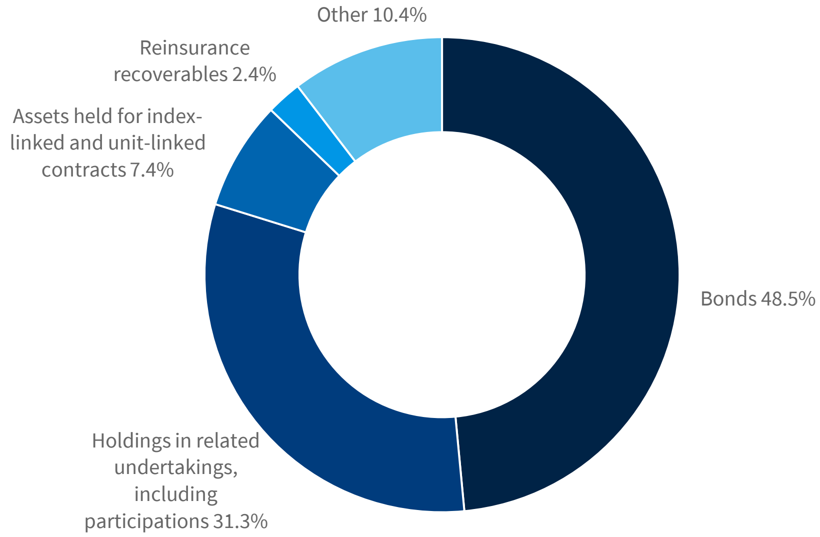
Valuation for solvency purposes

The PZU Group's balance sheet is created by consolidating the balance sheets of units conducting insurance business and the balance sheets of units providing auxiliary services to insurance business. Detailed rules for consolidation according to the SII system are described in A.5.

For solvency purposes, the PZU Group measures assets and liabilities other than technical provisions at fair value, unless the relevant provisions of the SII system specify other measurement methods, i.e. by the method of the PZU Group's proportional share in the own funds calculated in accordance with the relevant sectoral rules for related parties that are credit institutions, companies managing undertakings for collective investment in transferable securities and non-regulated entities carrying out financial activities, or by the adjusted equity method for other related parties. The fair value of assets and liabilities other than technical provisions is calculated using market prices quoted on active markets for the same assets or liabilities. In cases where there is no such active market, alternative measurement methods are used, as provided for by the provisions of the SII System: mark-to-market measurement, income-based measurement or cost-based measurement. In other cases, where the PZU Group does not expect significant differences and the value of own funds is not materially affected, simplified methods are used.

The most significant asset groups according to the PZU Group's economic balance sheet are: debt securities, interests in related parties, including equity interests, assets for insurance in which the benefit is determined on the basis of specified indices or other base values and for insurance linked to a unit-linked fund as well as amounts due and payable from reinsurance agreements.

Chart 4. Most important asset groups per the economic balance sheet of the PZU Group as at 31 December 2025

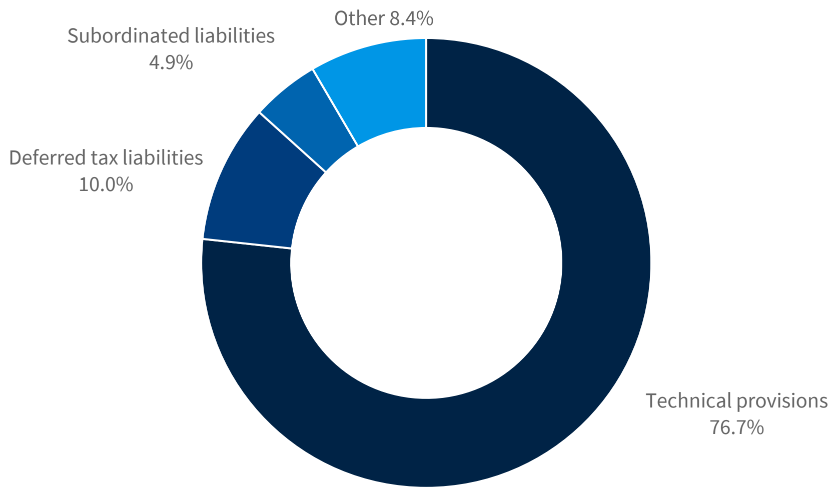


The main differences in the measurement of these assets compared to their measurement in the financial statements prepared according to IFRS pertain to bonds and loans. These differences stem mostly from the fact that in the economic balance sheet the said assets are measured at fair value, whereas in the IFRS-compliant financial statements, some assets are measured at amortized cost.

Equities held in related parties in the economic balance sheet are recognized by applying the method of proportional share in such undertakings' own funds calculated according to the relevant sectoral rules (credit institutions, companies managing undertakings for collective investment in transferable securities and non-regulated entities carrying out financial activities), adjusted equity method (shares in related parties, not listed on active markets) or alternative method (for participation units and investment certificates in collective investment undertakings).

The most significant liability groups according to the PZU Group's economic balance sheet are: technical provisions, deferred tax liability and subordinated liabilities.

Chart 5. Most important liability groups per the economic balance sheet of the PZU Group as at 31 December 2025



In the case of subordinated liabilities, the difference between values according to IFRS and measurement for solvency purposes follows from the application of different measurement methods: according to IFRS at amortized cost, while for the purposes of the economic balance sheet they are presented at fair value but without adjusting own credit spread from the date of the emergence of the liability.

The PZU Group measures technical provisions at the value which another insurance undertaking or reinsurance undertaking (reference undertaking) could be expected to demand for taking over and fulfilling the insurance and reinsurance liabilities. Technical provisions consist of jointly value technical provisions, the best estimate and the risk margin, in compliance with Article 225 of the Insurance Activity Act.

Differences to the amounts of technical provisions per the SII system and the IFRS result from different measurement rules for specific items of provisions; in particular, they concern differences in measuring unearned premiums in non-life insurance, accounting for the contractual service margin in insurance liabilities in line with the IFRS for life insurance, as well as different rules for determining contract limits and calculating the risk margin in the SII system and the IFRS adjustment for non-financial risk.

As regards the valuation of the best estimation, significant changes to assumptions adopted for the calculations in 2025 as compared to the previous reporting period pertained to economic assumptions as well as other-than-economic assumptions. With regard to changes in economic assumptions, the main change concerned discount rates and discount factors, prepared on the basis of the term structure of interest rates published by EIOPA as at the reporting date. In the case of non-economic assumptions, the changes resulted from updates based on conducted analyses. They primarily concerned cost assumptions, indexation assumptions in continued insurance, as well as assumptions regarding lapse rates, claims frequency, and mortality.

During the reporting period, there were no significant changes in the method of measurement of assets and liabilities other than technical provisions.

Capital management

PZU Group Capital Management Policy is aimed at zeroing in on the rate of return for shareholders through efficient capital management while maintaining the existing security level and preserving capital resources for the purposes of strategic development through acquisitions.

Both at the end of 2025 and during 2025, the PZU Group met solvency requirements. The increase in the solvency ratio is driven by a rise in own funds and a relatively smaller increase in the SCR. Details regarding the drivers of the SCR increase are presented in the relevant section C. of the report.

The increase in own funds in 2025 of PLN 4,496 million results from the financial result generated by the PZU Group in 2025, as well as an increase in the value of financial assets recognized outside the consolidated profit or loss, partially offset by a deduction related to the expected dividend. Details on the change in own funds is presented in section E.1.

Below are the changes in solvency ratios, the amounts of allowable own funds and capital requirements between 2025 and 2024.

Table 3. Change in solvency ratios, the amounts of eligible own funds and capital requirements

Category	Value (in PLN million, %)		Change 2025/2024	
	31 December 2025	31 December 2024	(in PLN million, p.p.)	%
Ratio of SCR coverage with eligible own funds	**239%**	**226%**	**13**	**6%**
Eligible own funds to cover SCR, including:	34,461	29,965	4,496	15%
basic own funds included in category 1	31,638	27,204	4,434	16%
basic own funds included in category 2	2,823	2,761	62	2%
SCR	14,446	13,237	1,209	9%
Ratio of MCR coverage with eligible own funds	**380%**	**376%**	**4**	**1%**
Eligible own funds to cover MCR, including:	23,163	19,634	3,529	18%
basic own funds included in category 1	21,945	18,588	3,357	18%
basic own funds included in category 2	1,218	1,046	172	16%
MCR	6,092	5,227	865	17%

In calculating SCR, the PZU Group does not apply transition provisions. As at 31 December 2025, neither the matching adjustment referred to in Article 227 of the Insurance Activity Act, the volatility adjustment mentioned in Article 229 of the Insurance Activity Act, transitional risk-free interest rate term structure mentioned in Article 496 of the Insurance Activity Act nor the transitional deduction mentioned in Article 497 of the Insurance Activity Act were applied.

A. Business and operating results

A.1. Business

Name and legal form

The parent company in the PZU Group is PZU with its headquarters at Rondo Ignacego Daszyńskiego 4, 00-843 Warsaw.

PZU has been entered in the National Court Register kept by the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, under file number KRS 0000009831.

Regulatory authority supervising the PZU Group

Polish Financial Supervision Authority, ul. Piękna 20, 00-549 Warsaw.

Statutory auditor of the PZU Group

Tomasz Orłowski, registration no. 12045, acting on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt spółka komandytowa, an audit firm, no. 144 on the list maintained by the Polish Agency for Audit Supervision, ul. Polna 11, 00-633 Warsaw, Poland.

Shareholders holding significant stakes in PZU

As at 31 December 2025, the PZU shareholding structure was as follows:

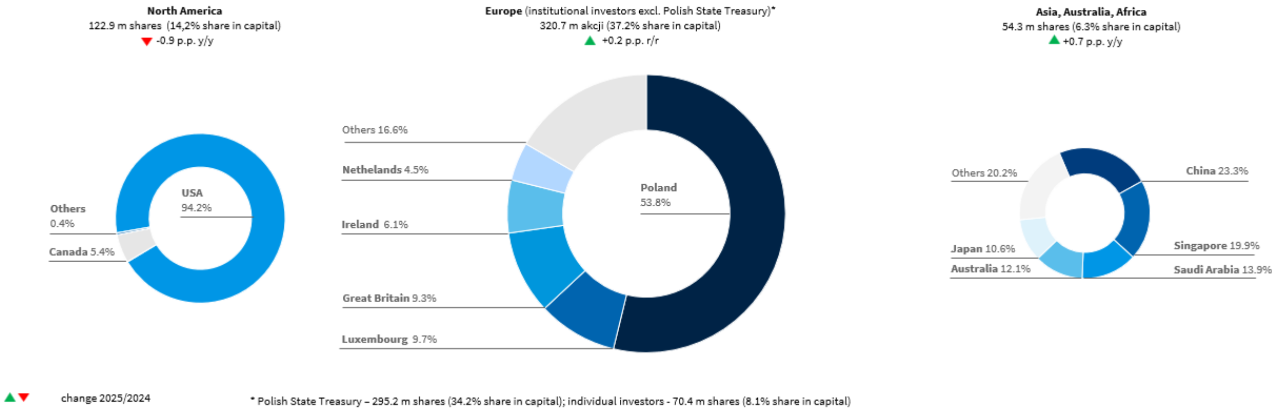
Table 4. PZU shareholder structure as of 31 December 2025

No.	Sub-module name	Number of shares and votes	Percentage share in the share capital and in the total number of votes at the Shareholder Meeting
1	State Treasury	295,217,300	34.19%
2	BlackRock, Inc. [1)]	43,209,557	5.00%
3	Other shareholders	525,096,143	60.81%
	TOTAL	**863,523,000**	**100.00%**

[1)] Based on the current report No. 38/2025 of 23 October 2025.

Composition of PZU's shareholders by geography

Chart 6. Composition of PZU's shareholders by geography as of 31 December 2025



PZU Group's legal structure

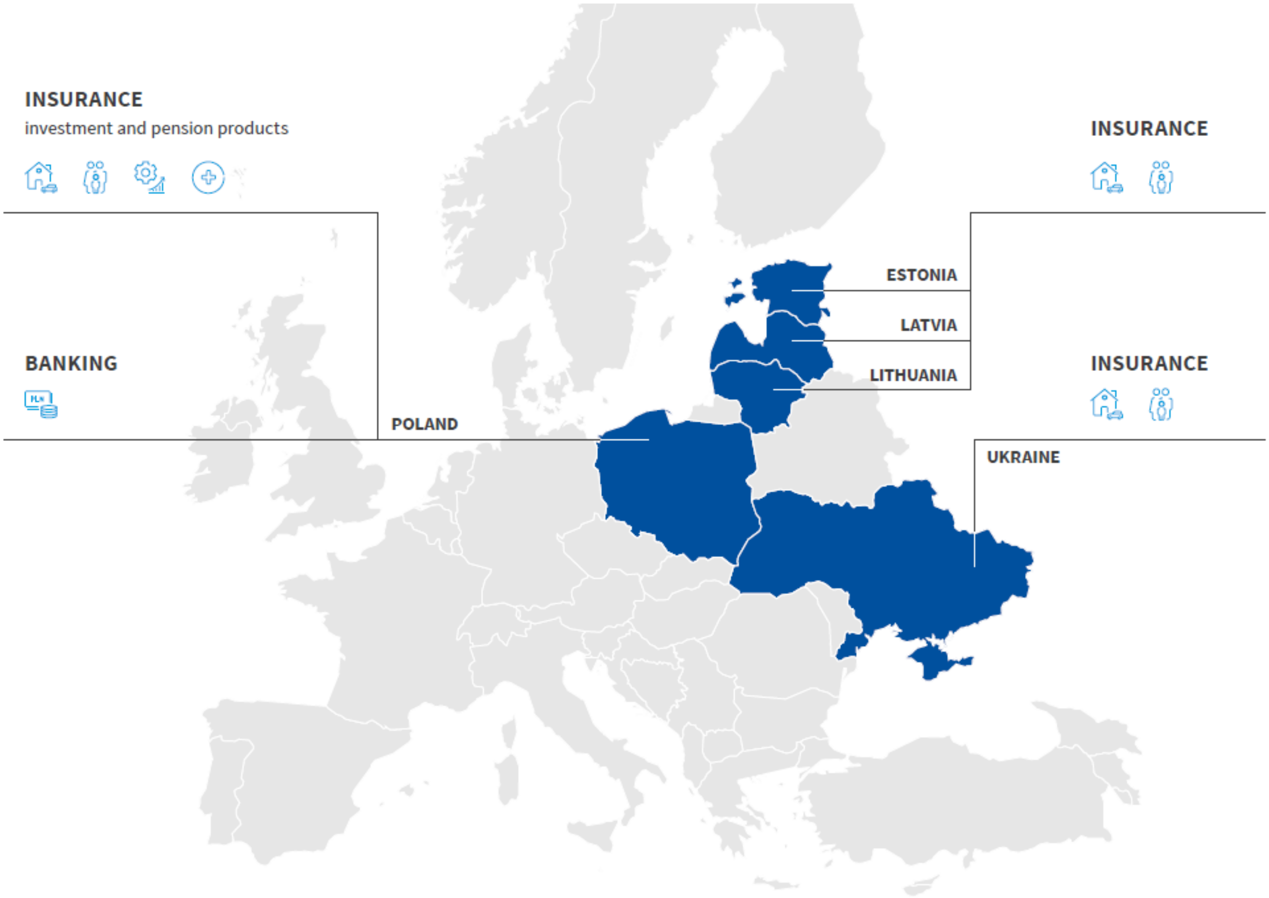
The PZU Group's legal structure as at 31 December 2025 is presented in Attachment 1 to this SFCR.

The information about all PZU Group companies is presented in form S.32.01.22 constituting attachment 2 to the SFCR.

PZU Group's significant lines of business and relevant geographies of the PZU Group's operations

Insurance is the core business of the PZU Group, and within this business, the PZU Group renders services in five countries. It offers products and services to retail clients, small and medium enterprises and big business entities. Poland is the PZU Group's core market measured by its magnitude and client numbers. Nevertheless, the PZU Group's insurance subsidiaries play an important role on the markets in Lithuania, Latvia, Estonia and Ukraine. In addition to life, non-life and health insurance, PZU Group units offer banking, investment and pension products as well as health-care services. There are two banking business groups within the PZU Group's structures: Pekao Group and Alior Bank Group. The Pekao Group operates mainly in Poland and consists of financial institutions operating on the following markets: banking, asset management, brokerage services, investment and transaction advisory, leasing and factoring. The Alior Bank Group is headed by Alior Bank. The Alior Bank's core business comprises maintaining bank accounts, granting cash loans, issuing bank securities and purchase and sale of foreign currencies. Alior Bank also conducts brokerage activity, provides financial advisory and intermediation services, and renders other financial services. Alior Bank provides services predominantly to clients from Poland. Other Alior Bank Group's companies provide leasing services, investment fund management services, agency activities, and others.

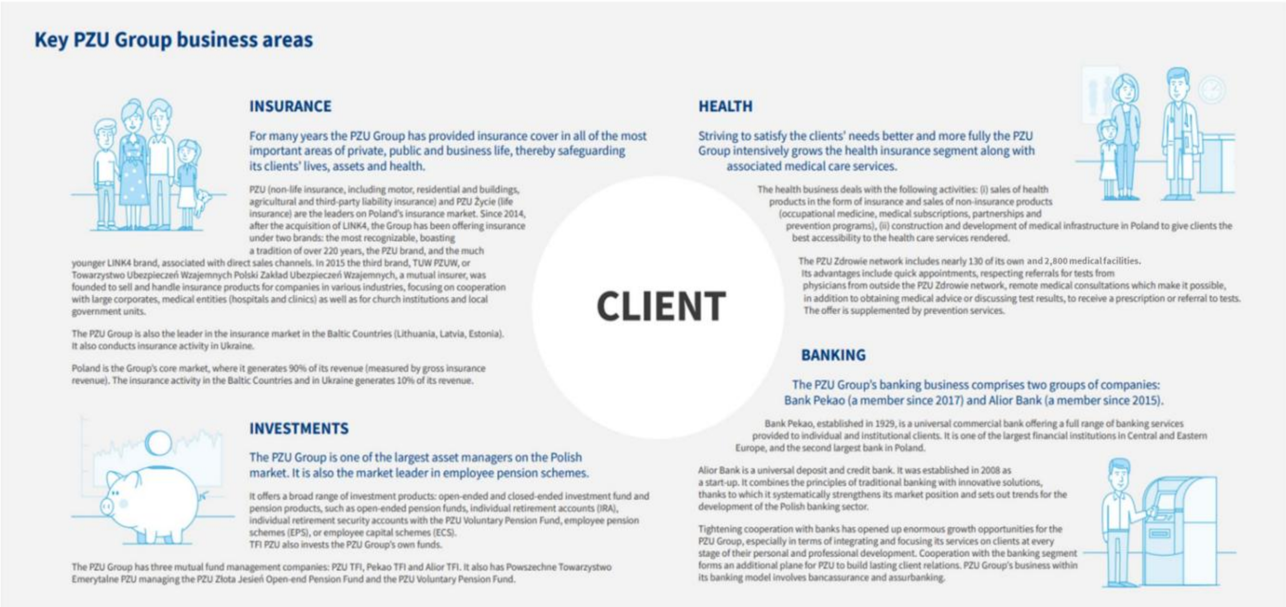
Chart 7. Business lines and geographic areas in which the PZU Group operates



KEY:

- Non-life insurance
- Life insurance
- Market position in terms of assets under management
- Market position in terms of assets
- Market position in terms of medical revenues

Chart 8. Key PZU Group business areas



Dynamically developing the products and services portfolio, PZU, Link4, TUW PZUW together have retained the leading position in the Polish non-life market (31.4% market share) and life insurance market (43.1% – PZU Życie's share in gross written premium of life insurance companies) – figures post Q4 2025[4] measured by gross written premium according to PAS.

Outside Poland, the PZU Group provides insurance services through the following companies: LD (Lithuania), PZU Kindlustus (LD branch in Estonia), PZU LT GD (life insurance, Lithuania), Balta (Latvia), PZU Ukraine (non-life insurance) and PZU Ukraine Life. In 2025, the PZU Group ranked first in terms of gross written premium in the non-life insurance market in Lithuania and in Latvia.

The PZU Group provides banking services through the Pekao Group and the Alior Bank Group. At the end of 2025, Pekao Group and Alior Bank Group ranked second and eighth, respectively, among banks in Poland in terms of total assets.

Detailed information on premiums set under Article 1(11) and (12) of the Delegated Regulation, claims and benefits and costs broken down by lines of business in the SII system and by countries was included in QRT forms S.05.01.02 and S.05.02.01 constituting attachments 3 and 4 to the SFCR, respectively.

---

[4] In accordance with KNF's Quarterly Bulletin report. Rynek ubezpieczeń [Insurance Market] 4/2025.

All significant events of a business and other nature that occurred during the reporting period and had a significant impact on the PZU Group

Distribution of profit

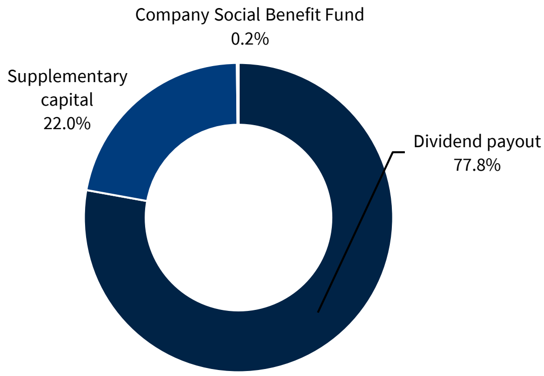
Only the profit captured in the standalone financial statements of PZU prepared in accordance with PAS is subject to distribution.

On 25 June 2025 the PZU Ordinary Shareholder Meeting distributed PZU's net profit for the year ended 31 December 2024 in the amount of PLN 3,877 million, increased by PLN 1,080 million moved from supplementary capital created from the net profit for the year ended 31 December 2023, i.e. in total PLN 4,957 million, by allocating:

- PLN 3,860 million (i.e. PLN 4.47 per share) to disbursement of dividends;
- PLN 1,089 million to the supplementary capital;
- PLN 8 million to the Company Social Benefit Fund.

The dividend record date was 25 September 2025 and the dividend was paid out on 16 October 2025.

Chart 9. Distribution structure of the 2024 profit



The profit distribution is in line with the Capital Management Policy of PZU Group and takes into account the recommendations included in the KNF position on dividend policy for 2025 of 10 December 2024.

Information on PZU's net profit distribution proposal for the year ended 31 December 2025 is presented in section E.1.

Mergers of companies

On 28 November 2025, PZU Zdrowie acquired 150 shares with a nominal value of PLN 1 thousand each, representing 100% of the share capital of Humana Medica Omeda sp. z o.o. ("Humana Medica") and entitling it to 100% of the votes at the Shareholder Meeting of Humana Medica.

Humana Medica has been consolidated since 28 November 2025.

Simplified PZU organizational structure chart

The PZU organizational structure chart constitutes Attachment 5 to the SFCR.

A.2. Result on insurance activity

Premiums, claims paid and costs broken down by lines of business are presented in form QRT S.05.01.02 constituting Attachment 3 to the SFCR.

All information presented in this section is taken from the consolidated financial statements prepared in accordance with IFRS.

Key factors affecting the operating results achieved by the PZU Group

Operating profit in 2025 was PLN 17,847 million, up PLN 13.7% compared to the result in 2024. The following factors contributed to that figure:

- higher result in the mass non-life insurance segment (+ PLN 824 million), largely due to the growth in the insurance service result (+ PLN 798 million) both in non-motor and motor insurance. The increase in the segment's revenue was driven by higher sales dynamics, mainly in PZU DOM homeowners insurance (growth linked to the new product offering – broader standard coverage) and PZU Firma insurance offered to small and medium-sized enterprises (better alignment of the offering with risk). The lower net insurance service expenses by PLN 246 million y/y (-2.0 %) which together with an increase in the net insurance contract revenue by 4,3% y/y improved profitability by the combined ratio (COR) by 5.7 percentage p.p.;
- higher results in the banking segment (+ PLN 597 million), mainly due to an increase in net interest income from higher loan volumes and a stable interest margin at Pekao, partially offset by increased operating expenses and higher legal risk costs related to foreign currency mortgage loans (at Alior Bank);
- an increase in operating profit in the investment segment (+ PLN 341 million), particularly as a result of higher investment profit on free funds including on the portfolio of debt instruments against sales in 2024 of historical tranches with lower yields and reinvestment at higher yields, equity instruments due to an increase in portfolio valuations based on favorable market conditions, as well as commercial real estate due to higher swap point income;
- an increase in operating profit in the corporate non-life insurance segment (+ PLN 326 million) with a higher y/y insurance services result (+ PLN 333 million), as a result of an increase in revenues (+ PLN 328 million) in , both motor and non-motor insurance and a lower level of insurance services expenses, which translated into an 8.3 p.p improvement in profitability as measured by the combined ratio (COR);
- higher result in the investment life insurance segment (+ PLN 103 million), mainly as a result of changing assumptions regarding partial redemptions and costs in the IKE product translating into a decrease in the loss component;
- higher result in the Baltics segment (+ PLN 69 million) due to higher income from insurance contracts caused by an increase in sales in non-life and other personal insurance (mainly due to an increase in sales of non-life, health and MTPL insurance), with a simultaneous increase in the cost of claims in the current year as a result of an increase in the value of the portfolio;
- higher operating profit in the individual protection life insurance segment (+ PLN 55 million), mainly as a result of higher insurance revenues thanks to higher release of contractual margins and an increase in writing of premiums allocated to recovery of insurance acquisition cash flows, and expected claims and benefits as a result of developing the insurance portfolio;

- lower operating profit in the group and individually continued life insurance segment (- PLN 76 million), resulting from higher y/y insurance service expenses due to sustained high utilization of health benefits and higher claims costs in other group insurance products, partially offset by higher insurance revenue from increased release of the contractual service margin across all insurance groups.

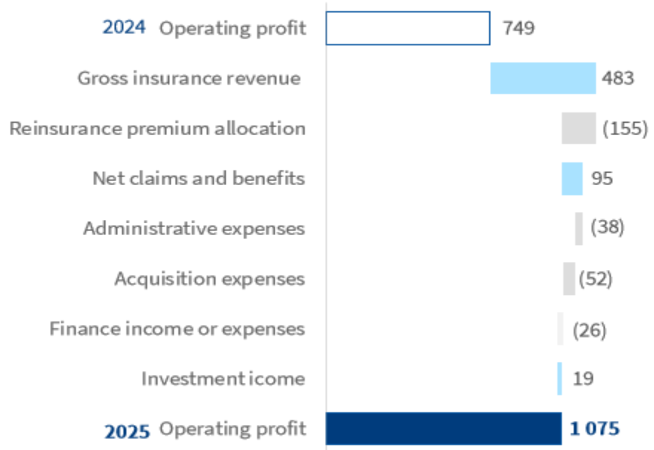
Contribution made by the market segments to the consolidated result

The following industry segments were identified in order to facilitate management of the PZU Group:

- corporate insurance (non-life insurance) – a broad scope of property, TPL and motor insurance products customized to a client's needs, entailing individual underwriting, offered by PZU, and TUW PZUW;
- mass insurance (non-life insurance) – property, accident, TPL and motor insurance products offered to individual clients and entities in the small and medium enterprise sector by PZU and Link4;
- group and individually continued insurance (life insurance) – group insurance products offered by PZU Życie to groups of employees and other formal groups (e.g. trade unions), under which persons with a legal relationship with the policyholder (e.g. employer, trade union) accede to the insurance product granted and individually continued insurance products under which the policyholder acquires the right to individual continuation during the group phase;
- individual protection insurance (life insurance) – insurance offered by PZU Życie to individual clients under which the insurance contract applies to a specific insured and this insured is subject to individual underwriting;
- life investment insurance – unit-linked insurance with significant insurance risk (investment agreements that are not investment contracts and single-premium life and endowment insurance agreements with guaranteed sums insured);
- investments – the segment includes investments of free funds, i.e. the surplus of the investment portfolio over the level allocated to pay insurance liabilities of PZU and PZU Życie and the operating result of TFI PZU;
- pension insurance – 2nd pillar pension insurance;
- banking – broad range of banking products offered to corporate and individual clients by the Pekao Group and the Alior Bank Group;
- Baltic States – non-life insurance and life insurance products offered in the territories of Lithuania, Latvia and Estonia;
- Ukraine – non-life insurance and life insurance products offered in the territory of Ukraine;
- investment contracts – include PZU Życie products that do not transfer material insurance risk and do not satisfy the definition of insurance contract; these are some of the products with a guaranteed rate of return and in unit-linked form;
- other – consolidated companies that are not classified in any of the enumerated segments.

Corporate insurance

Chart 10. Operating profit in the corporate insurance segment (in PLN million)



The profit in the corporate insurance segment in 2025 was PLN 1,075 million, meaning it was up by PLN 326 million (+43.5%) compared to 2024. The increase in operating activity is the result of an improvement in net insurance service result (+ PLN 333 million) and lower income from insurance and reinsurance financial income and expenses including investment income.

The operating profit was driven mainly by:

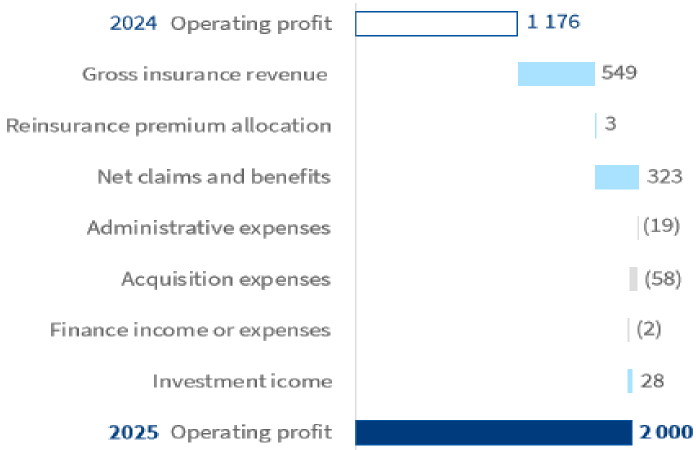
- an increase in insurance contract revenue compared to 2024 by PLN 483 million, i.e.: +10.3% y/y (+PLN +328 million y/y after reinsurance premium allocation). The increase resulted from an increase in the amortization of liabilities (LRC), as a consequence of higher sales both of non- on insurance motor and motor insurance. In motor insurance, the increase resulted from higher average premiums and strong sales in the current year, particularly in lease insurance (an increase of 8.3% y/y in new passenger car registrations in 2025). The increase in LRC amortization in non-motor insurance (+ PLN 140 million y/y after reinsurance premium allocation) resulted from the earning of premiums from 2024, including a contract with a client in the energy generation sector and high sales in 2025, mainly in the strategic customer area. Higher y/y premiums allocated to recovery of insurance acquisition (+PLN +52 million; +8.2%) are the result of portfolio growth and a change in the product mix;
- higher y/y claims and benefits of the current year (+ PLN 114 million y/y) resulting from deterioration in non-motor and motor insurance, mainly AC – the impact of claims inflation, higher frequency of claims in motor insurance and high unit value claims (fire and mining);
- higher costs, both for amortization of acquisition, and for administrative expenses attributable to insurance operations. The increase in administrative expenses is mainly the result of higher personnel costs (the impact of salary increases), IT costs due to the development of the IT area, and the building of competence in the area of systems maintenance;
- release of a higher y/y net excess of prior years' claims reserves over the current value of payouts;
- an increase of PLN 19 million (+5.2% y/y) in investment income over the comparable period last year is the result of the purchase of government bonds measured at fair value through other comprehensive income with high market yield;
- insurance finance income or expenses (after reinsurance allocation) changed (increase of PLN 26 million y/y) and amounted to - PLN 102 million. The increase in expenses is the result of changes in the exchange rate and the timing of foreign currency reinsurance settlements.

In total, net insurance service expenses were lower by PLN 5 million y/y (-0.2% y/y), which, combined with a 10.7% y/y increase in net insurance revenue, indicates an improvement in profitability measured by the combined ratio (COR) by 8.3 pp, to a level of 76.7%.

The gross insurance service result (excluding the reinsurer's share) amounted to PLN 1,778 million, meaning growth by PLN 417 million y/y, largely resulting from higher insurance expenses year-on-year , at levelized insurance service expenses. After taking into account the reinsurer's share, net insurance service result reached PLN 792 million.

Mass insurance

Chart 11. Operating profit in the mass insurance segment (in PLN million)



The operating profit in the mass insurance segment in 2025 was PLN 2,000 million, up by PLN 824 million or 70.1% compared to 2024. The higher profit was the result of an increase in net insurance service result (+ PLN 798 million), lower finance income or expenses under insurance and reinsurance (- PLN 2 million), and better performance on investments (+ PLN 28 million).

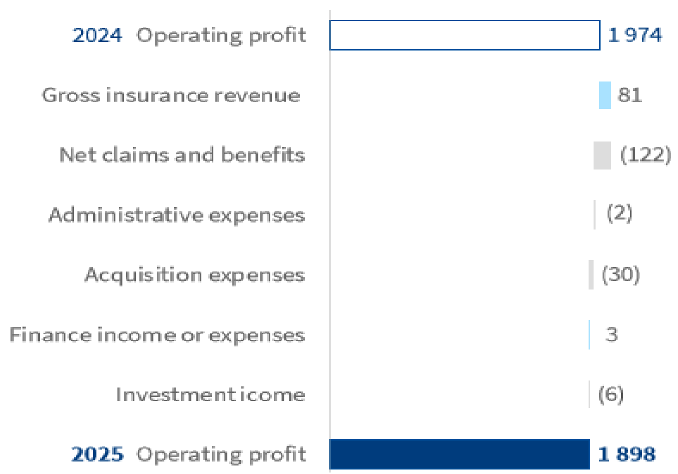
The operating profit was driven mainly by:

- an increase in insurance contract revenue compared to 2024 by PLN 549 million, i.e.: +4.2% y/y (+PLN +552 million y/y after reinsurance premium allocation). The increase resulted from higher amortization of net liability for remaining coverage (LRC), as a consequence of higher sales dynamics, both in motor insurance motor and motor insurance. The increase in non-motor insurance is a mainly higher level of LRC amortization as a consequence of developing PZU DOM home insurance, which is linked to the new release of the offer (broad coverage as standard), and PZU Firma insurance offered to small and medium-sized enterprises (thanks to better matching of the offer to risk). In motor insurance (both TPL and AC), revenue growth was driven by high premium growth in the second half of 2024 and the first half of 2025 (average premium growth responding to rising claims costs), with a deceleration in the second half of 2025. The higher level of insurance contract revenue is also triggered by a higher y/y level of premiums allocated to recovery of insurance acquisition cash flows(+2.0% y/y) as a consequence of growing sales and a simultaneous increase in commission costs – higher share in the portfolio of voluntary insurance by higher commission rates, and change in the mix of sales channels;
- higher net insurance service expenses by PLN 246 million y/y (-2.0 % y/y) which together with an increase in the net insurance contract revenue by 4,3% y/y resulted in the profitability measured by the combined ratio (COR) increasing by 5.7 percentage. A decrease in the net insurance service expenses is a result of:

  - a decrease of PLN 145 million y/y in current year claims liabilities, mainly in non-motor insurance – in 2024 there was an above-normal number of mass claims caused by weather events (in particular, in Q3 2024 there was flooding in southwestern Poland with a negative impact of more than PLN 225 million on the result). The lower level of claims this year in motor insurance is the result of the lower cost of claims in MTPL with deterioration in AC;
  - higher acquisition costs (+PLN 58 million y/y) , mainly as a result of developing the insurance portfolio and an increase in the share of non-commercial insurance in the portfolio, and higher y/y administrative expenses attributable to insurance operations (+PLN 19 million y/y);
  - recognition of a loss component, mainly in the MTPL insurance portfolio (on the inward reinsurance portfolio with PZU Group units) as a consequence of high claims inflation, though in an amount with its does not exceed the amortization from the opening balance sheet. The total excess of depreciation over the creation of the loss component amounted to PLN 87 million (y/y change of + PLN 143 million);
  - release of a higher by PLN 35 million y/y net excess of prior years' claims reserves over the current projected value of payouts;
- an increase of PLN 28 million (+ 3.7% y/y) in investment income over the comparable period last year is the result of the purchase of government bonds measured at fair value through other comprehensive income with high market yield;
- a decrease in financial income and expenses from insurance (net of reinsurance) by PLN 2 million y/y, to -PLN 326 million.

Group insurance and individually continued insurance

Chart 12. Operating profit in the group and individually continued insurance segment (in PLN million)



In 2025, the group and individually continued insurance segment achieved PLN 1,898 million in operating profit, a decrease of PLN 76 million, or 3.9%, compared to the same period last year. The result was driven mainly by:

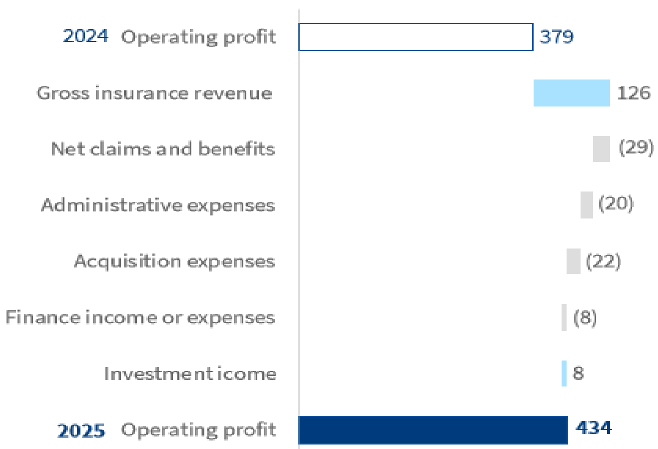
- higher by PLN 81 million insurance contract revenues as a result of:
  - higher contractual service margin release in 2025 (+ PLN 167 million y/y) in all insurance groups, including on the individually continued insurance portfolio (+ PLN 94 million y/y);
  - a lower level of premiums required to cover expected claims and benefits (- PLN 97 million y/y), due to assumed lower utilization in health insurance (in the corresponding period of 2024, the assumed realization of a post-

covid increase in the frequency of benefits) and a better adjustment of mortality assumptions for the individual continuation portfolio with a shrinking portfolio; an increase in revenues to cover rising acquisition costs (+6.4% y/y) , mainly due to portfolio growth and an increasing share of intermediary compensation;

- an increase in net insurance service expenses by PLN 154 million y/y (2.5% y/y), which together with an increase in the net insurance contract revenue by 1,0% y/y resulted in the profitability measured by the ratio of insurance service result to insurance contract revenue decreasing by 1.1 percentage points. An increase in the insurance service expenses is a product of:
    - higher indemnities and benefits with the development of the loss reserve from previous years as a result of the continued high utilization of benefits from health insurance and the higher cost of claims in other group insurance (*inter alia*, impact of portfolio development);
    - changes in the value of the loss component with a positive impact on the result of + PLN 14 million (- PLN 20 million y/y), including the deceleration of the component creation in group protective and health insurance (the impact of the premium retariffication process with a still high level of benefit utilization);
    - higher administrative expenses (+ PLN 2 million y/y) as a consequence of higher salary costs, advertising, and IT costs due to the development of the IT area;
- a decrease of PLN 6 million (-0.7% y/y) in the result on investments compared to last year was due in particular to the negative impact of the valuation of shares in the medical segment offset by a higher result from debt portfolios result of the purchase of instruments at favorable yields in the market;
- the finance income and expenses on insurance were - PLN 519 million, which results from a decrease in expenses by PLN 3 million y/y.

Individual insurance

Chart 13. Operating profit in the individual insurance segment (in PLN million)



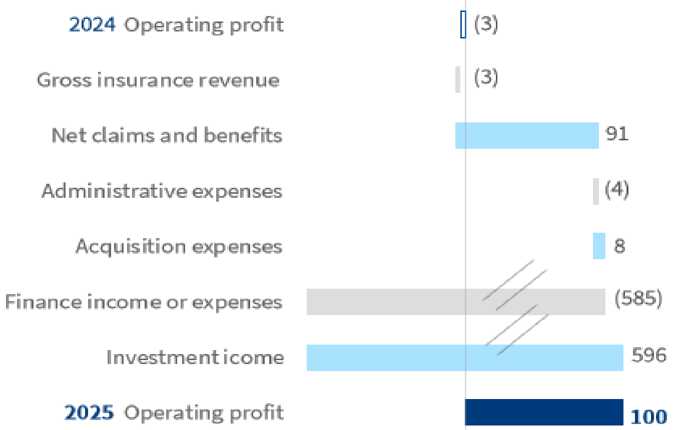
In 2025, the individual insurance segment posted an operating profit of PLN 434 million, up PLN 55 million, or 14.5%, compared to the same period last year. This was almost only the result of a change in the insurance service result (+ PLN 55 million y/y), with a higher level of the investment income allocated to the segment (+ PLN 8 million y/y) and other finance income and expenses by PLN 8 million y/y.

The result was driven mainly by:

- higher insurance revenues (+ PLN 126 million y/y) resulting from:
    - higher y/y release of the contractual service margin, including in bancassurance (+ PLN 30 million y/y; among other things, impact of higher y/y sales of mortgage insurance in the year preceding the report year) and Type J and term insurance;
    - an increase in premiums allocated to recovery of insurance acquisition cash flows, expected costs, as well as expected claims and benefits, by a total of PLN 66 million y/y as a consequence of developing the insurance portfolio;
    - a decrease in other revenues by PLN 20 million y/y – there was a lower-than-expected level of cancellations of bancassurance contracts in 2024;
- an increase in net insurance service expenses by PLN 71 million y/y (+18.8% y/y), which together with an increase in the net insurance contract revenue by 16,9% y/y resulted in the profitability measured by the ratio of insurance service result to insurance contract revenue decreasing by 0.8 percentage points. An increase in the net insurance service expenses is mainly the result of:
    - higher administrative expenses as a result of higher personnel and IT expenses;
    - changes in the loss component with a - PLN 7 million y/y impact on the result being the cumulative effect of the creation of a new loss component, and amortization of the loss component for active cohorts from prior periods (mainly in J insurance) higher than in 2024 with a - PLN 2 million y/y impact on the change result;
- the level of investment income higher than in the previous year (by PLN 8 million, or +6.7% y/y) as a result of the increase in the level of assets to cover liabilities;
- insurance finance income or expenses were PLN -115 million, which means an increase in expenses by PLN 8 million y/y.

Life investment insurance

Chart 14. Operating profit in the investment life insurance segment (in PLN million)

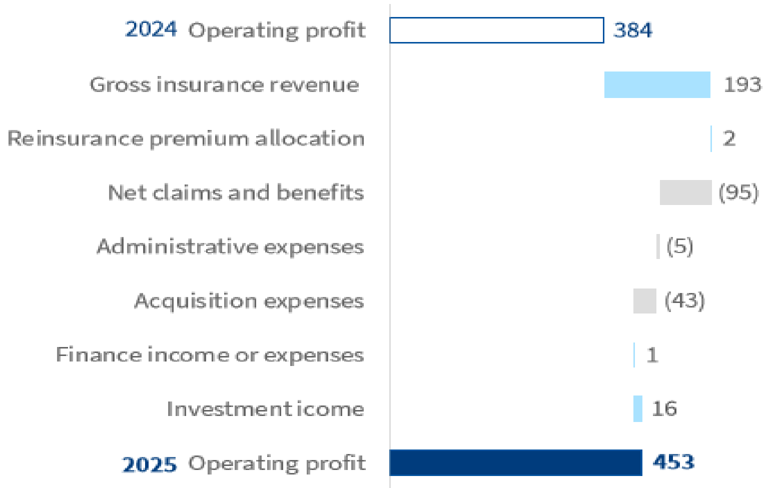


In 2025, the investment life insurance segment achieved an operating profit of + PLN 100 million, a significant increase over the same period last year. The y/y change in the result is the effect of a change in assumptions regarding partial redemptions and costs in the IKE product translating into a decrease in the loss component with an impact on the result of + PLN 43 million (+ PLN 86 million y/y, in the net claims and benefits line). The y/y change was also, to a lesser extent, driven by a change in the product portfolio structure, including fees charged to customers as a result of the higher value of unit-linked funds and increased sales of unit-linked life insurance products.

The investment income was PLN 924 million, compared to PLN 328 million in the previous year (change of + PLN 596 million y/y), in particular, on the EPS and IKE and IKZE products. However, the increase in the investment income had no effect on the PZU Group's total net profit, as it is offset by a change in the level of finance expenses on insurance activities.

Baltic States

Chart 15. Operating profit in the Baltics segment (in PLN million)



The operating result in the Baltic States in 2025 was PLN 453 million, an increase by PLN 69 million, or 18.0% compared to 2024.

Compared to the previous year, there was an increase of PLN 193 million, or +7.2%, in insurance contract revenue, including allocated reinsurance premiums of PLN 195 million). Within revenues, there was an increase in the amortization of LRC as a consequence of a higher sales.

The higher level of insurance contract revenue is also triggered by a higher y/y level of premiums allocated to recovery of insurance acquisition cash flows as a consequence of growing sales.

Insurance service expenses adjusted by amounts due from reinsurers increased by PLN 143 million y/y (+6.3%). The increase concerns in particular the non- life insurance and, with an increase in the net revenues from insurance contracts by 7.5% y/y, represents a 1.1 p.p. improvement in profitability as measured by the combined ratio (COR). In the life insurance business, net insurance service expenses increased y/y by PLN 6 million.

An increase in the net insurance service expenses of the segment is a product of:

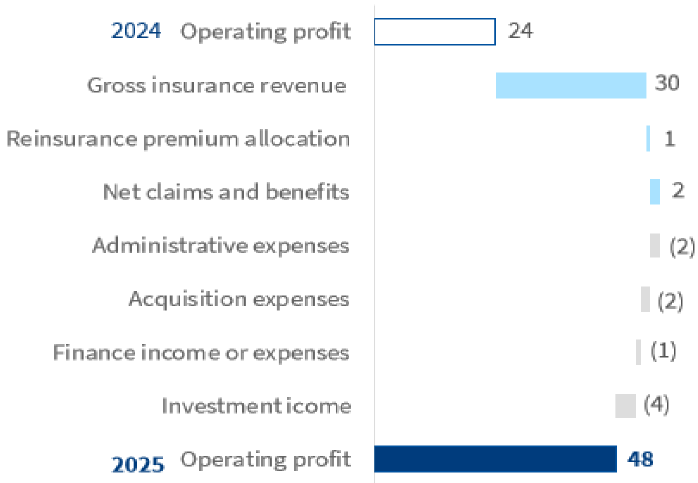
- higher y/y claims and benefits liabilities due to the increase in the value of the portfolio;
- release of a higher y/y net excess of prior years' claims reserves over the current projected value of payouts;
- change of a loss component with an effect on the insurance service result - PLN 15 million y/y as a product of the recognition of a new loss component higher by PLN 10 million as compared to last year, and of changes in assumptions for active cohorts from the preceding years having an effect on the profit in the amount of - PLN 5 million y/y;
- an increase of 1.8% y/y in administrative expenses, mainly due to higher personnel and IT costs. The segment's ratio of administrative expenses calculated to net insurance revenues increased by 0.6 p.p. to 10.2%;
- PLN 43 million higher amortization of acquisition cash flow. The acquisition expanse ratio was 18.5%, recording a 0.3 p.p. y/y increase.

The total net insurance finance income and expenses were - PLN 39 million, which means a change in expenses by + PLN 1 million y/y.

The increase in investment income compared to the previous year was, particularly, due an increase in income from dividends and floating rate instruments, as well as real estate rentals.

Ukraine

Chart 16. Operating profit in the Ukraine segment (in PLN million)



The Ukraine segment ended 2025 with an operating profit of PLN 48 million, meaning a PLN 24 million decrease compared to 2024. The results of both periods were affected by the analysis of the recoverability of assets held, carried out, among other things, as a result of the country's downgrade.

In 2025, there was an increase in insurance contract revenue compared to the previous year by PLN 30 million, i.e. +12.4% y/y (in functional currency, an increase of UAH 571 million, i.e. +23.4% y/y). Revenues included an increase in amortization of LRC and an increase in the value of premiums allocated to recovery of insurance acquisition cash flows as a result of higher sales.

Insurance service expenses adjusted by amounts due from reinsurers increased by PLN 2 million y/y, or +0.8% (in functional currency by +13.3%).

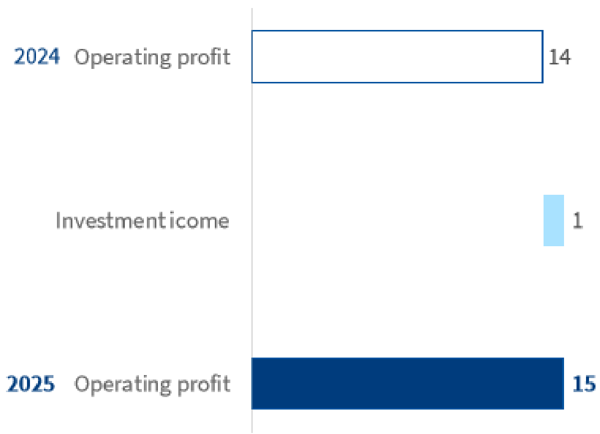
An increase in the net insurance service expenses of the segment results from:

- higher y/y claims and benefits liabilities;
- release of a lower y/y net excess of prior years' claims reserves over the current projected value of payouts;
- change of a loss component with an effect on the change of the insurance service result PLN +18 million y/y as a product of the recognition of a new loss component in an amount lower by PLN 22 million and of changes in assumptions for active cohorts from the preceding years having an effect on the profit in the amount of + PLN -4 million y/y;
- a 3.9% y/y increase in administrative expenses (in functional currency, an increase of UAH 68 million, or 12.9% y/y), mainly due to higher salary costs and IT costs. At the same time, the segment's ratio of administrative expenses calculated to net insurance revenues increased by 1.7 p.p. as compared to the previous year and stood at 19.6%;
- a PLN 2 million, or 2.9%, higher y/y amortization of insurance acquisition cash flows (in functional currency, up UAH 86 million, or 12.2% y/y). The acquisition expense ratio decreased by 2.6 p.p. to 26.7%.

The result from investments stood at PLN 47 million, down by PLN 4 million y/y.

Investment contracts

Chart 17. Operating profit in the investment contract segment (in PLN million)



The segment includes PZU Życie products that do not transfer any significant insurance risk within the meaning of IFRS 17 and that do not meet the definition of an insurance contract, including some products with a guaranteed return and unit-linked. These products are recognized in accordance with the requirements of IFRS 9.

The change in operating profit is a consequence of high sales of products with guaranteed sums insured, offered as investment contracts.

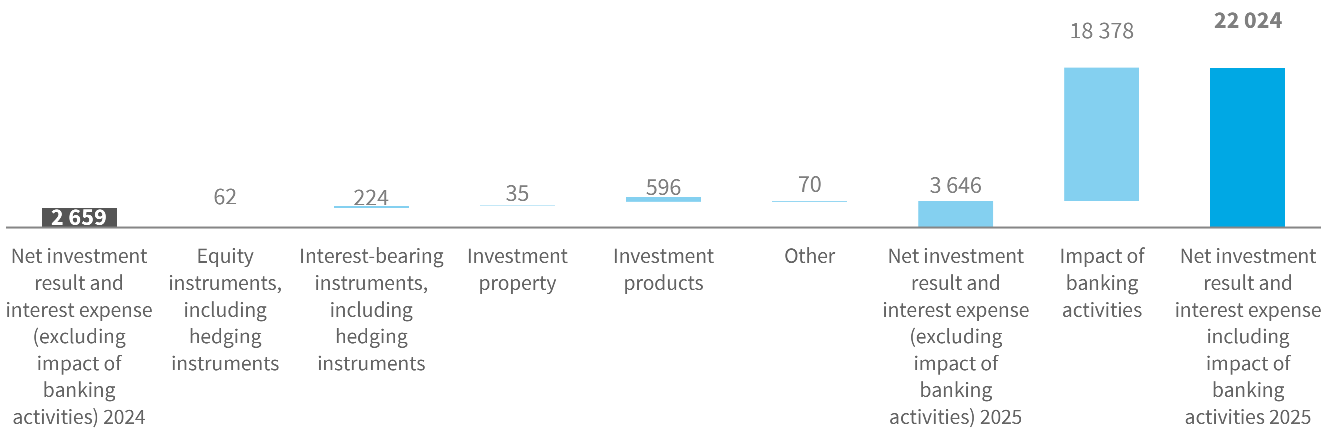
A.3. Result on investment activity

Net investment result and interest expenses

The higher level of investment result excluding banking activities (amounting to PLN 3,646 million in 2025 compared to PLN 2,659 million in the previous year, while the total investment result of the PZU Group amounted to PLN 22,024 million, including PLN 18,378 million [5] attributable to banking activities) was driven by a higher result on the own-risk portfolio of PZU Group and PZU Życie, in particular due to:

- higher interest income from debt portfolios measured at fair value through other comprehensive income, resulting from the purchase of instruments at high market yields, as well as active yield enhancement of the portfolio in 2024 through the sale of selected instruments and reinvestment at higher yields;
- higher result from debt portfolios measured at fair value through profit and loss as a result of higher asset balances and achieving higher yields by taking advantage of favorable market trends;
- higher performance of equity portfolios, in particular, due to favorable market, conditions, stronger increases in the valuation of Private Equity funds as well as a gain from the sale of some of the stocks in the portfolio;
- higher swap point income from foreign currency derivatives hedging the valuation of the commercial real estate portfolio.

Chart 18. Change in income from investing activities after factoring in interest expense (in PLN million)



[5] For more information on investment income from banking operations, see the description of the *Banking Segment* in A.4. Profit (loss) from other types of activity.

At the same time, the results generated in the investment activity on the asset portfolio that constitute investment insurance coverage was higher by PLN 596 million than in 2024, which has no impact on the PZU Group's total net result, as it is offset by the change in insurance financial income and expenses.

In 2025, the change in the investment result recognized in other comprehensive income[6] amounted to PLN 3,055 million, compared to PLN 320 million in 2024. The higher increase in other comprehensive income related to investment activities by PLN 2,735 million was mainly driven by the positive impact of the valuation of debt securities, as well as financial instruments hedging cash flows, as a result of significant declines in market yields.

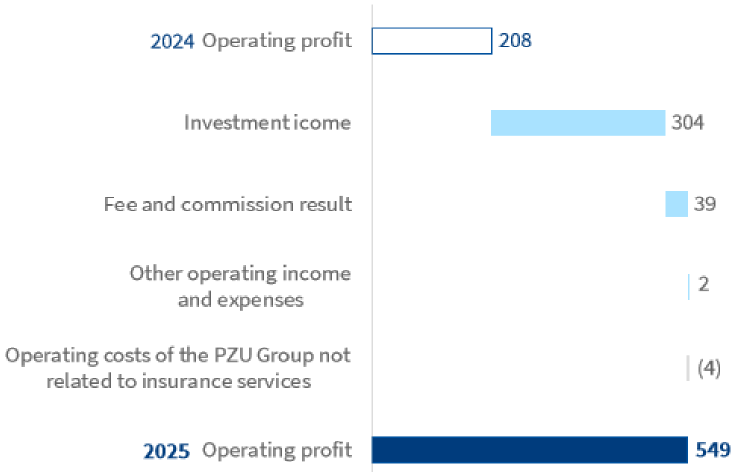
Securitization

In 2025, the PZU Group did not hold any securitization-related investments.

A.4. Profit (loss) from other types of activity

Investments

Chart 19. Operating profit in the investment segment (in PLN million)



The operating result in the investment segment amounted to PLN 549 million in 2025, up by PLN 341 million y/y, particularly due to:

- a higher result from investments in free funds by PLN 304 million y/y, including:
  - on a portfolio of debt instruments, in view of actively increasing the portfolio's yield in 2024 by selling some of the instruments in 2024 and reinvesting the funds at higher yields;

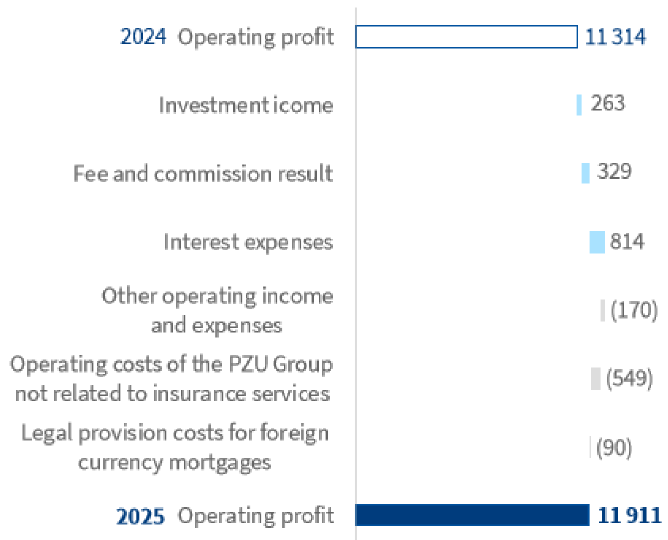
[6] Including: valuation of debt instruments, reclassification of the valuation of debt instruments to the profit and loss account, cash flow hedging, and valuation of equity instruments..

- equity instruments due to favorable market conditions;
- commercial real estate due to higher swap point revenues;

- an increase in fee and commission income by PLN 39 million in the wake of rising assets under management at TFI PZU.

Banking segment

Chart 20. Operating profit in the banking segment (in PLN million)



The operating profit in the banking segment, including leasing activities (without amortization of intangible assets acquired as part of the bank acquisition transactions), composed of the Pekao Group and the Alior Bank Group, amounted to PLN 11,911 million in 2025 and was higher by PLN 597 million compared to the previous year.

Pekao's contribution to the PZU Group's operating profit in the banking segment (net of the amortization of intangible assets acquired as part of the acquisition transaction) was PLN 8,966 million (+10.5% y/y), while Alior Banks's contribution was PLN 2,945 million (PLN -7.9 % y/y).

The y/y increase in Pekao's result was mainly due to higher interest income and commissions and fees result. The y/y decline in Alior Bank's result is mainly due to an increase in operating costs and higher legal risk costs of foreign currency mortgages. The increase in costs was partially offset by an improvement in the quality of the loan portfolio, translating into a decrease in the allowance for expected credit losses, lower deposit financing costs and lower costs of the hedging policy used, i.e., the policy of hedging the bank's interest income.

The key element of the segment's income is the investment income, which amounted to PLN 25,484 million in 2025 (+1.0% y/y). Investment income consists of interest income, dividend revenue, the trading result and the result from expected credit losses. Investment income after factoring in interest expense amounted to PLN 18,221 million (+6.3% y/y).

In 2025, Pekao Group recorded a y/y increase in net interest income, mainly driven by higher volumes, particularly in strategic product areas, and a stable net interest margin, supported by continued high liquidity and lower deposit costs.

Alior Bank reported a relatively limited y/y decline in interest income despite the 2025 interest rate cut. Factors supporting the reduction in the decline in net interest income were an increase in the value of the loan portfolio, as well as declining funding costs, both for current and time deposits in the retail and business segments.

The 2024 results recognized costs related to the modification of agreements for PLN mortgage loans granted to consumers due to their suspension of loan repayments (the so-called moratorium periods) in Pekao and Alior Bank.

The total portfolio of loan receivables in both banks increased by PLN 16.9 billion (+7.3% y/y) in 2025 compared to 2024. Growing accounts receivable from business clients contributed the most to the growth.

The value of allowances for expected credit losses on financial instruments in Pekao Group amounted to PLN 809 million and was lower by PLN 88 million y/y. In contrast, in Alior Bank, it totaled PLN – 377 million and was PLN 93 million lower y/y, mainly due to the better quality of the loan portfolio.

The profitability of Pekao Group at the end of 2025, measured by the net interest margin, stood at 4.2% and remained at a level comparable to that achieved in 2024, excluding the costs related to the recognition of the so-called credit holidays. The value of Alior Bank’s net interest margin at the end of 2025 was 5.6%, down by 0.38 p.p. lower than in 2024.

The net fee and commission income amounted to PLN 4,005 million and was 8.9% higher than in 2024. The main driver of the improvement in fee and commission income was growth across all business areas in Pekao Group, supported by increasing customer activity and favorable conditions on capital markets, as well as higher fee and commission income from payment and credit card services and higher brokerage fees in Alior Bank Group.

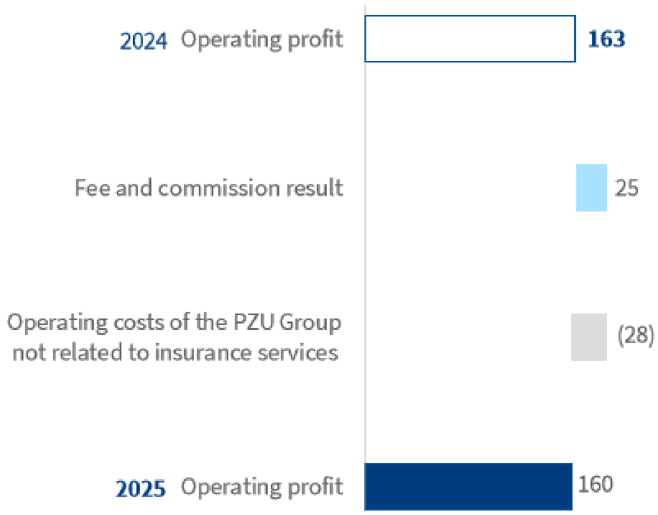
In 2025, the PZU Group’s non-insurance operating expenses totaled PLN 9,334 million and consisted of Bank Pekao’s expenses of PLN 6,737 million (PLN 6,364 million in 2024) and Alior Bank’s expenses of PLN 2,597 million (PLN 2,421 million in 2024). The 6.2% y/y increase costs is mainly the result of an increase in third-party services and fees to BFG (+ PLN 212 million y/y, to PLN 491 million). In Pekao Group, the increase in operating costs of the PZU Group not related to insurance services y/y mainly resulted from business development support activities and rising BFG contributions due to the reinstatement of contributions to the bank guarantee fund, which were not collected in 2023–2024, as well as an increase in the volume of guaranteed funds. In Alior Bank Group, the increase in operating costs, excluding BFG contributions, was driven by rising IT costs. Tax on other financial institutions, which is one of the items of the PZU Group's non-insurance operating expenses, amounted to PLN 1,146 million (- PLN 31 million y/y) in 2025 in the segment.

Legal risk costs related to foreign currency mortgage loans in 2025 in Pekao Group amounted to PLN 664 million (a decrease of PLN 5 million y/y). The recognition of additional costs in 2025 resulted from an update of the expected financial impact of court rulings and a forecast of future inflows of lawsuits from borrowers. In Alior Bank Group, legal risk costs related to foreign currency mortgage loans amounted to PLN 155 million (an increase of PLN 95 million y/y).

In addition, other operating income and expenses with a negative balance of - PLN 162 million in 2025 (compared to a positive balance of PLN 8 million in 2024), which was burdened by, among other things, the recognition of provisions for consumer protection issues at Pekao in the amount of PLN 202 million and the establishment of provisions related to litigation concerning the sanction of free credit at Alior Bank, contributed to the result from operations. The Cost/Income ratio was 35.2% for both banks (34% for Bank Pekao and 38% for Alior Bank), or 0.9 percentage points more than in 2024.

Pension insurance

Chart 21. Operating profit in the pension insurance segment (in PLN million)



The operating profit in the pension insurance segment amounted to PLN 160 million in 2025, or 1.8% less than in 2024.

Factors contributing to the operating result and its movement:

- an increase in fee and commission income by PLN 25 million to PLN 209 million in 2025, with this change resulting, in particular, from a PLN 28 million y/y increase in management fees following increasing level of assets under management;
- an increase in the PZU Group's non-insurance operating expenses by PLN 28 million to PLN 66 million in 2025, mainly due to a higher level of the surcharge on the Guarantee Fund of the National Depository for Securities by PLN 23 million y/y.

Other operating income and expenses

In 2025, the balance of other operating income and expenses stood at PLN 891 million, compared to PLN 1,043 million in 2024. The change in the balance was influenced, in addition to the factors described in the banking segment, in particular by:

- an increase in revenue from the sale of medical services;
- release of impairment allowance in 2024 on assets arising from the acquisition of Alior Bank (i.e., trademark and relations with clients) of PLN 115 million.

Lease contracts

Entities within the PZU Group are parties to lease agreements both as lessors (companies from the Pekao Group and Alior Bank Group) and as lessees.

As a lessee, at the date on which the leased asset becomes available for use, the PZU Group recognizes a right-of-use asset and a lease liability. The PZU Group does not recognize right-of-use assets for short-term leases and for leases for which the underlying asset has a low value.

As a lessor, at the commencement date of the lease, the PZU Group classifies each lease agreement as:

- finance lease – if substantially all of the risks and benefits following from the holding of the underlying asset are transferred or as
- operating lease – if the above conditions are not satisfied.

Classifying the given lease agreement, the PZU Group takes into account, among others, the fact whether the lease period constitutes a larger part of the economic useful life of the asset.

As at 31 December 2025, one material lease agreement was identified concluded by insurance entities of the PZU Group, in which the Group acts as a lessee. The contract concerns the lease of real property. As at 31 December 2025, the value of the right-of-use asset for this contract was PLN 290 million, while the value of the lease liability was PLN 342 million.

In the insurance entities of the PZU Group, there are no other material lease agreements that would require disclosure in the SFCR report.

A.5. Additional information

Legal, governance and organizational structure of the PZU Group, including all subsidiaries, material related undertakings within the meaning of Article 256a of the SII Directive and significant branches within the meaning of Article 354(1) of the Delegated Regulation

The information about the legal structure of the PZU Group is presented on a chart constituting attachment 1 to the SFCR. The governance and organization of the PZU Group is described in section B.1. The information about all PZU Group companies is presented in form S.32.01.22 constituting attachment 2 to the SFCR.

Significant transactions with parties related by equity

According to the KNF decision of 24 March 2017, issued pursuant to Article 402(4) of the Insurance Activity Act, for each insurance company in the PZU Group, significant transactions are defined as transactions concluded with another PZU Group unit shall an amount greater or equal to the lower of the two values determined for that insurance company:

- 5% of SCR;
- 2% of its technical provisions according to the SII system, but no less than PLN 1 million.

For PZU Ukraine and PZU Ukraine Life, as entities that are not fully consolidated for solvency purposes pursuant to Article 389 of the Insurance Activity Act (as per the consolidation rules described below in this section), a transaction is deemed to be significant if it is equal or greater than the amount calculated as 2% of liabilities under insurance contracts of those companies according to IFRS.

The following table shows the thresholds calculated in accordance with the above rules.

Table 5. Thresholds for recognizing intragroup transactions as significant as at 31 December 2025

Insurance company	Threshold in PLN millions
PZU	373
PZU Życie	152
LD	22
TUW PZUW	13
Link4	8
Balta	8
PZU LT GD	4
PZU Ukraine	3
PZU Ukraine Life	3
PG TUW	1
PG TUWnŻ	-

Disbursement of dividends

In 2025, significant dividend payment transactions took place. The table below presents significant dividends (from the perspective of PZU Group or its subsidiaries) received by PZU in 2025:

Table 6. Information on dividends received by PZU

Company	PZU Życie	Pekao	Alior Bank	LD	Balta	PZU Ukraine Life
Date of ratifying the dividend	24 June 2025	24 April 2025	16 June 2025	28 April 2025	28 April 2025	28 August 2025
Record date	15 July 2025	7 May 2025	30 June 2025	n/a	n/a	n/a
Dividend payment date	15 October 2025	23 May 2025	14 July 2025	23 May 2025	23 May 2025	16 September 2025
Dividend value	1,893	964	383	115	81	4

A significant transaction from the perspective of Ukrainian companies was also the dividend paid by PZU Ukraina Życie to PZU Ukraina. In accordance with the resolution of 28 August 2025, the dividend amounted to PLN 4 million. The dividend was paid out on 16 September 2025.

Reinsurance

In 2025 PZU acting as a reinsurer had reinsurance agreements concluded with its subsidiaries as cedents. In 2025, written premium under reinsurance agreements, calculated under Article 1(11) of the Delegated Regulation, by the reinsured subsidiary, was:

- TUW PZUW – PLN 629 million;
- Link4 – PLN 611 million;
- LD – PLN 59 million;
- Balta – PLN 36 million;
- PZU Ukraine – PLN 4 million.

Exposure to bank deposits and accounts

In 2025, the PZU Group companies conducting insurance activity invested their funds in current accounts and bank deposits in Pekao. The value of PZU, PZU Życie, TUW PZUW and Link4 funds in Pekao's open accounts and bank deposits (negotiated and automatic) as at 31 December 2025 amounted to PLN 560 million, PLN 395 million, PLN 21 million and PLN 15 million, respectively. The value of deposits negotiated with Pekao closed during 2025 by PZU, PZU Życie and TUW PZUW amounted to PLN 24,225 million, PLN 40,863 million and PLN 9 million, respectively.

Buy-sell-back transactions

In 2025, the PZU Group entities conducting insurance activities concluded buy-sell-back transactions with Pekao. The total value of buy-sell-back transactions during the year for PZU and PZU Życie was PLN 38,704 million and PLN 29,435 million, respectively.

Purchase of debt securities

In 2025, the PZU Group entities concluded debt securities purchase transactions with Pekao. The total value of those purchases in 2025 for PZU and PZU Życie was PLN 1,313 million and PLN 461 million, respectively.

Transactions on participation units in mutual funds managed by TFI PZU

Significant transactions involving investment fund units and investment certificates managed by TFI PZU in 2025 included the subscription by PZU Group to a new issue of units in the PZU Corporate Bonds FIZ with a total value of PLN 600 million.

Subordinated loans

PG TUW incurred significant interest expenses in 2025 amounting to PLN 2 million, related to subordinated loans granted by PZU Group in previous years.

Other material transactions

PZU Zdrowie SA provides medical services to PZU Życie's insureds under health insurance arrangements. The amount of revenues earned by PZU Zdrowie SA on this account was PLN 578 million in 2025.

PZU CO provides services to PZU Życie in respect to the servicing of group employee insurance products. The consideration paid by PZU Życie to PZU CO on this account was PLN 273 million in 2025.

TUW PZUW provides non-life insurance services to Pekao. In 2025, the written premium calculated under Article 1(11) of the Delegated Regulation, was PLN 44 million.

PZU provides comprehensive claims handling and assistance services to TUW PZUW. TUW PZUW incurred costs of PLN 13 million on this account in 2025.

Significant differences in the scope of the PZU Group in the consolidated financial statements and in the scope of consolidated data defined in accordance with Article 335 of the Delegated Regulation

The information about the composition of the PZU Group is presented in form S.32.01.22 constituting attachment 2 to the SFCR. The list of business units comprising the PZU Group and the associates listed in the form correspond to the scope presented in the consolidated financial statements. Irrespective of the above, there are differences in the consolidation methods used for the purposes of the consolidated financial statements and for the purposes of SFCR.

The scope of consolidation by the full method in the SFCR is limited, as compared to the consolidated financial statements, to the business units conducting insurance activity and the business units, which are ancillary services undertakings within the meaning of Article 1(53) of the Delegated Regulation.

The entities comprising the PZU Group were presented in the SFCR in accordance with the methods specified in Article 335 of the delegated regulation:

- the following were fully consolidated:
  - insurance undertakings – PZU, PZU Życie, Link4, LD, Balta, PZU LT GD, TUW PZUW, PG TUW, PG TUWnŻ;
  - auxiliary service companies – PZU CO, PZU Pomoc SA, PZU Zdrowie SA, Centrum Medyczne Medica sp. z o.o., Sanatorium Uzdrowiskowe "Krystynka" sp. z o.o., Przedsiębiorstwo Świadczeń Zdrowotnych i Promocji Zdrowia ELVITA – Jaworzno III sp. z o.o., Przedsiębiorstwo Usług Medycznych PROELMED sp. z o.o., Centrum Medyczne Gamma sp. z o.o., Tomma Diagnostyka Obrazowa SA, Bonus-Diagnosta sp. z o.o., Boramed Centrum Medyczne sp. z o.o., Humana Medica Omeda sp. z o.o., PZU TECH SA, Ogrodowa-Inwestycje sp. z o.o., Tower Inwestycje sp. z o.o., PZU Finanse sp. z o.o., PZU Finance AB (publ.) in likvidation, UAB B10 Biurai and UAB B10 Apartamentai.
- the method of PZU Group's proportional share in the own funds of these undertakings calculated according to the relevant sectoral rules was used to value Alior Bank and Pekao as credit institutions together with their subsidiaries, TFI PZU as a management company of undertakings for collective investment in transferable securities (UCITS) and PTE PZU as a non-regulated entity carrying out financial activities. The companies set out above were consolidated in the consolidated financial statements.
- fair value was used to measure mutual funds (consolidated in the consolidated financial statements);
- the adjusted equity method was also used to measure the remaining PZU Group companies that were not classified as ancillary services undertakings as well as Ukrainian insurance undertakings: PZU Ukraine, PZU Ukraine Life and LLC SOS Services Ukraine, which are excluded from full consolidation for solvency purposes under Article 389 of the Insurance Activity Act. The companies set out above were consolidated in the consolidated financial statements.

Conflict in Ukraine

Due to the Russian Federation's invasion of Ukraine and the armed conflict lasting since 24 February 2022, PZU's Management Board assessed the impact of this situation on the PZU Group's operations, business continuity, financial position and going concern.

In the economic balance sheet as at 31 December 2025, adjusted equity method of the Ukrainian companies PZU Ukraine, PZU Ukraine Life and LLC SOS Services Ukraine amounted to PLN 10, 86 and 0 million, respectively. These assets were deductible from the PZU Group's own funds on the basis of Article 389 of the Insurance Activity Act, and thus did not affect the coverage ratio of the consolidated solvency capital requirement with eligible own funds.

Due to the martial law in force on the territory of the whole of Ukraine as of 24 February 2022 (now extended until 2 August 2026), Ukrainian companies in the PZU Group are working with war restrictions and legal considerations arising from the so-called "war regulations."

As at the date of signing these report, the assessment of the possibility of maintaining business continuity (materialization of the risk of the full loss of operational capabilities) of the PZU Group's Ukrainian companies is subject to uncertainty due to the ongoing hostilities and their consequences.

The PZU Group monitors geopolitical risks resulting from the war in Ukraine and reviews future scenarios on an ongoing basis.

B. System of governance

B.1. General information on the system of governance

As part of the self-assessment conducted during the review of the management system, it was concluded that the key functions within the entities of the PZU Group have been designed appropriately to meet the Group's needs arising from the obligation to comply with legal requirements, supervisory and regulatory authorities' requirements, as well as the standards of conduct applicable within the Group. The key functions were performed in accordance with regulatory requirements and carried out their tasks effectively, ensuring timeliness and quality.

Corporate governance objectives

Within the management system functioning in the PZU Group, the following corporate governance objectives have been identified:

- exercising ownership rights towards subsidiaries of the PZU Group;
- ensuring transparency and compliance with the law of subsidiaries and their corporate bodies;
- using PZU's corporate powers to attain the objectives of the PZU Group Strategy;
- increasing efficiency of operation, effectiveness of management and the shareholder value of subsidiaries.

The proper functioning of the corporate bodies in the subsidiaries, i.e. the shareholder meeting and the supervisory and managing bodies is critical for achieving the corporate governance objectives.

Additionally, within the system of governance at the PZU Group level, PZU and its subsidiaries conclude and perform the following cooperation agreements:

- Agreement on the principles of cooperation within the PZU Group of 21 March 2017 (amended: on 20 March 2018, 9 July 2021, 8 September 2022 and 21 February 2024), regulating the rules of cooperation between PZU and 28 entities of the PZU Group;
- Agreement on Cooperation and Exchange of Information of 28 September 2017 (amended: on 2 April 2020, 3 July 2020, 30 March 2023 and 16 July 2024) between PZU and Pekao;
- Agreement on Cooperation and Exchange of Information of 19 June 2019 (amended: on 25 September 2020, 3 April 2023 and 17 July 2024) between PZU and Alior Bank.

The parent company exercises owner's rights over its subsidiaries by way of decisions made in accordance with the procedure applicable to PZU's governing bodies.

Within the framework of PZU Group's system of governance, PZU among others recommends to the subsidiaries that they implement certain tools, procedures and methods for allocating responsibilities in order to ensure consistency and uniformity of solutions used in the PZU Group and adequate supervision over the system of governance in subsidiaries. These subsidiaries, in the process of implementing the recommended solutions, apply the so-called principle of proportionality, which means that they implement recommendations taking into account the scale and nature of their operations, as well as the requirements of national or European law and guidelines or recommendations of regulatory authorities.

PZU Supervisory Board

In accordance with PZU's Articles of Association, the Supervisory Board is composed of seven to eleven members. The number of Supervisory Board members is specified by the Shareholder Meeting. Supervisory Board members are appointed by the Shareholder Meeting for a joint term of office which lasts three consecutive full financial years.

The Articles of Association give the State Treasury the right to appoint and dismiss one Member of the Supervisory Board by way of a written statement submitted to the PZU Management Board. This right will expire if the State Treasury ceases to be a PZU shareholder. A candidate for a Supervisory Board member named by the State Treasury should meet the requirements set forth in Article 19 of the Act on Rules for Managing State Property.

The Supervisory Board elects a Chairperson and Vice-Chairperson from its composition.

The Supervisory Board Chairperson manages the work of the Supervisory Board. If there is no Supervisory Board Chairperson, they are absent or temporarily unable to serve, all the rights and duties of the Supervisory Board Chairperson shall be exercised by the Supervisory Board Deputy Chairperson, with the exception of the authority to decide on the content of the Supervisory Board's resolution in the event of a tied vote.

The Supervisory Board adopts the organizational rules and regulations of the Supervisory Board which define its organization and manner of acting. The Rules and Regulations define the composition and manner of appointing members to the Supervisory Board, tasks and scope of its operations as well as the procedure for convening and conducting meetings.

The Supervisory Board may elect from among its members a Secretary of the Supervisory Board, whose competence shall be to assist the Supervisory Board Chairperson, and if there is no Chairperson, in the event of their absence or temporary impediment preventing them from performing their duties, Supervisory Board Deputy Chairperson, in the performance of their duties, in particular:

- organizing the work of the Supervisory Board;
- supervising over the organizational and technical support for Supervisory Board meetings;
- preparing that minutes of meetings of the Supervisory Board;
- presenting draft reports prepared by the Supervisory Board as required by PZU's Articles of Association.

The Supervisory Board may delegate its members to perform specific oversight functions individually. Each delegation requires a Supervisory Board resolution naming the delegated person(s) and specifying a detailed scope of the oversight functions and the delegation period. Supervisory Board members seconded to perform certain supervisory activities independently provide the Supervisory Board with information on supervisory activities undertaken and their results at least once in each quarter of the fiscal year. During the reporting period, the Supervisory Board did not exercise the above right.

The Supervisory Board exercises continuous supervision over the PZU's day-to-day business and development in all areas of its operations.

The PZU Supervisory Board's powers include in particular:

- evaluating the PZU Management Board's report on the Company's activity and the PZU Management Board's report on the activity of the PZU Group and PZU's financial statements and PZU Group's consolidated financial statements for the previous financial year for compliance with the accounting ledgers and documents as well as the facts;
- approving the solvency and financial condition report of PZU and the solvency and financial condition report of the PZU Group;
- preparing reports on compensation for PZU Management Board and PZU Supervisory Board Members on an annual basis;
- selecting a statutory auditor to evaluate the report on the remuneration of PZU Management Board and PZU Supervisory Board Members;

- evaluating the PZU Management Board's motions to distribute the profit or cover the loss;
- submitting to the Shareholder Meeting an annual written report of the Supervisory Board for the past financial year, taking into account in particular the results of the assessment referred to above;
- conducting qualification procedure for PZU Management Board Members;
- concluding, terminating and amending agreements with PZU Management Board Members and setting the rules for their compensation, giving consideration to the rules defined by the Shareholder Meeting, in accordance with § 18 item 12 of the Articles of Association of PZU;
- appointing, suspending and dismissing the President of the PZU Management Board, Management Board Members or the entire Management Board of PZU and making decisions to discontinue such a suspension;
- agreeing to transfer the entire or portion of the insurance portfolio;
- giving consent to the acquisition, subscription for or disposal of ownership interests and shares in companies and on PZU's participation in other entities – the PZU Supervisory Board may define the maximum amount, the terms and conditions and the procedure that the PZU Management Board may use to conduct the foregoing activities without the obligation to obtain an approval from the PZU Supervisory Board, except that the following require approval of the PZU Supervisory Board:
  - subscription for or acquisition of shares or ownership interests in another company, with the value exceeding:
    - PLN 100 million or
    - 10% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements;
  - disposal of shares or ownership interests in another company, with the market value exceeding:
    - PLN 100 million or
    - 10% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements;
- seconding the PZU Supervisory Board Members to perform temporarily the functions of the PZU Management Board Members who have been dismissed, resigned or cannot perform their functions for other reasons,
- accepting instructions on how PZU's representatives should vote at Shareholder Meetings of PZU Życie SA in the following matters: increasing or decreasing the share capital, issuing bonds, selling or leasing PZU Życie SA's enterprise or establishing a usufruct right on the enterprise, dividing PZU Życie SA, merging PZU Życie SA with another company, liquidating or dissolving PZU Życie SA;
- selecting the audit firm to carry out the mandatory audit of the financial statements, including the annual financial statements of PZU and the annual consolidated financial statements of the PZU Group, the solvency and financial condition report of PZU and the solvency and financial condition report of the PZU Group, and reviews of the financial statements in accordance with the obligations following from the prevailing laws;
- selection of an audit firm to perform attestation of sustainability reporting;
- deciding on the consolidated text of the amended Articles of Association of PZU;
- granting consent to purchase or sell real property, perpetual usufruct or share in real property or in perpetual usufruct, whose gross value exceeds the equivalent of EUR 3 million;
- granting consent for PZU to enter with a related party into a material transaction referred to in Article 90i sec. 3 of the Act on Public Offerings, taking into account the exclusions and specific regulations in this respect laid down in Chapter 4b of this act;
- granting consent for PZU to conclude an agreement with an underwriter as referred to in Article 433 § 3 of the Commercial Company Code;

- granting consent to pay out an interim dividend towards an expected dividend;
- granting consent for establishment and liquidation of regional branches and foreign branches referred to in § 2 section 2 of the PZU's Articles of Association;
- approving the PZU's long-term development plans and annual financial plans prepared by the PZU Management Board;
- approving the Rules and Regulations of the PZU Management Board;
- performing tasks resulting from the guidelines or recommendations of regulatory authorities, including the KNF, adopted in PZU, in particular:
  - adopting and amending the rules for assessing the PZU Management Board's suitability;
  - conducting individual suitability assessments of PZU Management Board candidates and collective PZU Management Board assessments;
  - conducting individual suitability assessments of PZU Supervisory Board's Audit Committee Members, and collective PZU Supervisory Board's Audit Committee assessments;
  - making regular assessments of the application of the Corporate Governance Rules for Regulated Institutions issued by the KNF;
  - preparing and presenting to the Shareholder Meeting a report on the evaluation of the functioning of the remuneration policy;
  - approving the risk management strategy and overseeing its implementation;
- examining and consulting matters submitted by the PZU Management Board for deliberation during the Shareholder Meeting;
- determining the detailed scope, form and deadlines for the provision of information referred to in § 27a of the Articles of Association;
- issuing an opinion on the PZU Management Board's resolution on disposing without tender or auction of fixed assets within the meaning of the Accounting Act with the market value exceeding 0.1% of total assets, determined on the basis of the last approved financial statements, in the cases specified in § 36a section 2 item 2 of the Articles of Association.

In addition, the PZU Supervisory Board's consent is required for:

- executing an agreement to provide legal, marketing, public relations and public communication services or management consulting services if the total net fee to be paid for such services under this agreement or other agreements executed with the same entity is greater than PLN 500 thousand annually;
- amending an agreement to provide legal, marketing, public relations and public communication services or management consulting services by increasing the said fee above and beyond the net amount of PLN 500 thousand annually;
- executing an agreement to provide legal, marketing, public relations and public communication services and management consulting services which do not specify the maximum amount of the fee;
- executing an agreement on:
  - donation or other agreement having a similar effect, the value of which exceeds PLN 20 thousand or 0.1% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements;
  - a debt release or other agreement having a similar effect, the value of which exceeds PLN 50 thousand or 0.1% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements;
- subject to § 18 item 11 of the PZU Articles of Association, the disposal of non-current assets within the meaning of the Accounting Act classified as intangible assets, property, plant and equipment or long-term investments, including

contribution to a company or a cooperative – if the market value of those assets exceeds 5% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements; and also handing those assets over for use to another entity for a period longer than 180 days in a calendar year based on a legal act, if the market value of the subject matter of the legal act exceeds 5% of total assets, whereas the handing over of assets for use in the case of:

  - lease, rental and other agreements to hand over an asset for use to other entities against payment, the market value of the subject matter of a legal act is defined as the value of benefits for:
    - one year – if the asset is handed over on the basis of contracts entered into for an unspecified term;
    - the entire term of the agreement – in the case of agreements signed for a definite term;
  - lending for use agreements and other agreements to hand over an asset to other entities for gratuitous use, the market value of the subject matter of a legal act is defined as the value of benefits that would be due if a lease or rental agreement was executed instead, for:
    - one year – if the asset is handed over under an agreement signed for an indefinite term;
    - the entire term of the agreement – in the case of agreements signed for a definite term;
- subject to § 18 item 11 of the PZU Articles of Association, the acquisition of non-current assets within the meaning of the Accounting Act, with the value exceeding:
  - PLN 100 million or
  - 5% of total assets within the meaning of the Accounting Act, determined on the basis of the most recent approved financial statements.

At present, the following committees function as part of the Supervisory Board of PZU SA:

- Audit Committee;
- Nomination and Compensation Committee,
- Strategy Committee.

The Audit Committee is established in order to increase the effectiveness of the Supervisory Board's performance of supervisory activities in monitoring the Company' financial reporting process, the Company's auditing activities, and the effectiveness of the PZU's internal control systems, internal audit, and risk management system. In addition, the Audit Committee may request the Supervisory Board to request specific control activities in PZU, whereby the requested activities may be performed by a PZU unit or an external entity.

The Audit Committee meets the legal requirement so that at least one of its members holds accounting or financial audit qualifications within the meaning of and based on the requirements of the Act on Statutory Auditors. Furthermore, in accordance with the said Act, the majority of the Audit Committee members, including its chairperson, should meet the statutory independence criteria (independent member) concerning, without limitation, professional or family ties, especially to managers or supervisors of PZU or PZU Group units. An independent supervisory board member is obligated to present a written declaration on satisfying all the independence criteria and advise PZU of ceasing to satisfy these criteria.

In the course of its work the Audit Committee takes into account the "Best practices for public interest entities pertaining to the appointment, composition and operation of the audit committee", as published by the KNF Office.

The Nomination and Compensation Committee is appointed to improve the effectiveness of the Supervisory Board's supervision activities related to the development of the management structure, including organizational solutions, the remuneration principles and the selection of properly qualified staff.

The tasks of the Nomination and Compensation Committee include, in particular, issuing opinions and presenting recommendations to the PZU Supervisory Board with regard to its decisions made with regard to:

- concluding, terminating and amending agreements with PZU Management Board Members and setting the rules for their compensation;
- setting the level of compensation, bonuses and additional benefits for the PZU Management Board;
- appointing, suspending and dismissing the President of the PZU Management Board, PZU Management Board Members or the entire PZU Management Board and making decisions to discontinue the suspension;
- seconding members of the PZU Supervisory Board to perform temporarily the functions of members of the PZU Management Board who have been dismissed, resigned or cannot perform their functions for other reasons;
- suitability assessment:
  - conducting individual PZU Management Board candidates and collective PZU Management Board assessments;
  - conducting individual suitability assessments of PZU Supervisory Board’s Audit Committee Members, and collective PZU Supervisory Board’s Audit Committee assessments;
- approval of the proposal for individual suitability assessment of the candidate for PZU Supervisory Board Members.

Moreover, the scope of the Nomination and Compensation Committee’s activities may include other matters entrusted to it by the PZU Supervisory Board.

The Strategy Committee is appointed to improve the effectiveness of the PZU Supervisory Board’s oversight activities related to issuing opinions on all strategic documents presented by the PZU Management Board (in particular, PZU’s development strategy) and to provide the Supervisory Board with recommendations on planned investments that materially impact the Company’s assets.

The tasks of the Strategy Committee include, in particular, issuing opinions and presenting recommendations to the Supervisory Board with regard to its decisions made with regard to:

- approving PZU’s long-term development plans prepared by the PZU Management Board;
- planned investments in PZU and the PZU Group;
- granting consent for PZU to conclude an agreement with an underwriter as referred to in Article 433 § 3 of the Commercial Company Code;
- defining rules for purchase, subscription or sale of ownership interests and shares in companies as well as PZU’s participation in other entities;
- accepting the PZU Management Board’s motions for purchase, subscription or sale of ownership interests and shares in companies as well as PZU’s participation in other entities;
- granting consent to transferring an insurance portfolio in its entirety or in part.

Moreover, the scope of the Strategy Committee’s activities may include other matters entrusted to it by the PZU Supervisory Board.

In accordance with the Rules and Regulations of the PZU Supervisory Board, apart from appointing the Audit Committee and the Nomination and Compensation Committee, provided for in the Articles of Association to properly perform its supervision, the PZU Supervisory Board may appoint other permanent or ad hoc committees to perform specific supervisory activities. The scope of the activities of a standing committee is determined by the committee's rules of procedure adopted by the virtue of a PZU Supervisory Board resolution. The scope of the activities of an *ad hoc* committee is determined by the virtue of a PZU Supervisory Board resolution.

PZU Management Board

In accordance with PZU's Articles of Association, the PZU Management Board is composed of three to eight members appointed for a joint term of office spanning three consecutive full financial years.

PZU Management Board Members, including the President of the PZU Management Board, are appointed and dismissed by the PZU Supervisory Board. Such appointment takes place following a recruitment procedure designed to verify and evaluate qualifications of the candidates and to select the best candidate.

The Management Board exercises any and all rights related to managing PZU which are not otherwise reserved by law or the provisions of the Articles of Association to the Shareholder Meeting or the Supervisory Board. Two PZU Management Board Members acting jointly or one PZU Management Board Member acting jointly with an attorney-in-fact are authorized to represent PZU. The PZU Management Board adopts its rules and regulations, which are approved by the PZU Supervisory Board. The President of the PZU Management Board directs the work of the PZU Management Board.

A directive of the President of the PZU Management Board defines the division of organizational oversight duties at PZU among the PZU Management Board Members and assigns the functions of the Heads of Divisions. In accordance with the PZU Management Board's Rules and Regulations, on each occasion, the President of the Management Board consults Supervisory Board about changes to the scope of the organizational oversight of each Management Board Member, with the exception of changes arising from organizational changes introduced within the area supervised by a given Management Board Member, which modify the organizational structure but do not change the scope of that area.

PZU has in place the positions of PZU Group Directors. Those positions have been established to ensure a consistent and effective management model for PZU and PZU Życie, based on a functional division of responsibilities for the companies' various business areas. Until 2022, the positions of PZU Group Directors at PZU were entrusted to individuals who were simultaneously serving as Board Members at PZU Życie. In 2023, a second type of PZU Group Director position was introduced, i.e., a position given to persons who are not at the same time Members of the Management Board at PZU Życie. PZU Group Directors at PZU generally oversee areas similar to those they oversee at PZU Życie as either Board Members or PZU Group Directors.

Table 7. Responsibilities of the PZU Management Board Members and the PZU Group Directors at PZU as at 31 December 2025

First name and last name	Function in the PZU Group	Scope of responsibilities in PZU as at the end of 2025	Additional responsibilities in PZU during the year
Bogdan Benczak	President of the PZU Management Board since 22 December 2025 / Member of the PZU Management Board in charge of its operations pending approval by KNF from 25 September 2025 to 21 December 2025	corporate management, PZU Group corporate governance, PZU Group strategy, project and M&A management, internal audit, internal control, compliance, AML in the PZU Group, HR, security, sponsorship, prevention, corporate relations and communication, Data Protection Officer[1)]	advisory services and legal services, marketing[2)]
Maciej Fedyna	Member of the PZU Management Board since 16 December 2024 Member of the PZU Życie Management Board since 18 December 2024	risk	-

First name and last name	Function in the PZU Group	Scope of responsibilities in PZU as at the end of 2025	Additional responsibilities in PZU during the year
Bartosz Grześkowiak	Member of the PZU Management Board from 12 April 2024 to 14 April 2026 PZU Group Director at PZU Życie from 22 April 2024 to 14 April 2026	reinsurance, retail sales – dealer channel, corporate sales, including the broker channel, corporate product management, analytics, underwriting and risk assessment of corporate insurance, financial risk insurance, corporate business development, corporate business support	-
Elżbieta Häuser - Schöneich	Member of the PZU Management Board since 12 April 2024 PZU Group Director at PZU Życie since 22 April 2024	marketing, digital process and service management, CRM, eCommerce, customer relationship and customer experience management[3)]	retail sales – exclusive channel, multiagency channel, broker channel, remote sales, retail sales support, sales analytics, management of individual and SME products and insurance programs (actuarial pricing, underwriting, product analytics), innovation and AI, sustainable development, compliance, AML in the PZU Group[4)]
Tomasz Kulik	Member of the PZU Management Board from 14 October 2016 to 14 April 2026 Member of the PZU Życie Management Board from 19 October 2016 to 21 April 2026	actuarial, finance (accounting, taxation, planning & controlling, insurance accounting, internal operations, data & AI governance), investments	debt collection, health insurance[5)]
Tomasz Tarkowski	Member of the PZU Management Board since 4 November 2024 / Member of the PZU Management Board temporarily performing the duties of the President of the PZU Management Board since 7 August 2025 to 24 September 2025	claims and benefits handling , including insurance crime prevention within this area, assistance, remote customer service, debt collection	corporate management, PZU Group corporate governance, PZU Group strategy, project and M&A management, internal audit, internal control, HR, legal advice and service, security, marketing, sponsorship, prevention, corporate relations and communication, after-sales customer service, insurance operations[6)]

First name and last name	Function in the PZU Group	Scope of responsibilities in PZU as at the end of 2025	Additional responsibilities in PZU during the year
	Member of the PZU Życie Management Board since 14 November 2024 / from 31 January 2025 – to 16 June 2025 temporarily performing the duties of the President of the PZU Życie Management Board		
Jan Zimowicz	Member of the PZU Management Board since 12 April 2024 PZU Group Director at PZU Życie since 22 April 2024	retail sales – exclusive channel, multigenerational channel, remote sales, retail sales support, sales analysis, assurbanking, bancassurance and strategic partnership programs (strategic partnerships and new business, product and sales management, tariff actuarial, product analysis), coordination and supervision of cooperation with PZU Group banks, after-sales service for health insurance, innovation and AI	retail sales – broker channel, digital process and service management, CRM, eCommerce, customer relationship and customer experience management
Katarzyna Majewska	PZU Group Director at PZU from 1 June 2025 to 21 April 2026, and again from 22 April 2026 onward President of the Management Board of PZU Życie from 7 November 2025 to 21 April 2026 / Member of the Management Board of PZU Życie supervising the work of the Management Board pending approval from KNF from 16 June 2025 to 6 November 2025 / PZU Group Director at PZU Życie from 1 June 2025 to 16 June 2025, and again from 22 April 2026 onward	insurance operations, after-sales customer service, administration, real estate, purchasing	-

First name and last name	Function in the PZU Group	Scope of responsibilities in PZU as at the end of 2025	Additional responsibilities in PZU during the year
Artur Fromberg	PZU Group Director at PZU since 16 April 2025 Member of the PZU Życie Management Board since 16 April 2025	-	retail sales – exclusive channel, multigenerational channel, broker channel, remote sales, retail sales support, sales analysis
Michał Kopyt	PZU Group Director at PZU since 1 March 2025 Member of the PZU Życie Management Board since 1 March 2025	IT (IT strategy and project management, IT architecture and infrastructure, IT systems management and development, IT support), cyber security	-
Michał Świtalski	PZU Group Director at PZU since 4 November 2025 Member of the PZU Życie Management Board since 4 November 2025	sustainable development	-
Iwona Wróbel	PZU Group Director at PZU since 22 April 2024 Member of the Management Board of PZU Życie supervising the work of the Management Board pending approval from KNF from 21 April 2026 / Member of the Management Board of PZU Życie from 22 April 2024 to 21 April 2026	PZU branch network management, sales support	-
Rafał Cegieła	PZU Group Director at PZU since 1 July 2025	management of individual and SME products and insurance programs (product development, actuarial pricing, underwriting, product analytics)	-
Andrzej Mikosz	PZU Group Director at PZU since 9 June 2025 PZU Group Director at PZU Życie since 9 June 2025	advisory services and legal services	-

[1)] Additionally, supervised the following PZU Group Directors: Katarzyna Majewska, Iwona Wróbel, Michał Kopyta, Artur Fromberg, Andrzej Mikosz, and Michał Świtalski.
[2)] Additionally, supervised PZU Group Director Rafał Cegieła.
[3)] Additionally, supervised PZU Group Director Rafał Cegieła.
[4)] Additionally, supervised PZU Group Director Małgorzata Skibińska.
[5)] Additionally, supervised PZU Group Director Igor Radziewicz-Winnicki.
[6)] Additionally, supervised the following PZU Group Directors: Katarzyna Majewska, Iwona Wróbel, Rafał Cegieła, Artur Fromberg, Michał Kopyt, and Andrzej Mikosz

Further, in 2025:

- Andrzej Kleksyk, Member of the PZU Supervisory Board, performed the function of the President of the PZU Management Board;
- functions of the President of the PZU Management Board was performed by: Andrzej Klesyk and Artur Olech;
- Tomasz Tarkowski, Member of the PZU Management Board, temporarily performed the duties of the President of the PZU Management Board;
- functions of the PZU Group Directors at PZU were performed by: Jarosław Mastalerz, Sławomir Bilik, Paweł Wajda, Małgorzata Skibińska, Paweł Wróbel, and Igor Radziewicz-Winnicki.
-

Table 8. Responsibilities of the former PZU Management Board Members and the former PZU Group Directors at PZU in 2025

First name and last name	Function in the PZU Group	Responsibilities in PZU in 2025
Andrzej Klesyk	President of the PZU Management Board from 2 July 2025 to 7 August 2025 / Member of the PZU Management Board in charge of its operations pending approval by KNF, from 3 March 2025 to 1 July 2025 / Member of the PZU Supervisory Board delegated to temporarily perform the function of the President of the PZU Management Board from 27 January 2025 to 2 March 2025	corporate management, PZU Group corporate governance, PZU Group strategy, project and M&A management, internal audit, internal control, compliance, AML in the PZU Group, HR, legal advisory and support, administration, real estate, procurement, security, cybersecurity, IT (IT systems management and development, IT service management, IT infrastructure management, IT support), marketing, sponsorship, prevention, corporate communication, sustainability, management of individual and SME products and insurance programs (actuarial pricing, underwriting, product analytics)[1)]
Artur Olech	President of the PZU Management Board from 19 July 2024 to 27 January 2025 / Member of the PZU Management Board in charge of its operations pending approval by KNF from 12 April 2024 to 18 July 2024	corporate management, PZU Group corporate governance, PZU Group strategy, project and M&A management, internal audit, internal control, compliance, AML in the PZU Group, HR[2)]
Jarosław Mastalerz	PZU Group Director at PZU from 22 April 2024 to 31 January 2025 President of the Management Board of PZU Życie from 19 July 2024 to 31 January 2025 / Member of the Management Board of PZU Życie supervising the work of the Management Board pending approval from KNF from 22 April 2024 to 18 July 2024	security, cyber security, IT (IT systems management and development, IT service management, IT infrastructure management, IT support)
Sławomir Bilik	PZU Group Director at PZU from 6 May 2024 to 28 February 2025 Member of the PZU Życie Management Board from 6 May 2024 to 28 February 2025	health insurance, strategic partnerships and new business
Paweł Wajda	PZU Group Director at PZU from 6 May 2024 to 31 January 2025 Member of the PZU Życie Management Board from 6 May 2024 to 31 January 2025	consulting and legal services, administration, real estate, purchasing

First name and last name	Function in the PZU Group	Responsibilities in PZU in 2025
Małgorzata Skibińska	PZU Group Director at PZU from 1 February 2023 to 30 April 2025	individual and SME product management (offer management, insurance programs, tariff underwriting, underwriting, product analysis)
Igor Radziewicz-Winnicki	PZU Group Director at PZU from 15 January 2025 to 31 March 2025 PZU Group Director at PZU Życie from 15 January 2025 to 31 March 2025	health insurance
Paweł Wróbel	PZU Group Director at PZU from 16 May 2024 to 30 April 2025 PZU Group Director at PZU Życie from 16 May 2024 to 30 April 2025	marketing, sponsorship, prevention, corporate communications

[1)] Additionally, supervised the following PZU Group Directors: Katarzyna Majewska, Iwona Wróbel, Sławomir Bilik, Rafał Cegieła, Artur Fromberg, Michał Kopyt, Jarosław Mastalerz, Andrzej Mikosz, Paweł Wajda, and Paweł Wróbel.
[2)] Additionally, supervised the following PZU Group Directors: Iwona Wróbel, Jarosław Mastalerz, Sławomir Bilik, Paweł Wajda, and Paweł Wróbel.

In 2025, in addition to the committees established at the level of the PZU Supervisory Board, the following committees operated at PZU:

- PZU Group's Risk Committee;
- Investment Risk Committee (until 9 June 2025);
- Underwriting, Operational and Model Risk Committee;
- PZU Provisions Committee (until 9 June 2025);
- Investment Committee
- Asset-Liability Management Committee;
- Data & AI Governance Committee;
- Sponsorship and Prevention Committee;
- Innovations Committee;
- PZU Pricing Committee;
- Property Committee;
- Procurement Committee;
- Initiatives Management Committee;
- Cost Committee;

and Crisis Management Team (oversees the operation of the Business Continuity management system and is responsible for managing emergencies at PZU).

Duties and responsibilities of persons overseeing key functions

Persons overseeing the key functions in the PZU Group are obligated to cooperate and share information to the extent required for each one of them to complete his or her objectives. Persons overseeing key functions to procure the ability to perform their duties in an objective, accurate and independent manner are provided direct access to the management board, supervisory board and employees, have the necessary authorizations, resources and experience and an unlimited access to all the information necessary to perform their assigned duties.

The way in which the key functions in the PZU Group are organized, where the areas of responsibility are clearly and duly divided, ensures their operational independence.

The persons overseeing key functions in PZU Group's insurance companies take part in meetings of management board or supervisory board members, during which they submit statements or reports on the supervised areas, with particular consideration of risks identified in those areas. They also give advice to the management board or the supervisory board in matters pertaining to the ongoing activity of that PZU Group company.

The PZU Group has implemented policies and procedures to ensure that the persons holding and overseeing key functions have the appropriate educational background, qualifications, experience and that they meet all the necessary regulatory requirements.

In principle, the persons in charge of the key functions do not participate in the implementation of processes and tasks going beyond those key functions. The key functions are performed so as to ensure impartiality and independence from operational processes.

Material changes to the system of governance which took place during the reporting period

During the reporting period, there were changes in the composition of the PZU Supervisory Board and PZU Management Board, as well as in the positions of PZU Group Directors in PZU, as described below.

With regard to the Supervisory Board of PZU in 2025 and in 2026 – up to the date of signing the SFCR – the following changes occurred:

- From 1 January 2025, the composition of the Supervisory Board of PZU was as follows: Marcin Kubicza, Małgorzata Kurzynoga, Anna Machnikowska, Michał Bernaczyk, Anita Elżanowska, Filip Gorczyca, Michał Jonczynski, Andrzej Kaleta, Wojciech Olejniczak, and Adam Uszpolewicz;
- on 10 January 2025, the Extraordinary Shareholder Meeting of PZU dismissed Wojciech Olejniczak from the Supervisory Board;
- on 21 January 2025, the Extraordinary Shareholder Meeting of PZU appointed Andrzej Klesyk to the Supervisory Board.
- on 27 January 2025, the PZU Supervisory Board delegated the PZU Supervisory Board Member Andrzej Klesyk to temporarily perform the function of the President of the PZU Management Board until the appointment of the President of the PZU Management Board, but for a period not exceeding 3 months;
- on February 28, 2025, Andrzej Klesyk submitted his resignation from serving in the capacity of a PZU Supervisory Board Member, effective as of the end of 2 March 2025;
- on 25 June 2025, the Ordinary Shareholder Meeting of PZU dismissed Michał Bernaczyk from the PZU Supervisory Board and appointed Maciej Szwarc and Beata Stelmach as its members;
- on 22 October 2025, the Minister of State Assets appointed Kazimierz Karolczak to the PZU Supervisory Board, by written statement;
- on 3 November 2025, Filip Gorczyca submitted his resignation from the PZU Supervisory Board effective 3 November 2025;
- on 23 December 2025, the Extraordinary Shareholder Meeting of PZU appointed Jarosław Antonik as Member of the PZU Supervisory Board;
- on 14 April 2026, Kazimierz Karolczak submitted his resignation from the position of Member of the Supervisory Board of PZU;

- on 7 May 2026, Adam Uszpolewicz submitted his resignation from the position of Member of the Supervisory Board of PZU, with immediate effect.

With regard to the Management Board of PZU in 2025 and in 2026 – up to the date of signing the SFCR – the following changes occurred:

- From 1 January 2025, the composition of the PZU Management Board was as follows: Artur Olech, Maciej Fedyna, Bartosz Grześkowiak, Elżbieta Häuser-Schöneich, Tomasz Kulik, Tomasz Tarkowski, Jan Zimowicz;
- on 27 January 2025, the PZU Supervisory Board dismissed Artur Olech, who served as the President of the PZU Management Board, from the PZU Management Board;
- on 27 January 2025, the PZU Supervisory Board passed a resolution to delegate a Member of the PZU Supervisory Board, Andrzej Klesyk, to temporarily perform the duties of the President of the PZU Management Board until the appointment of the President of the PZU Management Board, but for a period not exceeding 3 months;
- on 27 February 2025, the PZU Supervisory Board adopted a resolution to appoint Andrzej Klesyk to the PZU Management Board and entrusted him with the function of the PZU Management Board President, subject to approval by the KNF. Until such approval is obtained, the PZU Supervisory Board entrusted Andrzej Klesyk with discharging the duties of the President of the PZU Management Board in the scope admissible by relevant law. The resolution took effect upon its adoption. The appointment is effective as of 3 March 2025 for a joint term of office, encompassing three full financial years 2023-2025;
- on 2 July 2025, the KNF unanimously approved the appointment of Andrzej Klesyk as the President of PZU Management Board;
- on 7 August 2025, the PZU Supervisory Board removed Andrzej Klesyk from the Management Board. At the same time, the PZU Supervisory Board entrusted PZU SA Management Board member Tomasz Tarkowski to temporarily perform the duties of the President of the PZU Management Board until the appointment of the President of the PZU Management Board;
- on 24 September 2025, the Supervisory Board appointed Bogdan Benczak to the PZU Management Board to serve as its President, effective 25 September 2025, subject to the approval by KNF;
- on 7 November 2025, KNF approved the appointment of Maciej Fedina as the PZU Board Member responsible for risk management;
- on 22 December 2025, KNF approved the appointment of Bogdan Benczak as the President of the PZU Management Board;
- in connection with the expiry, on 31 December 2025, of the term of office covering three full financial years 2023–2025, on 14 April 2026 the Supervisory Board of PZU adopted a resolution to dismiss the Management Board of PZU composed of: Bogdan Benczak, Maciej Fedyna, Bartosz Grześkowiak, Elżbieta Häuser Schöneich, Tomasz Kulik, Tomasz Tarkowski and Jan Zimowicz, and confirmed the expiry of their respective mandates; the resolution on the dismissal of the Management Board of PZU entered into force upon its adoption;
- on 14 April 2026, the Supervisory Board of PZU adopted a resolution to appoint Bogdan Benczak to the Management Board of PZU for a new term of office, entrusting him with the function of President of the Management Board of PZU;
- on 14 April 2026, the Supervisory Board of PZU adopted resolutions regarding the appointment to the Management Board of PZU for the new term of office of: Maciej Fedyna, Elżbieta Häuser–Schöneich, Tomasz Tarkowski, Jan Zimowicz, Kazimierz Karolczak, and Rafał Kiliński. The appointment of all the above-mentioned persons is for the common term of office commencing upon the entry into force of the resolution on the appointment of the President of the Management Board of PZU and covering three full financial years 2027–2029. In the case of Kazimierz Karolczak, the resolution on the appointment entered into force on 22 April 2026, and in the case of Rafał Kiliński, it will enter into force on 18 May 2026; for the remaining individuals, the resolutions on the appointment entered into force upon adoption.

From 22 April 2026 until the date of signing the SFCR, the Management Board of PZU consisted of:

- Bogdan Benczak – President of the PZU Management Board;
- Maciej Fedyna – Member of the PZU Management Board;
- Elżbieta Häuser–Schöneich - Member of the PZU Management Board;
- Kazimierz Karolczak – Member of the PZU Management Board;
- Tomasz Tarkowski – Member of the PZU Management Board;
- Jan Zimowicz – Member of the PZU Management Board.

This report was accepted by the PZU Management Board in the composition given above.

In 2025, the following individuals served as PZU Group Directors:

- Katarzyna Majewska (from 1 June 2025 to 21 April 2026 and again from 22 April 2026 onward);
- Iwona Wróbel (since 22 April 2024);
- Michał Kopyt (since 1 March 2025);
- Artur Fromberg (since 16 April 2025);
- Michał Świtalski (since 4 November 2025);
- Andrzej Mikosz (since 9 June 2025);
- Rafał Cegieła (since 1 July 2025);
- Małgorzata Skibińska (from 1 February 2023 to 30 April 2025);
- Jarosław Mastalerz (from 22 April 2024 to 31 January 2025);
- Sławomir Bilik (from 6 May 2024 to 28 February 2025);
- Paweł Wajda (from 6 May 2024 to 31 January 2025);
- Paweł Wróbel (from 16 May 2024 to 30 April 2025);
- Igor Radziewicz-Winnicki (from 15 January 2025 to 31 March 2025).

In 2025 and in 2026 – up to the date of signing the SFCR – the following changes occurred in the positions of PZU Group Directors at PZU:

- on 15 January 2025, Igor Radziewicz-Winnicki took over as PZU Group Director at PZU;
- on 31 January 2025, due to the expiry of the mandate of the President of the Management Board at PZU Życie (following his dismissal by the Supervisory Board of PZU Życie), Jarosław Mastalerz ceased to hold the position of PZU Group Director at PZU; on the same day due to the expiry of the mandate of the Member of the Management Board at PZU Życie (following his resignation), Paweł Wajda ceased to hold the position of PZU Group Director at PZU;
- on 19 February 2025, effective as of 30 April 2025, Paweł Wróbel was dismissed from the position of PZU Group Director at PZU;
- on 28 February 2025, due to the expiry of the mandate of the Member of the Management Board at PZU Życie (following his resignation), Sławomir Bilik ceased to hold the position of PZU Group Director at PZU; on the same day, Michał Kopyt was appointed as PZU Group Director at PZU, effective 1 March 2025;
- on 31 March 2025, Igor Radziewicz-Winnicki was dismissed from his position as PZU Group Director at PZU;
- on 16 April 2025, Artur Fromberg took over as PZU Group Director at PZU;
- on 30 April 2025 – due to organizational changes at PZU, including the elimination of the position of PZU Group Director supervising the Individual and SME Products Division – the position of PZU Group Director at PZU ceased to be held by Małgorzata Skibińska;
- on 1 June 2025, Katarzyna Majewska was appointed PZU Group Director at PZU;

- on 9 June 2025, Andrzej Mikosz was appointed PZU Group Director at PZU;
- on 1 July 2025, Rafał Cegieła was appointed PZU Group Director at PZU;
- on 4 November 2025, Michał Świtalski was appointed PZU Group Director at PZU;
- on 21 April 2026, due to the expiry of the mandate of the President of the Management Board at PZU Życie (following dismissal by the Supervisory Board of PZU Życie – end of the term of the Management Board of PZU Życie), Katarzyna Majewska ceased to hold the position of PZU Group Director at PZU;
- on 21 April 2026, Agnieszka Gocałek assumed the position of PZU Group Director at PZU;
- on 22 April 2026, Katarzyna Majewska once again assumed the position of PZU Group Director at PZU;
- on 27 April 2026, Marcin Mikos assumed the position of PZU Group Director at PZU.

In 2025, PZU completed the implementation of a new organizational model involving the separation of business units, i.e. the areas of PZU's business comprising various divisions or units outside of divisions, responsible for the comprehensive management of a particular line of business and its business outcome, including the management of the following: product strategy and development, volume growth, distribution network, processes, sales performance and quality, and marketing processes.

Furthermore, in 2025 at PZU:

- direct organizational supervision of the Actuarial Department and the function of the head of this department were assumed by the Managing Director on Actuarial Affairs;
- the Managing Director on Regulations assumed the function of the head of the Compliance Department;
- the position of Managing Director on Regulations and the Compliance Department headed by that Director were temporarily transferred from the area supervised by the President of the PZU Management Board to the area supervised by another Member of the PZU Management Board.

In the remaining scope, there were no other significant changes to the management system at PZU in 2025.

Information on the principles and practices of compensating members of the Supervisory Board, the Management Board and employees

Members of the PZU Supervisory Board do not receive variable compensation pegged to PZU's performance. The compensation rules applicable to the Supervisory Board members are set directly by the Shareholder Meeting.

In 2025, Supervisory Board Members received fixed monthly compensation determined as per the applicable resolutions of the Shareholder Meeting and the Compensation Policy for Members of the PZU Management and Supervisory Boards adopted in 2020 (as amended).

The Policy adopted in 2020 includes in particular the following regulations: the Act on the Rules for Shaping the Compensation of Persons Managing Certain Companies, the Act on Public Offerings, delegated regulation, Insurance Activity Act and Corporate Governance Rules.

In the period under review, on 25 June 2025, the Shareholder Meeting of PZU passed Resolution No. 58/2025 amending Resolution No. 5/2017 of the Extraordinary Shareholder Meeting of PZU on the Rules for Shaping the Compensation of Supervisory Board Members (as amended). The amendment was of a clarifying nature and specified that monthly compensation of Supervisory Board Members was determined as the product of the basis of assessment referred to in the Act on the Rules for Shaping the Compensation of Persons Managing Certain Companies, taking into account other legal acts modifying this basis, including the provisions of acts related to the implementation of the Budget Act for a given year.

The rules for compensating the PZU Management Board Members are shaped by the PZU Supervisory Board and stipulate that the total compensation payable to a PZU Management Board Member for rendering management services and discharging other obligations ensuing from the Management Services Provision Agreement consists of the following:

- fixed compensation – flat monthly base compensation (for a calendar month) that cannot exceed the reference range , established pursuant to Article 4 section 2 of the Act on the Rules for Shaping the Compensation of Persons Managing Certain Companies without prejudice to the situations outlined in Article 4 section 3 of the aforementioned act;
- variable compensation – supplementary compensation for a given financial year depending on the extent to which management objectives are attained. The variable compensation for a given financial year may not exceed 100% of the annual fixed compensation in the previous financial year for which the amount of variable compensation due is to be calculated. In addition, a significant portion of the variable compensation is awarded in the form of deferred variable compensation. Deferred variable compensation is subject to deferral for 3 years, while 12, 24 and 36 months, respectively from the date of allocation, a Management Board Member may acquire the right to 1/3 of the deferred part of variable compensation for a given year subsequent to satisfying the conditions defined in the Management Services Provision Agreement.

PZU has defined the rules of compensating employees, in particular the persons carrying out the key functions. The rules applicable to those persons are an element of an effective risk management at PZU and contain the rules of remuneration applicable to insurance market entities as stipulated by the existing law, the Corporate Governance Rules, the Delegated Regulation and the Insurance Activity Act.

Pursuant to the Compensation Policy, the variable compensation component is determined individually for each specific employee group or each individual. Its amount is linked to the financial performance of PZU and the individual's work performance. The rules for awarding variable compensation are designed to support proper and effective risk management, discourage excessive risk-taking beyond the limits accepted by the PZU Supervisory Board, as well as to support the implementation of the business strategy and avert conflicts of interest. The variable compensation component may be subject to limitations as regards the allowable maximum amount. The Policy also provides for the option of deferring the disbursement of a significant portion of variable compensation. The compensation policy does not include an employee scheme of rights to shares, share options, additional pension and disability plans or else early retirement plans for the Members of the Management Board, Supervisory Board of PZU or other persons overseeing key functions.

The compensation rules applicable in other subsidiaries conducting insurance activity are adapted to comply with the local legal requirements and are based on the rules described above that are in place at PZU.

Information on material transactions concluded during the reporting period with shareholders and Members of the Management Board or Supervisory Board

In 2025, PZU paid a dividend to the shareholders, as described in section A.1.

B.2. Fit and proper requirements

Requirements regarding skills, qualifications and professional expertise of the persons who effectively run a PZU Group entity or have other key functions

In the PZU Group companies conducting insurance activity, the requirements regarding the skills, qualifications and professional expertise of the persons who effectively run a PZU Group entity or have other key functions are applied relative to their respective scopes of responsibilities, the existing law and internal regulations. The requirements mentioned above in the individual PZU Group companies are based on the rules implemented in PZU, as described above.

There are 4 groups of people distinguished below within the group of the persons who effectively run PZU and have other key functions:

- Members of the PZU Supervisory Board, whose applicable requirements regarding skills, qualifications and professional expertise are regulated by PZU's Articles of Association;
- Managers, i.e. persons acting as a Members of the PZU's Management Board or a PZU Group Directors in PZU who concurrently serve as a Members of the Management Board of PZU Życie;
- persons overseeing key functions, i.e. persons designated as heads of the individual key functions by force of a directive of the President of the PZU Management Board;
- persons with key functions in PZU, i.e. persons employed in PZU's organizational structures who, according to the organizational rules and regulations of that structure in PZU, hold key functions in that structure.

The requirements for Managers, persons overseeing key functions and persons holding key functions, respectively, are regulated separately.

In particular, a Manager must satisfy the following requirements:

- meets the requirements set out in the PZU's Articles of Association;
- gives a guarantee PZU's affairs are run with due care;
- has full capacity to execute legal transactions;
- was not convicted for a premeditated crime or intentional crime against tax regulations, under a legally binding court ruling;
- is not a member of a governing body of:
  - a reinsurance undertaking,
  - a mutual fund company or an alternative investment fund manager within the meaning of the Act on Mutual Funds, operating under a valid license,
  - an entity conducting brokerage activity within the meaning of the Act on Trading in Financial Instruments or any other financial instrument trading activity in the meaning of that Act,
  - a universal pension fund company,
  - a bank;
- has proven knowledge of the Polish language, as required by the Insurance Activity Act;
- has professional experience and knowledge which are adequate to his or her function, in particular as regards:
  - the insurance and financial markets,
  - the system of governance,
  - financial and actuarial analysis,
  - principles, rules and requirements under the laws applicable to PZU's operations, including the skills to adapt to changes in law.

A person overseeing a key function must in particular satisfy the following requirements:

- holds a university degree obtained in Poland or another country in the meaning of the relevant laws in effect in that country, unless KNF issues a consent to forgo that requirement in view of the person's professional experience;
- meets the requirements defined for Managers, referred to above.

A key function holder must meet the requirements defined in his or her job description. Job descriptions for individual functions are drawn up based on the description of the management system at PZU and PZU Życie, as well as the organizational rules and regulations of a given organizational structure fulfilling a key function. The core requirements applicable to the aforementioned group of persons, broken down by key function, are described below:

- for positions in the underwriting function, the requirements include: knowledge of insurance and financial mathematics and professional experience and education which are adequate to perform the tasks required in the individual position;

- for positions in the risk management function, the requirements include: knowledge of underwriting risk assessment and underwriting risk provisioning, asset and liability management, capital investments - in particular in derivative instruments and similar financial instruments, liquidity and concentration risk management, operational risk management, reinsurance and other techniques of risk mitigation, as well as professional experience and education which are adequate to perform the relevant tasks;
- positions in the internal audit function require knowledge of risk assessment, process analysis and designation, audit work methodology, business process good practices, skills of providing recommendations based on audit findings collected in the course of a planned audit, as well as professional experience and education which are adequate to perform the relevant tasks;
- for positions in the compliance function: the Company requires knowledge of compliance risk management, assessment of compliance risk, skills of developing system-based solution in the area of compliance risk as well as professional experience and education which are adequate to perform the relevant tasks.

Fit and proper evaluation of the persons who effectively run a PZU Group entity or have other key functions

In the PZU Group's insurance undertakings, the rules for conducting a fit and proper evaluation of the persons who effectively run a PZU Group entity or have other key functions are applied relative to their respective levels of responsibility, the existing law and internal regulations. These rules are based on the regulations and processes that PZU has in place, as described below.

The principles governing the evaluation of competence and reputation of Managers, persons overseeing key functions and persons holding key functions are regulated separately.

In keeping with the foregoing, the bodies responsible for the fit and proper evaluation are:

- for Managers – the PZU Supervisory Board in the case of Members of the Management Board and the Management Board in the case of PZU Group Directors at PZU who also serve as Members of the PZU Życie Management Board;
- for persons overseeing key functions – the PZU Management Board;

The evaluation of Managers and persons overseeing key functions is conducted prior to the appointment to be a Management Board Member or a PZU Group Director or to a position involving oversight over a key function. The assessment is verified on an annual basis in the evaluation update process or in other cases specifically defined in the pertinent regulations adopted in this respect. Direct superiors of persons performing key functions will conduct a fit and proper evaluation.

The fit and proper evaluation is conducted prior to the appointment to a key function or whenever the person is suspected of having acted in contravention with the law, which could result in particular in the subsidiary's non-compliance with the law or a financial crime.

The criteria applied in the above mentioned assessments are defined pursuant to the existing law, PZU's internal regulations and the relevant job description. The individual criteria are evaluated individually and form the basis for evaluating the person. The assessment is carried out based on the documents provided by the applicant confirming his or her compliance with the requirements, an assessment of his or her behavior and attitudes shown in the performance of professional duties, as well as information from other sources.

Every year, the PZU Management Board issues a report on the annual review of the evaluation of the persons overseeing key functions at PZU (hereinafter "Report"). This Report has been prepared on the basis of § 3 sec. 2 item 3 of the Principles for conducting the fit and proper evaluation and review of the persons overseeing key functions in PZU and PZU Życie.

The Reports are prepared based on information and statements submitted or filled out by the persons overseeing key functions at PZU. During the review of the fit and proper evaluation, the obligated employees complete or confirm the documents and statements submitted earlier.

Based on the collected documents and also on the basis of knowledge as at the date of preparing the Report, if no indications arise that may change the fit and proper evaluation of the respective individuals, the HR Office at PZU recommends that the previous evaluation in this respect is upheld. If the HR Office at PZU learns of any circumstances that may affect its recommendation, it will immediately update it.

Taking into account the "Methodology of assessment of suitability of members of corporate bodies of supervised entities by KNF" published by KNF on 27 January 2020, in 2020 PZU carried out an analysis of completeness of the formal solutions adopted in this respect for PZU Management Board and PZU Supervisory Board Members and rationale for updating them. The process was repeated for the update of the "Methodology of Assessing Suitability of Corporate Bodies of Entities Supervised by KNF" in 2023.

As a result of the completed analysis, on 18 November 2020, the PZU Supervisory Board adopted a resolution on the "Rules for assessment of suitability of the PZU Supervisory Board and Audit Committee" (URN/111/2020).

The procedure was adopted on 16 June 2021 by the Ordinary Shareholder Meeting of PZU, which at the same time accepted the PZU SA Supervisory Board's report on the results of assessment of suitability of the PZU SA Supervisory Board and Audit Committee conducted by the PZU Supervisory Board in the transition period, i.e. between 18 November 2020 (i.e. the date of resolution URN/111/2020) and 16 June 2021 (i.e. the date of adoption of the rules for assessment of suitability by the Ordinary Shareholder Meeting of PZU). The rules for assessment of suitability of the PZU Supervisory Board and Audit Committee, adopted on 16 June 2021, were subsequently amended on 7 June 2023, by Resolution No. 42/2023 of the PZU Ordinary Shareholder Meeting and on 18 July 2024 by Resolution No. 55/2024 of the PZU Ordinary Shareholder Meeting.

The rules for assessment of suitability of the PZU Supervisory Board and the Audit Committee set out, among others, the types of suitability assessments and the prerequisites for conducting them, the powers of the PZU Supervisory Board and the PZU Shareholder Meeting in the suitability assessment process, the requirements as to the personnel composition of the PZU Supervisory Board, the suitability assessment criteria and the process of conducting the assessment.

As regards the PZU Management Board Members, on 18 November 2020, the Supervisory Board defined the rules for assessment of suitability by resolution No. URN/129/2020 on the "Rules for assessment of suitability of the PZU Management Board", which was subsequently amended by resolutions No. URN/46/2021 of 12 May 2021 and No. URN/82/2023 of 10 May 2023. In connection with the adoption of the above procedure, on 20 January 2022 the PZU Supervisory Board adopted resolution No. URN/4/2022 repealing the rules of assessment prevailing in this respect, i.e. the Principles for Assessment and Verification of Competence and Integrity of Members of the PZU and PZU Życie Management Boards and those PZU Group Directors at PZU who are also Members of the PZU Życie Management Board (URN/16/2018).

The Rules currently applicable to PZU Management Board Members define, among others, the types of suitability assessments and the prerequisites for conducting them, the powers of the PZU Supervisory Board and the Nomination and Compensation Committee in the suitability assessment process, the requirements as to the personnel composition of the PZU Management Board, the suitability assessment criteria and the process of conducting the assessment.

As regards the PZU Group Directors at PZU who are also Members of the PZU Życie Management Board, the fit and proper evaluation is made on the basis of the Principles for Assessment and Verification of Competence and Integrity of PZU Group Directors in PZU who are also Members of the PZU Życie Management Board and the PZU Group Directors in PZU Życie who are also Members of the PZU Management Board, in the wording set out in Resolution No. UZ/322/2021 adopted by the PZU Management Board on 3 December 2021. This procedure sets out the rules for conducting a fit and proper evaluation of a PZU Group Director candidate and then for their subsequent review: (1) once a year during the fit and proper evaluation update process, (2) if the PZU Group Director is suspected of acting in contravention with the law, which could result in particular in the Company's non-compliance with the law, its committing of a financial crime or a threat to sound management of the Company.

B.3. Risk management system, including own risk and solvency assessment

Description of the risk management system

PZU exercises supervision over the PZU Group's risk management system on the basis of cooperation agreements entered into with material subsidiaries. These agreements form the cooperation framework, among others for the risk management process in the PZU Group, enable the collection and processing of information necessary for adequate and effective management of risk at the PZU Group level. They also guarantee that the various risks generated by the individual companies in the PZU Group are assessed and are based on the same standards, taking into account the requirements and restrictions arising from the applicable law. The method of implementing the systems in the individual PZU Group companies matches their size, materiality of risks, sectoral regulations and specific regulations in effect in the respective countries.

The PZU Management Board has adopted the PZU Group's risk management strategy, in order to:

- enhance value for all stakeholders through active and deliberate management of the extent of risk taken;
- prevent the acceptance of risk at a level that could pose a threat to the financial stability of the PZU Group or the PZU Group Financial Conglomerate.

Risk management in the PZU Group is based on analyzing risk in all processes and units and therefore it is an integral part of the management process.

The risk management system in the PZU Group is based on the following:

- split of duties and tasks performed by governing bodies, committees and organizational structures taking part in the risk management process;
- risk management process, including risk identification, measurement and assessment, monitoring and control methods, risk reporting and undertaking management actions.

The consistent split of duties and tasks in the PZU and in individual subsidiaries is based on four decision-making levels.

The first three entail the following:

- supervisory boards, supervising the risk management process and assessing its adequacy and effectiveness, by way of decisions specified in the articles of association of the PZU Group companies and in their rules and regulations. In order to increase effectiveness of supervision performed by supervisory boards, among others in respect to the monitoring of effectiveness of the risk management system, supervisory boards may appoint audit committees;
- management boards, which organize and ensure the operation of the risk management system by adopting risk management strategies and policies, defining the appetite for risk, the risk profile and tolerance for individual categories of risk;
- committees, which make decisions to mitigate individual risks to a level determined by the risk appetite. The committees adopt procedures and methodologies for mitigating the individual risks and accept individual risk limits. The PZU Group Risk Committee provides support (for supervisory boards and management boards of subsidiaries) in the implementation of an effective risk management system consistent across the whole PZU Group. The operational objective of the PZU Group Risk Committee at PZU and PZU Życie is to coordinate and supervise activities related to the PZU Group's risk management system and processes. In June 2025, the Investment Risk Committee in PZU Group and PZU Życie was dissolved, and its responsibilities were taken over by the Asset and Liability Management Committee.

The fourth decision-making level pertains to operational measures and is divided into three lines of defense:

- **the first line** – entails ongoing risk management at the level of organizational structures of the individual PZU Group entities and decision-making as part of the risk management process, while taking into account the limits for individual risks. The management is responsible for the implementation of an effective risk management system in the supervised area of the activity, in particular for designing and ensuring efficient operation of identification and monitoring actions as integral components of operating processes, ensuring appropriate response to existing risks;

- **the second line** – includes risk management by specialized organizational units in individual PZU Group companies that are responsible for risk identification, measurement, monitoring and reporting, as well as for limits control. Within the second line, certain offices in the PZU Head Office play a special role by coordinating the process among PZU Group companies: Risk Department, Compliance Department, Security Department, Planning and Controlling Department, Underwriting Department, Reinsurance Department;
- **the third line** – internal audit which conducts independent assessments of the individual elements of the risk management system and internal control. This function is performed by the Internal Audit Department.

The risk management process consists of the following stages:

1. **Risk identification**

   The process commences with a proposal to start developing an insurance product, buying a financial instrument, modifying an operating process, as well as whenever some other event occurs that may potentially lead to the emergence of risk. The identification process continues until the expiration of liabilities, receivables or activities associated with the risk. Risk identification involves identification of actual and potential sources of risk, which are later analyzed in terms of significance.

2. **Risk measurement and assessment**

   Risk measurement and assessment are carried out depending on the nature of the given type of risk and the level of its importance. Risk measurement is carried out by specialized organizational structures within the respective PZU Group companies. They are responsible for the development of tools and the measurement of risk in terms of risk appetite, risk profile and risk tolerance.

3. **Risk monitoring and control**

   Risk monitoring and control consists in the ongoing analysis of deviations from benchmarks (limits, threshold values, plans, figures from prior periods, recommendations and guidelines).

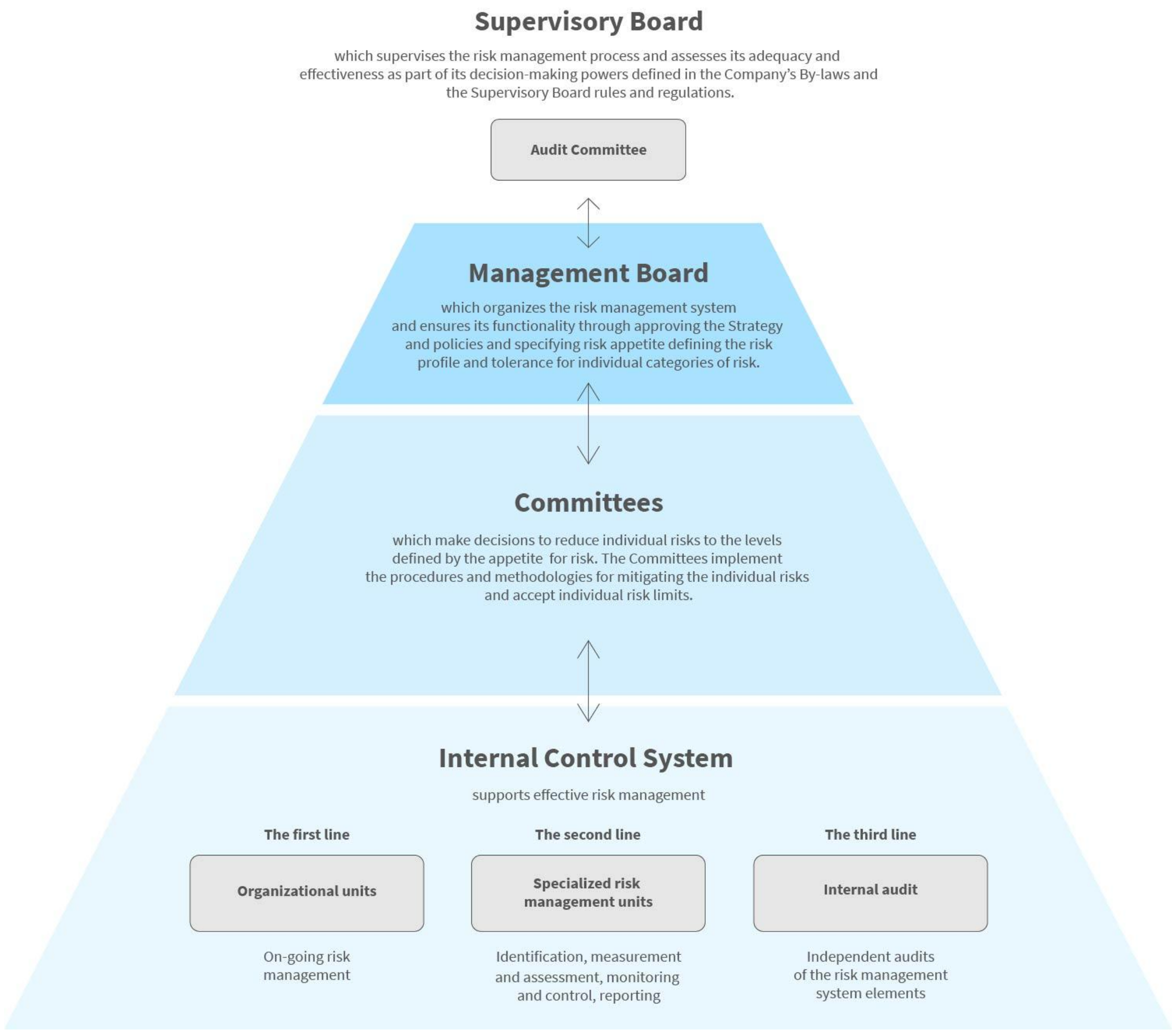
4. **Reporting**

   Reporting allows for effective communication on risk and supports risk management on various decision-making levels.

5. **Management actions**

   These actions include among others: risk avoidance, risk transfer, risk mitigation, determination of risk appetite, acceptance of risk level and the use of tools supporting such actions.

Chart 22. Chart of the organizational structure for the risk management system



The risk management function at the PZU Group level is run by the Risk Department at PZU, which develops the risk management process by preparing and updating the relevant internal regulations relating to risk management (including recommendations for subsidiaries) and performs various activities related to risk management process, in particular:

- the development and implementation of a risk management strategy and management policies for individual types of risk;
- the development of measurement methods for individual types of risk;
- the design and development of tools to support the risk management process;
- the identification, measurement and assessment, monitoring and controlling of risks;
- risk reporting and proposals of risk mitigating measures;
- drafting the proposals regarding the limits and restrictions grid and the key risk indicators (KRI);
- drafting control reports and monitoring the utilization of limits and restrictions;
- preparation of risk management rules and methodologies;

- preparation of risk information for the regulatory authority and rating agencies;
- stress-testing;
- acting as a competence center for risk management.

The person overseeing the risk management function at PZU is the Director of the Risk Department, who reports to the PZU Management Board Member overseeing the Risk Department. The Risk Department at PZU is responsible for the risk management regime; in that process the Department collaborates with the relevant structures in the PZU Group.

Own risk and solvency assessment

The own risk and solvency assessment (ORSA) process is an integral part of the financial planning process and consists of the following stages:

- drafting and approval of the process assumptions in the given year;
- drafting and approval by the relevant organizational structures of a PZU Group company and then forwarding to the cells responsible for risk in that entity, of data consistent with the valuation adopted in the SII system and consistent with the PZU Group strategy and financial plans of the PZU Group;
- analysis and assessment of risks;
- analysis of the fulfillment of requirements concerning technical provisions;
- conducting an assessment of the capital required to implement the assumptions of the financial plan;
- assessment of the capital condition of the PZU Group (aggregated) through stress testing;
- analysis of the consistency with risk appetite and the risk profile;
- proposal of changes regarding reduction in the risk exposure or increase of own funds, where necessary;
- changes to the financial plan or draft financial plan, where necessary;
- approval of the results of own risk and solvency assessment and initiation of possible management measures;
- documenting the outcome of the own risk and solvency assessment process in the form of a report;
- drafting of the own risk and solvency assessment protocol;
- provision to the regulatory authority of the own risk and solvency assessment report for the authority's purposes.

The own risk and solvency assessment process, and the analyses it involves, have been construed as to ensure support for the financial planning process in terms of risk profile analysis and evaluation of compliance with the capital requirements within the planned time horizon and the financial plan assumptions. It also constitutes the summary and review of efficiency of the measures taken in the risk management process.

The structure of the own risk and solvency assessment process and the responsibilities of its individual participants in the PZU Group have been adjusted to complement the obligations of the individual PZU Group units based on their decision-making powers specified in the system of governance and on the financial planning process. The PZU Management Board is responsible for organizing and ensuring efficient functioning of the own risk and solvency assessment process. Management Board members in subsidiaries overseeing the units participating in the process oversee the activities related to the own risk and solvency assessment process in their reporting areas and approve the data and analyses prepared in their areas that are required to conduct the own risk and solvency assessment. The Risk Department at PZU develops the PZU Group's own risk and solvency assessment process, coordinates the assessment as it is conducted and conducts an assessment of own solvency needs, continuous compliance with capital requirements and deviation of the risk profile from the assumptions underlying the calculation of the solvency capital requirement. All the prognostic data are delivered to the Risk Department at PZU through the intermediation of the PZU Planning and Controlling Department, which is responsible for their internal consistency and consistency with financial plans.

ORSA is carried out on a regular basis, at least once a year, or on an ad hoc basis upon the occurrence of significant changes in the risk profile resulting from changes in internal operations or changes in the business environment that were not fully reflected in the current year's financial plans and accompanying forecasts used in the last own risk and solvency assessment process.

The results of ORSA are documented in the form of a report. The report is subject to an independent review by the Internal Audit Department at PZU and then, after the PZU Group's Risk Committee issues its opinion on the report, it is subject to approval by the PZU Management Board.

The assessment of general solvency needs is conducted for all the risks identified as material under the Risk Management Strategy of the PZU Group and the individual risk management policies, i.e. underwriting risk, market risk (including liquidity risk), concentration risk, credit risk and operational risk. The analysis also covers compliance risk and model risk.

The assessment of general solvency needs in 2025 covered the 3-year forecast horizon, taking into account the timeframe of the PZU Group Strategy current as at the moment of preparation of the forecasts and the accompanying financial plans and the supervisory requirement for the minimum forecast horizon (three years). As part of the assessment of general solvency needs, analyses have been conducted to determine whether, with the current business strategy, the PZU Group would maintain the necessary capital level that is adequate to the risk it is currently exposed to and to which it may be exposed in the future (including in the case of sudden events reflected in stress-test scenarios). The tested scenarios have been designed on the basis of the PZU Group's risk profile, allowing for a review of its capital needs in new situations involving significant changes in the macroeconomic environment and also shocks typical for the insurance sector. Moreover, the analysis includes scenarios that affect both assets as well as equity and liabilities.

If the own risk and solvency assessment identifies a potential decline in the solvency ratio below the acceptable level or an overrun of the risk profile limits, Director of the PZU Risk Department, in cooperation with Director of the PZU Planning and Controlling Department, presents the possible measures, including changes to financial plans, in order to mitigate the risk or to increase own funds. Those measures are then submitted for approval to the Member of the PZU Management Board overseeing the PZU Risk Department, in consultation with the Member of the PZU Management Board overseeing the PZU Planning and Controlling Department.

B.4. Internal control system

Description of the internal control system

The internal control system in the PZU Group comprises supervision, overall administrative and accounting procedures, organizational structures, reporting systems, solutions implemented in IT systems, the compliance function and other control mechanisms contributing to the attainment of the PZU Group's objectives and security and stability of its operations, implemented to ensure the following in a reasonable manner:

- efficiency and effectiveness of the operating activity;
- reliability of information communicated inside and outside the Company and assurance of availability and reliability of such information, in particular information affecting the financial statements;
- adequacy and effectiveness of risk controls (control operations should be commensurate with the level of risk involved in the operations and processes under control);
- responsible and transparent management,
- compliance of the Company's activity with the law, internal regulations and the accepted standards of conduct;
- efficient acquisition and transfer of any data and information that may be important to supplementary oversight.

The internal control system supports the attainment of objectives; as a result, the system must focus on the following areas:

- internal control environment, i.e. promoting the importance of control among employees and promoting management supervision, management style, including delegation of tasks, honesty, ethical values and employee development;
- risk identification and assessment, including containment at an acceptable level;
- control activities and split of responsibilities;
- quality and communication of information, i.e. ensuring the flow of information that enables the Company to run and control its operations;
- monitoring compliance with the efficiency of control mechanisms.

Relative to the type of tasks, the scope of internal control includes in particular:

- completeness, up-to-dateness and compliance of the Company's relevant internal regulations with the existing law;
- correctness, completeness and timeliness of activities, including document circulation;
- correctness or organization and allocation of work;
- observance of powers-of-attorney, authorizations, limits and other control elements, especially relating to:
  - signing of internal and external correspondence;
  - entering into transactions, which result in incurring liabilities;
  - business decision-making;
  - use of IT systems;
- correctness of processes;
- correctness of accounting records;
- safety of IT systems and ICT networks;
- safety of protected information, within the meaning of the applicable internal regulations.

If an employee identifies irregularities found as a result of an inspection, the employee is obligated to document and notify them to his/her direct superior. At the same time, the employee is obligated to report irregularities in accordance with the applicable internal regulations. PZU Group entities take action to rectify the deficiencies and further action is taken if necessary.

PZU Group entities are required to provide PZU with information regarding internal control, in particular concerning: the organization of the internal control system, the results of conducted controls, and identified irregularities of a critical and significant nature – on a semi-annual basis. Additionally, once a year, information is provided on the results of the self-assessment of the internal control system and its evaluation.

The PZU Group's Internal Control Department is responsible for developing the PZU Group's internal control system by creating uniform standards and exchanging information on the internal control system. The Managing Director on Audit exercises organizational supervision of the Internal Control Department.

Compliance function

The purpose of the compliance function is to ensure an effective management system for the risk of non-compliance with regulatory requirements and the internal regulations.

The compliance function comprises:

- advising the management and supervisory boards of the various insurance entities of the PZU Group on regulatory compliance;
- evaluation of the possible impact of changes in the legal environment on the operations,

- identification and assessment of the risk associated with non-compliance with the existing law, internal regulations and the adopted standards of conduct.

The compliance function includes in particular the following tasks:

- implementation of a comprehensive system of compliance solutions, monitoring them and continuously refining them;
- introduction of processes and procedures to ensure effective management of compliance risk;
- establishment of the rules for ensuring compliance with regulations, including the definition of responsibilities, competences and reporting duties of the compliance function;
- developing the compliance assurance plan entailing the planned actions of the compliance function that incorporate all the areas of the activity and their exposure to risk related to adherence to regulations;
- assessment of the suitability of measures to prevent non-compliance;
- development of coherent system-based solutions to manage compliance risk to be implemented by PZU Group units.

PZU's Compliance Department is responsible for shaping the PZU Group's compliance system while ensuring its consistency across all levels within the PZU Group.

The Compliance Department at PZU is headed by the Managing Director on Regulations. The appointment and dismissal of the head of the Compliance Department must be consulted with the Supervisory Board Audit Committee.

The person overseeing the compliance function at PZU is the Managing Director on Regulations, who reported to the PZU Management Board President until 27 January 2025; and then from 28 January 2025, to the PZU Supervisory Board Member delegated to temporarily perform the duties of the PZU Management Board President; from 3 March 2025, reported to the PZU Management Board Member in charge of its operations pending approval by KNF; from 13 June 2025, to another PZU Board Member; from 1 October 2025 again to the PZU Board Member in charge of its operations pending approval by KNF; and since 22 December 2025, has reported to the PZU Board President.

PZU's Compliance Department reports to the PZU Management Board and PZU Supervisory Board on all events occurring at the level of both PZU and the subsidiaries with which agreements on cooperation and exchange of information have been signed. Recommendations issued by the Compliance Department at PZU as part of its activities and compliance analyses are subject to the monitoring process.

In each PZU Group company, the compliance function is arranged based on uniform and consistent standards developed at the PZU level in consideration of the 'proportionality principle', that is while taking into account the scale and specific nature of the pertinent PZU Group company. The internal regulations in place delineate the extent and nature of activities of the compliance function, including regular reporting by the subsidiaries' compliance units to PZU's Compliance Department, and then by PZU's Compliance Department to the PZU Management Board and Supervisory Board. This notwithstanding, the subsidiaries' compliance units also report to their own management boards or supervisory boards. The compliance function in PZU Group companies is objective and independent.

The most significant powers of PZU's Compliance Department in the area of compliance risk in the PZU Group are as follows:

- analyzing and participating in the process of deploying systemic solutions in all functional areas of PZU Group companies and ongoing business processes in terms of compliance risk;
- initiating and recommending changes in systemic solutions and analyzed processes in place at PZU Group companies ensuing from compliance analyses;
- ensuring coordination and uniform solutions in deploying the compliance function and managing compliance risk in the PZU Group;
- consulting and cooperating with subsidiaries in order to ensure uniform solutions in deploying the compliance function in the PZU Group, fulfilling reporting obligations arising from the Supplementary Supervision Act and adopting a consistent approach of the PZU Group's regulated subsidiaries to the preparation of responses to inquiries sent by the Polish Financial Supervision Authority systemically to regulated entities;

- consulting and exchanging information with subsidiaries in order to ensure consistency in the process of compliance risk identification and assessment;
- conducting systemic compliance analyses in PZU Group companies based on internal regulations, cooperation agreements and policies;
- system-level reporting on compliance risk in the PZU Group;
- monitoring observance of the standards of conduct, including ethical standards, in consideration of the best practices adopted in PZU Group companies.

As part of the exchange of information and cooperation with subsidiaries in the area of the compliance function, PZU's Compliance Department participates in the deployment, in these companies, of uniform standards and key methodological solutions. The formal basis for cooperation in the area of the compliance function is provided by agreements on cooperation and exchange of information and the provisions of the PZU Group's Compliance Policy which define in detail the rules, extent and nature of such cooperation between PZU and its subsidiaries.

The PZU Compliance Department cooperates with the compliance units of banking sector entities, taking into account the rules of cooperation between these units in the parent and subsidiary entities, which are defined in KNF's Recommendation H.

B.5. Internal audit function

Description of the implementation of the internal audit function

PZU's Internal Audit Department coordinates the operation of the internal audit function in PZU Group companies through creating uniform standards and exchanging information pertaining to internal audit.

Internal audit obtains information from PZU Group companies, with which cooperation agreements have been signed, regarding the adequacy and effectiveness of their risk management and internal control systems. Key methodological solutions of PZU's Internal Audit Department have been introduced in PZU Group companies (taking into consideration their formal and legal context, specific nature and scale of business).

With respect to the PZU Group, the main tasks of PZU's Internal Audit Department are as follows:

- harmonizing the rules of operation of internal audit;
- risk analysis and cooperation in preparing audit plans;
- executing audit tasks;
- consolidating information from internal audit units in PZU Group companies;
- compiling information on PZU Group companies in reports on the activities of PZU's Internal Audit Department to the PZU Management Board and to the PZU Supervisory Board Audit Committee.

The cooperation of the PZU Internal Audit Department with the internal audit units of banking sector entities is conducted taking into account the rules of cooperation between internal audit units of the parent and subsidiary entities which are defined in KNF's Recommendation H pertaining to the internal control system in banks.

Internal audit in PZU Group companies may be pursued by:

- internal audit units in PZU Group companies;
- PZU's Internal Audit Department, in keeping with the rules resulting from the cooperation agreements that PZU entered into with PZU Group subsidiaries.

The scope of internal audit includes: an independent risk assessment, an examination of organizational structures in PZU Group companies, products, systems, business processes and risk management processes, with a frequency that depends on the identified risk areas and the materiality of risks as well as on the role and effectiveness of internal control in mitigating those risks.

In order to ensure good quality and continuous improvement of the internal audit function, internal (on an annual basis) and external (not less than once every five years) assessments of the internal audit activities are conducted. An independent assessment of the internal audit function at PZU, carried out in 2025 by KPMG Advisory spółka z ograniczoną odpowiedzialnością sp.k., and an analysis of coordination of the Group's internal audit at the PZU Group showed 100% compliance with the Global Internal Audit Standards, prepared by the Institute of Internal Auditors (IIA). The assessment did not cover the Pekao Capital Group and the Alior Bank Capital Group, where the audit function is carried out by separate internal units of these groups.

Independence and impartiality of internal audit

The internal audit function is impartial and independent of operational functions.

The internal audit function is supervised at PZU by the Managing Director on Audit, who heads the Internal Audit Department. The appointment and dismissal of the head of the Internal Audit Department must be consulted with the PZU Supervisory Board Audit Committee. The internal audit function reports organizationally directly to the PZU Management Board President or to a person delegated to temporarily perform the duties of the PZU Management Board President (until 27 January 2025, it reported to the PZU Management Board President; and then from 28 January 2025, to the PZU Supervisory Board Member delegated to temporarily perform the duties of the PZU Management Board President; from 3 March 2025, it reported to the PZU Management Board Member in charge of its operations pending approval by KNF; from 2 July 2025 again to the PZU Management Board President; and from 8 August 2025, to the PZU Management Board Member temporarily performing the duties of the PZU Management Board President; then from 25 September 2025, to the PZU Management Board Member in charge of its operations pending approval by KNF, and from 22 December 2025, it has reported to the PZU Management Board President), and functionally to the PZU Supervisory Board Audit Committee.

The internal audit function in PZU Group units participates in meetings of the Audit Committees of the Supervisory Boards and has the opportunity to communicate directly with these Committees and attends meetings of the Management Boards of these units.

In the PZU Group, internal audits are conducted by internal auditors, a team of people with high professional and ethical qualifications, having knowledge, skills and expertise in auditing. When justified, it is possible to use the support of employees of PZU Group entities or external service providers. Over the time of an audit, members of the audit team have the powers of internal auditors and are obligated to observe internal auditors' duties.

Internal auditors have access to the necessary information, explanations, documents and data, allowing for the timely and correct performance of their tasks.

The Internal Audit Department prepares an annual report on its activities, which is presented to the Management Board by 31 March of the following year, and subsequently to the PZU Supervisory Board's Audit Committee, by the time decided by the agendas and dates of the meetings of the PZU Supervisory Board Audit Committee.

The internal audit function in the entities of the PZU Group is independent of operational functions. This means that persons responsible for overseeing the internal audit function and for performing its tasks cannot carry out duties belonging to other functions within the management system.

The scope of audit activities performed during each audit and the resulting post-audit evaluations are autonomous decisions of internal audit. The tasks are allocated in such a manner so as to prevent potential and actual conflicts of interest. Each employee, before proceeding with an assignment, is required to confirm independence and objectivity within the scope of the audit to be carried out, and to inform the superior in the event of a potential conflict of interest. If such a situation arises, the tasks are rotated as needed. Furthermore, an auditor cannot audit activities they have themselves performed or managed before one year has elapsed. The Auditor's Code of Ethics has been implemented. The purpose of the Code is to promote best practices and models for ethical behavior, and to motivate the need for continuous professional improvement and development of the proper image of internal auditors. Internal auditors may not accept responsibility for the operational activity that is assessed by internal audit.

The independence of the internal audit function is guaranteed by the provisions of the pertinent internal regulations.

B.6. Underwriting function

PZU Group companies involved in the conduct of insurance business are separate entities and have their own underwriting functions in place. The tasks of actuarial functions are uniform across the PZU Group. Due to peculiarities of specific markets, certain methodological differences may exist between the activities undertaken by these functions in various companies. To the maximum extent possible, the functions in question operate on an independent basis. However, they remain in constant contact with each other and consult each other on their various doubts.

In broadly defined actuarial matters, the primary coordinating and advisory role is performed by the Actuarial Department at PZU, over which direct organizational supervision is exercised by, and which is simultaneously headed by, the Managing Director on Actuarial Affairs at PZU. The actuarial function at PZU is overseen by the Chief Actuary of PZU, who simultaneously serves as the Director for Underwriting Risk in the PZU Actuarial Department. In carrying out the tasks of the actuarial function, the Chief Actuary of PZU reports directly to the Member of the Management Board of PZU supervising the Actuarial Department.

Cooperation in the field of underwriting services, including the actuarial function, in the PZU Group is aimed at optimizing the standards of operation and execution of business processes, ensuring the seamless flow of information between PZU and its insurance subsidiaries and guaranteeing the security of information provided. The subsidiaries exercise due care to ensure that their operations comply with the rules of cooperation in the PZU Group, without losing sight of their specific nature of activity and their particular legal or business considerations. The subsidiaries retain autonomy of their underwriting function, except that PZU plays a coordinating and advisory role in this field in relation to them. In principle, PZU's cooperation with the subsidiaries is pursued on an ongoing basis by way of mutual consultations, with the reservation that PZU may provide guidelines, assumptions, rules, procedures and recommendations if it sees fit to do so in the interests of the PZU Group. The subsidiaries, within the time limits, in the form and manner defined sufficiently in advance, provide the following:

- information necessary for the fulfillment, by PZU's actuarial function, of information or reporting duties imposed on PZU in accordance with the applicable provisions of law;
- information, plans, materials and documents pertaining to the subsidiary and its subsidiaries along with explanations regarding such documentation, if necessary. The subsidiaries obtain from their own subsidiaries information and documents necessary to fulfill this duty.

Notwithstanding the above duties, the subsidiaries fulfill the disclosure and reporting obligations required by the applicable laws and conduct their own information policy.

Accordingly, the extent of cooperation covers the broadly construed actuarial activities necessary to fulfill the duties of the actuarial function. The principles of cooperation were included in the "PZU Group Cooperation Policy in the Underwriting Area" implemented in 2018.

B.7. Outsourcing

The PZU Group's insurance entities have adopted the outsourcing rules, which also govern the outsourcing of activities that the Group considers core or important.

PZU and its insurance subsidiaries do not entrust to any third parties the performance of functions forming part of the management system (the risk management function, the underwriting function, the compliance function or the internal audit function).

Prior to the conclusion of an outsourcing contract for core or important activities and prior to the implementation of material changes to the contract, a risk assessment is carried out, which covers, in particular, an analysis of the supplier's risks, including an assessment of the supplier's skills and ability to properly and safely perform the outsourced activities, as well as an analysis of the following risks: reputational, strategic, compliance (including conflict of interest), concentration, and operational risks, and risks associated with the discontinuation of outsourcing.

Outsourcing contracts for the core or important activities contain provisions required by law, including those that guarantee the appropriate service level, continuity, and a possibility for the PZU Group unit, regulatory authority and authorized entities to verify the performance of the contracts. Draft contracts are reviewed by designated insurance units of PZU Group units.

Moreover, intra-Group outsourcing agreements have been entered into (between PZU Group units), under which certain core or important activities are entrusted, for instance: IT security services, investing funds, handling claims, providing benefits, including assistance services, investment portfolio management and rendering insurance administration services. Such intra-Group outsourcing agreements for core or important activities are entered into on a long-term basis, in keeping with the outsourcing rules applicable in the PZU Group, especially in the area of risk assessment, and the required contractual provisions, including those securing the possibility of inspecting the performance of the contract by the entity entrusting the execution of activities.

The PZU Group's insurance entities monitor the outsourcing risk and manage the risk on an on-going basis and at the system-based level. In particular, the Company evaluates on an on-going basis the quality and timeliness of outsourcing contract and performance and, at least once a year, conducts a periodic inspection of the suppliers to verify the quality and timeliness of the services provided thereby. The system-based management of the outsourcing risk includes, *inter alia*, an evaluation of the outsourcing risk and reporting to the Management Board and the regulatory authority as regards performance of the obligations arising from prevailing laws and regulatory requirements.

Entities to which essential or significant activities have been outsourced are subject to the jurisdiction of countries within the European Economic Area, namely: Poland, Lithuania, Estonia, Ireland, and Finland.

In connection with the KNF Position of 25 March 2024 regarding the use of outsourcing by insurance and reinsurance undertakings, the insurance entities of the PZU Group conducted a review of outsourcing agreements concluded prior to its publication. As part of the review, agreements were re-assessed to determine whether they qualify as outsourcing of essential or significant activities.

In cases requiring adjustments, appropriate modifications and updates to the agreements were made and submitted to the KNF.

Additionally, PZU Group entities subject to the requirements set out in the aforementioned KNF Position (PZU, PZU Życie, TUW PZUW, Link4) updated their Outsourcing Policies, aligning their provisions with supervisory expectations.

B.8. Additional information

There was no relevant information other than that disclosed in the preceding sections of Part B of the SFCR Report.

C. Risk profile

PZU Group's risk profile results from the PZU Group Strategy and financial plans; it is subject to periodical monitoring and control. Given the scale of insurance operations by the PZU Group companies and the value of the PZU Group's investments, the most significant risks are underwriting risk, market risk and the risk associated with the activity of undertakings operating in other financial sectors. In the last item, credit risk is the most important.

The PZU Group has in place a risk management system that is focused on both controlling risk as well as on maintaining the appropriate capitalization level. Through identification, measurement and assessment, monitoring and control and reporting of risks related to its operating activity and undertaking management activities in response to these risks, the PZU Group is able to fulfill its obligations to clients and business partners and comply with the requirements arising from the law and external regulations. In the PZU Group companies operating in the financial sector, the risk management system described in section B has been deployed and is based on the following stages:

- identification;
- measurement and assessment;
- monitoring and control;
- reporting;
- management actions.

The process is standardized across the PZU Group. The method of its implementation in the subsidiaries matches their size, materiality of risks, sectoral regulations and specific regulations in effect in the respective countries.

Risk and solvency assessment

In 2025, there was no materialization of risks that could materially adversely affect the operations of the PZU Group.

Analyses carried out in 2025 in the course of the own risk and solvency assessment process show that own funds will remain at a level that will ensure coverage of the solvency capital requirement throughout the projection period (3-year horizon). This applies to both the baseline and shock scenarios. The implementation of the business strategy is not at risk from the point of view of security parameters. The results obtained in the course of the own risk and solvency assessment do not indicate the need for significant changes in the principles of capital management set forth in, among other things, the PZU Capital Management Policy, the planned activities or the principles of product development and creation.

Risks accounted for in calculating SCR

SCR of the PZU Group is calculated pursuant to Article 336 of the Delegated Regulation and consists of the following positions: a solvency capital requirement calculated on the basis of consolidated data following the rules laid down for the standard formula, the proportional share of the capital requirement (including hypothetical requirements) of undertakings from other financial sectors, the requirement for affiliated entities not consolidated by the full method.

SCR is calculated on the basis of the standard formula according to the SII System and includes the following risks:

- underwriting risk (non-life insurance, life insurance and health insurance);
- market risk;
- counterparty default risk;
- operational risk;
- adjustment of technical provisions and deferred taxation to cover losses.

The table below presents the value of the solvency capital requirement SCR and BSCR before and after the diversification effect as at 31 December 2025 and compared to the preceding year.

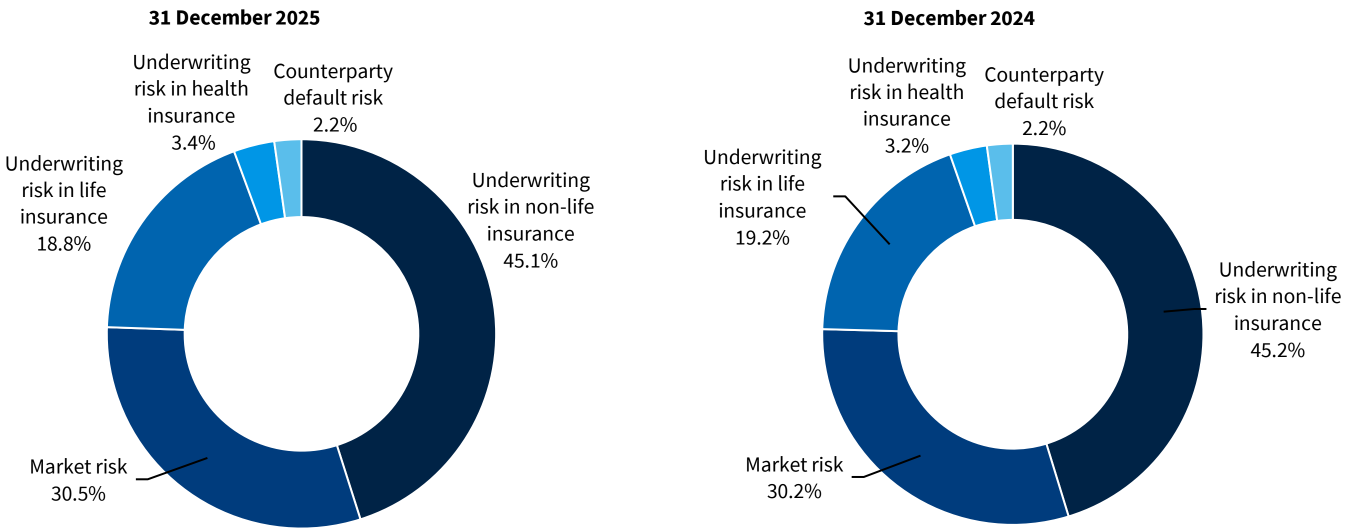
Table 9. BSCR and SCR before and after incorporating the effect of diversification

Sub-module name	Value (in PLN million)		Change 2025/2024	
	31 December 2025	31 December 2024	(in PLN million)	%
Market risk	4,581	4,188	393	9%
Counterparty default risk	337	303	34	11%
Underwriting risk in life insurance	2,832	2,669	163	6%
Underwriting risk in health insurance	510	440	70	16%
Underwriting risk in non-life insurance	6,785	6,286	499	8%
BSCR before diversification	15,045	13,886	1,159	8%
Diversification	(4,899)	(4,519)	(380)	8%
BSCR after diversification	**10,146**	**9,367**	**779**	**8%**
Operational risk	1,060	1,001	59	6%
Adjustment for the loss-absorbing capacity of deferred taxes	(1,569)	(1,507)	(62)	4%
SCR calculated on the basis of consolidated data	**9,637**	**8,861**	**776**	**9%**
Capital requirement for other financial sectors	4,769	4,343	426	10%
Requirement for related business units not consolidated by the full method	40	33	7	21%
PZU Group SCR	**14,446**	**13,237**	**1,209**	**9%**

Most significant risks of the PZU Group

The charts below present the most significant risks of the PZU Group, along with the percentage of the basic solvency requirement before diversification as at 31 December 2025 and 31 December 2024.

Chart 23. PZU Group's most significant risks, along with the percentage of the basic solvency requirement before diversification



Prudent person principle

The PZU Group, in all entities subject to these requirements, has documents implementing the obligations arising from the prudent investor principle. Accordingly, the insurance entities of the PZU Group invest their available funds exclusively in assets and financial instruments for which they can measure, monitor, and consequently manage the risk, and which take into account the overall solvency needs in their assessment. While maintaining an appropriate level of investment liquidity, the insurance entities of the PZU Group invest in safe assets of adequate quality and profitability. When investing in assets covering technical and insurance provisions for solvency purposes, the insurance entities of the PZU Group consider the nature and duration of liabilities arising from the concluded insurance contracts in a manner consistent with the interests of policyholders.

For this reason, in the insurance entities of the PZU Group, the entire investment portfolio is divided into two types of sub-portfolios, which differ in terms of investment strategy and reflect the primary purpose of the portfolio. One includes sub-portfolios hedging insurance liabilities (ALM BEL), which primarily comprise lower-risk assets. The currency, tenor and liquidity levels of the respective assets in these sub-portfolios is determined primarily by the nature of technical provisions. The other includes sub-portfolios with other assets, aimed at achieving the optimum return on risk-weighted capital from the point of view of risk appetite. In addition to Polish sovereign bonds and money market instruments, these portfolios also include other asset classes, in particular within the parent entity of the PZU Group, such as real estate, listed equities, and private equity funds.

When making allocation decisions, the insurance entities of the PZU Group diversify assets and maintain their dispersion to avoid dependence on any single asset, issuer, or geographic area, subject to investments in subsidiaries (in particular – strategic investments, such as PZU Group banks).

Sensitivity analysis

At the PZU Group level, sensitivity analyses have been conducted for market, credit and underwriting risks as well as for other material risks and events according to the scenarios prepared for the purposes of ORSA. Sensitivity analysis is, in principle, not applicable to the risks described in section C.6. because of the nature and specificity of those risks.

As part of the analyses, the PZU Group also conducts a liquidity assessment, which involves estimation of the possibilities of financing the payouts of claims and benefits as a result of insurable events of extraordinary nature. Stress testing results indicate that such events can be financed.

Under the own risk and solvency assessment (ORSA), the sensitivity analysis conducted for the PZU Group covered stress scenarios affecting assets and liabilities alike. The stress tests selected for execution as part of ORSA cover the major areas of insurance activity and the PZU Group's risk profile and correspond to the assessment of the key risks in its activity.

The stress tests were carried out based on the principles contained in the Solvency II system. Each test was conducted independently, with the assumed change of the designated elements in the tests and maintenance of the remaining ratios at the baseline scenario level. A stress test takes into account a change in own funds and in the solvency capital requirement in order to examine its total impact on the PZU Group's capital standing.

The test results do not reflect the impact of potential actions taken by the management boards of PZU Group companies to mitigate the impact of a materialized scenario. In fact, given the risk management system in place in the PZU Group, in particular the system of limits and restrictions, the management boards of PZU Group companies, especially PZU as the parent company, may take appropriate actions to prevent or mitigate the impact should the scenario materialize.

The stress test results show that, in 2025, the PZU Group held sufficient own funds to maintain the solvency ratio above the levels required by the KNF after a test scenario materializes.

The table below presents the sensitivity analysis tests performed for the purposes of ORSA. These tests were administered during 2025 as part of the prospective assessment of the PZU Group's equity condition performed during the ORSA process and they refer to the solvency ratios as at the end of 2025 as forecast at the time of performing the various stress tests.

Table 10. Main sensitivity analyses performed for the purposes of ORSA

No.	Stress tests / sensitivity analyses	Risk impact	Change to the solvency ratio at the baseline scenario for 2025 (in pp.)
1	Increase in interest rates (+200 bps for the PLN curve, +100 bps for the EUR curve)	Market risk	(18)
2	Decrease in interest rates (-200 bps for the PLN curve, -100 bps for the EUR curve)	Market risk	19
3	Shift in the shape of the interest rate curve (based on the curve generated in the model for calculating the value at risk for market risk in the 1 in 200 scenario)	Market risk	(45)
4	Decrease in share prices (-50%)	Market risk	(2)
5	Decrease in real estate prices (-30%)	Market risk	(9)
6	Increase in FX rate (+30%)	Market risk	(5)
7	Decrease in FX rate (-30%)	Market risk	4
8	Hypothetical scenario where a new group is formed from existing exposures	Market risk	-
9	Rating downgrade for all debt positions	Credit risk	(5)
10	Counterparty default (the test assumes insolvency of two counterparties with the PZU Group's highest exposure among the counterparties with credit quality steps (CQS) 4 or higher rating)	Counterparty default risk	(3)

No.	Stress tests / sensitivity analyses	Risk impact	Change to the solvency ratio at the baseline scenario for 2025 (in pp.)
11	Increase in claims ratio (+10 p.p.)	Underwriting risk	(8)
12	Increase in gross claims provision (+10%+max(PNR*,0))	Underwriting risk	(13)
13	Catastrophe loss – single	Underwriting risk	(8)
14	Catastrophe loss – multiple payouts during the year in the amount not exceeding the retention threshold	Underwriting risk	(5)
15	Extraordinary loss	Underwriting risk	(34)
16	Concurrent reduction in interest rates (-200 bps) and higher loss ratio by 10 p.p.	Underwriting risk / market risk	11
17	Simultaneous increase in interest rates (+200 bps for the PLN curve, +100 bps for the EUR curve) and increase in the loss ratio by 10 p.p.	Underwriting risk / market risk	(26)
18	Increase in mortality rates (+15%)	Underwriting risk	(8)
19	Decrease in mortality rates (-20%)	Underwriting risk	(1)
20	Increase in morbidity rates (+35%)	Underwriting risk	(4)
21	Increase in costs used to calculate technical provisions (+10%)	Underwriting risk	(3)
22	Increase in lapse rates (+80%)	Underwriting risk	(3)
23	Decrease in lapse rates (-80%)	Underwriting risk	5
24	Combined scenarios – the most severe changes for the individual business lines resulting from scenarios 18, 20, 21 (maximum decline of premiums, increase in benefits and increase in costs)	Underwriting risk	(15)
25	Concurrent reduction in interest rates (-200 bps), decrease in stock prices (-50%) and increase in mortality rates (+15%)	Underwriting risk / market risk	9
26	Concurrent increase in interest rates (+200 bps for the PLN curve, +100 bps for the EUR curve), decrease in stock prices (-50%) and increase in mortality rates (+15%)	Underwriting risk / market risk	(28)

* PNR coefficient of variation estimated using the formula:

$$PNR = \frac{\sum_{i=k-1}^{k}(1+p_i)\frac{OiSB_{i-1;i} + RNOiSB_{i-1;i}}{RNOiSB_{i-1;i-1}}}{\sum_{i=k-1}^{k}(1+p_i)} * (1{,}01) - 1$$

k – reporting year

$OiSB_{i-1;i}$ – gross damages and benefits (including annuities) that occurred up to the year $i-1$ and were paid in the year i

$RNOiSB_{i-1;i}$ – gross provision for outstanding claims and benefits (including annuity provision) for damages that occurred up to one year $i-1$ as of the end of the year i

p_i – coefficient for weighted average: $p_i = \begin{cases} 0{,}2 \text{ – dla danego roku sprawozdawczego} \\ 0{,}1 \text{ – dla roku przed rokiem sprawozdawczym} \end{cases}$

Exposure to risk arising from off-balance sheet items

As at 31 December 2025, the value of off-balance sheet exposures taken into account in the calculation of the solvency capital requirement was PLN 2,225 million and pertained to collateral for buy-sell-back transactions.

Risk concentration

Within underwriting risk, the PZU Group identifies risk concentration in terms of locations in Poland with regard to possible losses caused by natural disasters, such as, in particular, floods and cyclones. The table below presents sums insured in the specified ranges, broken down by voivodeships (for operations conducted in Poland) and countries (for foreign operations). The highest risk concentration is seen in mazowieckie voivodeship. With regard to the exposure to the risk of floods and cyclones, the risk management system in the PZU Group allows to monitor it regularly and the reinsurance program in place reduces the potential for net catastrophe loss.

Table 11. Geographical concentration of PZU Group's exposure

Exposure to catastrophic losses in non-life insurance	Sum insured (in PLN million) 31 December 2025							Sum insured (in PLN million) 31 December 2024						
	0-0.2	0.2–0.5	0.5–2	2 – 10	10–50	over 50	Sum	0-0.2	0.2–0.5	0.5–2	2 – 10	10–50	over 50	Sum
dolnośląskie	0.4%	1.0%	2.1%	0.7%	0.5%	1.9%	**6.6%**	0.6%	1.2%	2.1%	0.8%	0.5%	1.6%	**6.8%**
kujawsko-pomorskie	0.3%	0.6%	0.9%	0.4%	0.3%	1.0%	**3.5%**	0.4%	0.7%	0.9%	0.4%	0.3%	1.2%	**3.9%**
lubelskie	0.3%	0.5%	0.6%	0.2%	0.1%	1.4%	**3.1%**	0.3%	0.6%	0.5%	0.2%	0.2%	0.9%	**2.7%**
lubuskie	0.1%	0.3%	0.4%	0.2%	0.1%	0.3%	**1.4%**	0.2%	0.3%	0.4%	0.2%	0.1%	0.4%	**1.6%**
łódzkie	0.4%	0.8%	1.2%	0.3%	0.3%	2.5%	**5.5%**	0.5%	1.0%	1.1%	0.4%	0.3%	1.6%	**4.9%**
małopolskie	0.4%	0.9%	1.9%	0.6%	0.5%	2.2%	**6.5%**	0.5%	1.2%	1.8%	0.6%	0.5%	2.4%	**7.0%**
mazowieckie	1.1%	1.8%	4.5%	1.4%	1.2%	14.5%	**24.5%**	1.4%	2.5%	4.0%	1.3%	1.4%	14.2%	**24.8%**
opolskie	0.1%	0.3%	0.5%	0.1%	0.1%	1.2%	**2.3%**	0.2%	0.3%	0.5%	0.1%	0.1%	0.5%	**1.7%**
podkarpackie	0.3%	0.7%	0.7%	0.2%	0.2%	0.7%	**2.8%**	0.3%	0.9%	0.7%	0.2%	0.2%	1.0%	**3.3%**
podlaskie	0.2%	0.3%	0.5%	0.2%	0.3%	0.5%	**2.0%**	0.2%	0.4%	0.5%	0.2%	0.3%	0.6%	**2.2%**
pomorskie	0.3%	0.7%	1.7%	0.7%	0.7%	3.9%	**8.0%**	0.4%	0.9%	1.5%	0.7%	0.8%	5.3%	**9.6%**
śląskie	0.6%	1.2%	2.1%	0.6%	0.3%	2.4%	**7.2%**	0.8%	1.5%	2.0%	0.6%	0.4%	3.1%	**8.4%**
świętokrzyskie	0.2%	0.3%	0.4%	0.1%	0.1%	0.8%	**1.9%**	0.2%	0.4%	0.3%	0.1%	0.1%	0.4%	**1.5%**
warmińsko-mazurskie	0.2%	0.4%	0.5%	0.2%	0.2%	0.3%	**1.8%**	0.2%	0.4%	0.5%	0.2%	0.1%	0.6%	**2.0%**
wielkopolskie	0.6%	1.2%	2.3%	0.8%	0.6%	2.2%	**7.7%**	0.8%	1.6%	2.2%	0.8%	0.7%	2.4%	**8.5%**
zachodniopomorskie	0.2%	0.4%	0.7%	0.4%	0.4%	1.7%	**3.8%**	0.2%	0.5%	0.7%	0.4%	0.4%	1.8%	**4.0%**
Lithuania and Estonia	0.4%	1.6%	3.3%	1.1%	0.9%	1.5%	**8.8%**	0.3%	0.6%	1.2%	0.6%	0.8%	0.7%	**4.2%**
Latvia	0.0%	0.3%	0.9%	0.4%	0.4%	0.6%	**2.6%**	0.0%	0.4%	1.0%	0.5%	0.4%	0.6%	**2.9%**
Ukraine	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Norway	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	**0.0%**
Total	**6.1%**	**13.3%**	**25.2%**	**8.6%**	**7.2%**	**39.6%**	**100.0%**	**7.5%**	**15.4%**	**21.9%**	**8.3%**	**7.6%**	**39.3%**	**100.0%**

In addition, within the portfolio of the PZU Group's clients, we identify significant concentrations on high corporate risks which are subject to facultative reinsurance reducing possible net losses to acceptable levels, not threatening the PZU Group's financial stability.

With respect to credit and market risks, concentration of risk in the PZU Group is identified jointly at the level of groups, sectors of the economy and countries. The analysis covers exposures from the portfolio of assets of consolidated entities, PZU financial insurance and exposures of banking sector entities.

As at 31 December 2025, the following risk concentrations were identified with respect to the business segment, at the level of a percentage in the total amount of the analyzed exposure (taking into account the exposures from the portfolio of assets of consolidated entities, PZU financial insurance and exposures of banking sector entities):

Table 12. Industry concentration of PZU Group's exposure

Industry segment	31 December 2025	31 December 2024
Public administration and defense, compulsory social security	37.41%	34.75%
Manufacturing	12.66%	13.06%
Financial and insurance activities	11.43%	13.63%
Wholesale and retail trade services; repair services of motor vehicles and motorcycles	10.06%	10.20%
Real property activities	4.66%	4.91%
Professional, scientific and technical activity	4.51%	3.49%
Transportation and storage	3.47%	3.20%
Construction	3.29%	4.23%
Electricity, gas, steam, hot water and air conditioning supply	3.28%	3.37%
Information and communication	2.42%	2.27%
Mining and quarrying	1.01%	1.21%
Other sectors	5.80%	5.68%
Total	**100.00%**	**100.00%**

The PZU Group also identifies significant and particularly significant risk concentrations with respect to counterparties for which thresholds are set for significant concentrations at the lower of the following levels: 3% of the best estimate of liabilities or 10% of the PZU Group's SCR, and for particularly significant concentrations at the lower of the following levels: 6% of the best estimate of liabilities or 20% of the PZU Group's SCR. Significant concentrations are reported annually to the regulatory authority, while particularly significant concentrations – whenever a threshold is exceeded.

Within operational risk and other material risks, no risk concentration has been identified.

To meet the regulatory obligations imposed on groups identified as financial conglomerates, since 2020 the PZU Group has had in place a model to manage significant risk concentration in the PZU Group Financial Conglomerate, in keeping with the requirements of the Supplementary Supervision Act.

The PZU Group identifies, measures, monitors, reports and ultimately takes management actions concerning risk concentration in the dimensions specified in the decision of the regulator, as well as determined internally in the PZU Group Financial Conglomerate.
In particular, these dimensions concern:

- concentration per counterparty or group of counterparties;
- concentration per currency;
- concentration per economic sector;
- concentration per country;
- concentration per asset type.
- other dimensions specified in PZU Group's internal regulations.

Completing the risk concentration management stages within the dimensions specified above helps to ensure the financial stability of the PZU Group's Financial Conglomerate.

The risk concentration management process within the PZU Group's Financial Conglomerate involves two management levels:

- the PZU Group Financial Conglomerate level – ensuring that the PZU Group's Financial Conglomerate companies pursue their business objectives in a way that provides for financial stability at the level of the PZU Group's Financial Conglomerate and the respective companies belonging to the PZU Group's Financial Conglomerate;
- the regulated entity level – ensuring that the regulated entity pursue its business objectives in a safe manner appropriate to the scale of the risk involved.

The fundamental device to limit and control substantial risk concentration is the matrix of limits and thresholds.

C.1. Underwriting risk

Underwriting risk is the possibility of loss or of adverse change in the value of liabilities under the executed insurance agreements and insurance guarantee agreements, due to inadequate premium pricing and technical provisioning assumptions.

Underwriting risk

Risks in non-life insurance	Risk in life insurance	Risks in health insurance
Premium and reserve risk	Mortality risk	Underwriting risk in health insurance treated as non-life insurance
Catastrophe risk	Longevity risk	Underwriting risk in health insurance treated as life insurance
Lapse risk	Disability – morbidity risk	Catastrophe risk
	Lapse risk	
	Expense risk	
	Revision risk	
	Catastrophe risk	

C.1.1. Underwriting risk in non-life insurance

Premium and reserve risk

The possibility of loss or adverse change in the value of insurance liabilities:

- resulting from fluctuations in the occurrence, frequency and severity of insured events, as well as fluctuations in the timing and amount of claims and benefits payments (premium risk) or
- resulting from the risk of lack of coverage of current and future liabilities, resulting from insurance contracts and insurance guarantee contracts (reserve risk).

Catastrophe risk

Catastrophe risk – the risk of loss, or of adverse change in the value of insurance liabilities, resulting from the significant uncertainty of pricing and technical provisioning assumptions related to extreme or irregular events.

Lapse risk

The risk of loss or adverse change in the value of insurance liabilities, resulting from changes, trends or volatility of the lapse rates, policy lapses, redemptions and renewals.

Identification

Risk identification commences with an insurance product development process and continues until the expiry of the related liabilities. Underwriting risk in non-life insurance is identified by (among other things):

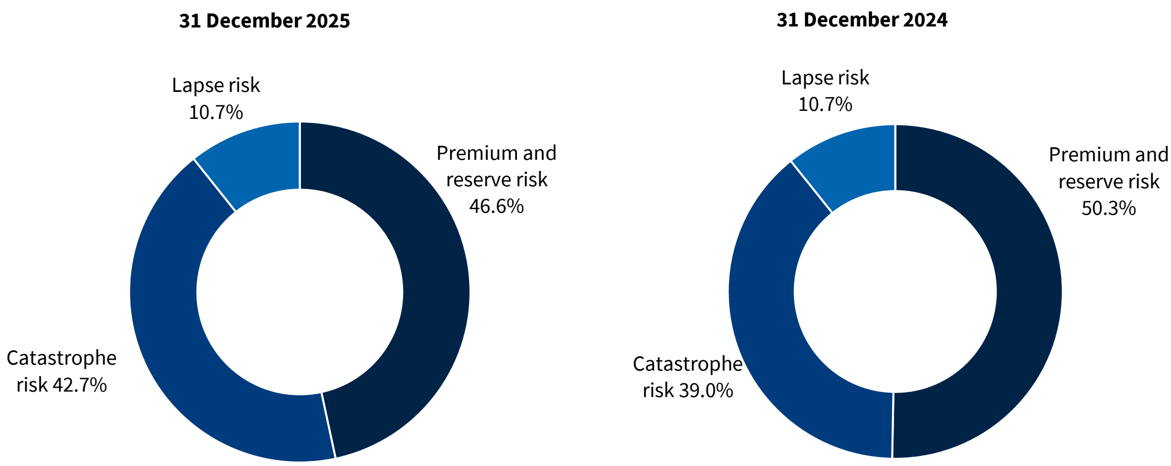
- analyzing the general terms and conditions of insurance with respect to the risk being undertaken and compliance with the generally binding legal regulations;
- analyzing the general terms and conditions of insurance or other model agreements with respect to the underwriting risk being undertaken on their basis;
- recognizing the potential risks related to a given product to measure and monitor them at a later time;
- analyzing the impact exerted by the introduction of new insurance products on capital requirements and risk margin computed using the standard formula;
- verifying and validating modifications to products;
- assessing underwriting risk through the prism of similar existing products;
- monitoring of existing product;
- analyzing the policy of underwriting, tariffs, provisions and reinsurance and the claims and benefits handling process.

Risk exposure

The SCR value is a measure used to assess the aggregated exposure to risk. As at 31 December 2025, non-life insurance risk was the most significant in the portfolio of the PZU Group, accounting for 45,1% of the basic solvency capital requirement before diversification.

The charts below present the share of each sub-module in underwriting risk in non-life insurance (without the diversification effect) as at 31 December 2025 and 31 December 2024.

Chart 24. Share of each sub-module in underwriting risk in non-life insurance (without the diversification effect)



In 2025, an increase was noted in underwriting risk in non-life insurance, primarily due to the increase in the capital requirement for catastrophe risk.

Reinsurance protection in the PZU Group secures insurance activity, limiting the consequences of the occurrence of catastrophe phenomena that could adversely affect the financial standing of PZU Group.

Table 13. Capital requirements for underwriting risk in non-life insurance

Sub-module name	Value (in PLN million)		Change 2025/2024		Comments
	31 December 2025	31 December 2024	(in PLN million)	%	
Premium and reserve risk	4,428	4,409	19	0%	The increase is mainly due to an increase in the planned earned premium over the following 12 months for insurance against fire and other damage to property.
Catastrophe risk	4,052	3,416	636	19%	The increase is mainly due to an increase in exposure to natural disasters and changes in the reinsurance program.
Lapse risk	1,016	941	75	8%	The increase is mainly due to a decrease in expected claims ratio in motor TPL insurance.
Diversification	(2,711)	(2,480)	(231)	9%	The effect of the above changes.
Underwriting risk in non-life insurance	**6,785**	**6,286**	**499**	**8%**	**The effect of the above changes.**

Measurement and assessment

The assessment of underwriting risk in non-life insurance consists in the identification of the degree of the risk or a group of risks that may lead to a loss, and in an analysis of risk elements in order to make an underwriting decision that results in a liability for the PZU Group.

The assessment process of underwriting risk in non-life insurance undergoes continual evolution designed to adapt the applied measures to the changing external environment, achieve more effective product profitability management and organizational changes and modify the product offering.

Underwriting risk in non-life insurance is measured using in particular:

- an analysis of selected ratios;
- the scenario method – an analysis of impairment arising from an assumed change in risk factors;
- the factor method – a simplified version of the scenario method, reduced to one scenario per risk factor;
- statistical data;
- exposure and sensitivity measures;
- application of the expertise of the Company's employees.

In the reporting period, no significant changes to the methods of assessing underwriting risk occurred, or to the assessment of this risk itself. For sensitivity analysis and stress test, see the main chapter.

Monitoring and control

Monitoring and controlling underwriting risk in non-life insurance involves a regular analysis of the level of risk and determining the degree of utilization of the established borderline values of underwriting risk tolerance and limits.

Reporting

The purpose of reporting is to engage in effective communication on underwriting risk in non-life insurance and to support management of this risk at various decision-making levels from an employee to the supervisory boards of PZU Group companies. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions

The management actions taken in the course of the underwriting risk management process in non-life insurance are performed in particular by the way of:

- defining tolerance for underwriting risk and monitoring it;
- business decisions and sales plans;
- calculation and monitoring of the adequacy of technical provisions;
- tariff strategy, monitoring of current estimates and assessment of the premium adequacy;
- the process of assessment, valuation and acceptance of underwriting risk;
- application of tools designed to mitigate underwriting risk, including in particular reinsurance and prevention.

Underwriting risk mitigation in non-life insurance is carried out in particular through the following activities:

- definition of the scope of liability in the general terms and conditions of insurance and other model agreements;
- co-insurance and reinsurance;
- application of an adequate tariff policy;
- application of the appropriate methodology for calculating technical provisions;
- application of an appropriate procedure to assess underwriting risk;
- application of the appropriate claims handling procedure;
- sales decisions and plans;
- prevention.

In the area of premium and reserve risk, the following actions are carried out:

- active monitoring of the combined ratio;
- an analysis of the impact of changes in the external environment on the statistical data used to calculate premiums and provisions;
- proactive monitoring of results achieved on individual products;
- a reinsurance program designed to mitigate potential financial losses resulting from an unexpected increase in loss ratio.

As regards catastrophe risk in non-life insurance, the following actions are carried out:

- monitoring of changes in portfolio exposure;
- monitoring of the reinsurance program’s volume and deductible, including potential modification thereof in order to mitigate losses resulting from catastrophe events;
- exposure map for non-life insurance;
- analysis of exposures to the risk of fire (in relation to the risk of fire within a 200 m radius);

- creation of a flooding risk model, to be used in a wide spectrum of business applications (including underwriting, tariff-setting) and a flooding exposure map.

C.1.2. Underwriting risk in life insurance

Mortality risk

The risk of loss or of adverse change in the value of insurance liabilities resulting from changes in the level of mortality rates, where an increase in mortality rates leads to an increase in the value of insurance company's liabilities.

Longevity risk

The risk of loss or of adverse change in the value of insurance liabilities resulting from changes in the level, trend changes or changes in the volatility of mortality rates, where a decrease in mortality rates leads to an increase in the value of insurance liabilities.

Disability – morbidity risk

The risk of loss or adverse change in the value of insurance liabilities, resulting from changes in the level of disability, bodily injury and morbidity rates.

Lapse risk

The risk of loss or adverse change in the value of insurance liabilities, resulting from changes in the level of trend changes or changes in the lapse rates, policy lapses, redemptions and renewals.

Expense risk

The risk of loss or adverse change in the value of insurance liabilities resulting from changes in the level, trend changes or changes in the volatility of the amount of expenditure incurred to handle insurance or reinsurance contracts.

Catastrophe risk

The risk of loss or adverse change in the value of insurance liabilities, resulting from the significant uncertainty of pricing and provisioning assumptions related to extreme or irregular events.

Identification

Risk identification commences with an insurance product development process and continues until the expiry of the related liabilities. Underwriting risk in life insurance is identified by (among other things):

- analyzing the general terms and conditions of insurance with respect to the risk being undertaken and compliance with the generally binding legal regulations;
- analyzing the general terms and conditions of insurance or other model agreements with respect to the underwriting risk being undertaken on their basis;
- recognizing the potential risks related to a given product to measure and monitor them at a later time;
- analyzing the impact exerted by the introduction of new insurance products on capital requirements and risk margin computed using the standard formula;
- verifying and validating modifications to products;
- assessing underwriting risk through the prism of similar existing products;
- monitoring of existing product;
- analyzing the policy of underwriting, tariffs, provisions, reinsurance and the claims and benefits handling process.

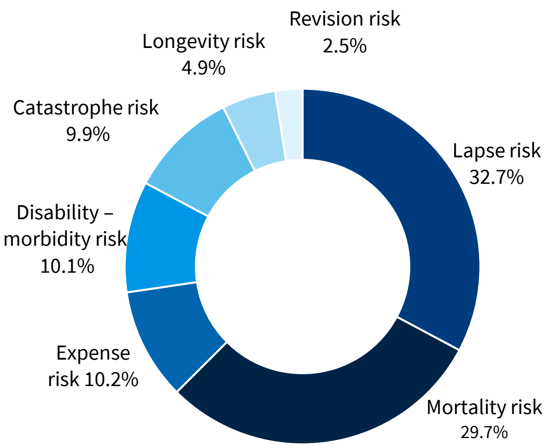
Risk exposure

The SCR value is a measure used to assess the aggregated exposure to risk. In 2025, there was an increase in underwriting risk in life insurance, resulting predominantly from the product portfolio development and changes in assumptions regarding claims ratio and future service costs.

The PZU Group does not identify any material risk concentration within underwriting risk in life insurance.

The following charts present the share of each sub-module in underwriting risk in life insurance (without the diversification effect) as at 31 December 2025 and 31 December 2024.

Chart 25. Share of individual sub-modules in underwriting risk of life insurance (without diversification effect)



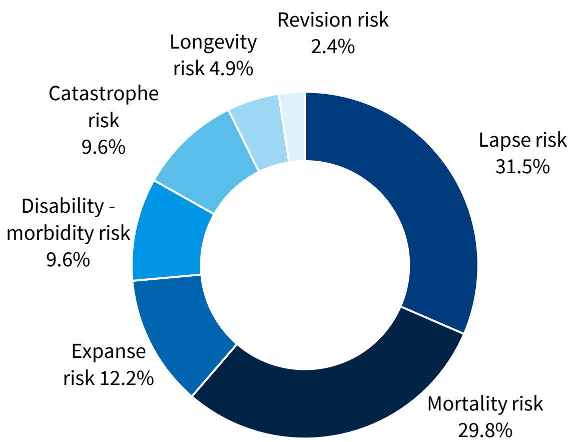
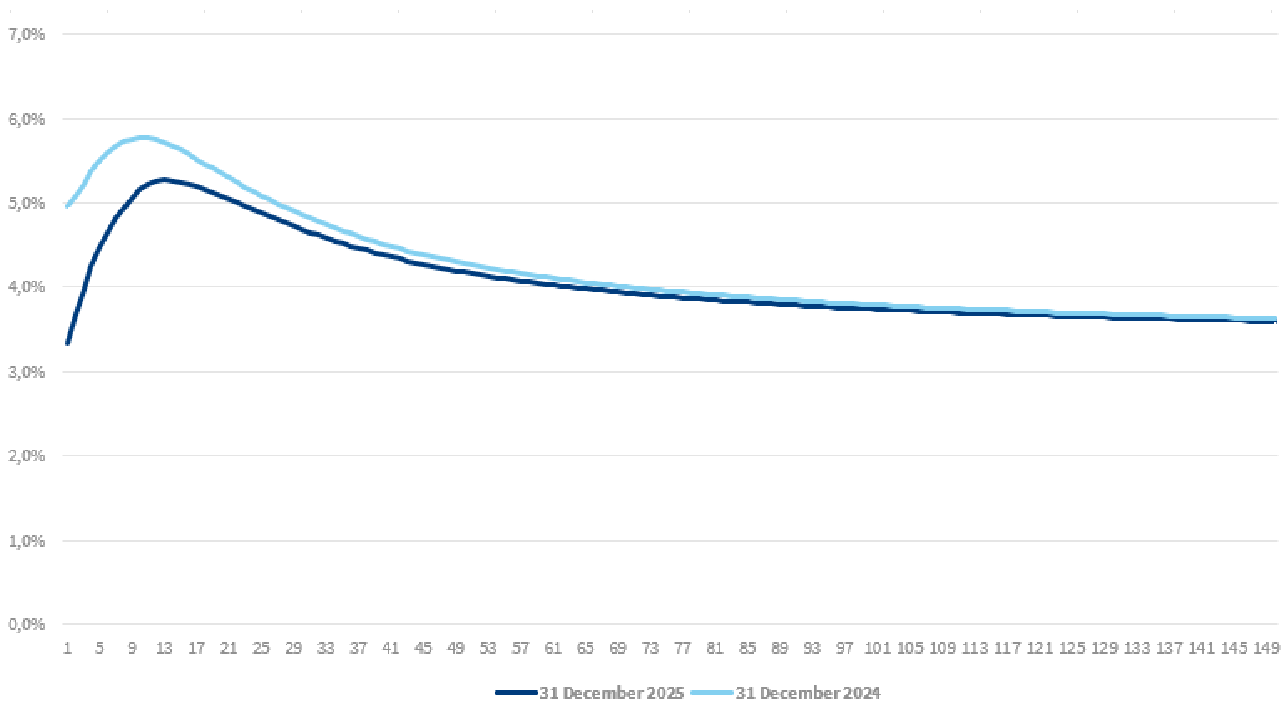


Table 14. Capital requirements for underwriting risk in life insurance

Sub-module name	Value (in PLN million)		Change 2025/2024		Comments
	31 December 2025	31 December 2024	(in PLN million)	%	
Mortality risk	1,422	1,338	84	6%	The increase is mainly due to changes in the interest rate curve published by EIOPA, a rise in the projected claims ratio, and the growth of the policy portfolio.
Longevity risk	234	218	16	7%	The increase is mainly due to a change in the interest rate curve published by EIOPA and an increase in the annuity provisions.
Disability – morbidity risk	484	430	54	13%	The increase is due to a higher projected claims ratio and the expansion of the policy portfolio resulting from new sales and the introduction of new products.
Lapse risk	1,570	1,413	157	11%	The increase is due to a higher number of profitable contracts, the termination of which leads to an increase in technical-provisions. It is also related to changes in assumptions regarding policy administration costs, the growth of the policy portfolio, and, in the case of unit-linked products, higher asset values.
Expense risk	486	549	(63)	(11%)	The decrease is due to changes in assumptions regarding policy administration costs, although this effect is partially offset by the growth of the policy portfolio and changes in the interest rate curve published by EIOPA.
Revision risk	118	109	9	8%	The increase is mainly due to a change in the interest rate curve published by EIOPA and an increase in the annuity provisions.
Catastrophe risk	472	429	43	10%	The increase is primarily due to the growth of the policy portfolio, as well as changes in the interest rate curve published by EIOPA.
Diversification	(1,954)	(1,817)	(137)	8%	The effect of the above changes.
Underwriting risk in life insurance	**2,832**	**2,669**	**163**	**6%**	**The effect of the above changes.**

The following chart shows the change in interest rates published by EIOPA.

Chart 26. RFR interest rates published by EIOPA



Measurement and assessment

The assessment of underwriting risk in life insurance consists in the identification of the degree of the risk or a group of risks that may lead to a loss, and in an analysis of risk elements in order to make an underwriting decision that results in a liability. The scope of granted insurance cover and the set amount of insurance premium should be taken into account while assessing underwriting risk in life insurance. The assessment of underwriting risk in life insurance refers to two basic types of insurance products – individual and group insurance. In the case of individual insurance products, the aim of assessing underwriting risk in life insurance is to reduce adverse selection, i.e. entering into insurance agreements by high-risk persons for whom the frequency of occurrence of insurable events (e.g. an accident, disease, disability or death) is higher than average, having no cash to pay for insurance costs or wanting to enter into an insurance agreement for an economically unjustified sum insured. The objective of assessing underwriting risk in life insurance in group insurance products is assessment of future loss ratio of the group and reduction of adverse selection, i.e. so that high-risk persons for whom the frequency rate of occurrence of insurable events exceeds the assumed level enter into insurance agreements.

The process of assessing underwriting risk in life insurance undergoes continual evolution designed to adapt the applied measures to the changing external environment, achieve more effective product profitability management and organizational changes and modify the product offering.

Underwriting risk in life insurance is measured using in particular:

- an analysis of selected ratios;
- the scenario method – an analysis of impairment arising from an assumed change in risk factors;
- the factor method – a simplified version of the scenario method, reduced to one scenario per risk factor;
- statistical data;
- exposure and sensitivity measures;
- application of the expertise of the Company's employees.

In the reporting period, no significant changes to the methods of assessing underwriting risk occurred, or to the assessment of this risk itself. For sensitivity analysis and stress test, see the main chapter.

Monitoring and control

Monitoring and controlling underwriting risk in life insurance involves a regular analysis of the level of risk and determining the degree of utilization of the established borderline values of underwriting risk tolerance and limits.

Reporting

The purpose of reporting is to engage in effective communication on underwriting risk in life insurance and to support management of this risk at various decision-making levels from an employee to the supervisory boards of PZU Group companies. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions

The management actions taken in the course of the management process for underwriting risk in life insurance are performed in particular by the way of:

- defining tolerance for underwriting risk and monitoring it;
- business decisions and sales plans;
- calculation and monitoring of the adequacy of technical provisions;
- tariff strategy, monitoring of current estimates and assessment of the premium adequacy;
- the process of assessment, valuation and acceptance of underwriting risk;
- application of tools designed to mitigate underwriting risk, including in particular reinsurance and prevention.

Underwriting risk mitigation in life insurance is carried out in particular through the following activities:

- definition of the scope of liability in the general terms and conditions of insurance;
- definition of the exclusion of liability in the general terms and conditions of insurance;
- reinsurance actions;
- application of an adequate tariff policy;
- application of the appropriate methodology for calculating technical provisions;
- application of an appropriate procedure to assess underwriting risk;
- application of a correct benefits handling procedure;

- sales decisions and plans;
- prevention.

C.1.3. Underwriting risk in health insurance

The process of managing underwriting risk in health insurance is analogous to the risk management processes in life and non-life insurance, depending on the nature of health insurance. Sales of health insurance products was not assigned to a separate distribution channel and is handled by separate sales networks of non-life and life insurance companies. In view of separate management models for health insurance products in non-life and life insurance companies and slight underwriting risk of health insurance, no separate risk management systems were distinguished for health insurance. Products similar in their properties to life insurance products are managed as life insurance, whereas other ones are managed as non-life insurance.

Risk exposure

The SCR value is a measure used to assess the aggregated exposure to risk. The table below shows capital requirements of the respective submodules of underwriting risk in health insurance, with comments and movement relative to the previous year.

Table 15. Capital requirements for underwriting risk in health insurance

Sub-module name	Value (in PLN million)		Change 2025/2024		Comments
	31 December 2025	31 December 2024	(in PLN million)	%	
Underwriting risk in health insurance treated as treated as life insurance	178	159	19	12%	The increase is due to changes in claims assumptions and the growth of the insurance policy portfolio.
Underwriting risk in health insurance treated as non-life insurance	373	319	54	17%	The increase is mainly due to an increase in the planned earned premium over the following 12 months, as well as the expected present value of premiums for the following 12 months under current contracts.
Catastrophe risk	67	56	11	20%	The increase mainly relates to the pandemic sub-module and is primarily driven by a rise in the average benefit amounts.
Diversification	(108)	(94)	(14)	15%	The effect of the above changes.
Underwriting risk in health insurance	**510**	**440**	**70**	**16%**	**The effect of the above changes.**

C.2. Market risk

Market risk is the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, credit spread, value of liabilities and financial instruments.

Market risk					
Interest rate risk	Equity risk	Credit spread risk	Currency risk	Property risk	Market risk concentration

Interest rate risk

The possibility of incurring a loss as a result of changes in the value of financial instruments or assets and a change in the present value of projected cash flows from liabilities, caused by changes in the term structure of market rates or in the volatility of risk-free market interest rates.

Equity risk

The possibility of incurring loss as a result of changes in the values of assets, liabilities and financial instruments caused by changes in the level or in the volatility of market prices of equities.

Credit spread risk

The possibility of incurring loss as a result of changes in the value of assets, liabilities and financial instruments, caused by changes in the level or in the volatility of credit spreads over the term structure of the interest rates on securities issued by the State Treasury.

Currency risk

The possibility of incurring loss as a result of changes in the value of assets, liabilities and financial instruments, caused by changes in the level or in the volatility of currency exchange rates.

Property risk

The possibility of incurring loss as a result of changes in the values of assets, liabilities and financial instruments caused by changes in the level or in the volatility of market prices of property.

Market risk concentration

The possibility of incurring loss stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers.

Identification

The identification of market risk involves recognizing the actual and potential sources of such risk. The process of identifying market risk associated with assets commences at the time of making a decision to start entering into transactions on a given type of financial instruments. Organizational structures in PZU Group companies that make the decision to commence transactions in a given type of financial instrument draw up a description of the instrument, containing, in particular, a description of the risk factors involved, and provide it to the risk cell, which proceeds with the identification and assessment of the market risk.

The process of market risk identification associated with insurance liabilities commences with the process of developing an insurance product and involves identification of the relationship between the cash flows generated by that product and the relevant market risk factors. The identified market risks are subject to assessment using the criterion of materiality, i.e. whether the materialization of risk entails a loss capable of affecting the financial condition of the relevant PZU Group company.

Risk exposure

The SCR value is a measure used to assess the aggregated exposure to risk. As at 31 December 2025, market risk accounted for 30.5% of the basic solvency requirement before diversification (compared to 30.2% as at 31 December 2024).

Within the market risk module, without the concentration risk, the respective submodules are spread relatively evenly.

The charts below present the share of each sub-module in market risk (without the diversification effect) as at 31 December 2025 and 31 December 2024.

Chart 27. Components of market risk sub-modules

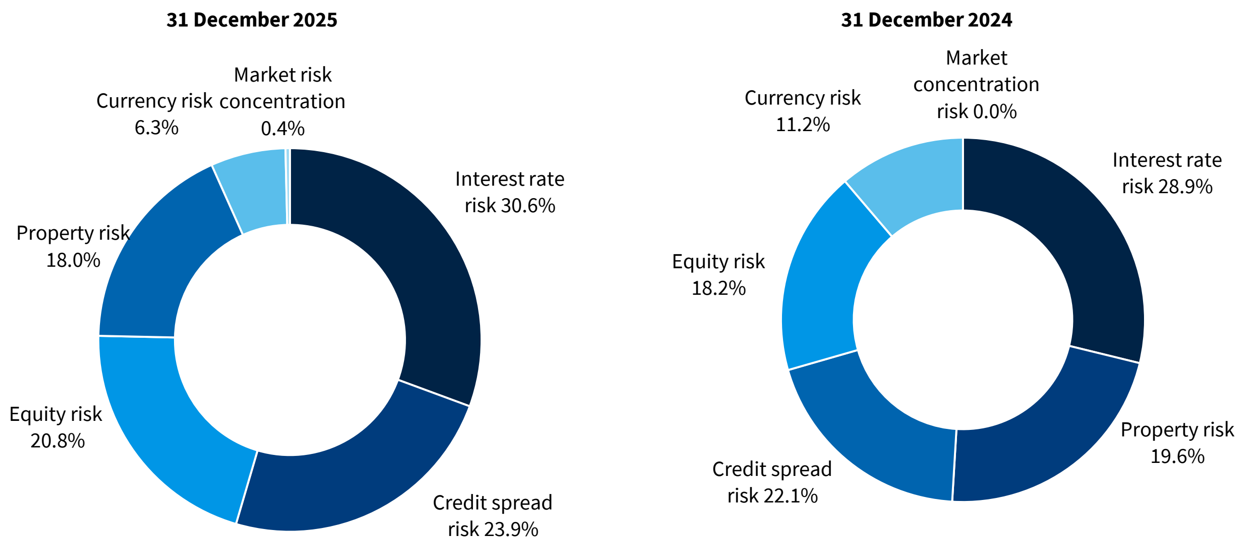


Table 16. Market risk sub-modules

Sub-module name	Value (in PLN million)		Change 2025/2024		Comments
	31 December 2025	31 December 2024	(in PLN million)	%	
Interest rate risk	2,130	1,855	275	15%	The increase is due to a change in the structure of the debt instrument portfolio.
Credit spread risk	1,664	1,424	240	17%	The increase is due to a change in the structure of the debt instrument portfolio.
Equity risk	1,447	1,172	275	23%	The increase is a consequence of a higher balance sheet valuation of equity-exposed assets, particularly type 2 assets, as well as changes in the symmetric adjustment parameter resulting from Solvency II regulations.
Property risk	1,249	1,262	(13)	(1%)	The change is due to a decrease in the carrying amount of the real property.
Currency risk	440	723	(283)	(39%)	The decrease in risk was primarily a consequence of a significant decline in the market value of assets and liabilities denominated in US dollars.
Market risk concentration	26	-	26	-	Risk arising from significant exposure to deposits placed with banks.
Diversification	(2,375)	(2,248)	(127)	6%	The effect of the above changes.
Market risk	**4,581**	**4,188**	**393**	**9%**	**The effect of the above changes.**

The increase in market risk in 2025 was mainly due to a higher capital requirement for interest rate risk, caused by a decline in interest rates published by EIOPA, an increase in the capital requirement for equity risk related to a 5% rise in the symmetric adjustment, and a higher credit spread risk resulting from investments in Polish sovereign bonds denominated in USD.

Measurement and assessment

Market risk is measured using the following risk measures:

- standard formula in accordance with the rules defined by SII Directive;
- exposure and sensitivity measures.

When measuring market risk, the following particular stages can be identified:

- collection of information on assets and liabilities that generate market risk;
- calculation of the value of the risk.

Risk is measured:

- daily – for exposure and sensitivity measures of the instruments in systems used by particular PZU Group companies;
- quarterly – based on the standard formula.

In 2025, the measurement of market risk using the Value at Risk (VaR) model was abandoned. In 2025, a regular process of risk monitoring and assessment was developed, in particular, the system of market risk measures was adjusted to guarantee an optimal level of information for participants in the investment process.

Monitoring and control

Market risk is monitored and controlled internally in the organizational units responsible for operational management of market risk and - in parallel - independently by the risk cell. Monitoring of market risk involves an analysis of the level of risk and of the utilization of the designated limits. The risk is monitored on a daily and monthly basis, in accordance with the defined limits.

Reporting

Reporting involves communicating the level of market risk, the effects of monitoring and control to various decision-making levels. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions

Management actions in respect of market risk involve in particular:

- transactions to mitigate market risk, i.e. buying or selling a financial instrument, closing a derivative, or purchasing a hedging derivative;
- diversification of the assets portfolio, in particular with respect to market risk categories, maturities of instruments, concentration of exposure in one entity, geographical concentration;
- setting market risk restrictions and limits.

The setting of limits is the main management tool for maintaining risk positions within acceptable risk tolerance levels. The structure of limits for the various categories of market risk and also for the various business units is established in such a manner that the limits are consistent with the risk profile and risk tolerance set by the management of each unit.

C.3. Credit risk

Credit risk is defined as risk of a loss or an adverse change in the financial standing to which the PZU Group is exposed, resulting from fluctuations in the trustworthiness and creditworthiness of securities issuers, business partners and all debtors, materializing through the counterparty's default on a liability or an increase in credit spread.

Credit risk		
Credit spread risk	Asset concentration risk	Counterparty default risk

Credit spread risk

The possibility of incurring loss as a result of changes in the value of assets, liabilities and financial instruments, caused by changes in the level or in the volatility of credit spreads over the term structure of the interest rates on securities issued by the State Treasury. Credit spread risk are regarded as an integral part of market risk when measuring risk for the purposes of risk profile, risk tolerance, and market risk ratio monitoring and reporting.

Asset concentration risk

The possibility of incurring loss stemming either from lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers. Asset concentration risk is regarded as an integral part of market risk when measuring risk for the purposes of risk profile, risk tolerance, and market risk ratio monitoring and reporting.

Counterparty default risk

The possibility of incurring a loss as a result of unexpected default of PZU Group's counterparties and debtors or deterioration of their credit rating.

Identification

Credit risk is identified at the stage of making a decision on an investment in a new type of financial instrument or on accepting credit exposure to a new entity. Such identification involves an analysis of whether the contemplated investment entails credit risk, what its level depends on and what its volatility over time is. Both actual and potential sources of credit risk are identified.

Risk exposure

As at 31 December 2025, counterparty default risk (CDR) was 2.2% of the total value of the PZU Group's SCR. Compared to 31 December 2024, the above percentage decreased by 0.1 p.p., while the capital requirement for counterparty default risk increased by 11%. The increase is mainly due to a higher balance sheet value of foreign currency derivatives, resulting from the strengthening of the Polish złoty against the US dollar.

Exposures to concentration risk and credit spread risk are discussed in the market risk section.

Measurement and assessment

Credit risk assessment consists of estimating the probability of realization of a specific risk and estimating the potential impact of its realization on the financial standing.

Credit risk is measured using:

- exposure measures (the amount of the gross and net credit exposure and maturity-weighted net credit exposure);
- capital requirement calculated using the standard formula.

In the reporting period, no significant changes to the methods of assessing credit risk occurred, or to the assessment of this risk itself.

Monitoring and control

Monitoring and control of credit risk involves an analysis of the current risk level, assessment of creditworthiness and calculation of the degree of utilization of existing limits. Such monitoring is performed, without limitation, on a daily, monthly and quarterly basis, for:

- credit exposure in investment portfolios;
- credit risk exposures in financial insurance;
- exposures to reinsurance;
- exposure limits;
- risk tolerance limits based on the values calculated using the standard formula.

Reporting

Reporting involves communicating the level of credit risk, the effects of monitoring and control to various decision-making levels. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions

Management actions in respect of credit risk in the insurance part of the PZU Group involve in particular:

- setting limits to curtail exposure to a single entity, group of entities, sectors or states;
- diversification of the portfolio of assets and financial insurance, especially with regard to state, sector;
- acceptance of collateral;
- execution of transactions serving the purpose of mitigation of credit risk, i.e. selling a financial instrument, closing a derivative, purchasing a hedging derivative, restructuring a debt;
- reinsurance of the financial insurance portfolio.

To mitigate credit risk, the banks in the PZU Group apply such restrictions as:

- limit of exposures to single entities or entities related by capital or organizational ties;

- limit of exposures to entities from the same industry, economic sector, conducting the same business activity or trading in similar commodities;
- limit of exposures to entities from the same voivodeship and particular countries or groups of countries;
- limit of exposures secured by the same collateral or secured by the same collateral supplier (including the risk following from collateral on securities of similar nature);
- limit of exposures in the same currency.

The structure of credit risk limits for each issuer is established such a manner that the limits are consistent with the risk profile and risk tolerance approved by the management boards of each PZU Group company. In the case of other exposures, credit risk concentration is mitigated by setting limits to reduce the exposure to single entities, groups of entities and credit limits for sectors and states other than Poland by appropriate committees.

Credit risk includes counterparty default risk, credit spread risk and asset concentration risk. In accordance with the requirements defined by the SII Directive, credit spread risk and concentration risk are included in the market risk module and the data for the capital requirement are presented there. In 2025, no significant changes were made to measurement methods of credit risk.

The PZU Group performs regular reviews of the set limits together with an analysis of concentration risk.

C.4. Liquidity risk

Financial liquidity risk means the possibility of losing the capacity to settle, on an ongoing basis, the PZU Group’s liabilities to its clients or business partners. Liquidity risk is managed separately for the insurance part and the banking part. The aim of the liquidity risk management system is to maintain the capacity of fulfilling the Company’s liabilities on an ongoing basis.

Identification

The liquidity risk identification involves analysis of the possibility of occurrence of unfavorable events, in particular:

- shortage of liquid cash to satisfy the current needs of the given PZU Group company;
- lack of liquidity of financial instruments held;
- the structural mismatch between the maturity of assets and liabilities.

Risk exposure

As at 31 December 2025, the main insurance companies of the PZU Group, that is PZU and PZU Życie, were in compliance with the requirements of liquidity stress tests, based on the VaR method, namely they maintained deposits with an adequate degree of liquidity at the required level, i.e. at a minimum of PLN 7.38 billion in the case of PZU and at a minimum of PLN 3.67 billion in the case of PZU Życie.

Measurement and assessment

In the insurance portion, risk measurement and assessment are carried out from the following perspectives:

- liquidity gaps (static, long-term financial liquidity risk) – by monitoring a mismatch of net cash flows resulting from insurance contracts executed until the balance sheet date and inflows from assets to cover insurance liabilities in each period, based on a projection of cash flows;

- potential shortage of financial funds (medium-term financial liquidity risk) – through analysis of historical and expected cash flows from the operating activity;
- stress tests (medium-term financial liquidity risk) – by estimating the impact of selling the portfolio of financial investments in a short period to satisfy liabilities arising from the occurrence of extraordinary insured events;
- current statements of estimates (short-term financial liquidity risk) – by monitoring demand for cash reported by other business units in the organizational structure of the given insurance undertaking from the PZU Group by the date defined in regulations which are in force in that unit.

The banks in the PZU Group employ the liquidity risk management metrics stemming from sector regulations, including Recommendation P issued by the KNF.

To manage the liquidity of the banks in the PZU Group, liquidity ratios are used for different periods ranging from 7 days, to a month, to 12 months and to above 12 months.

Within management of liquidity risk, banks in the PZU Group also perform analyses of the maturity profile over a longer term, depending to a large extent on the adopted assumptions about development of future cash flows connected with items of assets and equity and liabilities. The assumptions take into consideration:

- stability of equity and liabilities with indefinite maturities (e.g. current accounts, cancellations and renewals of deposits, level of their concentration);
- possibility of shortening the maturity period for specific items of assets (e.g. mortgage loans with an early repayment option);
- possibility of selling items of assets (liquidity portfolio).

The PZU Group does not estimate liquidity risk by taking into account the amount of expected profit from future premiums as referred to in Article 295(5) of the Delegated Regulation. The amount of expected profit from future premiums as at 31 December 2025 is PLN 3,878 million.

In the reporting period, no significant changes to the methods of assessing liquidity risk occurred, or to the assessment of this risk itself.

Monitoring and control

Monitoring and controlling financial liquidity risk involves analyzing the utilization of the defined limits.

Reporting

Reporting involves communicating the level of financial liquidity risk to various decision-making levels. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions

The following measures aim to reduce financial liquidity risk:

- maintaining cash in a separate liquidity portfolio at a level consistent with the limits for the portfolio value;
- maintaining sufficient cash in a foreign currency in portfolios of investments earmarked for satisfying insurance liabilities denominated in the given foreign currency;
- maintaining an appropriate level of liquid financial investments in the investment portfolio;

- provisions of the Agreement on managing portfolios of financial instruments entered into between TFI PZU and specific PZU Group companies regarding limitation of the time for withdrawing cash from the portfolios managed by TFI PZU to at most 3 days after a request for cash is filed;
- the possibility of performing sell-buy-back transactions on treasury securities, including those held until maturity;
- centralization of management of portfolios/funds by TFI PZU;
- liquidity ratio limits, deposit shares, interbank market transactions in banks belonging to the PZU Group.

C.5. Operational risk

Operational risk is the risk of suffering loss resulting from improper or erroneous internal processes, human activities, system failures or external events.

Operational risk			
Security risk	Legal risk	Personnel risk	ICT risk

Security risk

The risk of incurring a loss caused by disruption to business continuity of an entity or inadequate protection of its resources and information.

Legal risk

The risk of incurring a loss caused by:

- actions contrary to applicable laws, internal regulations or contractual obligations;
- changes in legislation;
- misinterpreting the law;
- erroneous or late adoption or failure to adopt internal regulations;
- erroneous formation of legal relationships;
- poor quality of formal and legal documentation;
- changes in case-law or unfavorable decisions by courts or other bodies in disputes with other entities.

Personnel risk

The risk of incurring a loss caused by:

- inadequate and ineffective personnel policies;
- lack of adequate human resources;
- human errors, including improperly designed and implemented processes.

ICT risk

Risk of loss associated with any reasonably identifiable circumstance of using network and information systems that, if materializes, could jeopardize the security of networks and information systems, any technology-dependent tool or process, the security of operations and processes or the provision of services by causing adverse effects in the digital or physical environment (includes cybersecurity risk).

Identification

Operational risk is identified in particular by:

- accumulation and analysis of information on operational risk incidents and the reasons for their occurrence;
- self-assessment of operational risk;
- scenario analysis.

Risk exposure

Based on an analysis of operational risk indicators in the following areas: security, human resources, ICT and law, the operational risk of the PZU Group was assessed as low. The capital requirement for operational risk amounted to PLN 1,060 million as at 31 December 2025 (an increase of PLN 59 million over the requirement as at 31 December 2024). No significant changes to the operational risk profile were found in the reporting period. The method of assessing operational risk did not change, either. Based on up-to-date knowledge, no material concentrations were identified in the area of operational risk in the present reporting period. Neither any grounds were identified that could indicate the possibility of such concentrations to appear in the future.

Measurement and assessment

Operational risk is measured and assessed by:

- calculating the effects of the occurrence of operational risk incidents;
- estimating the effects of possible occurrence of operational risk incidents.

During the reporting period, there were no significant changes in the measures for assessing operational risk at the Group level, nor in the assessment of this risk itself.

Monitoring and control

Monitoring and control of operational risk is performed mainly through an established system of operational risk indicators enabling assessment of changes in the level of operational risk over time and assessment of factors that affect the level of this risk in the business.

Reporting

Reporting involves communicating the level of operational risk, the effects of monitoring and control to various decision-making levels. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions

Management actions involving reactions to any identified and assessed operational risks involve, in particular:

- risk mitigation by taking actions aimed at minimizing risks, for instance by strengthening the internal control system;
- risk transfer – in particular, by entering into insurance agreements;
- risk avoidance by refraining from undertaking or withdrawing from a particular type of business in cases where too high a level of operational risk is ascertained and where the costs involved in risk mitigation are unreasonable;
- risk acceptance – approval of consequences of a possible realization of operational risk unless they threaten to exceed the operational risk tolerance level.

No significant changes to the operational risk profile of the PZU Group were found in the reporting period. No material concentrations were identified in the area of operational risk in the present reporting period. Neither any grounds were identified that could indicate the possibility of such concentrations to appear in the future.

C.6. Other significant risks

Other significant risks			
Compliance risk	Model risk	Competition risk	Business risk

The risk categories defined as material in the PZU Group's internal regulations include also the compliance risk and model risk. These risks are, by their nature, not included in the standard formula applied to calculate capital requirements. These risks are managed through ensuring adequate and effective control mechanisms, using appropriate organizational and procedural solutions. Taking into consideration the nature and distinct nature of the risks described in this part of the report, the requirements for stress testing and sensitivity analyses , are in principle not applicable to this scope of reporting.

C.6.1. Compliance risk

Compliance risk is understood as the risk that the PZU Group unit or persons acting on its behalf will suffer consequences, in particular legal sanctions, financial losses or loss of reputation, due to the occurrence of non-compliance or regulatory risk.

Identification

The identification and assessment of compliance risk is performed for each internal unit by their heads in accordance with the allocation of responsibility for reporting. In addition, the compliance units identify compliance risks based on its own activities and obtained information.

Risk exposure

In accordance with the PZU Group Compliance Policy, selected PZU Group's entities periodically provide information on the identification and assessment of compliance risks. In 2025, the assessment of compliance risks at PZU Group's entities, which takes into account information provided by these entities, as well as information obtained by the PZU Compliance Department as part of its compliance monitoring, was generally at a low level (excluding PZU Group banks, which are not covered by the aforementioned reporting).

Measurement and assessment

Compliance risk is assessed and measured by evaluating the implementation and application of legal regulations, standards of conduct and internal regulations, and assessing their materiality determining the effects of risk materialization:

- financial, resulting, without limitation, from administrative penalties, court judgments, contractual penalties and claims paid;
- non-financial and pertaining to a loss of reputation, including damage to the image and brand.

In the reporting period, no significant changes to the methods of assessing compliance risk occurred. Neither any significant concentrations of risks – because of nature of the described risks – were identified either..

Monitoring and control

Compliance risk is monitored, in particular, through:

- compliance analyses/checks;
- systemic analysis of the regular reports received from the Business Unit Managers;
- reviews and monitoring of regulatory requirements;
- participation in legislative work aimed at amending the existing laws of general application;
- performing diverse activities in industry organizations;
- coordination of external control processes;
- coordination of the implementation of disclosure obligations imposed by stock exchanges and legislation;
- monitoring of anti-monopoly jurisprudence and proceedings conducted by the President of UOKiK;
- reviewing the implementation of recommendations issued by the compliance units.

Reporting

Reporting involves reporting on the identification of non-compliance risk, and the effects of its monitoring and control. The frequency of each report and the scope of information provided therein are tailored to the information needs at each decision-making level.

Management actions

Management actions taken in response to the compliance risk comprise in particular:

- acceptance of risk;
- mitigation of risk, including adjustment of procedures and processes to regulatory requirements, issuing opinions and drafting internal regulations from the point of view of compliance, participating in the process of agreeing marketing activities;
- avoidance of the risk by preventing any involvement in activities that are out of compliance with the applicable regulatory requirements or best market practices or activities that may have an unfavorable impact on the entity's image.

C.6.2. Model risk

Model risk is defined as the risk of incurring financial losses, incorrectly estimating data reported to the regulatory authority, taking incorrect decision or losing reputation as a result of errors in the development, implementation or application of models. The identification and assessment process for this risk was implemented in PZU and PZU Życie to ensure high-quality practices for the management of this risk.

Identification

The process involves the regular identification of the models used in the areas covered by the Model Risk Management Policy. Identified models are assessed for materiality, where materiality is a feature of the model describing its significance and the processes in which it is used. The materiality assessment influences the scope of the actions performed and tools used in the process.

Risk exposure

At the end of 2025, the level of aggregate model risk (for all models combined at PZU and PZU Życie) was at an acceptable level from the perspective of the provisions of the Model Risk Management Policy.

Measurement and assessment

Risk measurement assessment is based on the results of independent model validations and model monitoring.

In the reporting period, no significant changes to the methods of assessing model risk occurred, or to the assessment of this risk itself.

Monitoring and control

Risk monitoring involves ongoing analysis of deviations from the adopted points of reference regarding the model risk (including verification of how recommendations are implemented, verification that the level of model risk is acceptable from the point of view of the provisions of the Model Risk Management Policy).

Reporting

Risk reporting involves communicating the process results on the appropriate management level, in particular results of risk monitoring, validation and measurement.

Management actions

Management actions aim to mitigate the model risk level. The actions can be active (e.g. recommendations resulting from completed validations) and passive (developing model and model risk management standards).

Model risk is very important for banking sector entities and therefore management of this risk is adapted to the requirements of Recommendation W issued by the KNF. Both banks have defined standards for the model risk management process, including the rules for developing models and evaluating the quality of their operation and have ensured appropriate corporate governance solutions.

C.6.3. Competition risk and business risk

Competition risk

A risk of market changes (conditions of competition) having an adverse impact on the entity, including competitors' actions aimed at taking over the sales entities (agents), competitors' actions aimed at taking over the clients, entity's failure to respond to client expectations, aggressive pricing policy.

Business risk

The possibility of incurring a loss or adverse change of the value of liabilities, associated with an incorrect business model, including related to a failure to attain the assumed and necessary economic objectives due to failure in market competition.

Identification

The process of identifying risks is carried out as part of the company's own risk and solvency assessment in the process of analyzing and identifying risks and identifying key risks. The PZU Group identifies and evaluates risks not designated as material in internal regulations. This process facilitates risk analysis in the medium-term and identification and assessment of emerging risks. It is performed for selected PZU Group's entities if the risks in these entities are assessed as potentially significant from the PZU Group's point of view.

Risk exposure

Following the last update of the risk assessment conducted in 2025, the risks were at a level assessed as acceptable according to the internal methodology.

Measurement and assessment

All identified risks are assessed from the perspective of frequency and severity of materialization (taking into account the financial severity and impact on reputation).

In the reporting period, no significant changes to the methods of assessing competition and business risks occurred, or to the assessment of these risks themselves.

Monitoring and control

This analysis is updated at least once a year.

Reporting

The results of the annual process, together with a report on the own risk and solvency assessment, are reported to the PZU Management Board. A summary of the top 10 risks is also presented to the PZU Supervisory Board.

Management actions

For each risk, the first-line defense units that own the risk indicate a list of management actions to be taken.

C.7. Additional information

There was no other relevant information in the risk profile that should be disclosed.

D. Valuation for solvency purposes

The chapter presents information on methods of valuing assets and liabilities in accordance with the rules of the SII System. Quantitative information on assets and liabilities measured in accordance with the SII system is included in form QRT S.02.01.02 which constitutes Attachment 6 to the Solvency and Financial Condition Report. The following tables present a comparison between the valuation of assets and liabilities established:

- in accordance with the rules used for valuation for the purposes of consolidated financial statements (according to the IFRS) – the column entitled “Amount from the consolidated financial statements”;
- and the value established for solvency purposes (column entitled “Amount according to Solvency II”).

The column entitled “Change in the scope of consolidation” presents changes in the value of individual items of assets and liabilities in the economic balance sheet compared to the values presented in the consolidated financial statements, resulting from the change in the scope of consolidation for the purposes of the economic balance sheet. The most significant element of this difference is the exclusion of assets and liabilities of the Pekao Group, Alior Bank Group, TFI PZU and PTE PZU, subject to consolidation by full method in the consolidated financial statements. In the economic balance sheet, the listed groups and units are measured applying the method of PZU Group’s proportional share in their own funds determined for solvency purposes according to the sectoral rules applicable to credit institutions, companies managing undertakings for collective investment in transferable securities and non-regulated entities carrying out financial activities. A detailed description of the consolidation differences is presented in section A.5.

The presentation adjustments in the column “Reclassification of items” primarily concern changes in the presentation of financial assets and settlements related to unit-linked insurance and the transfer of these assets and liabilities to “Assets for insurance, in which the benefit is determined on the basis of specified indices or other base values and values of insurance with a unit-linked fund”.

Table 17. Comparison of asset values from financial statements with Solvency II values

Assets as at 31 December 2025 (data in PLN million)	Value from the consolidated financial statements	Change in valuation rules	Reclassification of items	Change in the scope of consolidation	Solvency II value
Goodwill	2,816	(1,101)	-	(1,715)	-
Intangible assets	3,824	(945)	-	(2,879)	-
Deferred tax assets	2,134	(140)	-	(1,977)	17
Property, plant and equipment (tangible fixed assets) used for own needs	4,609	213	-	(3,175)	1,647
Investments (other than assets for insurance in which the benefit is determined on the basis of specified indices or other base values and values of insurance with a unit-linked fund)	234,566	(608)	(6,156)	(157,068)	70,734
Real property (other than used for own needs)	3,667	-	-	(3,094)	573
Shares in related entities, including equity interests	61	-	-	26,386	26,447
Shares and interests	2,438	-	(420)	(2,005)	13
Shares and interests – quoted	1,697	-	(420)	(1,267)	10
Shares and interests – unquoted	741	-	-	(738)	3
Debt securities	212,347	(608)	(1,084)	(169,624)	41,031
Government bonds	169,832	(609)	(1,032)	(127,967)	40,224
Corporate bonds	42,515	1	(52)	(41,657)	807

Assets as at 31 December 2025 (data in PLN million)	Value from the consolidated financial statements	Change in valuation rules	Reclassification of items	Change in the scope of consolidation	Solvency II value
Participation units and investment certificates in collective investment undertakings	7,104	-	(4,625)	(1,088)	1,391
Derivatives	7,540	-	-	(7,319)	221
Deposits other than cash equivalents	1,409	-	(27)	(324)	1,058
Assets for insurance, in which the benefit is determined on the basis of specified indices or other base values and values of insurance with a unit-linked fund.	-	-	6,157	138	6,295
Loans and mortgage-backed loans	261,873	21	-	(259,875)	2,019
Amounts due and payable from reinsurance agreements	3,952	(1,866)	-	(5)	2,081
Non-life insurance and health insurance treated as non-life insurance	3,705	(1,849)	-	(5)	1,851
Non-life insurance products (excluding health insurance)	3,653	(1,831)	-	(5)	1,817
Health insurance treated as non-life insurance	52	(18)	-	-	34
Life insurance and health insurance treated as life insurance, except for health insurance and the insurance in which a benefit is determined on the basis of specified indices or other underlying values and values of unit-linked life insurance	247	(17)	-	-	230
Health insurance treated as life insurance	-	(2)	-	-	(2)
Life insurance, except for health insurance and the insurance in which a benefit is determined on the basis of specified indices or other base values and unit-linked life insurance	247	(15)	-	-	232
Receivables from insurance and from insurance intermediaries	153	483	-	(2)	634
Outward reinsurance receivables	17	115	-	-	132
Other liabilities (trade liabilities, other than those from insurance activity)	4,510	-	12	(4,237)	285
Cash and cash equivalents	16,233	-	(5)	(15,701)	527
Other assets (not included in other items)	634	(25)	-	(405)	204
Total assets	**535,321**	**(3,853)**	**8**	**(446,901)**	**84,575**

Table 18. Comparison of liability values from financial statements with Solvency II values

Liabilities as at 31 December 2025 (data in PLN million)	Value from the consolidated financial statements	Change in valuation rules	Reclassification of items	Change in the scope of consolidation	Solvency II value
Technical provisions – non-life insurance	20,100	(2,488)	-	(396)	17,216
Technical provisions – non-life insurance (excluding health insurance)	19,388	(2,319)	-	(264)	16,805
Technical provisions calculated jointly[1) 6 706]	6,706	(6,535)	-	(171)	-
Best estimate	11,506	4,346	-	(84)	15,768
Risk margin[2)]	1,176	(130)	-	(9)	1,037
Technical provisions – health insurance (treated as non-life insurance)	712	(169)	-	(132)	411
Technical provisions calculated jointly[1)] 6 706	573	(441)	-	(132)	-
Best estimate	131	265	-	-	396
Risk margin[2)]	8	7	-	-	15
Technical provisions in life insurance (except for the insurance in which a benefit is determined on the basis of specified indices or other underlying values and unit-linked life insurance)	20,764	(6,878)	-	(320)	13,566
Technical provisions in health insurance (treated as life insurance)	92	(182)	-	-	(90)
Technical provisions calculated jointly[1)]	29	(29)	-	-	-
Best estimate	61	(183)	-	-	(122)
Risk margin[2)]	2	30	-	-	32
Technical provisions in life insurance (except for health insurance and the insurance in which a benefit is determined on the basis of specified indices or other underlying values and unit-linked life insurance)	20,672	(6,696)	-	(320)	13,656
Technical provisions calculated jointly[1) 3)]	10,699	(10,502)	-	(197)	-
Best estimate	8,065	4,567	-	(111)	12,521
Risk margin[2)]	1,908	(761)	-	(12)	1,135
Technical provisions – insurance in which a benefit is determined on the basis of specified indices or other base values and unit-linked life insurance	6,170	(316)	-	(10)	5,844
Technical provisions calculated jointly[1) 3)]	741	(399)	-	(13)	329
Best estimate	5,220	187	-	3	5,410
Risk margin[2)]	209	(104)	-	-	105
Other provisions (other than technical provisions)	2,982	(2)	-	(2,853)	127
Employee pension benefit liabilities	365	-	-	(323)	42
Deferred tax liabilities	3,767	965	97	(61)	4,768
Derivatives	6,148	-	-	(6,142)	6
Liabilities to credit institutions	7,813	-	(4)	(7,548)	261
Financial liabilities other than liabilities to credit institutions	375,089	-	-	(374,446)	643
Insurance liabilities and liabilities to insurance intermediaries	729	(4)	(19)	12	718
Outward reinsurance liabilities	-	18	-	-	18
Other liabilities (trade liabilities, other than those from insurance activity)	8,528	(3)	(85)	(7,558)	882
Subordinated liabilities included in basic own funds	7,951	21	-	(5,642)	2,330

Liabilities as at 31 December 2025 (data in PLN million)	Value from the consolidated financial statements	Change in valuation rules	Reclassification of items	Change in the scope of consolidation	Solvency II value
Other liabilities (not included in other items)	2,262	582	19	(1,534)	1,329
Total liabilities	**462,668**	**(8,105)**	**8**	**(406,821)**	**47,750**

[1)] The column “Value from the consolidated financial statements” presents the LRC and CSM values, which are components of insurance contract liabilities determined for financial reporting purposes under IFRS.

[2)] The column “Value from the consolidated financial statements” presents the risk adjustment for non-financial risks, as included in the liabilities under insurance contracts determined for IFRS financial statements, equivalent to the risk margin determined for solvency purposes.

[3)] The column "Value from the consolidated financial statements" presents investment contracts valued under IFRS 9..

D.1. Assets

Assets for solvency purposes are measured at fair value. The following table sets forth the grounds, methods and major assumptions used in valuing assets, and in the case of differences between the measurement for the purposes of reporting compliant with IFRS and the valuation for SII system purposes, a qualitative description of the significant differences between these measurements.

Table 19. Description of the grounds, methods and major assumptions used in the valuation for solvency purposes and differences to the valuation for statutory reporting purposes

Assets	Description of the grounds, methods and major assumptions used in the valuation for solvency purposes and differences to the valuation for the purposes of reporting compliant with IFRS
Goodwill and intangible assets	For solvency purposes, goodwill and intangible assets are measured at zero. According to IFRS, goodwill is recognized in the amount of the surplus of the fair value of the payment as at the acquisition date, the value of all non-controlling interests and the fair value of the stake in the equity of the acquired entity before obtaining control over the net fair value of acquired assets and assumed liabilities as at the acquisition date. According to IFRS, intangible assets are measured at purchase prices or production costs less amortization charges and impairment losses.
Real property	For the solvency purposes, the fair value of real property is determined using the alternative measurement method, described in section D.4. According to IFRS, Property, some real estate is measured at purchase price or production cost less depreciation and impairment losses. The right-of-use assets are measured in compliance with IFRS 16, i.e. using the cost less depreciation charges and impairment losses or at fair value (in the case of assets being investment properties). Right-of-use assets are depreciated using the straight-line method from the lease commencement date to the earlier of the end of the useful life or the end of the lease period.
Shares in related entities, including equity interests	On the basis of Article 335 and the hierarchy set forth in Article 13 of the Delegated Regulation: • Equities held in related parties which are credit institutions, companies managing undertakings for collective investment in transferable securities and non-regulated entities carrying out financial activities are recognized by applying the method of proportional share in such undertakings’ own funds calculated according to the relevant sectoral rules; • Equities in related parties not quoted on active markets are measured using the adjusted equity method. The adjusted equity method requires measurement of equity interests held in related parties based on the share held in the related entity’s surplus of assets over liabilities. When calculating a surplus of assets over liabilities for related parties, particular assets and liabilities of the given entity are measured in accordance with the principles of the SII system. • Participation units in mutual funds which the PZU Group classifies as participation units in subordinated entities are measured using values of participation units or investment certificates published by the mutual fund management companies. The difference between values according to IFRS and measurement for solvency purposes follows from different methods of recognition in the balance sheet. According to IFRS, subsidiaries are subject

Assets	Description of the grounds, methods and major assumptions used in the valuation for solvency purposes and differences to the valuation for the purposes of reporting compliant with IFRS
	to consolidation whereas associates are measured using the equity method. The scope of consolidation for the purposes of the economic balance sheet is limited in comparison with the consolidated financial statements. Subordinated entities that are not consolidated in the economic balance sheet are measured at fair value using the adjusted equity method or the method of proportional share in such undertakings' own funds. Detailed information on the method of measurement applied to each subordinated entity according to the rules of the SII system is presented in item A.5.
Quoted shares and interests	Both for solvency purposes and under IFRS, the fair value is considered to be the closing price as at the balance sheet date.
Debt securities, loans	Fair values of debt securities are determined on the basis of quotations publicly available on an active market and if there are no such quotations – valuations published by an authorized information service; and if there are no such quotations either – using valuation models containing references to published price quotations of the underlying financial instruments, interest rates and stock exchange indices. The PZU Group conducts an internal review of the valuations published by the authorized information service comparing them to the valuations available from other sources based on data which can be observed on the market. The fair value of debt securities for which an active market does not exist and of loans is measured using the alternative measurement method described in section D.4. The difference between valuation according to IFRS and valuation for solvency purposes follows from different methods of measuring instruments valued according to IFRS at amortized cost, taking into account allowances for the possible credit losses, taking into account the allowance for expected credit losses that, for the purposes of the economic balance sheet, are measured at fair value.
Participation units and investment certificates in collective investment undertakings	Both for solvency purposes and under IFRS, the fair values of units and investment certificates of mutual funds are determined according to the values of participation titles and investment certificates published by mutual fund management companies or entities managing undertakings for collective investment.
Derivatives	Both for solvency purposes and under IFRS, for derivatives quoted on an active market, the fair value is considered to be the closing price as at the balance sheet date. The fair value of derivatives not quoted on an active market, including forward contracts and interest rate swaps (IRS) is measured using the alternative measurement method described in section D.4.
Deposits other than cash equivalents	The fair value of deposits is measured using the alternative measurement method described in section D.4. The difference between values according to IFRS and measurement for solvency purposes follows from different methods of valuation. According to IFRS, the aforementioned instruments are valued at amortized cost including expected credit losses, and for the purposes of the economic balance sheet they are valued at fair value.

Assets	Description of the grounds, methods and major assumptions used in the valuation for solvency purposes and differences to the valuation for the purposes of reporting compliant with IFRS
Assets for insurance, in which the benefit is determined on the basis of specified indices or other base values and values of insurance with a unit-linked fund.	Fair value measurement is calculated following similar rules to those for financial instruments held by the PZU Group at its own risk.
Amounts due and payable from reinsurance agreements	For the purposes of the economic balance sheet, amounts due and payable under reinsurance contracts are determined on the basis of the gross best estimate (discounted future cash flows resulting from liabilities under insurance contracts) and assignment indicators, according to relevant reinsurance contracts. According to IFRS, reinsurance agreement assets include all expected payments from and to reinsurers, corresponding to payments already made by the PZU Group to the insured or by the insured to the PZU Group, while for solvency purposes, these payments are presented separately from amounts due and payable from reinsurance agreements – as liabilities and receivables from outward reinsurance. In addition, for insurance agreement assets, there are differences to the amounts due from reinsurance agreements, the same as those indicated for the insurance contract business described in section D.2
Receivables from insurance and from insurance intermediaries	The fair value for solvency purposes has been measured using the alternative measurement method described in section D.4. Insurance and intermediary receivables include receivables from policyholders for past due premiums (including inward reinsurance), receivables from insurance intermediaries and other insurance receivables that are not included in technical provisions. Due and future premium installments are taken into consideration when defining the best estimate as cash flows – inflows. This item includes some receivables that are included in the measurement of insurance contract assets and liabilities in the consolidated financial statements prepared as per IFRS. According to the SII system, they are not part of the best estimate of technical provisions.
Other liabilities (trade liabilities, other than those from insurance activity)	For solvency purposes, the fair value of other receivables has been measured using the alternative measurement method described in section D.4. According to IFRS, receivables are measured at amounts due, taking into account allowances for expected credit losses.
Cash and cash equivalents	For solvency purposes, cash and cash equivalents are measured at nominal value plus accrued interest, where appropriate. According to IFRS, cash and cash equivalents are valued at nominal value.
Other assets (not included in other items)	Other assets mainly consist of accrued receivables calculated using the alternative measurement method described in section D.4. According to IFRS, accrued receivables are measured at amounts due, taking into account allowances for expected credit losses.

Assessment criteria for an active market

The basic method of valuing assets and liabilities is at quoted market prices in active markets for the same assets or liabilities.

When the application of the basic method is not possible, assets and liabilities are valued using market prices quoted in active markets for similar assets and liabilities, with adjustments to reflect existing differences due to factors specific to the asset or liability.

Whether a financial instrument is quoted on an active market is determined at the moment of establishing the carrying amount of the instrument on the date ending the calendar year based on data about the number and trading volume of transactions executed on the instrument in the calendar month preceding the last month of the year. The analysis is performed on a set of data collected from the Bloomberg system, including information about transactions executed in the period. These rules are not applicable to instruments admitted for trading on the Treasury Bond Spot market, with respect to which it is recognized that they are listed on an active market on account of the criterion specified below.

A given instrument is considered to be quoted on an active market if:

- the available data on the number and volume of transactions – from at least one of the markets , specified in the following paragraph, make it possible to conclude that transactions were executed with sufficient frequency and volume, or
- regulations in force on one of the markets referred to in the next paragraph impose on selected participants the requirement to present quotations, based on which the fixing rate is set by the market's arranger on each day of the last month of the year.

An analysis of the activity of markets is based on information coming from the markets on which a transaction might be executed involving the sale of the instrument in regular circumstances. In particular, these include the following markets:

- markets on which transactions have already been executed, or
- markets dedicated to trading in debt securities or
- the biggest markets among the markets of a given country, or
- intermediary markets where reliable price quotes from interested buyers and sellers are available, as published by that market or by an Authorized Information Service (for example, as the BGN rate), or
- global markets earmarked for institutional clients.

Changes to the bases used for recognition, measurement or estimates in the reporting period

In the reporting period, there were no material changes to the principles of recognition, measurement or estimates with regard to measurement of assets.

D.2. Technical provisions

Technical provisions for solvency purposes consist of the best estimate and the risk margin or are determined on the basis of a reliably determined total market value of financial instruments that reflect future cash flows related to liabilities arising from executed insurance contracts, in compliance with Article 225 of the Insurance Activity Act.

The value of technical provisions, including the amount of the best estimate and the risk margin, broken down by lines of business as of 31 December 2025, along with comparable data as of 31 December 2024, is presented in the following tables.

Table 20. Technical provisions by business line for non-life insurance along with a comparison to liabilities (less assets) under insurance contracts, according to IFRS as at 31 December 2025:

Line of business	Line no.	Solvency II			IFRS [1]		
		Gross best estimate – provisions for unearned premiums	Gross best estimate – provisions for claims and benefits	Risk margin	PAA – LRC	Estimated present value of the future cash flows – LIC	Risk adjustment for non-financial risk
Medical expense insurance	1, 13	93	20	4	77	20	1
Income protection insurance	2, 14	168	115	11	364	111	7
Motor vehicle third party liability insurance	4, 16	2,040	5,501	472	2,167	5,187	219
Other motor insurance	5, 17	1,591	781	92	1,957	786	53
Marine, aviation and transport insurance	6, 18	(10)	138	20	149	141	28
Insurance against fire and other damage to property	7, 19	275	2,039	281	1,382	2,008	327
General TPL insurance	8, 20	99	1,849	120	350	2,064	228
Credit and suretyship insurance	9, 21	85	22	9	155	34	(3)
Legal protection cost insurance	10, 22	-	6	-	5	6	1
Assistance insurance	11, 23	148	113	18	291	114	7
Insurance of various financial losses	12, 24	(16)	1,077	12	80	1,076	307
Non-proportional reinsurance of other casualty insurance	26	(2)	6	7	-	3	-
Non-proportional reinsurance of non-life insurance	28	(5)	31	6	(1)	3	-
Total non-life insurance liabilities		**4,466**	**11,698**	**1,052**	**6,976**	**11,553**	**1,175**

[1] the column presents data as per the scope of consolidation according to Solvency II (among other things, excluding data of PZU Ukraine under Article 389 of the Insurance Activity Act).

Table 21. Technical provisions by business line for non-life insurance along with a comparison to liabilities (less assets) under insurance contracts, according to IFRS as at 31 December 2024:

Line of business	Line no.	Solvency II			IFRS [1)]		
		Gross best estimate – provisions for unearned premiums	Gross best estimate – provisions for claims and benefits	Risk margin	PAA – LRC	Estimated present value of the future cash flows – LIC	Risk adjustment for non-financial risk
Medical expense insurance	1, 13	64	16	4	56	16	1
Income protection insurance	2, 14	176	103	9	380	101	7
Motor vehicle third party liability insurance	4, 16	2,116	5,627	466	2,300	5,344	230
Other motor insurance	5, 17	1,581	718	92	2,003	726	49
Marine, aviation and transport insurance	6, 18	21	78	11	175	78	12
Insurance against fire and other damage to property	7, 19	151	1,963	242	1,331	1,960	253
General TPL insurance	8, 20	121	1,707	104	369	1,904	222
Credit and suretyship insurance	9, 21	100	24	9	154	38	3
Legal protection cost insurance	10, 22	1	6	-	3	6	1
Assistance insurance	11, 23	143	102	18	270	104	6
Insurance of various financial losses	12, 24	(110)	1,228	14	130	1,227	88
Non-proportional reinsurance of other casualty insurance	26	(1)	1	6	-	-	-
Non-proportional reinsurance of marine, aviation and transport insurance	27	(1)	-	-	-	-	-
Non-proportional reinsurance of non-life insurance	28	(2)	52	5	(1)	31	1
Total non-life insurance liabilities		**4,360**	**11,625**	**980**	**7,170**	**11,535**	**873**

[1)] the column presents data as per the scope of consolidation according to Solvency II (among other things, excluding data of PZU Ukraine under Article 389 of the Insurance Activity Act).

Table 22. Technical provisions by business line for life insurance along with a comparison to liabilities (less assets) under insurance contracts, according to IFRS as at 31 December 2025:

Line of business	Line no.	Solvency II			IFRS [1]			
		Technical provisions calculated jointly	Gross best estimate	Risk margin	Estimated present value of the future cash flows	Risk adjustment for non-financial risk	CSM	Investment contracts [2]
Health insurance	29	-	(122)	32	61	2	29	-
Insurance with profit participation	30	-	1,504	167	1,163	277	954	-
Index-linked insurance and unit-linked insurance	31	329	5,410	105	5,223	209	336	392
Other life insurance	32	-	6,802	819	2,700	1,180	8,654	894
Annuities from insurance contracts other than life insurance contracts and connected with insurance liabilities other than health insurance liabilities	34	-	4,215	140	4,091	439	-	-
Inward reinsurance – annuities from insurance contracts other than life insurance contracts and connected with insurance liabilities other than health insurance liabilities	36	-	-	9	-	-	-	-
Total life insurance liabilities		**329**	**17,809**	**1,272**	**13,238**	**2,107**	**9,973**	**1,286**

[1] the column presents data as per the scope of consolidation according to Solvency II (also excluding data of PZU Ukraine Life under Article 389 of the Insurance Activity Act).
[2] investment contracts measured according to IFRS 9.

Table 23. Technical provisions by business line for life insurance along with a comparison to liabilities (less assets) under insurance contracts, according to IFRS as at 31 December 2024:

Line of business	Line no.	Solvency II			IFRS [1]			
		Technical provisions calculated jointly	Gross best estimate	Risk margin	Estimated present value of the future cash flows	Risk adjustment for non-financial risk	CSM	Investment contracts [2]
Health insurance	29	-	(153)	32	34	1	26	-
Insurance with profit participation	30	-	1,473	145	1,191	232	805	-
Index-linked insurance and unit-linked insurance	31	273	4,956	99	4,511	195	326	554
Other life insurance	32	-	6,200	828	2,878	1,133	7,739	608
Annuities from insurance contracts other than life insurance contracts and connected with insurance liabilities other than health insurance liabilities	34	-	3,895	127	3,799	385	-	-
Inward reinsurance – annuities from insurance contracts other than life insurance contracts and connected with insurance liabilities other than health insurance liabilities	36	-	-	8	-	-	-	-
Total life insurance liabilities		**273**	**16,371**	**1,239**	**12,413**	**1,946**	**8,896**	**1,162**

[1] the column presents data as per the scope of consolidation according to Solvency II (also excluding data of PZU Ukraine Life under Article 389 of the Insurance Activity Act).
[2] investment contracts measured according to IFRS 9.

The most important rules applicable to best estimate calculations are presented below. All the cash flows are discounted with the risk-free rate published by EIOPA, current as of the balance sheet date.

The risk margin is calculated in accordance with the assumptions set forth in Article 38 of the Delegated Regulation. The PZU Group uses simplification in its risk margin calculations. Simplifications are used to approximate the value of elements of the future capital requirements using the identified risk carriers. In the calculation of the risk margin for life insurance, a simplification is used for calculating sub-modules of future SCR values. The calculation is by risk module and product (it incorporates data by attribution year and scales accordingly for projection purposes). Each sub-module is scaled with the values of the drivers: best estimate, written premium, value of benefits or sum at risk (according to the factor with which they show the greatest correlation).

In the calculation for annuities, the simplification consists in applying the principle of proportion in the calculation of future SCR values for longevity risk. In addition, in non-life insurance, as well as in health insurance, the simplification applies to the planned premium from indirect business, disproportionate to the premium and reserve risk. Counterparty risk is also optimized. These simplifications mainly consist in replacing certain amounts by scaling with risk carriers.

Best estimate – non-life insurance

The best estimate is determined by discounting the projected cash flows with the risk-free rate curve published by EIOPA.

The main assumption made for defining the best estimate is the adequacy of historical experience for the purposes of anticipating the future. The table below presents the grounds, methods and major assumptions used when measuring assets for solvency purposes for the most significant lines of business.

Table 24. Grounds, methods and major assumptions applied for the measurement for solvency purposes in the case of the most significant business lines in non-life insurance

Line of business	Description of the grounds, methods and major assumptions used for measurement
4 (Motor vehicle third party liability insurance) and 5 (Other motor insurance)	Cash flows are determined for claims provisions on the basis of claims triangles while using standard underwriting methods such as the chain ladder. When determining the premium flows, the projected lapse rate and the anticipated loss and cost ratio are taken into account. The cash flows also include outstanding premium receivables, adjusted in accordance with historical receivable collection indicators.

The uncertainty of the best estimate follows for the most part from the fact that the forecast flows may diverge, perhaps significantly, from the historical trends. Some of the divergences may be random in nature (e.g. the occurrence of large claims), while other may result from changes to the (business, economic, legal, etc.), environment or changes to the procedures of handling liabilities. Additional uncertainty is connected with a long term of performing third party liability insurance liabilities, especially provisions for annuities, where the discount effect is particularly significant. When it comes to estimating the general damages for dismemberment, the uncertainty attached to this estimate is relatively high because of the limited historical data for such claims. The uncertainty refers in particular to the degree of permanent dismemberment of the injured party, the group of entitled persons and the very amount of general damages.

In calculating the best estimate, no simplifications are applied.

Best estimate – life insurance

The value of the best estimate of liabilities is determined as an expected present value of future cash flows, with the application of a relevant risk-free interest rate term structure.

Contract boundary

Forecasts of cash flows used to calculate the best estimate of liabilities take into consideration all the proceeds and expenditures required to settle insurance liabilities for all of their term. Proceeds include all the premiums guaranteed in agreements, but voluntary premiums are not taken into account.In the case of unit-linked insurance, the contract boundary presented in the “KNF Office’s position on the contract boundary for determining insurance or reinsurance obligations” is used for measurement purposes. A forecast of expenditures includes both expenditures resulting from future events as well as benefit payments resulting from past events which are not regulated as at the measurement date of the best estimate of liabilities.

Measurement methods

Cash flows resulting from past events include liabilities resulting from events not reported or paid until the measurement date. The liabilities are subsumed under claims provisions as at the measurement date, while the cash flows resulting from them are forecast for the purpose of determining the best estimate in accordance with the predicted dates of benefit payouts.

The cash flows used to calculate the best estimate of liabilities also include liabilities captured in provisions for premiums, discounts and insurer profit-sharing, as well as the litigation provision. These cash flows, depending on the nature of the liability may be recognized in cash flows arising from past events (e.g. premiums in employee group insurance where bonuses are paid) or in cash flows arising from future events (e.g. premiums in unit-linked insurance where bonus units are incorporated into ordinary fund units after certain conditions are satisfied). Cash flows resulting from these liabilities are forecast in accordance with the predicted payout dates.

Cash flow forecasts resulting from future events are prepared for each product (or product group) separately, using appropriate models reflecting the special character of the product and its characteristics, adjusted to the nature and complexity of risks present in the product. Within the forecasts for individual products, the best estimate is determined separately for individual contracts or groups of contracts constituting homogeneous risk groups, taking into account the best assumptions based on the assessment of current and past observations (best estimate assumptions).

Cash flows resulting from future events are determined in a deterministic manner, based on a forecast of the number of agreements (insureds) remaining in the portfolio in consecutive calendar months (this forecast is done with assumed levels of lapse, mortality and longevity) and a forecast of events causing the payout of benefits or change in the status of agreements. Below, the manner in which individual components of cash flows are determined is presented:

- insurance premiums are determined on the basis of the number of agreements forecast in each month and the average premium, taking into account the assumed indexation factor and deadlines for premium payment. For products whose design provides for such flows, the value of premiums includes premium refunds for the unused insurance period in the case of cancellation;
- the benefits are the sum of benefits from individual insurable events (whether terminating an insurance contract or not) and, depending on the benefit type, may be determined as:
    - the product of the number of events giving rise to the payout of benefits and the amount of benefit for a selected risk (in particular, this refers to deaths, surrenders and cases of reaching the endowment age);
    - the product of the sum insured for the risk and the average loss ratio (most often where the insurable event does not result in agreement termination);
    - the product of the premium for the risk and the average loss ratio;
- costs and commissions consist of:
    - costs of service that are the product of unit costs for the given product and the number of the insured, taking into account cost inflation, claims handling expenses being the product of unit costs for claims handling under a given product and the appropriate carrier for the product (number of deaths or number of insured persons), taking into account cost inflation;
    - contributions to the KNF, PIU and the Financial Ombudsman, additional costs on the whole portfolio which are not included in the unit cost (including a flat-rate fee for aftersales service) if the product structure provides for such payments, and asset management costs for unit-linked products, calculated as the product of the values of funds and the management fee indicator;
    - commissions calculated as the product of the commission coefficient and the gross written premium as well as additional commissions (including sales bonuses) if the product structure provides for such payments;
- other proceeds – partial reimbursements of management fees in unit-linked insurance with funds managed by third parties (‘kick-back’) and commission refunds (‘clawback’) in protection bancassurance with single premium payment in connection with premature agreement termination.

Cash flows are discounted monthly, assuming that the flow occurs at the end of the month, based on the term interest rate structure published by EIOPA at the balance sheet date.

The adopted method of deterministic forecast of continued progress of the contract is based on best estimate assumptions and the resulting financial cash flow forecast , while applying an appropriate interest rate term structure leads to taking into account the value of money over time and finding the best estimate as the expected present average value of future cash flows.

Deterministic best estimate calculations of liabilities are based on a single economic scenario. Such a scenario does not show, however, the complete impact that the options and financial guarantees in insurance contracts have on the best estimate of liabilities. These options may contribute to the asymmetry between the values of future cash flows in "beneficial" and "detrimental" economic scenarios. In the case of PZU Group, such a situation occurs in traditional insurance products, since they feature the profit-sharing right (option/insurance guarantee).

In order to capture this effect in the measurement, the deterministic best estimate of liabilities should be supplemented by the time value of options and guarantees (TVOG). This measurement is calculated as the difference between the best estimate calculated on the basis of several scenarios generated in the stochastic model and the best estimate obtained in the deterministic model.

Simplifications used

It should be noted, however, that, in distinct lines of business, forecasts of future cash flows are determined taking into account certain simplifications which may refer to the adopted assumptions about the occurrence of future events and costs and may also refer to the modeling method itself:

- in the case of renewable protection insurance products, in particular in the case of group employee insurance, cash flows are determined for each contract covering a group of policyholders. For each of the groups in the given product, the forecast cash flows are determined collectively based on the current number of the insureds, average guaranteed benefits and premiums, and average probabilities of occurrence of insurable events or average loss ratio on the product group.
  In the case of group whole-life contracts, which are an insubstantial part of the portfolio, policies are modeled for the period up to the next contract anniversary. In addition, for all contracts, the assumption is made of a monthly premium payment, regardless of the actual method of payment. These simplifications, because of the short-term nature of the contracts but also because of the scale of the portfolio of employee group insurance, do not lead to any deformations of the results of the forecasts at the level of the entire portfolio;
- in the case of riders to individually continued insurance agreements in the event of lapses of policies with other than monthly premium payment frequency, lapses are not modeled in each month of the forecast. Total lapses for the entire period for which the premium is paid are modeled for these policies in the last month of the period. Commissions are included in the cost of service and presented on an aggregate basis as cost of service. Also here, considering the scale of the contracts and their short-term nature, such simplifications do not lead to deformations of the results of the whole forecast;
- applying in all cases of individual continuation contracts the assumption that all policyholders were born exactly in the middle of the year. Details on co-insureds are not accepted for forecasts based on specific information on the insured and his/her family (since such data are not available), but through probability of having co-insureds shared by people of a given age and gender. Fixed age difference between the insured and co-insureds is assumed (where the difference depends on the insured's gender). The forecasts do not address directly the possibility of renewing the insurance (at a specific date, provided that past due premiums are paid), however the effect of renewals is captured in forecasts by using the renewals to adjust the lapse ratio. In older insurance types, where the possibility of continuation by a widow actually exists, it is not modeled. Additionally, in the case of lapses of policies with non-monthly premium payment frequency, the refunds of the unused portion of the premium are not modeled. The simplifications as applied do not lead to distortions in the results of the entire forecast;
- the forecasts for unit-linked insurance assume that all policies begin at the beginning and end at the end of the month, even though, in some products, a policy may begin in the course of a month. Also, the possibility of changing the premium payment frequency is not taken into account. The model assumes commissions on the basis of technical plans and provisioning guidelines rather than actual commission levels. When forecasting riders to unit-linked insurance, the assumed lapse and mortality ratios are the same as the ones for the base agreements. Additionally, forecasts for unit-linked insurance with profit-sharing assume that each insured will elect the maximum indexation rate and do not

consider the possibility of future switches to funded insurance or the possibility of suspending premium payments for 6 months; The simplifications as applied do not lead to distortions in the results of the entire forecast;

- the forecasts for protection bancassurance products assume that all policies begin at the beginning and end at the end of the month, even though, in some products, a policy may begin in the course of a month. Also, some cost or commission elements that are determined for the portfolio as a whole are stated in the projection in the amount that ensures the portfolio balance for the product will be maintained in the future at the level from the measurement date. The simplifications as applied do not lead to distortions in the results of the entire forecast;
- in the case of health products, the forecast cash flows are determined in aggregate for a group of policyholders under a given contract and risk based on the current number of the policyholders, average guaranteed benefits and premiums, and average probabilities of occurrence of insurable events or average loss ratio on the product. At the same time, for all contracts, the assumption is made of a monthly premium payment, regardless of the actual method of payment. Considering the short-term nature of the contracts, such a simplification does not lead to deformations of the results of the whole forecast;
- for old-portfolio annuities, the option for the widow/widower to take over payment of 60% of the annuity value upon the death of the insured is not modeled. Considering the insignificant share of annuities taken over by the widowed spouse (16 annuities in the portfolio), this simplification does not lead to distortions in the forecast results for the entire portfolio;
- in the case of unit-linked products, the transfer of money between funds is not modeled and the management fees and kick-back fees are calculated for the level of exposure in funds on the forecast commencement date. The simplifications as applied do not lead to distortions in the results of the entire forecast;
- in the case of a flexible product, for the health risk of the co-insured, the data (age, sex) used are the same as for the main insured. This simplification does not lead to distortion in the results of the entire forecast;
- the simplifications also include:
    - the assumption that the maximum age of an insured is 101 (the assumption is that an insured dies immediately when he/she reaches 101 years of age);
    - the waiting period is not taken into account;
    - an assumption for determining a discounted value is that a cash flow occurs at the end of the month, even though cash flows, depending on the cash flow type and the product can be made at the beginning, at the end or during the month;
    - making common assumptions about mortality for the individual age and gender groups for similar products if there is no mortality experience for each product separately with such an accurate breakdown;
    - making common assumptions at the portfolio level on the loss ratio for a given risk if actual experience is not sufficient to make assumptions for specific sub-groups (e.g. age/gender).

The above simplifications do not lead to distortions in the results of the entire forecast.

According to the analyses and estimates carried out so far, the time value of options and guarantees (TVOG) depends mainly on the interest rate term structure. For profit-sharing insurance other than individual life insurance and endowment insurance with bonuses PZU Perspektywa na Przyszłość, the value of TVOG is low due to good security of future benefits with existing assets, reducing the reinvestment volume and thus the uncertainty of future rates of return, as well as the very manner in which the insured participate by the annual indexation of sums insured and premiums. The TVOG value for these products was finally omitted as immaterial from the results of the measurement of the best estimate of liabilities.

In the case of line of business no. 34 (annuities from insurance contracts other than life insurance contracts and connected with insurance liabilities other than health insurance liabilities), cash flows are determined individually for each annuity recipient based on his/her demographic features, the up-to-date annuity amount and selected features that are significant from the perspective of forecasting the annuity increase. Annuity increase is forecast based on historical data, using stochastic models. For the calculation, life expectancy tables from Statistics Poland (GUS) current as of the balance sheet date are taken.

Qualitative description of material differences between measurement for solvency purposes and measurement according to IFRS

The grounds, methods and assumptions applied to the measurement of technical provisions for the solvency purposes according to the SII system do not differ to a material extent from the grounds, methods or assumptions applied to the measurement of these provisions for the purposes of the consolidated financial statements. Differences to the amounts of technical provisions result from different measurement rules for specific items of provisions according to the SII system and IFRS.

Depending on the reporting regime, there is a different level of aggregation of contracts for measurement purposes. For IFRS 17 reporting, the PZU Group identifies portfolios of insurance contracts that are subject to similar risks and are managed jointly. Units of account are then separated within the portfolios, and they cover a group of contracts that were concluded no more than one year apart and have a certain level of profitability. In contrast, as per Solvency II Directive, contracts are aggregated into homogeneous risk groups, which are assigned to defined business lines.

Non-life insurance

What contributes to these differences is, among others, the fact that the values of provisions for unearned premiums as per SII system are best estimates, while values as per IFRS 17 are calculated based on the premium allocation approach.

The following table summarizes the most important differences in the rules of measuring provisions for solvency purposes according to the SII system and for the purposes of the consolidated financial statements.

Table 25. The most important differences in the rules of measuring provisions in non-life insurance for solvency purposes according to the SII system and for the purposes of the consolidated financial statements

Technical provisions according to the SII system	Technical provisions according to IFRS
• Provision for unearned premiums is reduced by the future profit. • Both claims provision and premium provision are subject to discounting. • Overheads are included. • Risk margin is based on the cost of capital method.	• Provision for unearned premiums includes the future profit. • The claims portion of the provisions is discounted, while the premium portion is not discounted. • Only this portion of overheads which is attributable to insurance contracts is covered. • Adjustment for non-financial risk with regard to claims provision is determined using stochastic modeling of cash flows. Unlike the risk margin, the adjustment does not include the general operational risk, and the level of parameters used to determine it is not imposed by regulations.

Life insurance

The differences in the amount of provisions for Solvency II and provisions calculated for the consolidated financial statements are due to the inclusion of contractual service margin ("CSM") in the provisions for the consolidated financial statements and differences in the methodologies adopted for the measurement of the best estimate and the estimated present value of future cash flows, respectively.

In life insurance, provisions as per IFRS 17 are measured, assuming a long boundary for insurance riders (the boundaries of insurance riders are equal to the corresponding boundaries in the main contract), i.e., with future renewals taken into account. For the purposes of the best estimate in the SII system, renewals are not included in the measurement. In particular, this applies to other life insurance and insurance with participation features.

In insurance where the benefit is determined based on certain indexes or other underlying values and in unit-linked insurance, the IFRS17 measurement takes into account cash flows from expected future premiums (cash flows at the contract boundary), as opposed to the Solvency II approach.

There are differences in cost assumptions between the two approaches, resulting in different nominal values for cash flows. For the Solvency II purposes, all expenses that will be incurred in servicing insurance and reinsurance liabilities are taken into account when determining the value of technical provisions. According to IFRS 17, the measurement includes only these expenses which are classified as expenses allocable to a group of insurance contracts.

In the case of best estimate in the SII system, the discount is determined each time on the basis of the current term interest rate structure published by EIOPA. For the present value measurement under IFRS17 for certain product groups, these rates are increased by an illiquidity premium. This applies, in particular, to other life insurance.

Some products in life insurance do not meet the definition of an insurance contract under IFRS 17 and are consequently recognized in the consolidated financial statements as investment contracts under IFRS 9. Liabilities under investment contracts are recognized at the fair value of assets covering the liabilities of the unit-linked fund associated with the relevant contract or at the present value of expected future cash flows (in the case of contracts with guaranteed and fixed terms).

The risk adjustment for non-financial risks is a counterpart of the risk margin (being part of the technical provisions determined for solvency purposes) in insurance contract liabilities determined for IFRS financial statements. In the case of life insurance, the methodology for determining the two items is similar, as it is based on the cost of capital method, where cash flows are used to determine provisions. The discrepancies between the values of the risk margin and the risk adjustment for non-financial risk are mainly due to the differences as described above regarding the methodologies for determining provisions under Solvency II and IFRS 17. The capital cost rate applied under IFRS is not mandated and may differ from the rate prescribed by SII requirements. In addition, a curve that takes into account the illiquidity premium is used to calculate the risk adjustment for non-financial risk for selected portfolios.

The difference between the technical provisions determined for solvency purposes and specified in this report and the IFRS 17 provisions is mostly due to the inclusion of contract margins in the IFRS 17 liabilities and differences in the methodologies for determining the present value of cash flows (best estimate and present value of cash flows), which also translate into differences between the risk margin and risk adjustment for non-financial risk.

Differences in the valuation of annuity reserves from non-life insurance contracts are primarily due to the discount rates used to discount expected cash flows. For solvency purposes, risk-free interest rates were applied, whereas for IFRS 17 valuation, these rates were adjusted for an illiquidity premium.

Matching adjustment, volatility adjustment, transitional risk-free interest rate term structure, transitional deductions

As at 31 December 2025, neither the matching adjustment referred to in Article 227 of the Insurance Activity Act, the volatility adjustment mentioned in Article 229 of the Insurance Activity Act, transitional risk-free interest rate term structure mentioned in Article 496 of the Insurance Activity Act , nor the transitional deduction mentioned in Article 497 of the Insurance Activity Act were applied.

The amounts due under reinsurance treaties and from special-purpose vehicles (special-purpose entities).

The amounts due and payable under reinsurance contracts are determined on the basis of the gross best estimate and assignment indicators, according to relevant reinsurance contracts. The amounts due and payable under reinsurance contracts also include future cash flows of premiums and reinsurance commissions, measured according to according to relevant reinsurance contracts. The amounts due and payable from reinsurers are adjusted for the probability of the reinsurer’s bankruptcy. Reinsurance contracts are executed with companies with a sufficiently high rating (in most cases, at least A-). The PZU Group does not execute agreements with special purpose vehicles that which would result in the emergence of receivables on that account.

Changes to assumptions adopted for calculating technical provisions as compared to the previous reporting period

Non-life insurance

With regard to economic assumptions, in 2025, the risk-free rates published by EIOPA applied for discounting cash flows were changed. In the SFCR report for 2025, the best estimate of annuities in the PZU Group's Polish insurance companies used the life expectancy tables from Statistics Poland (GUS) current as of the balance sheet date. No other material changes were made to non-economic assumptions.

Life insurance

Significant changes to assumptions adopted for calculating technical provisions for solvency purposes in 2025 as compared to the previous reporting period pertained to economic assumptions as well as other-than-economic assumptions. The non-economic assumptions are determined using appropriate methods, on the basis of individual assessments for each product, relying on complete and comparable data that allow analysis of trends in homogeneous risk groups. The assumptions are established based on the best knowledge available as of the date of their assessment. The change results from the assessment and update of assumptions conducted in 2025. With regard to the economic assumptions used to calculate technical provisions for solvency purposes, changes were in the rates of return and discount. The effect of changes in non-economic assumptions was mainly due to changes in:

- cost assumptions – the decrease in the best estimate was mainly for continued insurance, profit-sharing insurance and other unit-linked insurance, which was due to the long forecast period. The decrease was mainly due to lower unit administration costs, while cost inflation remained at a similar level year over year. The lower unit administration costs for individually continued insurance policies result from better alignment of assumptions with the actual costs incurred during the projection period, based on conclusions drawn from a retrospective review of past assumptions.

  In particular, it relates to a broader consideration of historical data and observed trends;
- indexation assumptions – the decrease in the best estimate resulted from an increase in the expected indexation factors in individual continuation contracts, where it is possible for policyholders to index their insurance amounts for a predetermined premium;
- lapse assumptions – the decrease in the best estimate mainly affected continued insurance policies, other unit-linked contracts, with-profit and non-profit policies, and resulted from both updates to projected lapse rates and the assumed survival rates in pension products with an undefined coverage period;
- accident rate and morbidity assumptions – the increase in the best estimate was mainly in continued insurance;
- assumptions about mortality – the increase in the best estimate was mainly in employee group insurance.

D.3. Other liabilities

Liabilities for solvency purposes are measured at fair value and the table below presents the grounds, methods and major assumptions used when measuring liabilities and the differences to measurement for IFRS reporting purposes.

Table 26. Grounds, methods and major assumptions applied for the measurement of liabilities and the differences to measurement for statutory reporting

Liabilities	Description of the grounds, methods and major assumptions used in the valuation for solvency purposes and differences to the valuation for the purposes of reporting compliant with IFRS
Other provisions (other than technical provisions) and pension benefit liabilities payable to employees	Due to the absence of an active market, the fair value of other provisions is calculated as the expected present value of anticipated cash flows in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". The value of the provision for unused vacation time is recognized in accordance with IAS 19 "Employee Benefits" on an accrual basis. The costs of retirement severance pay and post-mortem benefits estimated using underwriting methods are recognized on an accrual basis in accordance with IAS 19 by applying the forecast specific entitlements method. Provisions for retirement severance pay and post-mortem benefits are estimated using underwriting methods by applying appropriate underwriting techniques and assumptions (discount rates, mortality rates, anticipated wage growth rate, employee turnover rate and disability rate). No differences from the measurement according to the IFRS.
Deferred tax liabilities	The amount of deferred tax liabilities is calculated using the balance sheet method, as a positive temporary difference between the amounts of balance sheet items recognized and measured in accordance with the rules set forth in the Insurance Activity Act and the Delegated Regulation and the amounts of balance sheet items according to the valuation for tax purposes taking into account the CIT rates, which are expected to apply when the liability is realized. In the economic balance sheet, deferred tax liabilities and assets are presented after compensation on the level of individual units subject to consolidation (on a net basis).
Derivatives	Both for solvency purposes and under IFRS, derivatives are measured , as described in section D.1. Negative measurement is presented as liability.
Insurance liabilities and liabilities to insurance intermediaries and other liabilities (trade, other than those from insurance activity, liabilities not recognized in other items)	Fair value is measured using the alternative measurement method described in section D.4. Insurance and intermediary liabilities show liabilities to policyholders (including inward reinsurance), insurance companies and other entities related to insurance business that are not included in technical provisions. Other liabilities (not included in other items) cover, among other things, accrued payroll expenses and bonuses for employees, prepayments from business partners, other deferred revenue, as well as the negative value of shares in subordinated entities calculated using the adjusted equity method described in section D.1. These items include some liabilities that are included in the measurement of insurance contract assets and liabilities in the consolidated financial statements prepared as per IFRS. According to the SII system, they are not part of the best estimate of technical provisions.
Financial liabilities and subordinated liabilities	Fair value is determined using the alternative measurement method as described in section D.4, excluding liabilities under lease agreements, which are measured according to IFRS 16. The difference between the IFRS value and the measurement for solvency purposes of subordinated and financial liabilities, excluding lease liabilities, is due to the different measurement method. According to the IFRS, these liabilities are measured at amortized cost, while for the purposes of the economic balance sheet, they are measured at fair value but without adjusting their own credit spread at the date the liability is incurred.

Sources of the deferred tax liability

The PZU Group sets off deferred tax assets and liabilities for each business unit (tax group) comprising the PZU Group separately. Deferred tax assets carried in the PZU Group's balance sheet constitute the sum of deferred tax assets of the business units for which deductible temporary differences and tax losses to be settled in the coming years are higher than taxable temporary differences. For the purposes of calculating the PZU Group's own funds, a full set-off of deferred tax assets and liabilities is performed, regardless of the business unit to which such assets and liabilities pertain. Analysis of recoverability of deferred tax assets is performed on the basis of forecast future tax flows.

The following table presents the sources of deferred tax assets and liabilities after setting off negative and positive taxable temporary differences as at 31 December 2025.

The decisive part of the temporary differences follows from overestimating medium- and long-term financial assets and technical provisions.

Table 27. Sources of the deferred tax liability

Sources of the deferred tax assets and liabilities	Amount of the deferred tax assets and liabilities (in PLN million)
Financial instruments	1,456
Property, plant and equipment and intangible assets	(186)
Real property	71
Other provisions and accruals and deferred income	(212)
Technical provisions	3,519
Tax losses to be used in subsequent years	(2)
Other differences	105
Deferred tax liability for the purpose of calculation of own funds, total	**4,751**
Deferred tax assets carried in the balance sheet	**(17)**
Deferred tax liability carried in the balance sheet	**4,768**

The nature of duties, expected schedule of outflow of economic benefits, uncertainty and the manner of taking into consideration of the risk of measurement deviation

On 30 June 2017, PZU issued subordinated bonds with a total nominal value of PLN 2,250 million. The redemption date for the bonds is 29 July 2027.

Parameters of outstanding bonds:

Table 28. Main parameters of subordinated bonds

Parameter	Value
Total nominal value of the bonds	PLN 2,250 million
Nominal value and issue price of one bond	PLN 100,000
Final maturity	29 July 2027
Interest rate	WIBOR 6M + 1.80% margin
Interest payment days	29 January and 29 July each year, from 29 January 2018 until 29 July 2027
Security	None

The bonds are not in the form of documents and are registered in the securities depository maintained by Krajowy Depozyt Papierów Wartościowych SA [National Depository for Securities] and listed in alternative trading systems run by BondSpot SA and the Warsaw Stock Exchange. As at 31 December 2025, the carrying amount of subordinated bonds according to IFRS was PLN 2,309 million, while their fair value was PLN 2,330 million.

The risk measure is taken into consideration in the model for measuring fair value. For the above items, the basis point value (BPV) is calculated which is a measure of sensitivity to a change of interest rates. The BPV measures how much the value of an asset/a liability will change when the interest rate changes by 1 basis point.

Changes to the bases used for recognition, measurement or estimates in the reporting period

During the reporting period, there were no significant changes to the principles of recognition and measurement of liabilities other than technical provisions.

D.4. Alternative measurement methods

The assets and liabilities to which alternative measurement methods apply along with the justification for applying such methods are presented in the following table.

Table 29. Description of the alternative measurement method along with the justification for its application

Assets and liabilities measured using the alternative method	Description of the alternative measurement method along with the justification for its application
Real property	Due to the absence of an active market, real properties are valued by licensed property appraisers in accordance with generally applicable provisions of law and applicable professional standards, in most cases using the comparative method or the income method. The acceptance of each completed measurement is additionally subjected to the assessment of compliance with the order by PZU Group employees to eliminate any potential typographical or accounting errors. Any concerns arising during the process are clarified on an ongoing basis with the author of the appraisal report or opinion.
Debt securities, loans	The fair value of borrowings and debt securities for which an active market does not exist is measured based on the discounted cash flow method. Discount rates are determined on the basis of the risk-free curve shifted in parallel by the individual credit spread. It is calculated on a calibration date, which is the date of the most recent issue or market transaction or each day of the averaging period of the spreads calculated from the most recent market transaction data. For loans and non-listed bonds discount rates are determined based on the risk-free curve, the quoted sector spread for issuers with similar ratings and operating in similar industries, and the individual credit spread determined on the date of the agreement or modification thereof. For fixed-rate debt instruments, the risk-free curve is the discount curve built from government instruments in the currency in question, and for floating-rate debt instruments, the curve built from derivatives for the currency and the corresponding tenor.
Derivatives	The fair value of derivatives not quoted on an active market, including forward contracts and IRS (interest rate swap) contracts is measured using the discounted future cash flow method. For the discounting of cash flows, interest rates are used from the yield curves assigned to the relevant type of financial instrument and currency, shaped on the basis of available market data. The fair value of an option is measured as the expected value of the option payoff function discounted as at the measurement date (it is measured by Monte Carlo modeling).
Deposits	Due to the absence of an active market, the fair value of long-term deposits is measured as the value of discounted cash flows resulting from the terms of executed deposit agreements. For discounting, a base curve is used adjusted for the credit spread quantifying the credit risk of counterparty banks with which long-term deposit agreements have been entered into in the relevant period. For each currency of the deposits, an appropriate discount curve is used. For a given currency of the deposit, discount curves are used specific to the counterparty bank in which the deposit has been made. For short-term deposits, the interest rate corresponds to: WIBOR 6M, EURIBOR or USD SOFR depending on the currency.
Participation units and investment certificates in collective investment undertakings	Due to the absence of an active market participation titles and investment certificates are measured using prices published by mutual fund companies or entities managing undertakings for collective investment determined on the basis of net asset value of the funds measured in accordance with the accounting principle for funds. As at the date of preparation of the statements, the prices published by mutual fund companies were verified with the audited financial statements of the funds. The

Assets and liabilities measured using the alternative method	Description of the alternative measurement method along with the justification for its application
	measurement of participation units issued by subsidiary funds is subject to adjustment in cases where the fund's assets are not presented at fair value in the fund's financial statements and the difference between the fair value and the valuation amount in the fund's financial statements is significant.
Receivables on insurance and from insurance intermediaries, other receivables (trade receivables other than those from insurance accounts activity).	Due to the absence of an active market, receivables on insurance and from insurance intermediaries and other receivables are measured using the discounted cash flow method. The valuation of these receivables is based on historical analysis of the receivables payment ratio, while the projected cash flows are discounted using the current market discount rate announced by EIOPA. Due to the higher rate of collecting receivables in the first several months of debt recovery, the impact of the discount effect is insignificant for the calculation of their fair value.
Pension benefit liabilities payable to employees and other provisions (other than technical provisions) measured using underwriting methods.	As there is no active market, the value of other provisions for solvency purposes is determined at the expected present value of anticipated cash flows. Provisions for retirement severance pay and post-mortem benefits are estimated using underwriting methods by applying appropriate underwriting techniques and assumptions (discount rates, mortality rates, anticipated wage growth rate, employee turnover rate and disability rate).
Subordinated liabilities	The fair value of subordinated liabilities is determined using the discounted cash flow method. Such liabilities are measured based on credit spread in relation to a risk-free curve, calculated in such a way that the instrument price at the issue date resulting from the model equals the issue price. In accordance with the measurement rules for liabilities in the SII System, the own credit spread calculated in the above manner is not subsequently changed.
Insurance liabilities and liabilities to insurance intermediaries, other liabilities	Due to the absence of an active market, insurance liabilities and liabilities to insurance intermediaries and other liabilities are measured using the discounted cash flow method. The valuation of these liabilities is based on a historical analysis of the liabilities payment ratio, and the projected cash flows are discounted using the current market rate. Owing to their short expected payment date, their nominal value is a reasonable approximation of fair value.

Assumptions and assessments on important sources of uncertainty of estimating fair value

The following coefficients are applied to measure uncertainty in measurement of financial instruments:

- BPV (basis point value) – this coefficient indicates what the change will be in the value of the instrument if the discount and projection curve is shifted by 1 b.p. for bonds, loans, deposits and structured securities;
- sensitivity to a change in credit spread – this coefficient indicates what the change will be in the value of the instrument if the credit spread is shifted by 1 b.p. for bonds, loans, deposits and structured securities;
- delta – this coefficient indicates the percentage change in the value of an option if the price of the underlying asset changes by 1%.

The measurement adequacy is compared on regular basis by calibrating the spread (if possible) applied in the valuation with available market prices and comparing the model-based valuation with a valuation based on the adjusted purchase price for bonds, loans, deposits and structured securities.

Uncertainty in measurement of assets and liabilities other than technical provisions, except for financial instruments, is assessed mainly through:

- price volatility;
- standards of technical wear and tear;
- cash flow volatility;
- volatility of the economic environment;
- volatility of market interest rates.

The PZU Group regularly verifies the adequacy of measurements, in particular by comparing them with other models or historical results performed on actual transactions.

D.5. Additional information

As at 31 December 2025, employee benefit liabilities did not constitute a material class of liabilities and as such, they have not been described in detail.

The principles of measurement applied by the subsidiaries to the measurements carried out for solvency purposes are not different than the principles applied on the level of the PZU Group.

E. Capital management

E.1. Own funds

Own funds management

Objectives of capital management

The PZU Group endeavors to manage capital effectively and maximize the rate of return on equity for PZU's shareholders, in particular by maintaining the level of security and retaining capital resources for strategic growth objectives through acquisitions.

The capital management policy rests on the following principles:

- the PZU Group's capital management (including excess capital) is conducted at the level of PZU as the parent company;
- maintain target solvency ratios of 200% for the PZU Group, PZU and PZU Życie (assuming the possibility of temporary deviations of the actual solvency ratio above or below the target level) until the SII Directive amendments come into force in 2027, and of 180% for the PZU Group thereafter;
- maintain the PZU Group's financial leverage ratio at a level no higher than 0.25;
- ensure funds for growth and acquisitions;
- maintain the PZU Group Financial Conglomerate's surplus of own funds above the pertinent requirements for solvency;
- no new shares issued by PZU for the duration of the Capital Management Policy.

Dividend

The dividend amount proposed by the PZU Management Board for the financial year is determined on the basis of the PZU Group's consolidated financial result attributable to the parent company, where:

- no more than 20% shall be allocated to the retained earnings (supplementary capital) for objectives relating to organic growth and innovations, as well as implementation of growth initiative;
- no less than 50% is subject to payment as an annual dividend;
- the remaining part will be paid in the form of annual dividend or will increase retained earnings (supplementary capital) if significant expenditures are incurred in connection with execution of the PZU Group Strategy, including in particular, mergers and acquisitions;
- according to the PZU Management Board's plans and own risk and PZU solvency assessment, own funds of PZU and the PZU Group following the declaration or payment of a dividend will remain at a level that will ensure fulfillment of the conditions specified in the Policy;
- when determining the dividend, KNF's recommendations on dividends are taken into consideration.

Monitoring of capital levels

In order to monitor and maintain capital at a level adequate to the assumed risks and to fulfill the capital requirements on a continuous basis, a capital limit system has been introduced. Furthermore, if the PZU Group's financial standing deteriorates, the PZU Capital Management Policy provides for an early warning system, described in detail in the Plan of Corrective Measures of the PZU Group. It includes, among others, threshold values of financial parameters at which corrective measures should be undertaken to prevent the overrun of the final limit.

The early warning system is based on the accepted risk appetite level. Management actions are subject to the current and anticipated coverage level of the consolidated solvency capital requirement for the PZU Group:

- Green zone (over 170%);
- Yellow zone (120% to 170%);
- Red zone (below 120%);
- Final limit (below 100%).

In Alior Bank and Pekao, the solvency ratio and the Tier 1 ratio are computed on the basis of CRR and also the various types of risk identified in the Internal Capital Adequacy Assessment Process (ICAAP).

In accordance with the Plan of Corrective Measures of the PZU Group, what is additionally taken into consideration when the measures are started is the PZU Group's return on equity (ROE), the amount of the net financial result of the PZU and the PZU Group (attributable to the parent company), the level of the PZU's combined ratio, its rating and a number of parameters concerning other important PZU Group companies.

Management actions

Management actions aiming at increasing the level of own funds include in particular the following:

- increasing subordinated liabilities;
- discontinuing or temporarily suspending the surrender of instruments classified to own funds if the terms and conditions of the issue or the agreement provide for such possibility;
- retaining part or the entire profit through decreasing the amounts of dividends paid out;
- co-payments as part of supplementary own funds;
- capital increase.

Management actions in the area of risk profile include in particular the following:

- risk avoidance – not getting involved or stopping to get involved in the activities which increase exposure to risk;
- risk transfer – transfer of part of exposure to risk onto a third party;
- risk mitigation – reduction of likelihood of materialization of the risk or reduction of its impact;
- acceptance of the risk level – acceptance of risk retention if other management actions are not available or the cost of their implementation is too high as compared to benefits to be obtained;
- deployment of tools supporting other management actions, including in particular the following: limits, reinsurance programs, regular review of policies of accepting the risk for insurance (underwriting), review of the investment policy.

The extent of corrective measures undertaken depends on current and anticipated capital position as well as the timing of performance of the solvency assessment. If the analysis is conducted on the planning stage, the implemented corrective measures could be milder (e.g. making changes to the business plan) than if the analysis were to be conducted on the monitoring stage – in such case, it may be necessary to take immediate actions. The selection of corrective measures is also influenced by the following factors: issues related to reputation risk, possibility of practical application of the given corrective measure, time necessary for implementation of the given corrective measure, quality of own funds in case of increasing the capital for covering the risk, impact on the PZU Group's activity (e.g. profitability, market share).

Decisions with regard to application of the above-described methods shall be made by the given unit's management board.

Capital adequacy reporting

The supervisory boards and management boards of the PZU Group's insurance undertakings receive regular reports on the current level of solvency (at least once a quarter or on an ongoing basis if any of the capital thresholds have been exceeded).

Transfer of capital between the group companies

A significant portion of the PZU Group's capital is allocated to PZU Życie (that company's standalone surplus of assets over liabilities was PLN 13,459 million as at 31 December 2025). PZU believes that PZU Życie's own funds may be transferred to PZU through disbursement of dividends and liquidity loans granted among those companies. Capital surpluses of other insurance-activity-conducting subsidiaries are not significant from the point of view of the PZU Group as a whole.

Capital plans

Capital planning takes place within the framework of own risk and solvency assessment which is performed on at least an annual basis. It forms an integral part of the business strategy and is taken into consideration in the strategic decision-making process. The period of planning the capital position spans the time horizon of the current PZU Group Strategy but no less than 3 years.

Structure, value and quality of own funds

The PZU Group's solvency was calculated with use of method 1 (the basic method) on the basis of consolidated financial statements. The PZU Group's own funds were calculated on the basis of the surplus of assets over liabilities originating from the consolidated economic balance sheet drawn up according to the principles of the SII system, taking into account the exclusions of intragroup transactions of the PZU Group companies subject to consolidation.

The following charts show the structure and calculation method of the PZU Group's own funds as at 31 December 2025 and 31 December 2024.

Chart 28. The structure and calculation method of PZU Group's own funds as at 31 December 2025

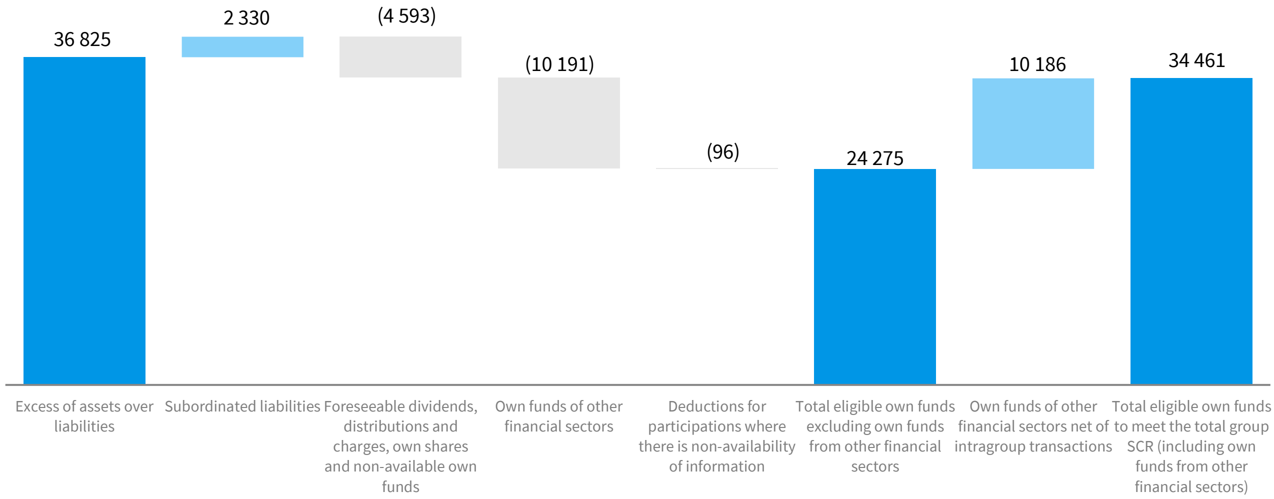
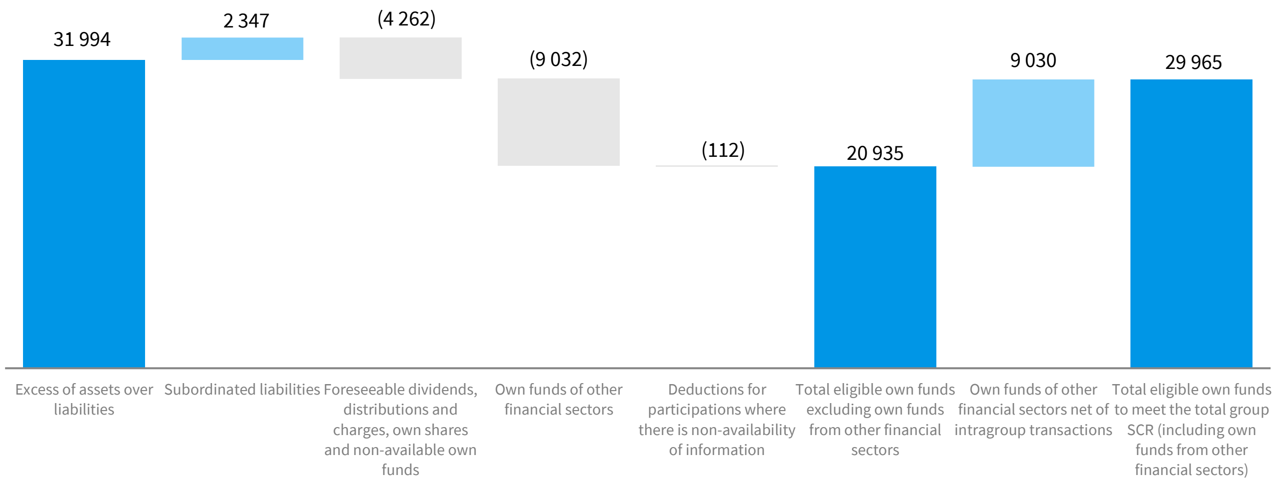


Chart 29. The structure and calculation method of PZU Group's own funds as at 31 December 2024



The minority shareholders' equity of PLN 1 million was considered to be unavailable for coverage of the PZU Group's SCR.

Pursuant to Article 389 of the Insurance Activity Act, the PZU Group's own funds were also reduced by own funds on account of shares in PZU Ukraine and PZU Ukraine Life in the amount of PLN 96 million.

Own funds of other financial sectors are included in the allowed own funds to cover PZU Group's SCR, in the amount reduced by intragroup transactions. In the case of the PZU Group, this includes subordinate debt securities issued by Pekao and held by PZU Group's units. The value of these transactions as at 31 December 2025 was PLN 5 million.

Detailed information on own funds is included in the QRT S.23.01.22 form enclosed as Attachment 7 to the SFCR report. Its summary and a comparison with the data as at 31 December 2024 is presented below.

Table 30. Categories of eligible own funds to cover the solvency capital requirement

Category	Value (in PLN million)		Change 2025/2024	
	31 December 2025	31 December 2024	(in PLN million)	%
The reconciliation provision after deduction of equity interests in other financial sectors and after deduction made pursuant to Article 389 of the Insurance Activity Act on account of equity interests in business units for which the regulatory authority does not have credible information	21,321	17,964	3,357	19%
Other available items of basic own funds	624	624	-	-
Subordinated liabilities	2,330	2,347	(17)	(1%)
Own funds of other financial sectors	10,186	9,030	1,156	13%
Eligible own funds to cover SCR, including:	**34,461**	**29,965**	**4,496**	**15%**
basic own funds included in category 1 – satisfying the conditions of Article 245 (2) of the Insurance Activity Act in consideration of the factors referred to in Article 245 (3) of that Act	31,638	27,204	4,434	16%
total own funds excluding other financial sectors	21,945	18,588	3,357	18%
own funds of other financial sectors	9,693	8,616	1,077	13%
basic own funds included in category 2 – subordinated liabilities of the PZU Group, including:	2,823	2,761	62	2%
PZU's subordinated liabilities	2,330	2,347	(17)	(1%)
subordinated liabilities of other financial sectors	493	414	79	19%

The reconciliation provision is calculated based on a surplus of assets over liabilities from the economic balance sheet. To calculate the reconciliation provision, the surplus is reduced by anticipated dividends, disbursements and charges (e.g., anticipated financial institution tax for the next 12 months), treasury shares and other items of basic own funds. Own funds of related business units not consolidated by the full method in the balance sheet according to the SII system are the component of the reconciliation provision presented in category 1 of own funds.

Other available own-fund items include PZU's share capital and share premium account.

The PZU Group's own funds are broken down into own funds of companies and groups belonging to other financial sectors.

In the case of the Pekao Group and Alior Bank Group, own funds included the own funds of these groups computed in accordance with the CRR taking into account the PZU Group's percentage share and decreased by the value of debt securities constituting subordinated liabilities of the Pekao Group and held by PZU Group companies.

Table 31. Own funds of other financial sectors by entity

Own funds of other financial sectors	Value (in PLN million)		Change 2025/2024	
	31 December 2025	31 December 2024	(in PLN million)	%
Pekao Group	6,013	5,426	587	11%
Category 1 [1)]	5,520	5,012	508	10%
Category 2 [2)]	493	414	79	19%
Alior Bank Group	3,561	3,006	555	18%
Category 1	3,561	3,006	555	18%
TFI PZU – Category 1	258	248	10	4%
PTE PZU – Category 1	354	350	4	1%
Total	**10,186**	**9,030**	**1,156**	**13%**

[1)] Including adjustment for debt securities held by PZU Group companies in the amount of PLN 5 million as at 31 December 2025 and PLN 2 million as at 31 December 2024.

[2)] Subordinated liabilities of the Pekao Group included in its own funds for solvency purposes, with a total value of PLN 2,464 million (as of 31 December 2024: PLN 2,073 million) were issued in 2017–2025, and they will mature in the period from 2027 to 2036. The funds raised from the issue were designated, after obtaining approval from the Polish Financial Supervision Authority (KNF), for an increase in Pekao's supplementary funds pursuant to Article 127(2)(2) of the Banking Law and Article 63 of the Capital Requirements Regulation

Basic own funds included in category 1, in accordance with the Insurance Activity Act, qualify as all eligible own funds to cover the solvency capital requirement, except for subordinated liabilities that meet the criteria for being considered basic own funds included in category 2.

The following tables show the sources of changes in the value of the PZU Group's own funds in 2025 and 2024

Table 32. Sources of changes in the value of own funds in 2025

Source of changes in the value of own funds	Share capital	Share premium account associated with share capital	Reconciliation provision				Subordinated liabilities	Other	Total
			Surplus of assets over liabilities	Anticipated dividends, disbursements and charges	Other items of basic own funds	Treasury shares			
As at 1 January 2025	**86**	**538**	**31,994**	**(4,256)**	**(627)**	**(3)**	**2,347**	**(114)**	**29,965**
Disbursement of dividends	-	-	(3,860)	3,860	-	-	-	-	-
Anticipated dividend to be paid	-	-	-	(4,145)	-	-	-	-	(4,145)
Updated tax on assets	-	-	-	(48)	-	-	-	-	(48)
Net financial result	-	-	6,699	-	-	-	-	-	6,699
Change in the revaluation reserve	-	-	1,016	-	-	-	-	-	1,016
Change in other comprehensive income from insurance and reinsurance financial income and expenses	-	-	(470)	-	-	-	-	-	(470)
Revaluation of goodwill and intangible assets	-	-	(45)	-	-	-	-	-	(45)
Change in the valuation of investments	-	-	1,474	-	-	-	-	-	1,474
Change in the valuation of technical provisions	-	-	408	-	-	-	-	-	408
Deferred tax	-	-	(330)	-	-	-	-	-	(330)
Other	-	-	(61) [1)]	-	2	-	(17)	13	(63)
As at 31 December 2025	**86**	**538**	**36,825**	**(4,589)**	**(625)**	**(3)**	**2,330**	**(101)**	**34,461**

[1)] including PLN (129) million relating to the deconsolidation of Pekao Group and Alior Bank Group. As of 31 December 2025, the own funds of banking capital groups under IFRS increased by PLN 1,274 million compared to 31 December 2024, excluding non-controlling interests. The increase in the own funds of the Pekao and Alior Bank capital groups to cover their capital requirements calculated in accordance with the CRR Regulation, as recognized in the economic balance sheet of the PZU Group, amounted to PLN 1,145 million compared to 31 December 2024. The differences between the increase in own funds under IFRS and the increase in own funds for solvency purposes of the Pekao and Alior Bank capital groups result, among other things, from the position of the European Banking Authority (as presented in Q&A Question ID 2018_4085 and Question ID 2018_3822), according to which banking entities adjust the value of their own funds for the profit earned only after determining expected charges and dividends and after obtaining a positive decision from KNF on the request for approval to include the profit in own funds. As of 31 December 2024, the profits earned by Pekao and Alior Bank in 2024 were not fully recognized in the own funds of the banking capital groups used for the calculation of the PZU Group's solvency. The 2024 profits not included in the PZU Group's solvency as of 31 December 2024, as well as the banks' 2025 profits, adjusted accordingly for expected charges and dividends (following KNF approval for their inclusion in own funds), were recognized in the own funds of the banking capital groups used for the calculation of the PZU Group's solvency as of 31 December 2025.

Table 33. Sources of changes in the value of own funds in 2024

Source of changes in the value of own funds	Share capital	Share premium account associated with share capital	Reconciliation provision				Subordinated liabilities	Other	Total
			Surplus of assets over liabilities	Anticipated dividends, disbursements and charges	Other items of basic own funds	Treasury shares			
As at 1 January 2024	**86**	**538**	**30,780**	**(5,004)**	**(626)**	**(3)**	**2,351**	**(110)**	**28,012**
Disbursement of dividends	-	-	(3,748)	3,748	-	-	-	-	-
Difference between the dividend assumed in SII in 2023 and that actually paid	-	-	-	863	-	-	-	-	863
Anticipated dividend to be paid	-	-	-	(3,860)	-	-	-	-	(3,860)
Updated tax on assets	-	-	-	(3)	-	-	-	-	(3)
Net financial result	-	-	5,342	-	-	-	-	-	5,342
Change in the revaluation reserve	-	-	138	-	-	-	-	-	138
Change in other comprehensive income from insurance and reinsurance financial income and expenses	-	-	386	-	-	-	-	-	386
Revaluation of goodwill and intangible assets	-	-	(40)	-	-	-	-	-	(40)
Change in the valuation of investments	-	-	(825)	-	-	-	-	-	(825)
Change in the valuation of technical provisions	-	-	438	-	-	-	-	-	438
Deferred tax	-	-	147	-	-	-	-	-	147
Other	-	-	(624) [1)]	-	(1)	-	(4)	(4)	(633)
As at 31 December 2024	**86**	**538**	**31,994**	**(4,256)**	**(627)**	**(3)**	**2,347**	**(114)**	**29,965**

[1)] including PLN (552) million relating to the deconsolidation of Pekao Group and Alior Bank Group. As at 31 December 2024, the banks' equity increased under IFRS compared to 31 December 2023 (PLN 974 million excluding non-controlling interests). However, the increase in Pekao's and Alior Bank's equity under IFRS was not reflected in their own funds to cover capital requirements under the CRR Regulation, where the measurement of banks is recognized in the economic balance sheet. The incremental own funds in the PZU's share compared to 31 December 2023 were PLN 422 million. The fact that the increase in Pekao's and Alior Bank's equity under IFRS is not reflected in their own funds arises from the position of the European Banking Authority (presented in Q&A Question ID 2018_4085 and Question ID 2018_3822). According to this position, banks adjust the value of their own funds by the generated financial result only after expected charges and dividends are determined and after KNF issues a positive decision regarding the request for permission to include profit in own funds. As at 31 December 2024, the profits generated by Pekao and Alior Bank in 2024 were not fully included in the banks' own funds.

Distribution of the 2025 profit

PZU satisfies the criteria specified in the document entitled “KNF’s stance on the dividend policy in 2026” of 17 December 2025, hence it may pay out the dividend in the maximum amount of 100% of the profit generated in 2024 (while taking into account the dividends paid so far from the 2024 profit) and a maximum of 100% of the profit generated in 2025.

On 13 May 2026, the Management Board of PZU proposed to the GMS of PZU to distribute the PZU's net profit for the year ended 31 December 2025, in the amount of PLN 5,062 million, plus the amount of PLN 1,089 million transferred from the supplementary capital recognized as a result of allocation to the supplementary capital of the net profit for the year ended 31 December 2024, i.e. in the total amount of PLN 6,151 million, as follows:

- PLN 4,145 million (i.e. PLN 4.80 per share) to dividends;
- PLN 1,998 million to the supplementary capital;
- PLN 8 million to the Company Social Benefit Fund.

The Management Board of PZU also submitted a motion to set the dividend record date as 17 September 2026 and the dividend payment date as 8 October 2026.

The motion of the PZU Management Board will be submitted to the PZU Supervisory Board for evaluation. The final decision regarding the distribution of PZU’s net profit for the financial year ended 31 December 2025 will be taken by the PZU Ordinary Shareholder Meeting.

For the purpose of distributing the result assumed in own funds in the SFCR report, it has been assumed that the as yet unpaid 2024 profit is paid first, followed by the 2025 profit (FIFO method).

Differences between the equity presented in the consolidated financial statements and the surplus of assets over liabilities calculated for solvency purposes

The graphs below present differences between the equity presented in the consolidated financial statements and the surplus of assets over liabilities calculated for solvency purposes for 2025 and 2024. These differences are attributable to different rules of measuring assets and liabilities for solvency purposes, and in accordance with the IFRS as well as a different scope of consolidation – a detailed description of differences is presented in part D. of the SFCR.

The column entitled “Change in the scope of consolidation” primarily presents the difference between the Pekao Group’s and Alior Bank Group’s value of assets and liabilities (including goodwill), as recognized in the consolidated financial statements, and the value of their own funds used for the measurement in the economic balance sheet.

The column “Writing off goodwill and intangible assets” also recognizes the elimination of time-based IT costs.

The column “Other” recognizes the elimination of deferred costs and revenues.

Chart 30. Reconciliation of equity according to IFRS with the surplus of assets over liabilities under the SII system as at 31 December 2025

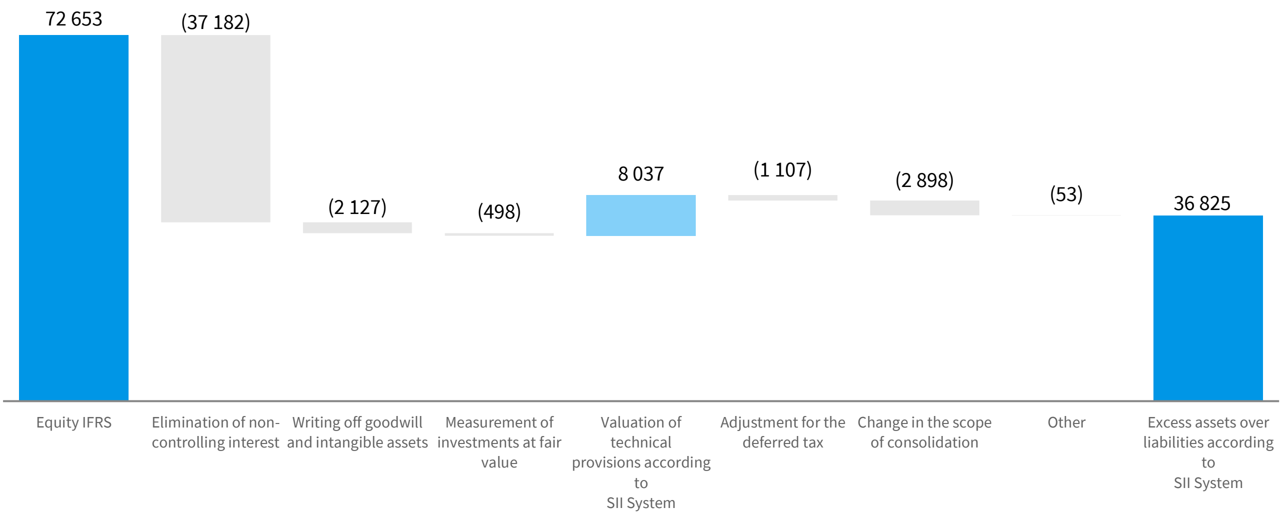
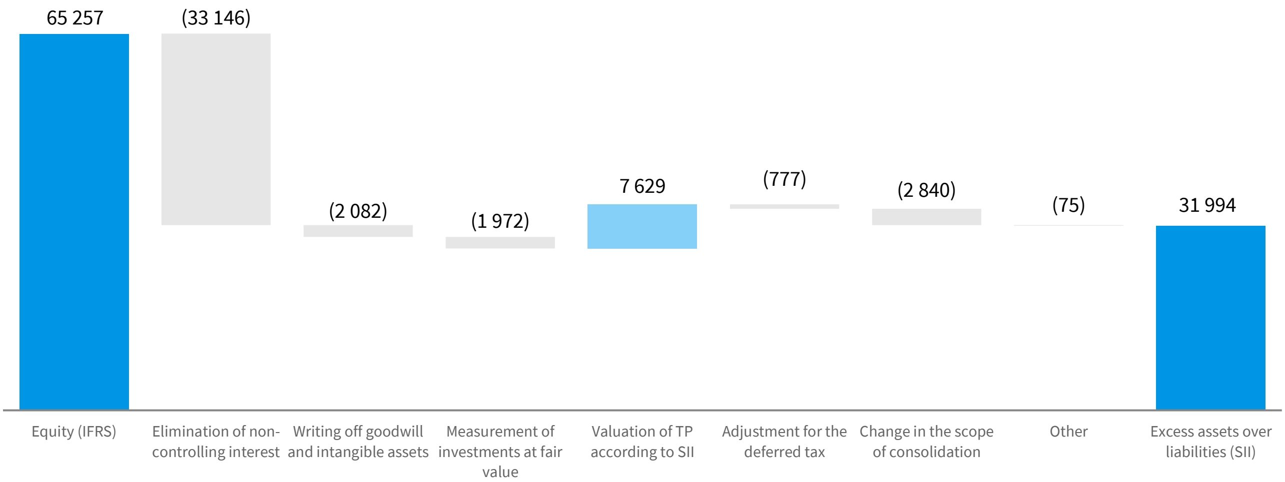


Chart 31. Reconciliation of equity according to IFRS with the surplus of assets over liabilities under the SII system as at 31 December 2024



Deferred taxes

As at 31 December 2025, the PZU Group reported, after a set-off (on a net basis), a deferred tax liability of PLN 4,751 million. Consequently, the PZU Group did not report an amount corresponding to the value of net deferred tax assets in category 3 of own funds.

The value of the deferred tax asset and liability is calculated using the balance sheet method, as a difference between the values assigned to economic balance sheet items recognized and measured in accordance with the methodology set forth in Solvency II and the values assigned to economic balance sheet items recognized and measured for tax purposes taking into account the CIT rates which are expected to apply when the asset or provision is realized in accordance with the provisions of tax law enacted in the state of establishment of the relevant PZU Group company before the end of the reporting period.

A deferred tax asset is recognized only in situations where it is probable that future taxable profit will be available for use against the deferred tax asset.

The PZU Group performs the netting of deferred tax assets and liabilities separately, for the tax group as a whole, and at the level of individual entities comprising the PZU Group (which are not members of the tax group).

E.2. Solvency capital requirement and minimum capital requirement

SCR of the PZU Group is calculated pursuant to Article 336 of the Delegated Regulation and consists of the following positions: a solvency capital requirement calculated on the basis of consolidated data following the rules laid down for the standard formula, the proportional share of the capital requirement (including hypothetical requirements) of undertakings from other financial sectors and the requirement for affiliated entities not consolidated by the full method in the economic balance sheet of he PZU Group.

The capital requirement for other financial sectors includes the capital requirements for the Alior Bank Group and the Pekao Group (calculated in according to sectoral rules for banks, i.e., in line with the CRR Regulation), the capital requirement for TFI PZU calculated according to the requirements of the Act on Mutual Funds, and the hypothetical capital requirement for PTE PZU of 1% of the net assets of pension funds managed by PTE PZU. These requirements are calculated according to the PZU Group's proportional share in these entities.

The PZU Group's MCR is calculated as the sum of the minimum capital requirements of individual insurance companies consolidated for the purposes of calculating the PZU Group's solvency in accordance with Article 390(5) of the Insurance Activity Act.

The amounts of PZU Group's SCR and MCR at the end of the reporting period along with the amount of the solvency capital requirement broken down into risk modules are presented in form QRT S.25.01.22 constituting attachment 8 to the SFCR.

The basic categories of own funds, capital requirements and solvency ratios are presented in the table below:

Table 34. The basic categories of own funds, capital requirements and solvency ratios

Category	Value (in PLN million, %)		Change 2025/2024	
	31 December 2025	31 December 2024	(in PLN million/ pp.)	%
Total eligible own funds for SCR coverage, including:	34,461	29,965	4,496	15%
total own funds of other financial sectors	10,186	9,030	1,156	13%
Total eligible own funds for MCR coverage	23,163	19,634	3,529	18%
SCR, incl.:	14,446	13,237	1,209	9%
capital requirement for other financial sectors	4,769	4,343	426	10%
MCR	6,092	5,227	865	17%
Ratio of SCR coverage with eligible own funds (excluding other financial sectors)	251%	235%	16	7%
Ratio of SCR coverage with eligible own funds (including other financial sectors)	**239%**	**226%**	**13**	**6%**
Ratio of MCR coverage with eligible own funds	**380%**	**376%**	**4**	**1%**

PZU Group's SCR, computed pursuant to Article 336 of the delegated regulation, is presented in the table below.

Table 35. The components of PZU Group's SCR

PZU Group SCR	Value (in PLN million)		Change 2025/2024	
	31 December 2025	31 December 2024	(in PLN million)	%
Solvency capital requirement calculated on the basis of consolidated data	9,637	8,861	776	9%
Pro rata share of capital requirements (including hypothetical ones) of business units from other financial sectors	4,769	4,343	426	10%
Pekao Group	2,815	2,692	123	5%
Alior Bank Group	1,510	1,316	194	15%
PTE PZU	407	290	117	40%
TFI PZU	37	45	(8)	(18%)
Requirement for related business units not consolidated by the full method	40	33	7	21%
Total	14,446	13,237	1,209	9%

The SCR for the PZU Group increased by PLN 1,209 million on an annual basis and was driven by:

- an increase in the capital solvency requirement calculated on a consolidated basis of PLN 776 million – which resulted mainly from an increase in underwriting risk in non-life insurance and market risk – details of these changes are described in Part C;
- an increase in the capital requirement for other financial sectors of PLN 426 million;
- an increase in the capital requirement for non-consolidated affiliated entities by 7 million.

In 2025, an increase in the MCR value was observed, driven mainly by an increase in the minimum capital requirement in PZU due to higher capital requirements for that company.

The PZU Group does not apply any simplifications or specific parameters pursuant to Article 104(7) of the SII Directive.

The data for computation of the MCR are sourced from PZU Group companies' internal IT systems and are subject to internal controls relevant to the reporting process. The PZU Group's data quality assurance process is governed through, among other things, specification of roles and responsibilities in the SII system processes as well as the principles for management of quality of data, including the principles of monitoring the quality of data, and collection, processing and updating of data. The responsibility for strategic coordination of information management processes rests with the management board of each PZU Group company. The PZU Group's insurance undertakings apply a standard formula to calculate the SCR. The computation of the SCR is performed in accordance with the regulations applicable to the SII system, with the assumption that the individual business units are a going concern. This computation encompasses the business activity which is currently being conducted as well as new activity which is expected to be launched within the next 12 months.

The significant group diversification effects as at 31 December 2025 resulted from diversification between:

- individual underwriting risks in non-life insurance, i.e. risks relating to premiums, provisions, lapses as well as catastrophe risk: PLN 2,711 million;
- individual underwriting risks of life insurance, i.e. mortality, longevity, incapacity –morbidity, lapse rates, expenses, revision of annuities as well as catastrophe risk: PLN 1,954 million;
- market risks and other risks: PLN 4,899 million;
- individual market risks, i.e. risks related to interest rates, shares, FX, concentration and real properties: PLN 2,375 million.

The components of PZU Group's SCR are described in section C of the SFCR report, and the chart below shows the values of the various modules of the capital requirement, along with a comparison to the value of the eligible own funds to cover the SCR.

Chart 32. Capital requirement modules, along with a comparison to the value of the eligible own funds to cover the SCR as at 31 December 2025

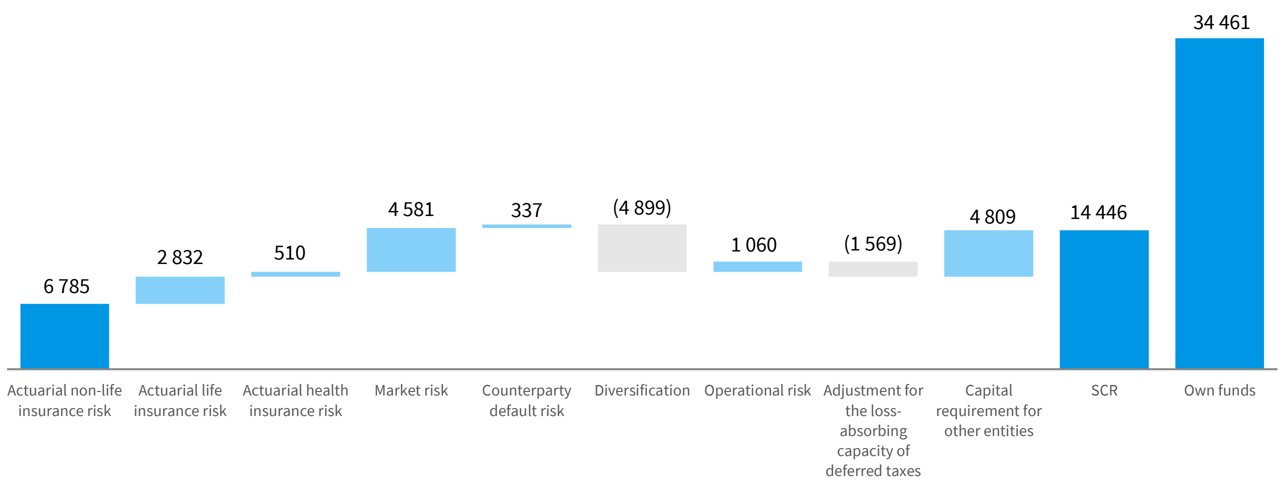
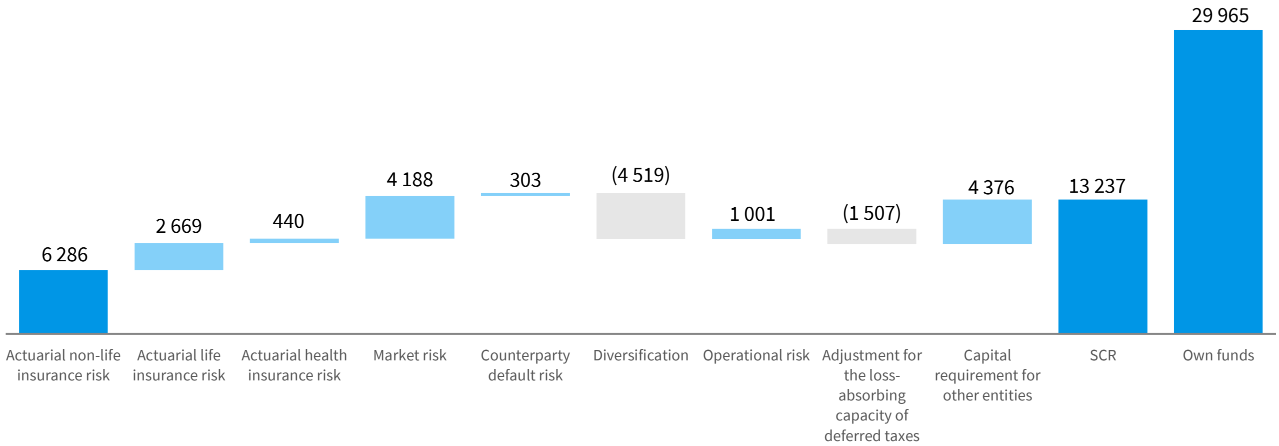


Chart 33. Capital requirement modules, along with a comparison to the value of the eligible own funds to cover the SCR as at 31 December 2024



Loss-absorbing capacity of deferred taxes

The amount by which the SCR was reduced on account of the loss-absorbing capacity of deferred taxes as at the end of the reporting period was PLN 1,569 million compared to PLN 1,507 million as at 31 December 2024.

The PZU Group allocates the losses on account of the shock subject to the basic solvency capital requirement in line with the contribution of the modules and sub-modules of the standard formula to the basic solvency capital requirement. In the reporting period it was assumed that 50% of the losses on account of operational risk have the nature of tax deductible expenses.

The adjustment for the loss-absorbing capacity of deferred taxes is equal to the change in the value of deferred taxes of that would result from an instantaneous loss that is equal to the sum of:

- the basic solvency capital requirement;
- the adjustment for the loss-absorbing capacity of technical provisions; and
- the capital requirement for operational risk.

The PZU Group prepares an analysis of availability of future profits which will be available in the event of occurrence of the loss referred to in the preceding sentence. To prove the availability of future taxable income, it takes into account the planned (taken into account in PZU Group's 3-year financial forecast):

- profits from new insurance contracts (profits from new business);
- interest income from investments held to maturity – according to the contractual interest rate;
- income from other investments – according to the higher of the forward rates following from the risk-free interest rate term structure after incurring such loss.

E.3. Use of the duration-based equity price risk sub-module to calculate the solvency capital requirement

It is not applicable to the PZU Group.

E.4. Differences between the standard formula and the applied internal model

It is not applicable to the PZU Group.

E.5. Non-compliance with the minimum capital requirement and non-compliance with the solvency capital requirement

There were no violations of the PZU Group's SCR or MCR in 2025.

E.6. Additional information

There was no relevant information other than that disclosed in the preceding sections of Part E of the SFCR Report.

List of tables

List of charts

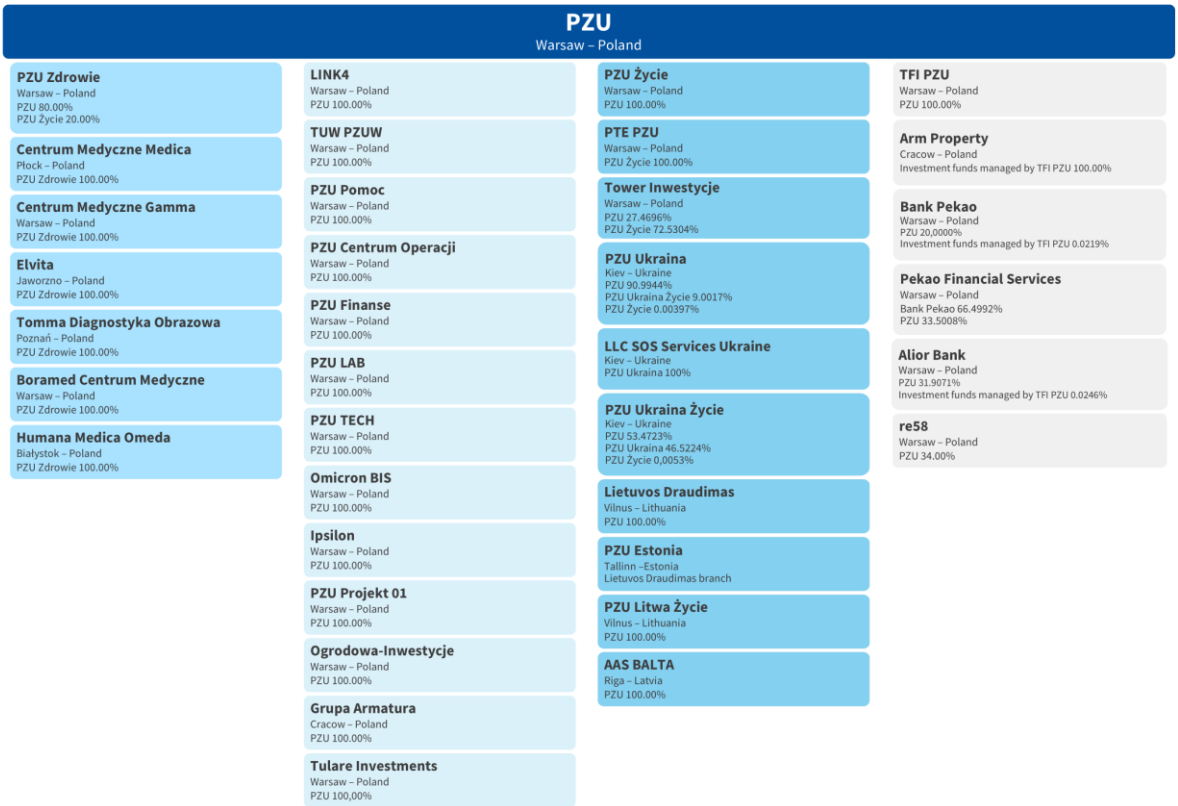
Appendices

Signatures of the PZU Management Board Members:

Full name	**Position**	
Bogdan Benczak	President of PZU Management Board	.... (signature)
Maciej Fedyna	Member of the PZU Management Board	.... (signature)
Elżbieta Häuser-Schöneich	Member of the PZU Management Board	.... (signature)
Kazimierz Karolczak	Member of the PZU Management Board	.... (signature)
Tomasz Tarkowski	Member of the PZU Management Board	.... (signature)
Jan Zimowicz	Member of the PZU Management Board	.... (signature)

Warsaw, 13 May 2026

Structure of the PZU Group as of 31 December 2025



- The following branches operate within PZU Zdrowie: CM in Warszawa, CM in Kraków, CM in Poznań, CM in Wrocław, CM in Gdańsk, CM in Kielce, CM in Opole, CM in Radom, CM in Łódź, CM in Częstochowa (five branches with no assets and no operational activity : Nasze Zdrowie in Warszawa, Warszawa Chmielna, Tarnów, FCM in Warszawa, Cordis in Poznań).

  The **PZU Zdrowie Group** includes: PZU Zdrowie SA, Centrum Medyczne Medica Group, Elvita Group, Tomma Group, Centrum Medyczne Gamma sp. z o.o. , Boramed Centrum Medyczne sp. z o.o. and Humana Medica Omeda sp. z o.o.
- The **CM Medica Group** consists of the following companies:
  - Centrum Medyczne Medica sp. z o.o.,
  - Sanatorium Uzdrowiskowe „Krystynka" sp. z o.o. with its registered office in Ciechocinek
- The **Elvita Group** consists of the following companies:
  - Przedsiębiorstwo Świadczeń Zdrowotnych i Promocji Zdrowia ELVITA – Jaworzno III sp. z o.o.,
  - Przedsiębiorstwo Usług Medycznych PROELMED sp. z o.o. with its registered office in Łaziska Górne
- The **Alior Bank Group** includes:
  - Alior Bank SA,
  - Alior Services sp. z o.o.,
  - Alior Leasing sp. z o.o. (which holds:
    - 100% of shares in Alior Leasing Individual sp. z o.o. (created on 29 August 2023),
    - 100% of shares in AL Finance sp. z o.o. (until 5 August 2021 – Serwis Ubezpieczeniowy sp. z o.o),
  - Meritum Services ICB SA (on 8 December 2023, Absource sp. z o.o. merged with Meritum Services ICB SA. All assets of Absource sp .z o.o. were taken over by Meritum Services ICB S.A.),
  - Alior Towarzystwo Funduszy Inwestycyjnych SA,
  - Corsham sp. z o.o.,
  - RBL_VC sp. z o.o.,
  - RBL_VC sp. z o.o. ASI S.K.A.

- The **Bank Pekao Group** is composed of the following companies:
  - Bank Pekao SA,
  - Pekao Bank Hipoteczny SA,
  - Pekao Leasing sp. z o.o. (which holds 100% of shares in PeUF sp. z o.o.),
  - Pekao Investment Banking SA (which holds 100% of shares in Pekao Inwestycje Dłużne sp. z o.o.),
  - Pekao Faktoring sp. z o.o.,
  - Centrum Kart SA,
  - Pekao Financial Services sp. z o.o.,
  - Pekao Direct sp. z o.o. (until 16 January 2020 – Centrum Bankowości Bezpośredniej sp. z o.o.; as of 29 April 2026 – Pekao CoNext sp. z o.o.),
  - Pekao Property SA in liquidation,
  - Pekao Fundusz Kapitałowy sp. z o.o.,
  - Pekao Investment Management SA (which holds 100% of shares in Pekao Towarzystwo Funduszy Inwestycyjnych SA),
  - Krajowy Integrator Płatności SA (associated company with PZU Group).
- The **Armatura Group** is composed of the following companies:
  - Armatura Kraków SA,
  - Aquaform Ukraine TOW in liquidation;
- The **Tomma Group** is composed of the following companies:
  - Tomma Diagnostyka Obrazowa S.A.,
  - Bonus Diagnosta sp. z o.o.
- The **AB “Lietuvos Draudimas” Group** is composed of following companies:
  - AB “Lietuvos Draudimas”,
  - UAB “B10 apartamentai”,
  - UAB “B10 biurai”.

The structure chart does not include:

- investment funds: PZU SFIO Universum, PZU FIZ Aktywów Niepublicznych Sektora Nieruchomości 2, PZU FIZ Aktywów Niepublicznych BIS 1, PZU FIZ Aktywów Niepublicznych BIS 2, inPZU Akcje Polskie, inPZU Akcje Rynków Rozwiniętych, inPZU Obligacje Rynków Wschodzących, inPZU Akcje Rynków Wschodzących, inPZU Akcje Polskie Małych i Średnich Spółek(formerly inPZU Akcje CEEplus), PZU FIZ Legato Absolutnej Stopy Zwrotu (formerly PZU FIZ Legato), inPZU Akcje Rynku Surowców, inPZU Akcje Rynku Złota, inPZU Akcje Sektora Zielonej Energii, inPZU Akcje Sektora Informatycznego, inPZU Akcje Sektora Nieruchomości, inPZU Akcje Europejskie, inPZU Obligacje Skarbowe Amerykańskie (formerly inPZU Obligacje Inflacyjne), PZU Dłużny Korporacyjny (formerly PZU Akcji Globalnych Trendów), inPZU Złoto (formerly inPZU Akcje Sektora Biotechnologii), inPZU Akcje Sektora Cyberbezpieczeństwa, inPZU Akcje Sektora Technologii Kosmicznych, inPZU Zielone Obligacje, inPZU Obligacje Korporacyjne High Yield, inPZU Puls Życia 2070, PZU FIZ Forte Absolutnej Stopy Zwrotu, PZU FIZ Obligacji Korporacyjnych, PZU FIZ Private Debt;
- subsidiary companies established under commercial law as special purpose controlled by the fund PZU FIZ Aktywów Niepublicznych Sektora Nieruchomości 2, which included 30 companies at 31 December 2025;
- company in liquidation: Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych in liquidation, Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych na Życie in liquidation, PZU Finance AB (publ.) in liquidation, Usługi Logistyczne SA w likwidacji (formerly RUCH SA).

The Capital Group of Powszechny Zakład Ubezpieczeń SA
31-12-2025
S.32.01.22
Undertakings in the scope of the group

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
POLAND	QLPCKOOKVX32FUELX240	LEI	Powszechny Zakład Ubezpieczeń SA	2 – Non-life insurance undertaking	spółka akcyjna	2 – Non-mutual	Polish Financial Supervisory Authority		0.00%	0.00%			0.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	549300TNSHGVU2UXO005	LEI	Powszechny Zakład Ubezpieczeń na Życie SA	1 – Life insurance undertaking	spółka akcyjna	2 – Non-mutual	Polish Financial Supervisory Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	259400OXGGIASU8WOO21	LEI	Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych	2 – Non-life insurance undertaking	towarzystwo ubezpieczeń wzajemnych	1 – Mutual	Polish Financial Supervisory Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	2594001JSECH6MFMMV96	LEI	Link4 Towarzystwo Ubezpieczeń SA	2 – Non-life insurance undertaking	spółka akcyjna	2 – Non-mutual	Polish Financial Supervisory Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	25940080MQ87ZM82JK66	LEI	Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych w likwidacji	2 – Non-life insurance undertaking	towarzystwo ubezpieczeń wzajemnych	1 – Mutual	Polish Financial Supervisory Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	259400ZJ1NS8P8UVI755	LEI	Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych na Życie w likwidacji	1 – Life insurance undertaking	towarzystwo ubezpieczeń wzajemnych	1 – Mutual	Polish Financial Supervisory Authority	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
LITHUANIA	259400LNAAVVBAGSC732	LEI	UAB „PZU Lietuva gyvybes draudimas”	1 – Life insurance undertaking	uždaroji akcinės bendrovė	2 – Non-mutual	Lietuvos Respublikos Centrinis Bankas	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
LITHUANIA	529900SURJXJXSY5O039	LEI	AB „Lietuvos draudimas”	2 – Non-life insurance undertaking	akcinės bendrovė	2 – Non-mutual	Lietuvos Respublikos Centrinis Bankas	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
LITHUANIA	QLPCKOOKVX32FUELX240LT00002	SC	UAB "B10 apartamentai"	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	uždaroji akcinės bendrovė			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
LITHUANIA	QLPCKOOKVX32FUELX240LT00001	SC	UAB "B10 biurai"	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	uždaroji akcinės bendrovė			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
LATVIA	25940034Z0RI47GCPC59	LEI	AAS „BALTA”	2 – Non-life insurance undertaking	apdrošināšanas akciju sabiedrība	2 – Non-mutual	Finanšu un kapitāla tirgus komisja (FKTK)	100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
UKRAINE	QLPCKOOKVX32FUELX240UA00001	SC	PRJSC IC „PZU Ukraine”	2 – Non-life insurance undertaking	Private Joint-Stock Company Insurance Company	2 – Non-mutual	National Bank of Ukraine	100.00%	100.00%	100.00%		1 – Dominant	0.00%	1 – Included in the scope		8 – Deduction of the participation in relation to Article 229 of Directive 2009/138/EC
UKRAINE	QLPCKOOKVX32FUELX240UA00002	SC	PRJSC IC „PZU Ukraine Life Insurance”	1 – Life insurance undertaking	Private Joint-Stock Company Insurance Company	2 – Non-mutual	National Bank of Ukraine	100.00%	100.00%	100.00%		1 – Dominant	0.00%	1 – Included in the scope		8 – Deduction of the participation in relation to Article 229 of Directive 2009/138/EC
POLAND	QLPCKOOKVX32FUELX240PL00003	SC	PZU Zdrowie SA	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00014	SC	Centrum Medyczne Medica sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00016	SC	Sanatorium Uzdrowiskowe „Krystynka” sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			99.09%	100.00%	99.09%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
POLAND	QLPCKOOKVX32FUELX240PL00019	SC	Przedsiębiorstwo Świadczeń Zdrowotnych i Promocji Zdrowia ELVITA – Jaworzno III sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00020	SC	Przedsiębiorstwo Usług Medycznych PROELMED sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			57.00%	100.00%	57.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00023	SC	Centrum Medyczne Gamma sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00095	SC	Tomma Diagnostyka Obrazowa SA	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00097	SC	Bonus-Diagnosta sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00106	SC	Boramed Centrum Medyczne sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00108	SC	Humana Medica Omeda sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	259400QHDOZWMJ103294	LEI	Alior Bank SA	8 – Credit institution, investment firm and financial institution	spółka akcyjna		Polish Financial Supervisory Authority	31.93%	100.00%	31.93%	Dispersed ownership, analysis of historical voting at Alior Bank Shareholder Meeting, which allows us to conduct that PZU will be able to vote on its draft resolutions, the presence of PZU affiliates in the Management Board and the Supervisory Board of Alior Bank	1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00072	SC	Alior Services sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			31.93%	100.00%	31.93%		1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	259400LJMVOM5R39CH51	LEI	Alior Leasing sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			31.93%	100.00%	31.93%		1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00068	SC	Meritum Services ICB SA	99 – Other	spółka akcyjna			31.93%	100.00%	31.93%		1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	259400S0AA2ZIASJVQ03	LEI	Alior Towarzystwo Funduszy Inwestycyjnych SA	14 – UCITS management companies as defined in Article 1 (54) of Delegated Regulation (EU) 2015/35	spółka akcyjna			31.93%	100.00%	31.93%		1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00081	SC	AL Finance sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			31.93%	100.00%	31.93%		1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00107	SC	Alior Leasing Individual sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			31.93%	100.00%	31.93%		1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00090	SC	Corsham sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			31.93%	100.00%	31.93%		1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00091	SC	RBL_VC sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			31.93%	100.00%	31.93%		1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
POLAND	QLPCKOOKVX32FUELX240PL00099	SC	RBL_VC sp. z o.o. ASI SKA	99 – Other	spółka komandytowo-akcyjna			31.93%	100.00%	31.93%		1 – Dominant	31.93%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	5493000LKS7B3UTF7H35	LEI	Bank Pekao SA	8 – Credit institution, investment firm and financial institution	spółka akcyjna		Polish Financial Supervisory Authority	20.02%	100.00%	20.02%	Dispersed ownership, analysis of historical voting at Pekao Shareholder Meeting, which allows us to conduct that PZU will be able to vote on its draft resolutions, the presence of PZU affiliates in the Management Board and the Supervisory Board of Pekao	1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	259400XMADFBWNS6OM54	LEI	Pekao Bank Hipoteczny SA	8 – Credit institution, investment firm and financial institution	spółka akcyjna		Polish Financial Supervisory Authority	20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	259400AAET9FC5CL2814	LEI	Pekao Leasing sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	2594007U1UD2WFTX3635	LEI	Pekao Investment Banking SA	99 – Other	spółka akcyjna			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00109	SC	Pekao Inwestycje Dłużne sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	259400YLAP3J2ZN0JG15	LEI	Pekao Faktoring sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	259400FFO2A3NDWGPW83	LEI	Centrum Kart SA	99 – Other	spółka akcyjna			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	25940077CMG4PILPF298	LEI	Pekao Financial Services sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			46.82%	100.00%	46.82%		1 – Dominant	46.82%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	259400U6AJMP6FKY9Q36	LEI	Pekao Direct sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00075	SC	Pekao Property SA w likwidacji	99 – Other	spółka akcyjna			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00077	SC	Pekao Fundusz Kapitałowy sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	2594002O4BTNFD58BC69	LEI	Pekao Investment Management SA	99 – Other	spółka akcyjna			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	2594007WGSVGD1L30E70	LEI	Pekao Towarzystwo Funduszy Inwestycyjnych SA	14 – UCITS management companies as defined in Article 1 (54) of Delegated Regulation (EU) 2015/35	spółka akcyjna			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	259400UCDUZ8CG7XK211	LEI	Krajowy Integrator Płatności SA	99 – Other	spółka akcyjna			7.67%	38.33%	7.67%		2 – Significant	7.67%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00103	SC	PEUF sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			20.02%	100.00%	20.02%		1 – Dominant	20.02%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	259400BX7JAKQMQVYM48	LEI	Powszechne Towarzystwo Emerytalne PZU SA	11 – Non–regulated undertaking carrying out financial activities as defined in Article 1 (52) of Delegated Regulation (EU) 2015/35	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00001	SC	PZU Centrum Operacji SA	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	549300I4B1CR8KDREL11	LEI	Towarzystwo Funduszy Inwestycyjnych PZU SA	14 – UCITS management companies as defined in Article 1 (54) of Delegated Regulation (EU) 2015/35	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		4 – Method 1: Sectoral rules
POLAND	QLPCKOOKVX32FUELX240PL00002	SC	PZU Pomoc SA	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
SWEDEN	QLPCKOOKVX32FUELX240SE00001	SC	PZU Finance AB (publ.) in likvidation	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	aktiebolag			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00010	SC	PZU Finanse sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
POLAND	QLPCKOOKVX32FUELX240PL00005	SC	Tower Inwestycje sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00006	SC	Ogrodowa-Inwestycje sp. z o.o.	10 – Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00030	SC	ARM Property sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00007	SC	Ipsilon sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00008	SC	PZU LAB SA	99 – Other	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00009	SC	Omicron Bis SA	99 – Other	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
UKRAINE	QLPCKOOKVX32FUELX240UA00003	SC	LLC SOS Services Ukraine	99 – Other	LLC			100.00%	100.00%	100.00%		1 – Dominant	0.00%	1 – Included in the scope		8 – Deduction of the participation in relation to Article 229 of Directive 2009/138/EC
POLAND	QLPCKOOKVX32FUELX240PL00082	SC	PZU TECH SA	99 – Other	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		1 – Method 1: Full consolidation
POLAND	QLPCKOOKVX32FUELX240PL00083	SC	Tulare Investments sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00100	SC	PZU Projekt 01 SA	99 – Other	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00024	SC	re58 SA	99 – Other	spółka akcyjna			34.00%	34.00%	34.00%		2 – Significant	34.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400R52THLS1WJTP08	LEI	Armatura Kraków SA	99 – Other	spółka akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
UKRAINE	QLPCKOOKVX32FUELX240UA00004	SC	Aquaform Ukraine TOW w likwidacji	99 – Other	TOW			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400VSKLALWME4LX25	LEI	Usługi Logistyczne SA w likwidacji	99 – Other	spółka akcyjna			30.92%	30.92%	30.92%		2 – Significant	30.92%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	549300DFZ7I56SQV8Z23	LEI	PZU SFIO Universum	99 – Other	przedsiębiorstwo zbiorowego inwestowania			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		10 – Other method
POLAND	549300T3VSS5NN63GY54	LEI	PZU FIZ Aktywów Niepublicznych Sektora Nieruchomości 2	99 – Other	przedsiębiorstwo zbiorowego inwestowania			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		10 – Other method
POLAND	549300W34JPGJYF8G192	LEI	PZU FIZ Aktywów Niepublicznych BIS 1	99 – Other	przedsiębiorstwo zbiorowego inwestowania			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		10 – Other method
POLAND	549300F2FF8Q9QZ81C08	LEI	PZU FIZ Aktywów Niepublicznych BIS 2	99 – Other	przedsiębiorstwo zbiorowego inwestowania			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		10 – Other method
POLAND	259400GQRRS9HFJS0608	LEI	inPZU Akcje Polskie	99 – Other	przedsiębiorstwo zbiorowego inwestowania			26.11%	100.00%	26.11%		1 – Dominant	26.11%	1 – Included in the scope		10 – Other method
POLAND	259400I7WW3R3XQZM316	LEI	inPZU Akcje Rynków Rozwiniętych	99 – Other	przedsiębiorstwo zbiorowego inwestowania			28.43%	100.00%	28.43%		1 – Dominant	28.43%	1 – Included in the scope		10 – Other method
POLAND	259400TP50EWK1K81T71	LEI	inPZU Obligacje Rynków Wschodzących	99 – Other	przedsiębiorstwo zbiorowego inwestowania			55.80%	100.00%	55.80%		1 – Dominant	55.80%	1 – Included in the scope		10 – Other method
POLAND	259400FRCZ1L6601OY45	LEI	inPZU Akcje Rynków Wschodzących	99 – Other	przedsiębiorstwo zbiorowego inwestowania			29.41%	100.00%	29.41%		1 – Dominant	29.41%	1 – Included in the scope		10 – Other method
POLAND	259400V71AGOH951L750	LEI	inPZU Akcje Polskie Małych i Średnich Spółek	99 – Other	przedsiębiorstwo zbiorowego inwestowania			41.71%	100.00%	41.71%		1 – Dominant	41.71%	1 – Included in the scope		10 – Other method
POLAND	25940077E9DCLNW3IZ32	LEI	PZU FIZ Legato Absolutnej Stopy Zwrotu	99 – Other	przedsiębiorstwo zbiorowego inwestowania			46.41%	100.00%	46.41%		1 – Dominant	46.41%	1 – Included in the scope		10 – Other method
POLAND	2594008LWXD3PLX5SC54	LEI	inPZU Akcje Rynku Surowców	99 – Other	przedsiębiorstwo zbiorowego inwestowania			50.77%	100.00%	50.77%		1 – Dominant	50.77%	1 – Included in the scope		10 – Other method

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
POLAND	259400LU0GOPJ8DNX354	LEI	inPZU Akcje Rynku Złota	99 – Other	przedsiębiorstwo zbiorowego inwestowania			28.17%	100.00%	28.17%		1 – Dominant	28.17%	1 – Included in the scope		10 – Other method
POLAND	259400UC1LCBLZLLF741	LEI	inPZU Akcje Sektora Zielonej Energii	99 – Other	przedsiębiorstwo zbiorowego inwestowania			38.77%	100.00%	38.77%		1 – Dominant	38.77%	1 – Included in the scope		10 – Other method
POLAND	2594006JXEDVKUEHTR03	LEI	inPZU Akcje Sektora Informatycznego	99 – Other	przedsiębiorstwo zbiorowego inwestowania			26.94%	100.00%	26.94%		1 – Dominant	26.94%	1 – Included in the scope		10 – Other method
POLAND	259400NAVZO3WPKHAW95	LEI	inPZU Akcje Sektora Nieruchomości	99 – Other	przedsiębiorstwo zbiorowego inwestowania			42.54%	100.00%	42.54%		1 – Dominant	42.54%	1 – Included in the scope		10 – Other method
POLAND	259400R9BPDZN14R7I42	LEI	inPZU Akcje Europejskie	99 – Other	przedsiębiorstwo zbiorowego inwestowania			44.70%	100.00%	44.70%		1 – Dominant	44.70%	1 – Included in the scope		10 – Other method
POLAND	259400CKITYI4NEBQC17	LEI	inPZU Obligacje Skarbowe Amerykańskie	99 – Other	przedsiębiorstwo zbiorowego inwestowania			44.71%	100.00%	44.71%		1 – Dominant	44.71%	1 – Included in the scope		10 – Other method
POLAND	2594003W32UW2D4U5243	LEI	PZU Dłużny Korporacyjny	99 – Other	przedsiębiorstwo zbiorowego inwestowania			26.25%	100.00%	26.25%		1 – Dominant	26.25%	1 – Included in the scope		10 – Other method
POLAND	259400D7J27WJ1TFMG97	LEI	inPZU Złoto	99 – Other	przedsiębiorstwo zbiorowego inwestowania			57.00%	100.00%	57.00%		1 – Dominant	57.00%	1 – Included in the scope		10 – Other method
POLAND	259400WDRB0DADN1YL95	LEI	inPZU Akcje Sektora Cyberbezpieczeństwa	99 – Other	przedsiębiorstwo zbiorowego inwestowania			48.88%	100.00%	48.88%		1 – Dominant	48.88%	1 – Included in the scope		10 – Other method
POLAND	259400UR17REYAHAKY95	LEI	inPZU Akcje Sektora Technologii Kosmicznych	99 – Other	przedsiębiorstwo zbiorowego inwestowania			68.56%	100.00%	68.56%		1 – Dominant	68.56%	1 – Included in the scope		10 – Other method
POLAND	259400VQR4KAZ13DMC65	LEI	inPZU Zielone Obligacje	99 – Other	przedsiębiorstwo zbiorowego inwestowania			93.54%	100.00%	93.54%		1 – Dominant	93.54%	1 – Included in the scope		10 – Other method
POLAND	25940050SAL08HVRHI88	LEI	inPZU Obligacje Korporacyjne High Yield	99 – Other	przedsiębiorstwo zbiorowego inwestowania			70.08%	100.00%	70.08%		1 – Dominant	70.08%	1 – Included in the scope		10 – Other method
POLAND	259400KMKXU8W5H13H54	LEI	inPZU Puls Życia 2070	99 – Other	przedsiębiorstwo zbiorowego inwestowania			43.27%	100.00%	43.27%		1 – Dominant	43.27%	1 – Included in the scope		10 – Other method
POLAND	549300JG2UYI13NPO367	LEI	PZU FIZ Forte Absolutnej Stopy Zwrotu	99 – Other	przedsiębiorstwo zbiorowego inwestowania			72.54%	100.00%	72.54%		1 – Dominant	72.54%	1 – Included in the scope		10 – Other method
POLAND	259400HB6YEFVWQ34L39	LEI	PZU FIZ Obligacji Korporacyjnych	99 – Other	przedsiębiorstwo zbiorowego inwestowania			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		10 – Other method
POLAND	25940062YPB8TA4JJ116	LEI	PZU FIZ Private Debt	99 – Other	przedsiębiorstwo zbiorowego inwestowania			78.96%	100.00%	78.96%		1 – Dominant	78.96%	1 – Included in the scope		10 – Other method
POLAND	QLPCKOOKVX32FUELX240PL00086	SC	EBP 1 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00031	SC	EBP 2 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00038	SC	PH 3 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400OMQPY8NCDZA336	LEI	PH 3 sp. z o.o. SKA	99 – Other	spółka komandytowo-akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00040	SC	Portfel Alliance Silesia I BIS sp. z o.o. w likwidacji	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00041	SC	Portfel Alliance Silesia III sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	2594001AH5IWST6VA966	LEI	Portfel Alliance Silesia IV sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00043	SC	Portfel Alliance Silesia V sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00044	SC	Portfel Alliance Silesia VII sp. z o.o. w likwidacji	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

								Criteria of influence						Inclusion in the scope of group supervision		Group solvency calculation
Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority	% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	YES/NO	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
POLAND	259400PV2ILIXBPHQE85	LEI	Portfel PB 1 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	2594001FO7SXLPZ4TQ03	LEI	Portfel PB 2 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00110	SC	Portfel PH 2 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00048	SC	EBP 3 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00049	SC	Ogrody Lubicz sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400L556HFJLUQPG54	LEI	Portfel PH 1 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00051	SC	Portfel PM1 sp. z o.o. w likwidacji	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00052	SC	3 PB 1 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00053	SC	3 PB 1 sp. z o.o. SKA	99 – Other	spółka komandytowo-akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00054	SC	Portfel2 PH5 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	2594005XILMZWXAN0Y31	LEI	2 PB1 sp. z o.o. SKA	99 – Other	spółka komandytowo-akcyjna			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400A21W72N1XFNK30	LEI	2 PB 2 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	2594001V07JSB7NXG908	LEI	2 PM 1 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400S8OHSTMVJD6N02	LEI	2PM2 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400J4AWYM4CEREX86	LEI	2 PM 3 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400P3E1KRCQETC281	LEI	2PM4 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400NN56N6V7LUMX54	LEI	2 PM 5 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00062	SC	2 PB 1 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400T1TSOSKDC18W29	LEI	2PB3 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	259400CRZML21T72F923	LEI	2PB4 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method
POLAND	QLPCKOOKVX32FUELX240PL00065	SC	2PB5 sp. z o.o.	99 – Other	spółka z ograniczoną odpowiedzialnością			100.00%	100.00%	100.00%		1 – Dominant	100.00%	1 – Included in the scope		3 – Method 1: Adjusted equity method

The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna
31-12-2025
S.05.01.02
Premiums, claims and expenses by line of business (in PLN thousand)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of Business for: accepted non-proportional reinsurance				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross — Direct Business	R0110	352,215	802,751	-	6,035,600	5,483,400	257,262	5,596,002	1,411,922	131,191	20,190	1,082,263	571,012	-	-	-	-	21,743,808
Gross — Proportional reinsurance accepted	R0120	-	-	-	19,804	3,244	3,499	19,425	16,305	-	-	-	2,740	-	-	-	-	65,017
Gross — Non-proportional reinsurance accepted	R0130																	7,344
Reinsurers' share	R0140	196	23,078	-	51,136	73,819	126,354	1,226,759	194,012	52,586	-	7,544	293,596	13	1,428	177	648	2,051,346
Net	R0200	352,019	779,673	-	6,004,268	5,412,825	134,407	4,388,668	1,234,215	78,605	20,190	1,074,719	280,156	-	1,012	883	3,183	19,764,823
Premiums earned																		
Gross — Direct Business	R0210	333,143	842,766	-	6,063,580	5,553,248	259,110	5,526,189	1,381,105	122,088	19,691	1,047,917	564,415	-	-	-	-	21,713,252
Gross — Proportional reinsurance accepted	R0220	-	-	-	11,064	3,388	2,871	18,805	14,107	-	-	-	7,000	-	-	-	-	57,235
Gross — Non-proportional reinsurance accepted	R0230																	7,021
Reinsurers' share	R0240	192	67,109	-	52,969	69,001	125,893	1,247,303	188,094	45,250	-	7,592	369,329	13	1,412	192	605	2,174,954
Net	R0300	332,951	775,657	-	6,021,675	5,487,635	136,088	4,297,691	1,207,118	76,838	19,691	1,040,325	202,086	-	1,138	465	3,196	19,602,554
Claims incurred																		
Gross — Direct Business	R0310	235,156	204,211	-	3,625,537	3,378,641	152,951	2,142,515	527,308	8,007	1,575	527,333	323,601	-	-	-	-	11,126,835
Gross — Proportional reinsurance accepted	R0320	-	690	-	10,440	1,583	1,413	16,095	3,439	-	-	-	6,375	-	-	-	-	40,035
Gross — Non-proportional reinsurance accepted	R0330																	10,378
Reinsurers' share	R0340	-	47,200	-	(50,087)	38,908	114,537	493,596	31,852	19,811	-	1,071	319,833	1	3,003	2	5,305	1,025,032
Net	R0400	235,156	157,701	-	3,686,064	3,341,316	39,827	1,665,014	498,895	(11,804)	1,575	526,262	10,143	-	2,752	(10)	(675)	10,152,216
Expenses incurred	R0550	68,867	326,246	-	1,958,038	1,599,345	40,466	1,722,122	567,345	45,300	12,265	365,105	105,979	3	298	(1)	1,128	6,812,506
Balance - other technical expenses/income	R1200																	163,873
Total expenses	R1300																	6,976,379

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	537,803	737,235	937,777	8,619,125	-	-	-	-	10,831,940
Reinsurers' share	R1420	-	213	441	3,163	-	-	-	-	3,817
Net	R1500	537,803	737,022	937,336	8,615,962	-	-	-	-	10,828,123
Premiums earned										
Gross	R1510	537,805	731,946	937,811	8,613,409	-	-	-	-	10,820,971
Reinsurers' share	R1520	-	170	429	3,125	-	-	-	-	3,724
Net	R1600	537,805	731,776	937,382	8,610,284	-	-	-	-	10,817,247
Claims incurred										
Gross	R1610	452,351	347,581	932,970	5,020,177	-	658,427	-	2	7,411,508
Reinsurers' share	R1620	-	-	-	-	-	42,706	-	-	42,706
Net	R1700	452,351	347,581	932,970	5,020,177	-	615,721	-	2	7,368,802
Expenses incurred	R1900	114,362	152,705	47,953	1,605,683	-	8,171	-	-	1,928,874
Balance - other technical expenses/income	R2500									101,096
Total expenses	R2600									2,029,970
Total amount of surrenders	R2700	-	131,985	694,202	52,695	-	-	-	-	878,882

The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna
31-12-2025
S.05.02.04
Premiums, claims and expenses by country (in PLN thousand)

		Home Country	Country (by amount of gross premiums written) — non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010		LITHUANIA					
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross — Direct Business	R0110	18,782,324	1,666,283	-	-	-	-	20,448,607
Gross — Proportional reinsurance accepted	R0120	61,990	-	-	-	-	-	61,990
Gross — Non-proportional reinsurance accepted	R0130	1,303	-	-	-	-	-	1,303
Reinsurers' share	R0140	1,951,913	49,305	-	-	-	-	2,001,218
Net	R0200	16,893,704	1,616,978	-	-	-	-	18,510,682
Premiums earned								
Gross — Direct Business	R0210	18,828,453	1,640,144	-	-	-	-	20,468,597
Gross — Proportional reinsurance accepted	R0220	55,959	-	-	-	-	-	55,959
Gross — Non-proportional reinsurance accepted	R0230	838	-	-	-	-	-	838
Reinsurers' share	R0240	2,085,331	44,624	-	-	-	-	2,129,955
Net	R0300	16,799,919	1,595,520	-	-	-	-	18,395,439
Claims incurred								
Gross — Direct Business	R0310	9,651,950	829,439	-	-	-	-	10,481,389
Gross — Proportional reinsurance accepted	R0320	39,328	-	-	-	-	-	39,328
Gross — Non-proportional reinsurance accepted	R0330	(1,528)	-	-	-	-	-	(1,528)
Reinsurers' share	R0340	1,014,576	6,019	-	-	-	-	1,020,595
Net	R0400	8,675,174	823,420	-	-	-	-	9,498,594
Expenses incurred	R0550	5,919,385	523,224	-	-	-	-	6,442,609
Balance - other technical expenses/income	R1200							159,973
Total expenses	R1300							6,602,582

		Home Country	Country (by amount of gross premiums written) — life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		LITHUANIA					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	10,711,942	119,998	-	-	-	-	10,831,940
Reinsurers' share	R1420	3,305	512	-	-	-	-	3,817
Net	R1500	10,708,637	119,486	-	-	-	-	10,828,123
Premiums earned								
Gross	R1510	10,700,973	119,998	-	-	-	-	10,820,971
Reinsurers' share	R1520	3,212	512	-	-	-	-	3,724
Net	R1600	10,697,761	119,486	-	-	-	-	10,817,247
Claims incurred								
Gross	R1610	7,351,788	63,213	-	-	-	-	7,415,001
Reinsurers' share	R1620	45,282	(2,471)	-	-	-	-	42,811
Net	R1700	7,306,506	65,684	-	-	-	-	7,372,190
Expenses incurred	R1900	1,896,159	32,731	-	-	-	-	1,928,890
Balance - other technical expenses/income	R2500							101,096
Total expenses	R2600							2,029,986
Total amount of surrenders	R2700	848,809	30,073	-	-	-	-	878,882

POWSZECHNY ZAKŁAD UBEZPIECZEŃ SPÓŁKA AKCYJNA
organizational structure

President of the Board

Members of the Board

- Data Protection Officer
- internal audit
- internal control
- compliance
- AML in PZU Group
- legal consulting
- PZU Group strategy
- project management and M&A
- corporate security

Corporate Management Department:
- corporate management
- PZU Group corporate governance
- relations and corporate communication
- sponsorship
- prevention

HR Department:
- HR
- HR operations

Administration and Logistics Department:
- administration
- real estate
- purchase

Insurance Operations Department:
- insurance operations
- after-sales customer service

Group Network Department:
- branch network management

IT Department:
- IT strategy and project management
- IT architecture and infrastructure management
- management and development of IT systems
- IT support
- cybersecurity

- reinsurance

Corporate Client Department:
- corporate (including brokerage) sales and sales network management
- corporate product management (offer management, underwriting and risk assessment, analysis)
- financial risk insurance
- corporate business strategy and development
- corporate business service

Dealer Programs Department:
- dealer programs and sales network management

- innovations and AI
- after-sales service for health insurance
- direct sales
- sales support
- sales analysis

Multiagency Sales Department:
- multiagency sales and sales network management

Exclusive Sales Department:
- exclusive sales and sales network management

Cooperation with Banks and Strategic Partner Department:
- bancassurance (management of product and sales, actuarial tariff, analysis)
- assurbanking
- coordination and supervision of cooperation with PZU Group banks
- strategic partnerships and new businesses

- actuarial

Investment Department:
- assets allocation
- macroeconomic analysis
- alternative investments
- real estate investments
- treasury

Financial Department:
- information management
- planning and controlling
- tax policy
- accounting
- insurance accounting
- internal operations

- debt collection
- counteracting insurance crime

Claims and Benefits Service and Remote Channels Department:
- claims and benefits service
- assistance
- remote customer service

- marketing

Individual and SME Insurance Product Department:
- management of individual and SME insurance products and insurance programs (offer management, actuarial tariff, underwriting, analysis)

Customer and Digital Services Department:
- CRM
- eCommerce
- management of digital processes and services
- customer relationship and experience management

- risk management

- sustainable development

The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna
31-12-2025
S.02.01.02
Balance sheet (PLN in thousand)

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	-
Deferred tax assets	R0040	16,889
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	1,646,557
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	70,733,637
Property (other than for own use)	R0080	573,058
Holdings in related undertakings, including participations	R0090	26,447,223
Equities	R0100	12,979
Equities — listed	R0110	9,952
Equities — unlisted	R0120	3,027
Bonds	R0130	41,030,530
Government Bonds	R0140	40,223,292
Corporate Bonds	R0150	807,238
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	1,390,688
Derivatives	R0190	220,870
Deposits other than cash equivalents	R0200	1,058,289
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	6,295,479
Loans and mortgages	R0230	2,018,908
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	4
Other loans and mortgages	R0260	2,018,904
Reinsurance recoverables from:	R0270	2,081,178
Non-life and health similar to non-life	R0280	1,851,569
Non-life excluding health	R0290	1,817,689
Health similar to non-life	R0300	33,880
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	229,728
Health similar to life	R0320	(2,282)
Life excluding health and index-linked and unit-linked	R0330	232,010
Life index-linked and unit-linked	R0340	(119)
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	633,903
Reinsurance receivables	R0370	132,405
Receivables (trade, not insurance)	R0380	285,331
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in.	R0400	-
Cash and cash equivalents	R0410	527,044
Any other assets, not elsewhere shown	R0420	203,522
Total assets	R0500	84,574,853
Liabilities		-
Technical provisions — non-life	R0510	17,215,895
Technical provisions — non-life (excluding health)	R0520	16,805,054
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	15,768,095
Risk margin	R0550	1,036,959
Technical provisions — health (similar to non-life)	R0560	410,841
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	395,577
Risk margin	R0590	15,264
Technical provisions — life (excluding index-linked and unit-linked)	R0600	13,566,364
Technical provisions — health (similar to life)	R0610	(90,051)
Technical provisions calculated as a whole	R0620	-
Best Estimate	R0630	(122,134)
Risk margin	R0640	32,083
Technical provisions — life (excluding health and index-linked and unit-linked)	R0650	13,656,415
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	12,520,878
Risk margin	R0680	1,135,537
Technical provisions — index-linked and unit-linked	R0690	5,844,372
Technical provisions calculated as a whole	R0700	329,432
Best Estimate	R0710	5,409,763
Risk margin	R0720	105,177
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	126,589
Pension benefit obligations	R0760	42,296
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	4,767,606
Derivatives	R0790	6,474
Debts owed to credit institutions	R0800	260,551
Financial liabilities other than debts owed to credit institutions	R0810	642,624
Insurance & intermediaries payables	R0820	717,997
Reinsurance payables	R0830	17,817
Payables (trade, not insurance)	R0840	882,348
Subordinated liabilities	R0850	2,329,816
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	2,329,816
Any other liabilities, not elsewhere shown	R0880	1,329,417
Total liabilities	R0900	47,750,166
Excess of assets over liabilities	R1000	36,824,687

The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna
31-12-2025
S.23.01.22
Own funds (PLN in thousand)

		Total	Tier 1 — unrestricted	Tier 1 — restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction						
Ordinary share capital (gross of own shares)	R0010	86,352	86,352		-	
Non-available called but not paid in ordinary share capital to be deducted at group level	R0020	-	-		-	
Share premium account related to ordinary share capital	R0030	538,139	538,139		-	
Initial funds, members' contributions or the equivalent basic own — fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Non-available subordinated mutual member accounts to be deducted at group level	R0060	-		-	-	-
Surplus funds	R0070	-	-			
Non-available surplus funds to be deducted at group level	R0080	-	-			
Preference shares	R0090	-		-	-	-
Non-available preference shares to be deducted at group level	R0100	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Non-available share premium account related to preference shares at group level	R0120	-		-	-	-
Reconciliation reserve	R0130	31,608,144	31,608,144			
Subordinated liabilities	R0140	2,329,816		-	2,329,816	-
Non-available subordinated liabilities to be deducted at group level	R0150	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	-				-
The amount equal to the value of net deferred tax assets not available to be deducted at the group level	R0170	-				-
Other items approved by supervisory authority as basic own funds not specified above	R0180	-	-	-	-	-
Non available own funds related to other own funds items approved by supervisory authority	R0190	-	-	-	-	-
Minority interests	R0200	749	692	-	-	57
Non-available minority interests to be deducted at group level	R0210	749	692	-	-	57
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-				
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	10,190,954	10,190,954	-	-	-
Where deducted according to art 228 of the Directive 2009/138/EC	R0240	-	-	-	-	
Deductions for participations where there is non-availability of information (Article 229)	R0250	96,535	96,535	-	-	-
Deduction for participations included via Deduction and Aggregation method (D&A) when a combination of methods are used	R0260	-	-	-	-	-
Total of non-available own fund items to be deducted	R0270	749	692	-	-	57
Total deductions	R0280	**10,288,238**	**10,288,181**	**-**	**-**	**57**
Total basic own funds after deductions	R0290	**24,274,962**	**21,945,146**	**-**	**2,329,816**	**-**
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	-			-	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual — type undertakings, callable on demand	R0310	-			-	
Unpaid and uncalled preference shares callable on demand	R0320	-			-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-			-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-			-	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-			-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-			-	
Supplementary members calls — other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-			-	-
Non available ancillary own funds to be deducted at group level	R0380	-			-	-
Other ancillary own funds	R0390	-			-	-
Total ancillary own funds	R0400	-			-	-
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies - total	R0410	9,831,206	9,338,474	-	492,732	
Institutions for occupational retirement provision	R0420	-	-	-	-	-
Non regulated undertakings carrying out financial activities	R0430	354,472	354,472	-	-	
Total own funds of other financial sectors	R0440	**10,185,678**	**9,692,946**	**-**	**492,732**	**-**
Own funds when using the D&A, exclusively or in combination with method 1						
Own funds aggregated when using the D&A and combination of method	R0450	-	-	-	-	-
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	-	-	-	-	-
Total available own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	24,274,962	21,945,146	-	2,329,816	-
Total available own funds to meet the minimum consolidated group SCR	R0530	24,274,962	21,945,146	-	2,329,816	
Total eligible own funds to meet the consolidated part of the group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	24,274,962	21,945,146	-	2,329,816	-
Total eligible own funds to meet the minimum consolidated group SCR	R0570	23,163,459	21,945,146	-	1,218,313	
Minimum consolidated Group SCR	R0610	**6,091,563**				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	**380.25%**				
Total eligible own funds to meet the total group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	**34,460,640**	**31,638,092**	**-**	**2,822,548**	**-**
Total Group SCR	R0680	**14,446,089**				
Ratio of Total Eligible own funds to Total group SCR - ratio including other financial sectors and the undertakings included via D&A	R0690	**238.55%**				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	36,824,687
Own shares (held directly and indirectly)	R0710	3,275
Foreseeable dividends, distributions and charges	R0720	4,588,027
Other basic own fund items	R0730	625,241
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Other non available own funds	R0750	-
Reconciliation reserve	R0760	**31,608,144**
Expected profits		
Expected profits included in future premiums (EPIFP) — Life business	R0770	2,816,052
Expected profits included in future premiums (EPIFP) — Non- life business	R0780	1,061,890
Total Expected profits included in future premiums (EPIFP)	R0790	**3,877,942**

The Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna
31-12-2025
S.25.01.22
Solvency Capital Requirement — for groups on Standard Formula (PLN in thousand)

Basic Solvency Capital Requirement		**Gross solvency capital requirement**	**Simplifications**
		C0110	C0120
Market risk	R0010	4,581,022	-
Counterparty default risk	R0020	337,009	
Life underwriting risk	R0030	2,831,786	-
Health underwriting risk	R0040	509,880	-
Non-life underwriting risk	R0050	6,784,774	-
Diversification	R0060	(4,898,059)	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	10,146,412	

Basic Solvency Capital Requirement (USP)		**USP**
		C0090
Life underwriting risk	R0030	-
Health underwriting risk	R0040	-
Non-life underwriting risk	R0050	-

Calculation of Solvency Capital Requirement		**Value**
		C0100
Operational risk	R0130	1,059,609
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(1,569,450)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency capital requirement calculated on the basis of Art. 336 (a) of Delegated Regulation (EU) 2015/35, excluding capital add–on	R0200	9,636,571
Capital add-ons already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	-
of which, capital add-ons already set - Article 37 (1) Type b	R0212	-
of which, capital add-ons already set - Article 37 (1) Type c	R0213	-
of which, capital add-ons already set - Article 37 (1) Type d	R0214	-
Consolidated Group SCR	R0220	14,446,089
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-
Minimum consolidated group solvency capital requirement	R0470	6,091,563
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	4,769,135
Capital requirement for other financial sectors (Non-insurance capital requirements) — Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	4,362,486
Capital requirement for other financial sectors (Non-insurance capital requirements) — Institutions for occupational retirement provisions	R0520	-
Capital requirement for other financial sectors (Non-insurance capital requirements) — Capital requirement for non-regulated undertakings carrying out financial activities	R0530	406,649
Capital requirement for non-controlled participation	R0540	-
Capital requirement for residual related undertakings	R0550	40,383
Capital requirement for collective investment undertakings or investment packaged as funds	R0555	-
Overall SCR		
SCR for undertakings included via D&A method	R0560	-
Total group solvency capital requirement	R0570	14,446,089