# Half-Yearly Report **2026**

Management Board’s report on the activity
of the PZU Group for H1 2026

pzu.pl

INSURANCE | HEALTH | INVESTMENT | BANKING

# Contents

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# PZU Group

## Scope of activity

**#1**

the largest insurance and banking group in Central and Eastern Europe[1]

**22 m**

customers

**99%**

the most recognizable brand in Poland[2]

**A-/positive[3]**

a stable business model based on strong foundations

**PLN 56.7 bn**

stock market capitalization[4]

**strong balance sheet**

Solvency II above average for insurance groups in Europe[5]

1) By assets
2) Continuous brand monitoring, CAWI, nat-rep 18-65, data for January-June 2026; percentage of respondents in the target group declaring familiarity with the brand by indicating it in a list of different brands
3) S&P rating confirmed on 29 May 2026
4) As of 30 June 2026
5) PZU's own compilation, based on reports from European insurers and reinsurers, data after Q1 2026

# PZU Group

## Market position of the major PZU Group companies

### POLAND

| | | |
|---|---|---|
| PZU, LINK4, PZUW | #1 | Non-life insurance, Life insurance |
| Bank Pekao | #2 | Banks |
| Alior Bank | #8 | Banks |
| TFI PZU | #2 | Investments |
| OFE PZU | #3 | Investments |
| Pekao TFI | #4 | Investments |
| PZU ZDROWIE | #3 | Health |

### LITHUANIA

| | | |
|---|---|---|
| LIETUVOS DRAUDIMAS | #1 | Non-life insurance |
| | #6 | Life insurance |

### LATVIA

| | | |
|---|---|---|
| BALTA | #1 | Non-life insurance |

### ESTONIA

| | | |
|---|---|---|
| PZU | #4 | Non-life insurance |

### UKRAINE

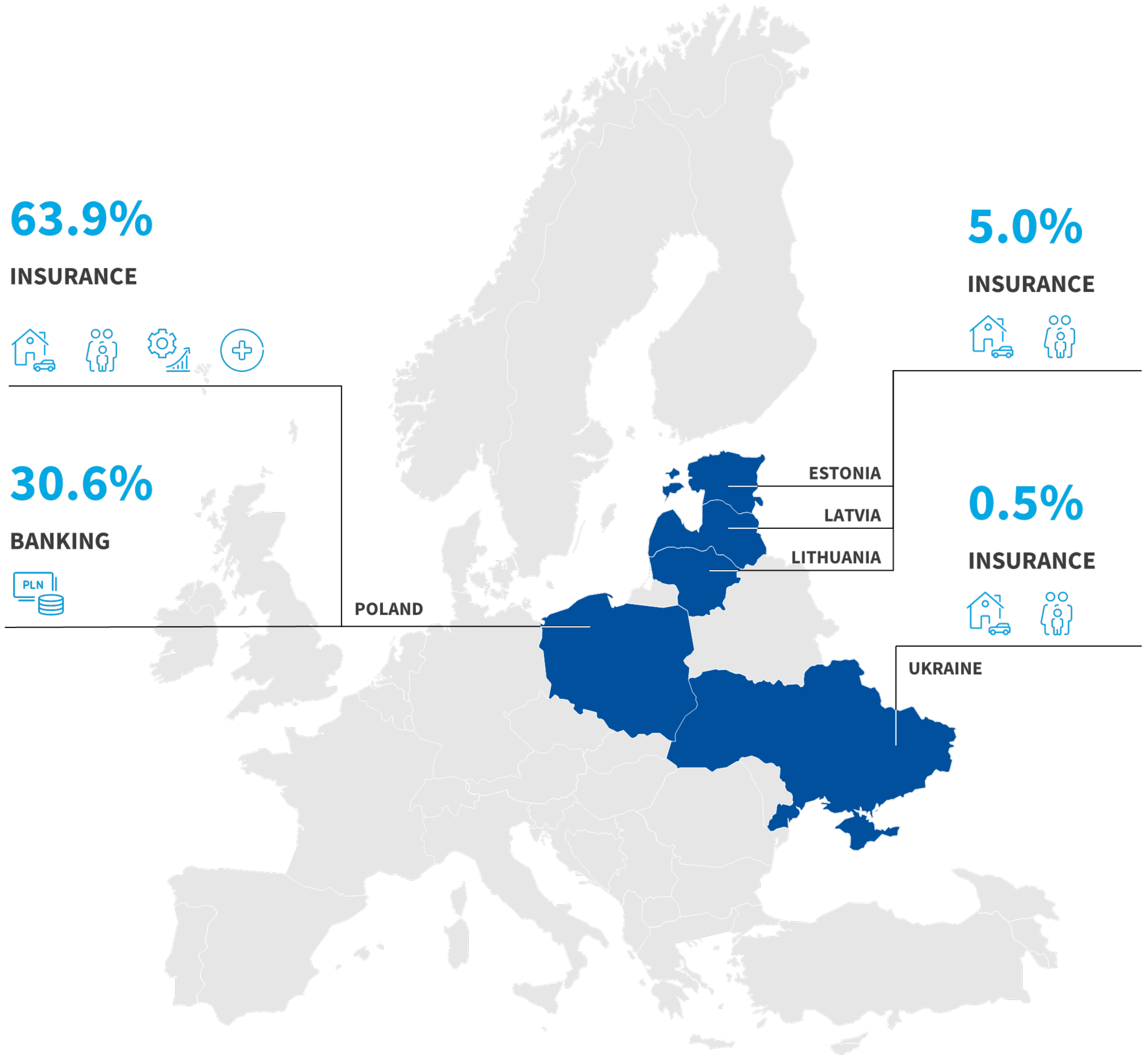
| | | |
|---|---|---|
| PZU | #9 | Non-life insurance |
| | #4 | Life insurance |


**KEY:**

- Non-life insurance
- Life insurance
- Investments
- Banks in the PZU Group (Bank Pekao and Alior Bank)
- Health

# PZU Group

**Contribution of segments to operating profit (Percentage share of operating profit, adjusted for PZU's interests in banks, in H1 2026)**




**KEY:**

- Non-life insurance
- Life insurance
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- Health

# Summary of H1 2026 results

**Gross Written Premium**

**PLN 15.7 bn**

***We consistently expand the scale of our business*** *– gross written premium reached nearly PLN 15.7 bn, confirming the strength of the PZU Group's business model and the effectiveness of its sales channels.*

**DPS**

**PLN 4.80**

***We pay an attractive dividend*** *– the Annual General Meeting approved a dividend for 2025 of PLN 4.80 per share, representing a 7.4% year-on-year increase (PLN 0.33 per share). This confirms the Group's long-term ability to generate value for shareholders.*

**Net profit**

**PLN 3.0 bn**

***We create value for shareholders*** *– a net profit of over PLN 3 bn demonstrates the PZU Group's ability to consistently deliver value, even in a challenging market environment. Despite lower interest rates, higher tax burdens in the banking sector and strong price competition in the motor insurance segment, the PZU Group maintained high business profitability.*

**Solvency II ratio**

IQ 2026

**230%**

***We maintain a strong capital position -*** *the Solvency II ratio at the end of the first quarter of 2026 reached* ***230%****, significantly exceeding both the average level observed in the European market and the Group's strategic target of* ***190%****. This confirms a high level of capital security and capacity for further growth.*

**Combined Ratio (COR)**

**87.9%**

**Life insurance margin**

**27.2%**

**Health pillar revenues**

**PLN 1.2 bn**

**Third-party assets under management at TFI PZU**

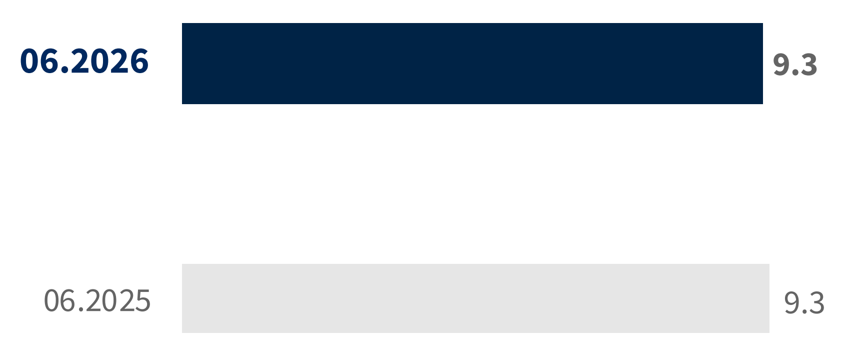
**PLN 42.2 bn**

# Summary of H1 2026 results

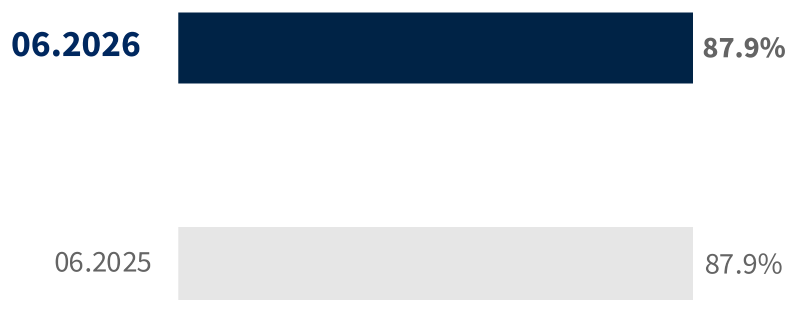
## INSURANCE

### Non-life insurance in Poland

**Gross non-life insurance revenue (PLN bn)**

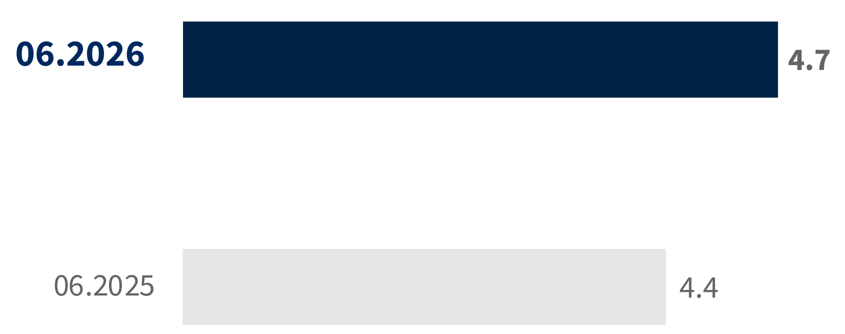



**Combined Ratio (COR) (%)**

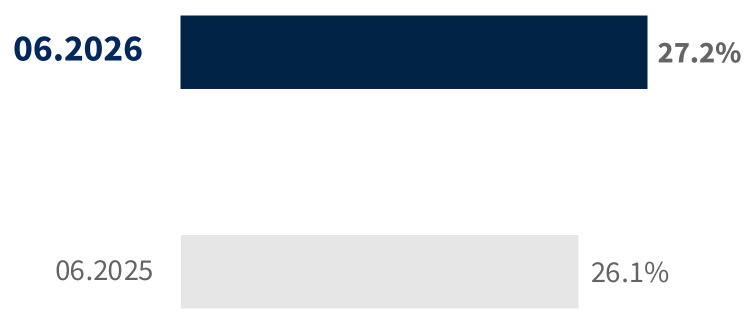



### Life insurance in Poland

**Gross life insurance revenue (PLN bn)**

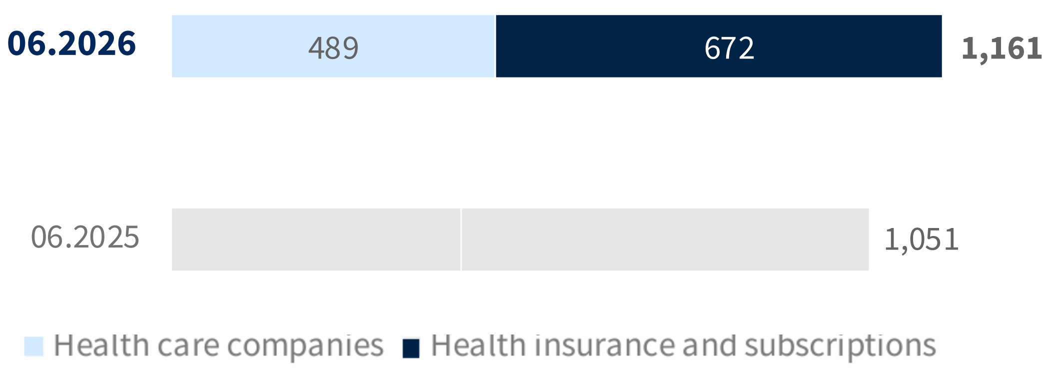



**Life insurance operating margin in Poland (%)**

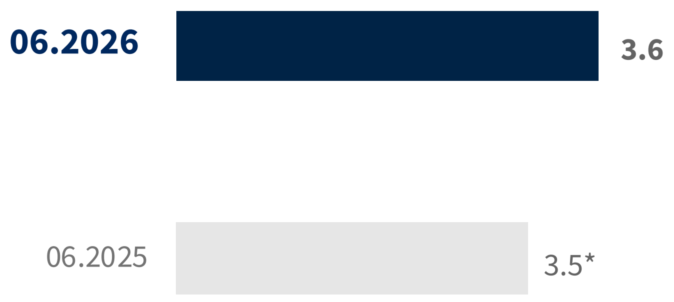



## HEALTH

**Health pillar Revenue (PLN m)**




**Number of Health pillar contracts (m)**

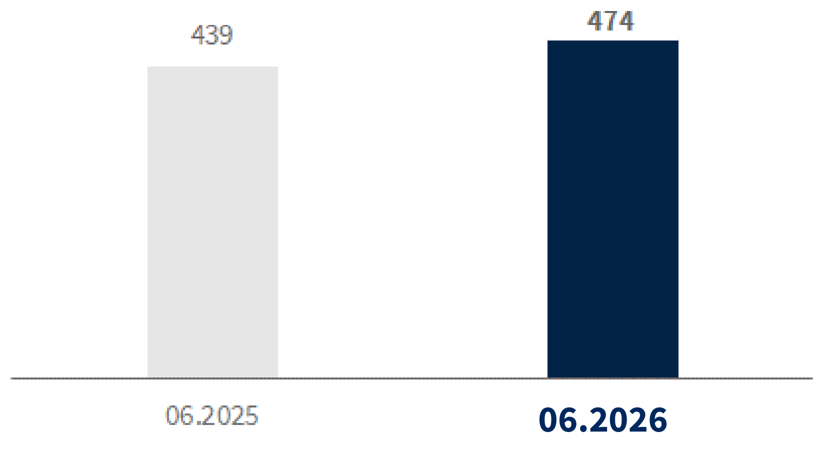



*) restated data

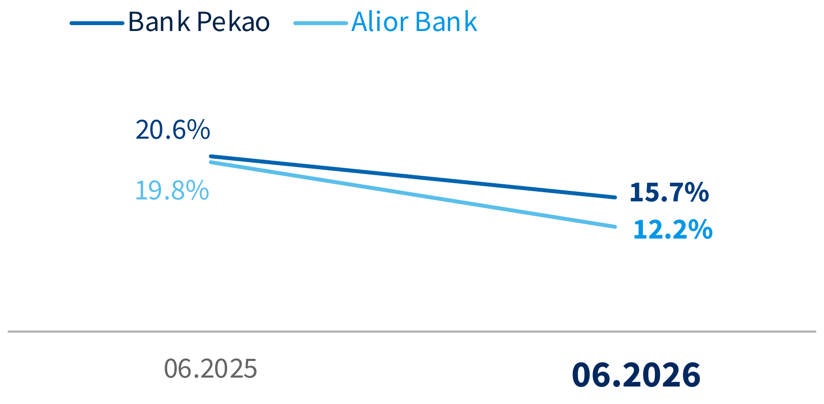
# Summary of H1 2026 results

## BANKING

**Banking assets in PZU Group (PLN bn)**

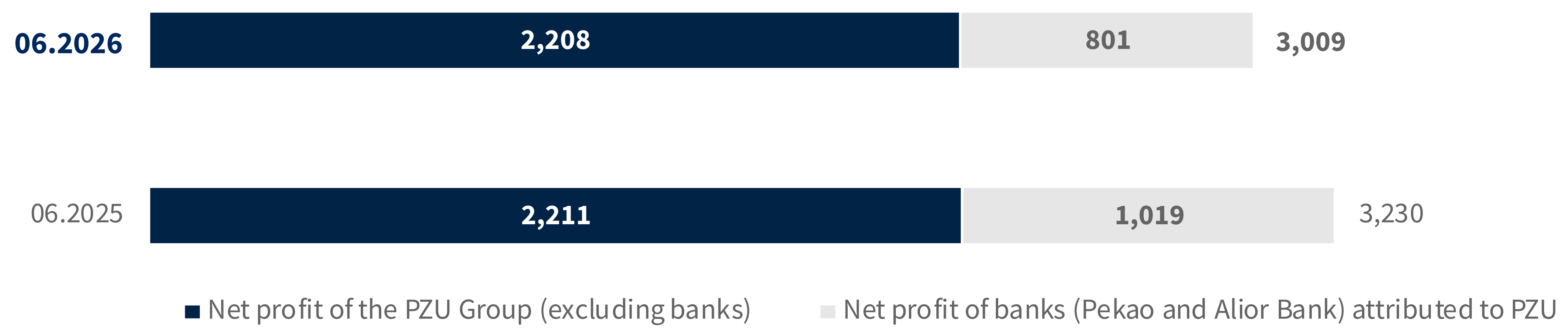



**ROE (return on equity) of banks*** (%)




*) based on reports and presentations of Bank Pekao and Alior Bank

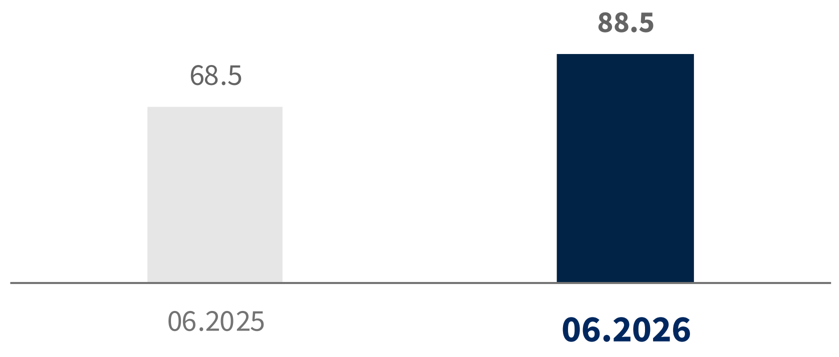
**Contribution of banking activities to net profit attributable to the equity holders of the parent company*** (PLN m)



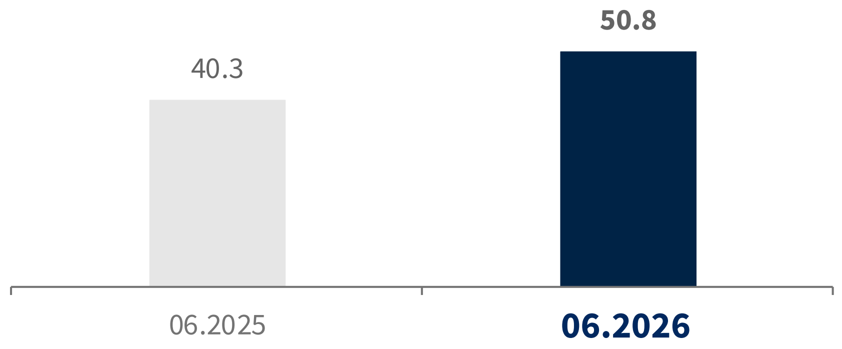

*) excluding consolidation eliminations

## INVESTMENTS

**Assets of external customers of TFI PZU and PTE PZU (PLN bn)**



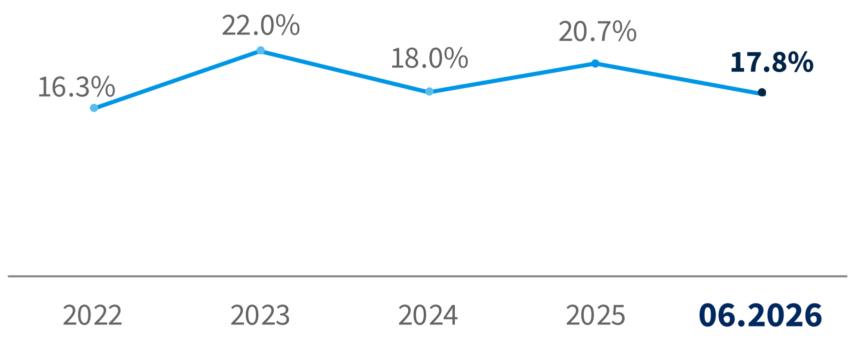

**Assets of customers of TFI Pekao and TFI Alior (PLN bn)**



# Summary of H1 2026 results

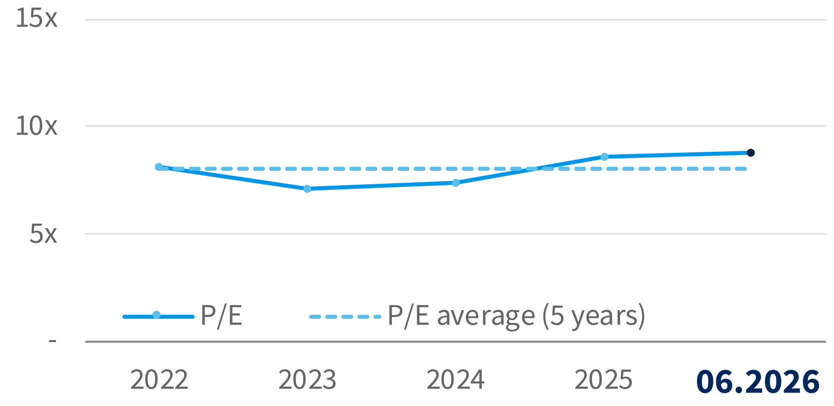
## SELECTED INDICATORS

**aROE* (return on equity)** (%)



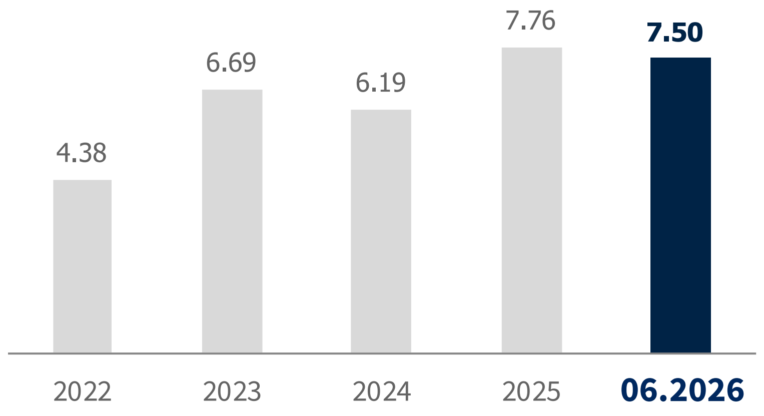

*) aROE – adjusted return on equity, calculated on a capital basis excluding cumulative other comprehensive income relating to insurance and reinsurance financial income and expenses; aROE attributable to equity holders of the parent company

**P/E* (price to earnings per share)**



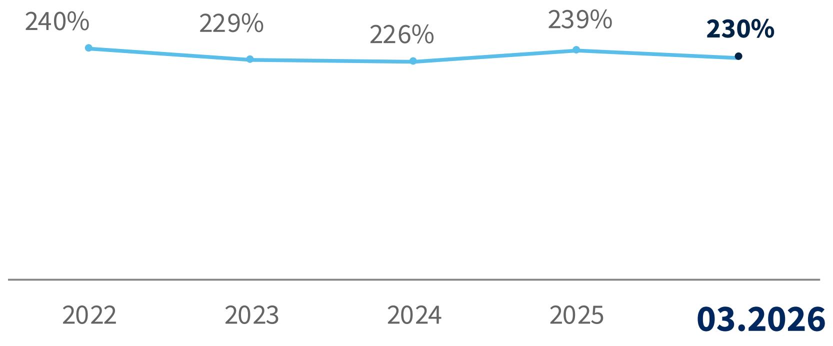

*) IFRS17 data; cumulative for 12 months

**EPS* (earnings per share)** (PLN)



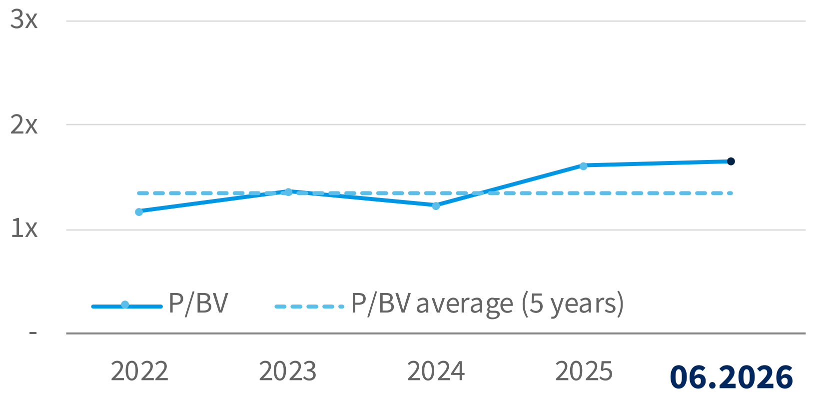

*) IFRS17 data; trailing for 12 months

**Solvency II*** (%)

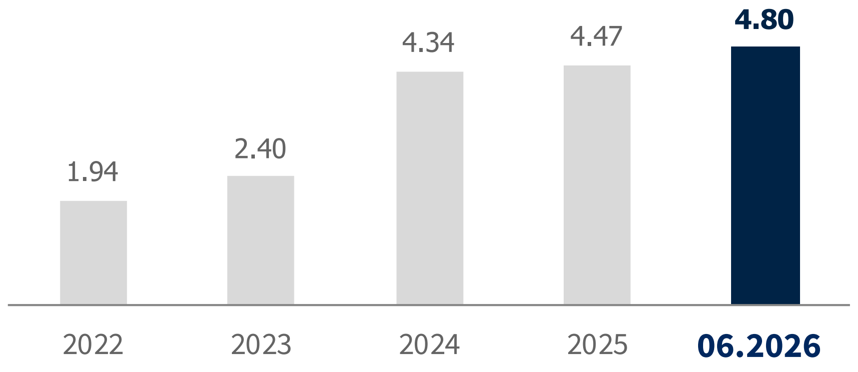



*) data for Q1 2026 are not subject to audit or statutory auditor review

**P/BV (price to book value per share)**




**DPS (dividend per share)** (PLN)



# Summary of H1 2026 results

**Basic consolidated data of the PZU Capital Group for H1 in 2024–2026 under IFRS 17 (in PLN m)**

| | H1 2024 | H1 2025 | H1 2026 |
|---|---|---|---|
| **A) PZU Group excluding Alior Bank and Bank Pekao** | | | |
| Gross insurance revenue | 14,295 | 15,226 | 15,652 |
| Net insurance revenue | 13,397 | 14,232 | 14,705 |
| Insurance service expenses (net) | (11,797) | (12,077) | (12,415) |
| Net insurance claims and benefit[1] | (8,106) | (8,459) | (8,497) |
| Administrative expenses | (1,214) | (1,253) | (1,299) |
| Acquisition expenses | (2,331) | (2,447) | (2,525) |
| Amortization of the loss component | 532 | 511 | 512 |
| Recognition of and movement in the loss recovery component[2] | (678) | (429) | (606) |
| Insurance service result | 1,600 | 2,155 | 2,290 |
| Net financial income[3] | 570 | 658 | 634 |
| Finance income and expenses from insurance | (838) | (1,016) | (942) |
| Result from investment activities – allocated to insurance segments | 1,408 | 1,674 | 1,576 |
| **Net profit attributable to the equity holders of the parent company** | **1,471** | **2,211** | **2,208** |
| **B) Banks: Alior Bank and Bank Pekao** | | | |
| Net profit attributable to the equity holders of the parent company | 975 | 1,019 | 801 |
| **(A+B) Net profit attributable to the equity holders of the parent company** | **2,446** | **3,230** | **3,009** |

1) excluding the investment component with the development of the claim reserves from previous years
2) including amounts due from reinsurers arising from the recognition and change of the loss component
3) financial income and expenses from insurance and reinsurance, as well as investment result allocated to insurance business segments

**The PZU Group's financial performance places it among the most profitable financial institutions in Poland.**

In H1 2026, the PZU Group **generated net profit attributable to equity holders of the parent of PLN 3.0 bn**, confirming the strength and resilience of its diversified business model. This strong performance was achieved despite a challenging market environment, including lower interest rates, higher tax burdens, the impact of CJEU rulings on the results of the PZU Group's banking operations, as well as persistently elevated claims inflation and intense price competition in the motor insurance segment. Profitable insurance operations and the rapidly growing health business remained the key drivers of the Group's financial performance. **The banking business contributed PLN 801 m to net profit** attributable to equity holders of the parent.

**Insurance revenue amounted to PLN 15,652 m.** The increase was driven primarily by the growth of the life insurance business in Poland, as well as higher insurance revenue generated in the Baltic Countries and Ukraine. Performance was further supported by continued growth in the non-motor insurance portfolio within the mass customer segment, particularly PZU Dom and PZU Firma products dedicated to small and medium-sized enterprises. These positive trends were partly offset by lower insurance revenue from motor insurance in the mass customer segment, reflecting continued strong pricing pressure from key competitors.

**Insurance service result increased,** mainly driven by strong performance in the Group and Individually Continued Insurance segment, where insurance revenue growth exceeded the increase in claims and benefits expenses, as well as by solid results in the Individual Insurance segment. Consequently, the operating margin in the Polish life insurance business improved to **27.2%**. Meanwhile, the performance of the Polish non-life insurance segments remained resilient despite persistent claims inflation and strong pricing pressure in motor insurance. The stability of the segment's performance is confirmed by a Combined Ratio (**COR) of 87.9%**, matching the level recorded a year earlier.

Net profit attributable to equity holders of the parent from **banking activities** decreased compared with the previous year, mainly due to a decline in net interest income resulting from lower market interest rates, higher contributions to the Bank Guarantee Fund (BFG) and an increase in the tax rate from 19% in 2025 to 30% in 2026.

# Ratings

## Credit rating and financial strength rating

A–

POSITIVE

On 29 May 2026, S&P Global Ratings reaffirmed PZU's rating at A- with a positive outlook.

In its rationale for the decision, S&P highlighted that the PZU Group maintains a very strong capital position and sufficient flexibility to adapt to a significant increase in capital requirements resulting from changes to Solvency II regulations, which will come into effect in January 2027. The analysts noted the further strengthening of the PZU Group's capital buffers, with the solvency ratio increasing to 239% at the end of 2025 from 226% a year earlier, as well as the Group's continued strong earnings generation capacity supporting further capital growth.

Maintaining the positive rating outlook reflects the agency's assessment that the PZU Group will be able to effectively adapt to new regulatory requirements while preserving its strong capital position and resilience of financial performance. S&P also highlighted the actions undertaken by the PZU Group to adapt to new regulations and maintain efficient capital utilization.

The last change to PZU's rating took place on 28 May 2024, when the agency's analysts upgraded the rating outlook from stable to positive. In the rationale for this decision, the agency recognized the PZU Group's achievements in executing its strategy, including the ambitious targets set for its insurance and banking businesses. In subsequent S&P reports, the agency maintained its positive assessment of the PZU Group's outlook, pointing, among other factors, to expected above-average profitability, a strong capital position and the ability to maintain significant capital buffers despite high dividend payouts and volatility in financial markets.

S&P Global

# ESG ratings

ESG ratings reflect an assessment of companies' sustainability in terms of their environmental, social and governance practices. They serve investors and stakeholders to pinpoint potential risks and opportunities and help PZU better identify areas for improvement. The following table shows how selected rating agencies rated our management of ESG issues.

## MSCI

In 2025, PZU was rated A by MSCI ESG Ratings, recording an increase from a BBB score. MSCI ESG Research provides ESG Ratings on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.[6]

## FTSE Russel

PZU is a constituent of FTSE4Good Index Series, created by the global index provider FTSE Russel, to measure the performance of companies demonstrating strong ESG practices. In 2025, the score remained at 3.8 (on a scale of 0 to 5, with 5 being the highest rating). In the insurance sector, the result is in the 56th percentile.

## S&P Global

In 2025, PZU had the S&P Global ESG Score of 46/100 and the S&P Global CSA Score of 44/100, achieving an upward trend from last year's score. In the insurance sector, PZU ranked in the 71st percentile.

## CDP

PZU was rated C for climate change disclosure based on data disclosed in the 2025 CDP questionnaire. CDP uses a scale from A (highest) to D- (lowest), reflecting the level of ambition, goal-setting and actions taken.

6) The use by PZU of any MSCI ESG Research LLC or its affiliates ("MSCI") data and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of PZU by MSCI. MSCI services and data are the property of MSCI or its information providers and are provided "as-is" and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

# Calendar of the most important events in 2026

## FEBRUARY

- 26 February – 2025 Annual Report

## MARCH

- 3 March – Establishment of the PZU VAT Group, comprising: PZU, PZU Życie, PZU Zdrowie, TUW PZUW, TFI PZU, PZU CO, PZU Pomoc, and PZU Tech

## APRIL

- 14 April – Election of PZU's Management Board for a new term covering three consecutive full financial years, 2027–2029

## MAY

- 4 May – Acquisition of 100% of the shares of MetLife Ukraine
- 14 May – Quarterly Report for Q1 2026
- 29 May – Signing of the merger plan between PZU and LINK4
- 29 May – S&P Global Ratings confirmed PZU's rating at A- with a positive outlook

## JUNE

- 18 June – PZU Ordinary Shareholder Meeting

## AUGUST

- 20 August – Half-Yearly Report for H1 2026

## SEPTEMBER

- 17 September – Record date for dividend rights

## OCTOBER

- 8 October – Disbursement of dividends at PLN 4.80 per share

## NOVEMBER

- 19 November – Quarterly Report for Q3 2026

# 1. Group characteristics



- ✓ **The PZU Group consistently maintains its position as the leading insurance group in Poland**, serving millions of individual and corporate customers and expanding its operations across key segments of the financial market.
- ✓ **The PZU Group's offering represents one of the largest financial ecosystems in Poland**, combining insurance protection, health services, savings, investments and banking.
- ✓ **The scale of operations and customer trust** remain among the Group's most important assets and the foundation of its competitive advantage.

# 1.1. Offer, distribution and business areas

For more than 220 years, PZU has been growing its business, gaining experience and using its potential to protect what is most valuable – the life and well-being of its customers, their families, assets and companies. Every day, the Group develops to grow be able to provide the most personalized, comprehensive and flexible offer to its customers. The priority for the PZU Group and the measure of its success is to generate benefits for its shareholders and customers in a sustainable and responsible manner.

The Powszechny Zakład Ubezpieczeń Group is the largest financial group in Poland and Central and Eastern Europe. PZU heads up the group with its traditions dating back to 1803 when the first insurance company was established on Polish soil. PZU is a public company. The stock of PZU has been listed on the Warsaw Stock Exchange (WSE) since 2010. Since its stock exchange debut PZU has been part of WIG20, an index of the Warsaw Stock Exchange's largest companies. It is one of the most highly valued companies and heavily traded stocks on the Polish stock exchange. Since 2019, the shares of PZU have been also part of the WIG ESG (sustainability) index.

The main shareholder of PZU is the State Treasury, holding 34.19% of shares. Other PZU shares are held by investors from all across the world.

The PZU Group's consolidated assets total PLN 561.1 bn. The Group enjoys the trust of 22 million customers, including 15 million insurance customers. It offers products and services to retail customers, small and medium enterprises and big business entities. Poland is the PZU Group's core market measured by its magnitude and customer numbers. Nevertheless, the Group's subsidiaries play an important role on the markets in Lithuania, Latvia and Estonia. The PZU Group is also present in the Ukrainian market.

Insurance is the core business of the PZU Group. The Group's companies also offer investment, pension, banking and medical services products. They render assistance services to retail customers and businesses through strategic partnerships. The Group companies' operations are founded on customers' trust. PZU places the customer in the center of attention and integrates all areas of activity around them. This allows it to offer increasingly personalized, flexible and comprehensive products and services matching the needs of customers at every stage of their private and professional lives and at the suitable place and time.

Among all insurers operating in Poland, PZU offers its customers the largest sales and service network. The network includes:

**401** branches

**4.5 thousand** multiagencies

**7.4 thousand** tied agents and customer advisors at PZU and PZU Życie

over **1 thousand** insurance brokers

and remote distribution channels, including

**PZU sales hotline at 600 600 601**

and online platform

**mojePZU**

In the Baltic Countries where the PZU Group is in the insurance business, its distribution network consists of 610 agents, 13 multiagencies and 381 brokers. PZU also cooperates with 6 banks and 10 strategic partners.

In Ukraine, insurance products are distributed through 151 agents and in collaboration with 16 multiagencies, 38 brokers and 17 banks.

PZU Group works with:

**15** banks,

**25** strategic partners

in bancassurance and strategic partnerships.

PZU Group customers in Poland have access to the distribution network of Bank Pekao:

**468** own branches,

**89** partner branches

and that of Alior Bank:

**459** branches, including **139** traditional branches, **7** Private Banking branches, **12** Corporate Banking Centers, including **11** Micro Sales Centers and **301** partner branches.

Both banks have professional call centers and mobile and Internet banking platforms.

# Key PZU Group business areas

## INSURANCE

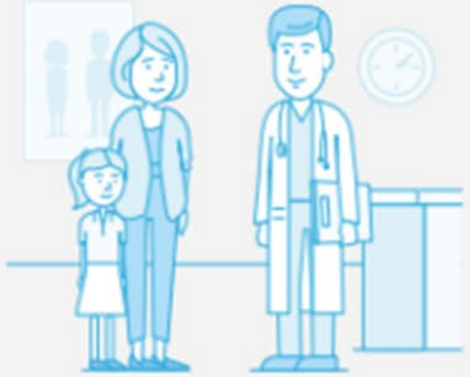
**For many years the PZU Group has provided insurance cover in all of the most important areas of private, public and business life, thereby safeguarding its clients' lives, assets and health.**

PZU (non-life insurance, including motor, residential and buildings, agricultural and third-party liability insurance) and PZU Życie (life insurance) are the leaders on Poland's insurance market. Since 2014, after the acquisition of LINK4, the Group has been offering insurance under two brands: the most recognizable, boasting a tradition of over 220 years, the PZU brand, and the much younger LINK4 brand, associated with direct sales channels. In 2015 the third brand, TUW PZUW, or Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych, a mutual insurer, was founded to sell and handle insurance products for companies in various industries, focusing on cooperation with large corporates, medical entities (hospitals and clinics) as well as for church institutions and local government units.

The PZU Group is also the leader in the insurance market in the Baltic Countries (Lithuania, Latvia, Estonia). It also conducts insurance activity in Ukraine.

Poland is the Group's core market, where it generates 90% of its revenue (measured by gross insurance revenue). The insurance activity in the Baltic Countries and in Ukraine generates 10% of its revenue.

CLIENT



## HEALTH

**Striving to satisfy the clients' needs better and more fully the PZU Group intensively grows the health insurance segment along with associated medical care services.**

The health business deals with the following activities: (i) sales of health products in the form of insurance and sales of non-insurance products (occupational medicine, medical subscriptions, partnerships and prevention programs), (ii) construction and development of medical infrastructure in Poland to give clients the best accessibility to the health care services rendered.

The PZU Zdrowie network includes nearly 130 of its own and 4,800 partner medical facilities. Its advantages include quick appointments, respecting referrals for tests from physicians from outside the PZU Zdrowie network, remote medical consultations which make it possible, in addition to obtaining medical advice or discussing test results, to receive a prescription or referral to tests. The offer is supplemented by prevention services.

## INVESTMENTS

**The PZU Group is one of the largest asset managers on the Polish market. It is also the market leader in employee pension schemes.**

It offers a broad range of investment products: open-ended and closed-ended investment fund and pension products, such as open-ended pension funds, individual retirement accounts (IRA), individual retirement security accounts with the PZU Voluntary Pension Fund, employee pension schemes (EPS), or employee capital schemes (ECS).
TFI PZU also invests the PZU Group's own funds.

The PZU Group has three mutual fund management companies: PZU TFI, Pekao TFI and Alior TFI. It also has Powszechne Towarzystwo Emerytalne PZU managing the PZU Złota Jesień Open-end Pension Fund and the PZU Voluntary Pension Fund.

## BANKING

**The PZU Group's banking business comprises two groups of companies: Bank Pekao (a member since 2017) and Alior Bank (a member since 2015).**

Bank Pekao, established in 1929, is a universal commercial bank offering a full range of banking services provided to individual and institutional clients. It is one of the largest financial institutions in Central and Eastern Europe, and the second largest bank in Poland.

Alior Bank is a universal deposit and credit bank. It was established in 2008 as a start-up. It combines the principles of traditional banking with innovative solutions, thanks to which it systematically strengthens its market position and sets out trends for the development of the Polish banking sector.

Tightening cooperation with banks has opened up enormous growth opportunities for the PZU Group, especially in terms of integrating and focusing its services on clients at every stage of their personal and professional development. Cooperation with the banking segment forms an additional plane for PZU to build lasting client relations. PZU Group's business within its banking model involves bancassurance and assurbanking.

# 1.2. Mission, vision, values

**PZU's mission**: we help customers care for their future. It would not have been possible to achieve this goal without their trust. It is the foundation of our relationship, because what the customer buys from us is the guarantee that they will receive our help in a difficult situation, that they can rely on us.

The publication of PZU Group Strategy for 2025–2027 "PZU. With Confidence into the Future" reinforced the directions for achieving this mission, defining a coherent, multi-year development path based on four key pillars. These include:

- **Simplicity** – simpler Group structure and increased operational efficiency;
- **Focusing on profitable growth of the insurance business** – consistently strengthening the core business area;
- **Growth through investment in the health market and digitization** – building future competitive advantages through innovation and expansion of business areas;
- **Commitment to building Poland's resilience and an inclusive society**– strengthening social security and the well-being of Poles.

The strategy organizes how the organization's mission is implemented, directing the Group's activities to increase value, modernize and respond even more fully to the needs of customers, partners and the socio-economic environment.

### Strategic development perspective

PZU consistently strives to strengthen its position as an institution that provides financial, health and social security to millions of people. The Group is developing operating models to create more intuitive services, offer cutting-edge solutions and strengthen system stability. The Group's ambition is to use its potential to respond to the future needs of customers and the national economy and to build value in a sustainable and responsible manner.

This long-term focus sets the framework for decision-making and drives transformation across the organization: from process modernization, through investments in technology and health, to actions that foster a stronger, more resilient society.

### Values

PZU's values form the foundation of the entire Group's operations and define the standards of conduct towards customers, business partners, employees and all other stakeholders. They provide a sustainable reference point for decision-making at every level of the organization and are the basis for building trust – the key capital of a public trust institution like PZU.

These values are common to the entire organization and unchanging regardless of the market environment, trends or strategic cycles. They shape the organizational culture, strengthen the quality of cooperation within the Group and determine how to achieve the mission and long-term goals.

PZU's values consist of:

- **Stability** – ensuring the financial and operational security necessary to protect customers' interests and the Group's growth.
- **Integrity** – transparency in operations, ethical conduct and reliability in relations with all stakeholders.
- **Innovation** – openness to new solutions, the use of technology and the implementation of innovative business models that respond to changing market needs.
- **Responsibility** – concern for customers, employees and society.

PZU's values provide a stable foundation for the Group's strategic goals and daily operations. Through them, the organization builds long-term relationships, strengthens stakeholder trust and consistently fulfills its mission.

MISSION

**We help clients care for their future**

**We think in terms of future generations**

The PZU Group Strategy will strengthen PZU's position as a leader in large-scale risk management and a partner that provides certainty in times of risk.

**Strategy for 2025–2027 "PZU. With Confidence into the Future"**

**Pillars**

Simplicity | Profitable growth in insurance business | Development through investment in health and digitization | Building Poland's resilience and an inclusive society

**Values**

Stability | Integrity | Innovation | Responsibility

**Stability** means conducting business in a safe and trust-based manner. For customers, it is a guarantee of reliability, continuity of protection and confidence that PZU is meeting its commitments over the long term. For employees, stability means a safe working environment, opportunities for growth and clear rules for the organization. Stability is the foundation of confidence in PZU as a strong and reliable financial institution.

- over 220 years of tradition
- Sound capital base, high Solvency II ratio
- Largest financial group in Central and Eastern Europe
- Strong brand

- Artificial intelligence and machine learning
- Continuation of the process of digitalizing insurance, banking, investment and health products and services
- Advanced analytics
- Process optimization

**Innovation** expresses readiness to continuously develop and seek new solutions to meet changing customer needs and market challenges. PZU develops products, services and processes in ways that increase their availability, quality and efficiency. Innovation also means being open to change, using new technologies and supporting initiatives that improve the organization’s operations.


**Integrity** stands for transparency in operations, honoring commitments and communicating transparently with customers and stakeholders. PZU is guided by the principles of reliability, ethics and respect in business relations, ensuring clear rules of cooperation and consistency between declarations and actions. For employees, integrity means operating in an environment based on trust, mutual respect and clearly defined rules.

- We keep our promises
- We observe transparent rules of doing business
- We are fair in our internal and external relations
- We cultivate a culture of ethics and compliance

- We respond to the needs of clients, employees and society
- We manage our environmental impact deliberately and responsibly
- We offer an inspiring place of work

**Responsibility** means making decisions consciously, taking into account their long-term impact on customers, employees, society and the environment. PZU pursues it through responsible risk management, prevention activities, community involvement and support for education and security. Responsibility also manifests itself in caring for employees and in building relationships based on partnership and mutual trust.

# 1.3. Brand

PZU is the most recognizable brand in Poland. Aided brand awareness is at the level of 99%[7].

Even though it is mostly associated with insurance, PZU Group's brand architecture also covers a few independent brands. They enjoy different visual systems, target groups and corporate business models.

## PZU Group's brand architecture (the "corporate umbrella" model)

**Dominant Corporate Brand**

The PZU corporate brand is the dominant one within the Group. It is used bythe PZU Group itself, most of its companies operating on the Polish market (PZU, PZU Życie, PZU Pomoc, PZU Centrum Operations), as well as some foreign subsidiaries—companies in Ukraine, the Lithuanian branch in Estonia and the Lithuanian company PZU Lietuva Gyvybes Draudimas (PZU Lithuania Life).

insurance

**Subbrands of the dominant corporate brand**

The PZU Group operates three subbrands of the dominant corporate brand. These are: PZU Inwestycje (for PTE PZU and TFI PZU), PZU Zdrowie and PZU Fundacja.

INWESTYCJE | ZDROWIE | FUNDACJA

investments/savings

health

NGO activities

**Brands of the PZU family**

The PZU Group's brand architecture also includes a group of brands known as the PZU family. This family consists of companies whose names do not refer to the parent brand, such as AAS BALTA and TUW PZUW. However, their logos are visually similar to the corporate brand.

LINK4 | LIETUVOS DRAUDIMAS

insurance

employee financial benefits

**Independent Brands – Banking Segment**

The independent brands that joined the PZU Group in 2015 and 2017, respectively, are the Alior and Pekao bank brands.

ALIOR BANK | Bank Pekao

banks

investments

7) Continuous brand monitoring, CAWI, nat-rep 18-65, data for January-June 2026; percentage of respondents in the target group declaring familiarity with the brand by indicating it in a list of different brands

# 1.4. Milestones of PZU Group’s growth

For over 220 years, the PZU Group has been contributing to the development of the financial market in Poland and abroad.

**1803**
establishment of the first insurance company on Polish soil

**1927**
**Creation of the PZU brand** – transformation of the Polish Mutual Insurance Directorate into a public company – Powszechny Zakład Ubezpieczeń Wzajemnych

**1991**
**Transformation of PZU** into a joint stock company wholly-owned by the State Treasury
**Formation of PZU Życie**

**1998**
Formation of **Powszechne Towarzystwo Emerytalne PZU** (PTE PZU) – management of pension funds and programs

**1999**
Creation of **Towarzystwa Funduszy Inwestycyjnych PZU** (TFI PZU) – management of mutual funds

**2002**
Launch of operations on the **Lithuanian** insurance market

**2005**
Launch of operations on **the Ukrainian** insurance market

**2010**
**PZU’s debut on the Warsaw Stock Exchange** (WSE)

**2012**
Rebranding

**2014**
**Signing of the contract to acquire:** AAS Balta, AB Lietuvos Draudimas, COdan A/S and LINK4.
Launch of the **PZU Zdrowie** brand

**2015**
Agreement to acquire shares in **Alior Bank**
Establishment of **Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych** (TUW PZUW)

**2017**
Finalization of the acquisition of shares in **Bank Pekao**

**2021**
PZU Group's "Potential and Growth" Strategy, in which **ESG goals** debut

**2026**
Implementation of the “confidence meets the future” strategy and PZU's transformation projects in the areas of pricing, claims, customer service and sales

# 1.5. PZU Group's structure

## Structure of the PZU Group as of 30 June 2026

The structure chart includes entities subject to consolidation and excludes investment funds, companies in liquidation or bankruptcy and entities consolidated by Bank Pekao and Alior Bank.

## Changes in the structure of the PZU Group in H1 2026 and until the date of publication of the report

The following changes transpired in the structure of the PZU Group in H1 2026 and up to the date of signing of the financial statements:

- On 29 April 2026, Pekao Direct sp. z o.o. changed its name to Pekao CoNext sp. z o.o.;
- On 8 June 2026, Osteodex Centrum Medyczne sp. z o.o. became subject to consolidation;
- On 30 June 2026, CM Babka Medica sp. z o.o. became subject to consolidation.

**PZU**
Warsaw - Poland

**Insurance**

Poland

- **PZU Życie** – Warsaw – Poland; PZU 100.00%
- **TUW PZUW** – Warsaw – Poland; PZU 100.00%
- **LINK4** – Warsaw – Poland; PZU 100.00%

Baltic Countries

- **Lietuvos Draudimas** – Vilnus – Lithuania; PZU 100.00%
- **PZU Estonia** – Tallinn – Estonia; Lietuvos Draudimas branch
- **PZU Lietuva gyvybes draudimas** – Vilnus – Lithuania; PZU 100.00%
- **BALTA** – Riga – Latvia; PZU 100.00%

Ukraine

- **PZU Ukraine** – Kiev – Ukraine; PZU 90.9944%; PZU Ukraine Life Insurance 9.0017%; PZU Życie 0.00397%
- **PZU Ukraine Life Insurance** – Kiev – Ukraine; PZU 53.4723%; PZU Ukraine 46.5224%; PZU Życie 0.0053%

**Healthcare and Medical Services**

- **PZU Zdrowie** – Warsaw – Poland; PZU 80.00%; PZU Życie 20.00%
- **Centrum Medyczne Medica** – Warsaw – Poland; PZU Zdrowie 100.00%
- **Centrum Medyczne Gamma** – Warsaw – Poland; PZU Zdrowie 100.00%
- **Elvita** – Jaworzno – Poland; PZU Zdrowie 100.00%
- **Tomma Diagnostyka Obrazowa** – Poznań – Poland; PZU Zdrowie 100.00%
- **Boramed Centrum Medyczne** – Warsaw – Poland; PZU Zdrowie 100.00%
- **Humana Medica Omeda** – Białystok – Poland; PZU Zdrowie 100.00%
- **Osteodex Centrum Medyczne** – Nowy Sącz – Poland; PZU Zdrowie 100.00%
- **Centrum Medyczne Babka Medica** – Warsaw – Poland; PZU Zdrowie 100.00%

**Banking and Financial Services**

- **Bank Pekao** – Warsaw – Poland; PZU 20.0000%; Investment funds managed by TFI PZU 0.0041%
- **Alior Bank** – Warsaw – Poland; PZU 31.9071%; Investment funds managed by TFI PZU 0.0063%
- **Pekao Financial Services** – Warsaw – Poland; Bank Pekao 66.4992%; PZU 33.5008%
- **PZU Finanse** – Warsaw – Poland; PZU 100.00%

**Investments**

- **TFI PZU** – Warsaw – Poland; PZU 100.00%
- **PTE PZU** – Warsaw – Poland; PZU Życie 100.00%

**Real Estate**

- **Tower Inwestycje** – Warsaw – Poland; PZU 27.4696%; PZU Życie 72.5304%
- **Ogrodowa-Inwestycje** – Warsaw – Poland; PZU 100.00%
- **Arm Property** – Cracow – Poland; Investment funds managed by TFI PZU 100.00%

**Technology and Digitalization**

- **PZU TECH** – Warsaw – Poland; PZU 100.00%
- **PZU LAB** – Warsaw – Poland; PZU 100.00%

**Business Support**

- **PZU Centrum Operacji** – Warsaw – Poland; PZU 100.00%
- **PZU Pomoc** – Warsaw – Poland; PZU 100.00%
- **LLC SOS Services Ukraine** – Kiev – Ukraine; PZU Ukraine 100.00%

**Other**

- **PZU Projekt 01** – Warsaw – Poland; PZU 100.00%
- **Tulare Investments** – Warsaw – Poland; PZU 100.00%
- **Omicron BIS** – Warsaw – Poland; PZU 100.00%
- **Ipsilon** – Warsaw – Poland; PZU 100.00%
- **Grupa Armatura** – Cracow – Poland; PZU 100.00%
- **re58** – Warsaw – Poland; PZU 34.00%

- The following branches operate within **PZU Zdrowie**:
  - Medical Centers Branch in Warsaw,
  - Medical Centers Branch in Kraków,
  - Medical Centers Branch in Radom,
  - Medical Centers Branch in Kielce,
  - Medical Centers Branch in Gdańsk,
  - Medical Centers Branch in Opole,
  - Medical Centers Branch in Częstochowa,
  - Medical Centers Branch in Poznań,
  - Medical Centers Branch in Wrocław,
  - Medical Centers Branch in Łódź;
- The **PZU Zdrowie Group** includes: Centrum Medyczne Medica Group, Elvita Group, Tomma Group, Centrum Medyczne Gamma, Boramed Centrum Medyczne, Humana Medica Omeda, Osteodex Centrum Medyczne and Centrum Medyczne Babka Medica;
- The **Centrum Medyczne 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., based in Łaziska Górne;
- The **Tomma Group** is composed of the following companies:
  - Tomma Diagnostyka Obrazowa S.A.
  - Bonus-Diagnosta sp. z o.o.;
- The **Alior Bank Group** includes, among others:
  - Alior Bank SA,
  - Alior Services sp. z o.o.,
  - Alior Leasing sp. z o.o. (which has:
    - 100% of shares in Alior Leasing Individual sp. z o.o.,
    - 100% of shares in AL Finance sp. z o.o.),
  - Meritum Services ICB SA,
  - Alior TFI 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, among others:
  - Bank Pekao SA,
  - Pekao Bank Hipoteczny SA,
  - Pekao Leasing sp. z o.o. (which owns 100% of PEUF sp. z o.o.),
  - Pekao Investment Banking SA (which has 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 CoNext sp. z o.o.,
  - Pekao Investment Management SA (which owns 100% of Pekao TFI SA),
  - Krajowy Integrator Płatności SA (affiliate);
- The Lietuvos Draudimas Group includes:
  - UAB "B10 biurai,"
  - UAB "B10 apartamentai".

# 2. Business model



- ✓ **Synergies between insurance, banking, investments and health services** enhance operational efficiency and the Group's resilience to changing market conditions.
- ✓ **Diversification of revenue sources** remains one of the foundations of the Group's resilience and its ability to consistently create value for shareholders.
- ✓ **Growing customer engagement** across insurance, health and financial services provides a solid foundation for further development of the PZU Group's offering.

# 2.1. Operating activities

## 2.1.1. Insurance

PZU Group offers non-life insurance in Poland under three brands: PZU, the traditional and most well-known brand; LINK4, associated with the direct sales channel and TUW PZUW, i.e., the mutual insurance company. Life insurance is sold in Poland under the PZU Życie brand. Outside of Poland, the PZU Group sells insurance products under the PZU brand (in Ukraine), as Lietuvos Draudimas (in Lithuania and Estonia) and as BALTA (in Latvia).

Major companies and areas of insurance business:

| PZU | PZU Życie | LINK4 | TUW PZUW | Foreign companies |
|---|---|---|---|---|
| non-life insurance | life insurance | | | |

### PZU

As the Group's parent company, PZU offers an extensive array of non-life insurance products, including motor, property, casualty, agricultural and third-party liability insurance. Motor insurance was the most important group of products in Q1 2026, just like in previous years.

Faced with changing market conditions, PZU realigned its offering in H1 2026 to the customers' needs and expectations by rolling out new products and innovative solutions.

PZU's activities in the **mass insurance** include, among others:

- Enhancing the **PZU Uprawy** insurance offering:
  - preparation and implementation in the Everest system of a complete sales process for subsidized insurance, including Public Aid handling, eligibility validations and automated reporting to the SRPP system in accordance with applicable regulatory requirements;
- Refreshing the **PZU DOM** insurance offering through:
  - improving tools for valuing houses and apartments;
  - updating pricing models, including those related to flood risk.
- Adapting the **PZU NNW Edukacja** insurance offering to changing customer needs through:
  - updating disability tables – adjusting the catalogue of events to current medical knowledge, ensuring better alignment of benefit amounts;
  - refreshing the scope of benefits, including rules for paying hospital diet benefits due to illness; updating limits, scope and liability periods for individual risks, ensuring that the level of protection remains appropriate to the product characteristics and target group.
- Enhancing the **PZU Auto** motor insurance offering, aimed at increasing transparency, improving competitiveness and better aligning products with customer needs while maintaining regulatory compliance, including:
  - separating selected benefits, including Green Card and Assistance and making them available as paid optional add-ons – these changes increased offer transparency and competitiveness while reducing regulatory risks;
  - implementing a special offer for customers renewing their insurance, including protection extensions available on preferential pricing terms (e.g. PLN 1 or PLN 10) and an economical TPL option, aimed at increasing competitiveness of the offer in the individual customer segment;
  - Modernizing the **PZU Pomoc w Drodze** assistance offering, including the introduction of the "Mini" option, withdrawal of the "Komfort" option and updates to the scope and limits of benefits under the "Super" option, while simplifying and shortening the product documentation (GTCI) across the entire offering.

Within **corporate insurance**, most changes which PZU focused on, involved making the offering more appealing for fleet customers and entrepreneurs and continuously making cooperation with intermediaries more effective.

Key product changes included:
- further development of the **PZU iFLOTA** prevention program, including the implementation of a new system version using AI to support fleet risk analysis and the daily work of fleet managers;
- launching a pilot of a self-service fleet quotation tool for agents and multi-agents;
- refreshing the **PZU Auto** offering in fleet insurance;
- refreshing the **PZU Lotnicze** offering, including clarifying the scope of coverage and better aligning pricing with risk;
- **launching a unique insurance cover** for losses occurring in Ukraine **in connection with extraordinary risks**. The insurance enables coverage of extraordinary risks that are typically excluded from such protection and includes, among others, losses caused by acts of war, acts of terrorism, sabotage, riots or confiscation of property. The extended scope of coverage is available in transport insurance, in particular: cargo insurance, road or rail carrier liability insurance, railway rolling stock hull insurance and motor hull insurance. Through this agreement, PZU offers specialized insurance solutions protecting against extraordinary risks (losses resulting from acts of war, acts of terrorism or force majeure). The program was developed primarily for Polish carriers and companies conducting trade activities in Ukraine;
- further development and popularization of the **Ryzyko PRO** program, including for smaller customers.

In the area of **financial insurance**, PZU actively supports initiatives that help Polish companies grow while also benefiting the environment and helping to mitigate the adverse effects of climate change.

Insurance guarantees provided by PZU are one of the instruments through which PZU supports customers and business partners by securing the performance of contracts in key areas such as energy, construction and scientific and innovative activities. Cooperation with financial institutions and companies operating in the defense industry is also continuing.

In H1 2026, a new organizational model and an automated customer assessment process were implemented for customers applying for low-value exposure limits under the insurance guarantee product.

PZU continues its cooperation with leasing companies in the area of GAP financial loss insurance. In H1 2026, customers were offered new terms, including new rules for determining the initial vehicle value, transferring insurance sums from GTCI to master agreements, expanding vehicle eligibility criteria and increasing selected limits and benefits. Additionally, the scope of covered vehicles and benefits was expanded and electronic delivery services were introduced.

In order to mitigate emerging risks, PZU conducts constant monitoring of the portfolio and the impact of the geopolitical situation on the portfolio. On an ongoing basis, it is taking measures to mitigate emerging risks.

## PZU Życie

Within the PZU Group, PZU Życie operates on the Polish life insurance market. The company offers an extensive range of life insurance products, which for management purposes are reported and analyzed broken down into the following four segments:
- group and individually continued insurance;
- individual insurance;
- investment insurance;
- investment contracts.

PZU Życie, as a popular and the largest insurer on the Polish market, continuously expands its offering by adding new products or modifying existing ones to protect its customers at each stage of their lives. The unique synergy of competences within the PZU Group (insurer, medical operator, investment manager) allows the company to comprehensively take care of life, health and savings of its customers, providing them with the broadest possible support in accordance with their expectations and needs.

In H1 2026, activities initiated in H2 2025 continued, in line with the key directions of the PZU Group Strategy for 2025–2027.

The activities focused on further development of the product offering, supporting customers' long-term financial security and strengthening customer relationships throughout the policy lifecycle.

### Supporting retirement awareness

In H1 2026, PZU Życie conducted an educational and product campaign aimed at raising awareness of the need for long-term financial security in retirement, addressing challenges related to the growing pension gap and demographic changes. The campaign focused on customer education and promoting the **PZU Perspektywa na Przyszłość** product, which combines insurance protection with building capital for the future. Development of the offering in this area will continue in subsequent periods, including further product changes addressing customer needs.

### Development and modification of the product offering

In H1 2026, changes were introduced to the individual product offering, particularly in the **PZU Pakiet na Życie i Zdrowie** product. The changes aimed to increase offer transparency, ensure protection stability and improve its attractiveness to customers. The offering continued to provide a broad range of support, including both financial benefits and service elements, such as second medical opinions, assistance services and medical care in selected options, strengthening the comprehensive nature of the offering.

Work on the product will continue through further product changes and its development in selected distribution channels.

From 1 April 2026, premium changes were also introduced for medical care coverage under the **PZU Pakiet na Życie i Zdrowie** product. This change supports the product's long-term stability and pricing adequacy.

In May 2026, PZU Życie launched sales of a new add-on to PNŻ Plus – **PZU Orto Plan.** This is an additional group insurance product covering the organization and costs of a planned orthopedic surgery for the insured resulting from an accident. It is a unique solution in the group protection insurance market. The product provides comprehensive support from a hospital care coordinator, as well as organization and coverage of costs related to planned orthopedic surgeries performed in private medical facilities, including specialized, renowned orthopedic centers. Costs are covered up to the sum insured of PLN 50,000 per insured event.

**Changes in sums insured**

Minimum sums insured were increased in additional agreements offered under individual products, including individually continued products, particularly in the area of health and accident risks. The change increases the level of protection and the amount of benefits paid in response to changing customer needs.

**Policy retention activities**

Activities aimed at maintaining the portfolio and strengthening customer relationships were intensified. The initiatives focused on the use of digital tools and improving post-sale service processes. The activities carried out included, among others, initiatives supporting customer contact, the development of payment reminder communications and actions aimed at strengthening service standards and identifying current customer needs. The measures undertaken are intended to improve service quality, increase customer satisfaction and support long-term retention of insurance protection.

## LINK4

LINK4 is one of the most recognizable insurance brands in Poland. As a pioneer in direct insurance, LINK4 consistently develops its business in this model while dynamically expanding cooperation with multi-agencies, comparison platforms, banks and strategic partners. The LINK4 offering includes a broad range of property and personal insurance products: motor, home, travel, health and TPL insurance.

At the turn of 2025/2026, LINK4 launched the "**Pricing Acceleration**" initiative, aimed at strengthening pricing teams, transforming the motor insurance product through system modularization and, in subsequent stages, integrating new data sources. Additionally, new underwriting rules were introduced to protect the portfolio, based on CEPiK data related to vehicle origin and type, as well as foreign claims history.

**LINK4 has been part of the PZU Group since September 2014**, when PZU acquired the company from RSA Insurance Group as part of its strategy to develop and strengthen its position in the Central and Eastern European insurance market. The acquisition enabled the PZU Group to expand its presence in the direct insurance segment, where LINK4 was a pioneer on the Polish market. Following the transaction, LINK4 retained its separate brand and business model, complementing PZU's offering for customers preferring modern, remote service channels.

**On 31 March 2026, the PZU Group announced the commencement of the process of merging** PZU and LINK4 as part of the implementation of the multibrand model provided for in the Group's 2025–2027 strategy.

The aim of the integration is to simplify the organizational structure, increase operational efficiency and better leverage the scale of operations of both entities. Following the merger, LINK4 will continue to operate as a separate brand with a distinct profile and unique strengths. Under the multibrand model, both brands (PZU and LINK4) will complement each other by leveraging shared operational foundations and different market advantages.

The merger is expected to increase operational efficiency and enable better use of the scale of operations, experience and complementary capabilities of both organizations. For customers and partners, this means access to a broader product portfolio offered under recognized brands.

**On 29 May 2026, the Management Boards of PZU and LINK4 signed a merger plan**, under which PZU will acquire all assets of LINK4 as its subsidiary. The merger will not involve the issuance of new PZU shares. According to the adopted schedule, completion of the merger process is planned for Q1 2027, subject to obtaining the required corporate and regulatory approvals, including approval from the Polish Financial Supervision Authority (KNF).

H1 2026 was a period of:

- implementing changes in assistance coverage within the DOM product, including completion of work on its transformation involving a comprehensive redesign of the quotation process, simplification of dependencies and creation of a foundation for a target, flexible API;
- further development of the motor insurance offering, including expanding the scope of assistance services, increasing the availability of MOD coverage for higher-value vehicles and raising the maximum vehicle age eligible for insurance. Under the **Auto Assistance Komfort** option, available as part of the TPL/MOD package, LINK4 increased the towing limit and extended the rental period for a replacement vehicle. Towing after an accident in Europe is no longer subject to a kilometer limit, while in the event of a breakdown, the limit was increased from 750 km to 1,500 km. The rental period for a replacement vehicle after theft or an accident was also extended from 10 to 20 days.

In H1 2026, LINK4 also introduced changes to the DOM renewal process and for comparison platform customers to improve renewal rates. Sales support included, among others:

- advanced marketing automation scenarios and an onboarding program;
- expanding the SEO strategy with GEO elements, i.e. extending positioning activities with content optimization for AI tools (e.g. Copilot, ChatGPT), so that content is not only highly visible in search engines but also used in AI-generated responses.

In the area of claims and benefits handling, LINK4 implemented the **Konto Szkody 2.0** i **Automated Claims Handling** solutions. Both projects significantly streamlined and shortened the customer service process. These are further areas of development within the claims handling system and processes, following the project launched in 2023 aimed at automating service processes and continuously improving claims handling from the customer's perspective.
Currently, after completing the required formalities, the customer immediately receives information on the calculated claim amount and the further claims handling process depends on the customer's decision. The solution improves the customer experience by ensuring process transparency and full control over its progress. **The Automated Claims Handling Project** supports employees in their daily work by verifying reviewed and approved elements of the process, enabling them to make decisions independently.

## TUW PZUW

Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych (TUW PZUW) is a leader in the mutual insurance market and one of the most dynamically growing insurance companies in Poland. It provides insurance cover that focuses on cooperation with large corporate entities, medical centers (hospitals and clinics), church entities and local government units. TUW PZUW is an active participant in the dynamic transformation of the economy, securing key infrastructure investments made in Poland.

H1 2026 was a period of dynamic development and strengthening of Towarzystwo Ubezpieczeń Wzajemnych PZUW's position in the area of insurance for strategic sectors of the Polish economy.

The company continued activities supporting the energy transition and protection of critical infrastructure, confirming its role as the partner of choice for key industries.  As a result, TUW PZUW maintains a strong leading position in the mutual insurance market in Poland, being an important part of the PZU Group.

As in the previous years, what distinguishes and is the market advantage of TUW PZUW is the care taken to minimize risk and extensive assistance in this respect. This brings tangible financial benefits to the mutual insured, who receive a portion of the premium back if the number and size of damages are small. The basis of TUW PZUW's business is the idea of reciprocity.

In April 2026, TUW PZUW prepared third-party liability insurance for entities involved in the construction of a nuclear power plant. The solution was designed in response to market needs, investor requirements and the geopolitical environment, in which risks related to energy and critical infrastructure are structured and priced in a completely different way than in other investment projects. An important element of the TUW PZUW offering is the possibility of setting high sums insured, reaching up to PLN 100 million, while taking into account sub-limits for losses caused by ionizing radiation. The insurance period may cover not only the construction phase, but also the warranty and guarantee period, extending up to thirteen years. This solution addresses the specific nature of nuclear investments, where contractors' liability does not end upon completion and acceptance of works and the effects of errors may emerge many years later.

Through the **Polisa na Biznes** product, the company supports the development of franchise networks by ensuring the security of entrepreneurs: their stability, resilience and long-term growth. Therefore, in 2026, the company is focusing on broad promotion of this policy in the franchise market. The development of the offering for franchisees is supported by a strategic partnership with Żabka Polska. In 2026, TUW PZUW became a partner of a study conducted by IBRiS commissioned by Rzeczpospolita as part of the "**Perspektywy Polskiej Przedsiębiorczości**" project. TUW PZUW is also starting cooperation with Studium Przedsiębiorczości – a platform supporting the development of business competencies among entrepreneurs.

In 2026, TUW PZUW provided insurance coverage for a strategic investment of the Energa Group – the construction of modern CCGT gas-fired power units in Grudziądz and Ostrołęka. The implementation of these projects is of key importance for the transformation of the energy sector and the security of the national power system. This confirms the company's role in securing projects of strategic importance to the economy, supporting $CO_2$ emission reduction and the integration of renewable energy sources.

The main pillars of TUW PZUW's offering development in H1 2026 remained:

- **Development of health insurance** – including continued expansion of the "Healthcare" program, which remains one of the key components of the health offerings for employers and their employees. The program has been expanded to include, among other things, drug insurance, which allows employees to receive subsidies for the purchase of medicines.

In H1 2026, a dedicated Medical Care Program for higher education institutions in the Małopolskie Region was introduced.

- **Enhancing the offering for healthcare providers** – TUW PZUW provides support to healthcare providers in managing adverse events and continues its highly rated proactive claims handling program. Solutions developed under the Szpital 360 project enable support for hospitals in activities aimed at improving the quality and safety of medical care. The Szpital 360 program was recognized by the Responsible Business Forum.
- **Continuation of strategic partnership (affinity)** – in H1 2026, TUW PZUW continued developing cooperation with strategic partners, focusing on expanding the offering of insurance products and assistance services. In cooperation with Enea S.A., sales of group all-risk insurance for photovoltaic installations were launched and a new variant of the **Technical Assistance – Electrician** service was introduced, addressing customers' needs for rapid repair of electrical installation failures.

## Foreign companies

**Lietuvos Draudimas** is the largest and the most experienced insurer, the leader of the Lithuanian insurance market and the largest insurance company in the Baltic Countries. The company's goal is to ensure a secure future for customers by listening to their needs, delivering innovative and reliable solutions and building long-term trust. Since the beginning of 2026, the company has consistently continued to support the pursuit of stable growth, applying the principles of sustainable and safe lifestyles to both business activity and organizational culture. Cooperation with partners supporting sustainable development has been strengthened.

Key initiatives to support core business operations are:

- developing synergies between insurance products offered by Lietuvos Draudimas and PZU Litwa Życie by making the existing life insurance offering available to a broader group of Lietuvos Draudimas customers;
- launching joint locations for Lietuvos Draudimas and PZU Litwa Życie sales teams in two cities, creating opportunities for closer cooperation between the companies and more convenient access to insurance solutions for customers;
- launching a campaign targeting the younger generation as part of the youth program, aimed at increasing engagement among younger customer groups and building lasting relationships with them;
- implementing the Protect Me initiative, including free accident insurance for students and road safety lessons for 6,000 children;
- expanding the functionality of the self-service portal www.savasld.lt by improving the claims registration process for corporate customers and introducing mandatory photo attachments for selected insured property assets, supporting more precise risk and claims assessment;
- expanding the use of the new digital claims handling platform among the majority of strategic repair workshops, enabling electronic access to insurance documentation, efficient data exchange and acceleration of the claims handling process;
- introducing an extension of political violence risk coverage to key property insurance products for individual and corporate customers, representing an innovative solution in the market and increasing the attractiveness of the scope of protection;
- launching a telemedicine service for mass travel insurance customers, providing easier access to medical consultations during travel and increasing the value of the protection offered;
- introducing professional liability insurance for lawyers and auditors in the corporate segment, expanding the offering of specialized insurance solutions for business customers.

**PZU Litwa Życie (PZU Lietuva gyvybės draudimas)** is a Lithuanian PZU Group company specializing in life insurance for individual and business customers. In H1 2026, the company carried out sales promotion activities targeting both distribution networks and customers, which resulted in increased gross written premium in key product groups. Key initiatives included:

- implementing the Team Challenge campaign aimed at increasing sales activity among consultant teams and supporting the achievement of sales targets;
- conducting an incentive program for brokers focused on acquiring new business and achieving sales targets and premium growth in the broker channel;
- carrying out the Single and Additional Premium campaign targeted at consultants, under which customers could benefit from a promotional offer including a waiver of the policy fee, supporting sales growth and generating additional premium;
- launching a pilot project using recorded online career presentations aimed at increasing the attractiveness of the offer for candidates and improving the efficiency of recruitment processes. At the same time, the candidate journey was monitored, enabling ongoing assessment and improvement of the recruitment process;
- implementing the Train the Trainer program covering all managers, combining practical workshops with regular development sessions conducted throughout the year, supporting competence development and the exchange of best management practices;

- the digital sales cooperation project between Lietuvos draudimas and PZU Litwa Życie made significant progress in H1 2026. Key activities were completed in the areas of regulatory requirements, processes, products and competencies and the implementation of solutions enabling data exchange between both companies was initiated.

**AAS BALTA** remains the leader of the Latvian property and other personal insurance market, maintaining a strong position in terms of brand recognition, customer service quality and corporate social responsibility activities. The company consistently implements initiatives supporting sustainable development, as confirmed by the adoption of the ESG strategy for 2025–2030, defining long-term goals and priorities in the areas of environment, society and corporate governance.

As part of business development activities:

- AI-based solutions were implemented to support the analysis and processing of medical documentation. Based on the new tools, automatic decision-making mechanisms were also developed, contributing to increased efficiency and accuracy in claims handling. At the same time, the development of claims handling automation continued, with further implementation priorities defined and the scope of automation expanded across individual claims segments;
- the development of automation of the motor MOD claims handling process continued, increasing the share of cases processed in an automated manner, which resulted in shorter claims handling times. In parallel, solutions automating accident insurance claims handling were further developed;
- a comprehensive analysis of climate risks was conducted to further strengthen the sustainability-related risk management system. The assessment enabled in-depth identification and analysis of both physical and transition risks related to climate change, which may currently or in the future affect BALTA's business model, product offering and investment portfolio;
- activities aimed at increasing the transparency and simplicity of products for individual customers continued. As part of these activities, plain language principles and a clearer structure of general terms and conditions were introduced, enabling customers to better understand the scope of protection. At the same time, a more transparent presentation of coverage in policies was implemented, allowing customers to clearly identify covered and excluded risks, contributing to greater transparency of the offering;
- as part of corporate social responsibility activities, BALTA continued its long-term Crazy Safe Summer campaign, providing free accident insurance during the holiday period for more than 27 thousand children in Latvia, including Ukrainian children residing in the country. In parallel, the Safe from the First Day initiative was continued, under which newborns received free accident insurance coverage;
- the development of the BALTA Safety Academy educational platform continued, promoting knowledge in the areas of safety and prevention, while expanding its reach through the publication of up-to-date and engaging content in podcast format. At the same time, the company continued developing the Dzīve notiek podcast, targeted at industry representatives and business partners, strengthening its position as an expert and leader in the insurance market.

**Lietuvos Draudimas – Estonian branch** operates in the area of non-life insurance, offering products for individual and corporate customers under the PZU brand in the Estonian market. Since the beginning of 2026, the company has focused on product development and acquiring new customers by implementing the following initiatives:

- preparatory work related to the implementation of the "TPL+" product was completed. From 5 May, the product has been offered to selected customer groups meeting specific criteria through online sales channels, regional channels and the SEB Bank channel;
- development work on launching online sales of motor MOD insurance for camper vans and motorcycles in the PZU Estonia and SEB online stores was completed. The solution was launched at the end of March, expanding the availability of the offering through digital channels;
- in April, cooperation with SEB Bank was expanded in the area of purchase protection insurance for credit card holders, as well as extending this product to selected groups of debit card holders. On 1 June, changes were implemented introducing broader protection coverage for credit card users and extending purchase insurance to Gold debit cards and youth debit cards;
- at the end of May, integration of the CABAS system, used for calculating motor claims repair costs, with the TIA system used for insurance process handling was launched. The implemented solution enables automatic approval of estimates prepared in the CABAS system once specific criteria are met, streamlining the claims handling process and improving customer service efficiency.

**PZU Ukraine** operates in the area of non-life and motor insurance for individual and corporate customers. Despite the ongoing war, the company has maintained business continuity, remaining active in sales and customer service operations in the Ukrainian market. PZU Ukraine's operations represent an important element of the PZU Group's presence in Central and Eastern Europe and provide a platform for further development in the Ukrainian market.

At the end of 2025, the company joined a program of partial reimbursement of insurance premiums financed from the Ukrainian state budget, implemented as part of a support mechanism for businesses whose assets were destroyed or damaged as a result of the armed aggression of the Russian Federation, as well as for the insurance of war risks. Additionally, based on a decision of the Ministry of Economy of Ukraine, the company was included on the list of insurers authorized to offer agricultural insurance covered by the state support system.

In H1 2026, activities related to updating the insurance offering continued. Based on tariff adequacy analyses and assessments of the market situation, initiatives aimed at improving the profitability of individual business lines were implemented:

- methodological work related to the development of the offering in the banking channel continued. As part of these activities, the company implemented, among others, vehicle insurance for vehicles securing loans in cooperation with PJSC CB PrivatBank and vehicle insurance for leased vehicles offered together with PUMB Leasing SA. At the same time, the borrower accident insurance product was updated;
- in the mass segment, a new comprehensive household insurance product "Home Protection" was introduced, providing coverage for individuals' property, third-party liability and a limited scope of protection against the consequences of war risks;
- in the corporate customer segment, the portfolio was expanded with products related to water transport, including insurance of vessels and third-party liability related to their operation, including marine and inland navigation;
- In the health insurance segment, a number of changes were implemented regarding insurance terms and the principles for providing benefits to insured persons. At the same time, activities aimed at improving the functionality of the DMS portfolio are ongoing, in particular through optimization of the claims ratio level;
- as part of the online sales channel development project, an audit of the online store's UI/UX was conducted in Q1 2026. The objective of these activities was to improve customer experience, streamline the purchasing journey and further increase sales efficiency in the online channel.

Activities in the area of international programs in Ukraine remain significantly limited. The majority of customers have been excluded from international insurance programs and local insurance solutions are offered instead. At the same time, reinsurance cooperation is focused on a limited number of partners, with one of them providing renewals of selected reinsurance agreements in subsequent periods.

**PZU Ukraine Life (PJSC IC PZU Ukraine Life Insurance)** operates in the life insurance segment, offering individual and corporate customers protection products, savings products and group insurance programs. Despite the challenging conditions related to the ongoing war in Ukraine, the company maintains business continuity and remains an active participant in the local life insurance market.

In H1 2026, the company continued its life insurance operations without interruption, enabling the conclusion of new contracts through all available sales channels while taking into account the limitations resulting from the ongoing armed conflict. At the same time, comprehensive customer service and support for the existing insurance portfolio continued.

As part of business activities:

- a new simplified insurance product, "ProZachyst," was developed and implemented, dedicated to the agency sales channel and not requiring an insurance risk assessment;
- a new "EULIFE GROUP" Partner Calculator was launched and made available on the Company's website. The tool features a modern interface, intuitive operation, user authorization functionality and the ability to be centrally managed and updated by the Insurer;
- activities promoting life insurance products were intensified through the publication of an information series on Facebook presenting various aspects and benefits related to life insurance.

**The PZU Group has been present in the Ukrainian market since 2005.** Over more than two decades of operations, it has built a recognizable brand and a strong position in the non-life, motor and corporate insurance segments, developing its sales network and serving individual customers and businesses throughout the country.

**On 4 May 2026, PZU entered into a conditional agreement to acquire 100% of the shares in MetLife Ukraine**, the leader of the Ukrainian life insurance market. MetLife Ukraine holds approximately 50% of the market, serves nearly 900 thousand active customers and offers a broad portfolio of products, including individual and group life insurance, health insurance, accident insurance and employee benefit programs. The company has a diversified distribution model based on cooperation with brokers, banks and its own agent network and is characterized by high profitability and a strong capital position.

The transaction is in line with the PZU Group's strategy of developing operations in Central and Eastern Europe and strengthening the life insurance segment. Following completion of the acquisition, the PZU Group will significantly increase the scale of its operations in the Ukrainian market, gain an extensive customer base and acquire additional product and sales capabilities. Completion of the transaction remains subject to obtaining the required regulatory approvals.

# 2.1.2. Health care

## Activity and product offering

PZU Zdrowie is one of the largest nationwide medical operators. The PZU Zdrowie medical network has almost **130 own centers**, including diagnostic imaging labs and **nearly 4,800 partner centers in 650 cities in Poland.** It has its own 24/7 medical hotline, mojePZU patient portal and Telemedicine Center. It provides healthcare in the form of insurance and subscriptions for companies and individual customers. PZU Zdrowie medical centers are also available to patients who do not have PZU packages. The Health Area comprises the operations of the PZU Zdrowie medical operator, the healthcare offering (packages and subscriptions, occupational medicine) and health insurance products. It is an integral part of the PZU Group's business model and represents one of its most important areas of growth.

**The medical care model is focused on keeping up the good health of customers, providing a broad range of prevention measures and screening tests and on promoting healthy lifestyles.**

PZU Zdrowie’s medical operator activities include:

- **handling health products** in the form of insurance (life and health insurance and non-life and other personal health insurance – products of PZU, PZU Życie and TUW PZUW);
- **selling and providing service for non-insurance products** (occupational medicine, group and individual medical care subscriptions, partnerships and prevention programs, individual medical consultations);
- **building its own medical infrastructure** of a uniform standard (medical centers, diagnostic laboratories and its own Telemedicine Center) to ensure the best possible access to the services as provided and to meet revenue targets.

PZU Zdrowie, implementing its dynamic strategy for the development of its own network of medical facilities, has completed the following activities since the end of 2025: three acquisition projects, expanding the network with specialized facilities in Białystok, Warsaw and Nowy Sącz. At the same time, three new outpatient facilities were launched under a greenfield model in: Poznań, Lublin and Piaseczno.

The consistent development of its own modern nationwide medical network, supported by experienced and qualified medical staff, increases the availability of medical services, a broad range of consultations, diagnostic tests and outpatient procedures for both customers covered by PZU Zdrowie medical care and individual customers.

## Development of health offerings (packages, subscriptions)

In 2026, PZU Zdrowie continued to develop its group and individual medical care offerings to pursue its strategy as a comprehensive medical operator. The main activities included:

- expanding the offering of medical subscriptions for individual customers in the form of Medical Packages, including an extended scope of the Package for customers over 67 years of age;
- maintaining payments through banks with 0% installments for customers;
- implementing improvements aimed at accelerating and automating the preparation of offers for group customers;
- operational and process implementation of the new ORTO PLAN hospital add-on.

## mojePZU project in PZU Zdrowie

In 2026, PZU Zdrowie continued the transformation of the mojePZU mobile application as part of the Pulse Project initiated in the second half of 2025. Activities carried out under the project focus on implementing new functionalities and technological solutions supporting process efficiency and the quality of user service.

At the same time, initiatives supporting the development of digital healthcare services and the optimization of patient service processes are being implemented. Solutions supporting the process of scheduling medical services are being developed, including electronic registration for diagnostic imaging examinations. In the area of Primary Healthcare (POZ), electronic submission of POZ declarations by patients and their direct transfer to selected medical facilities were implemented.

The activities carried out support the Company’s strategy in the areas of process digitalization, increasing the availability of healthcare services and developing self-service solutions for PZU Zdrowie customers. They also contribute to improving operational efficiency and further developing the digital offering.

## Development of innovative solutions

PZU Health tests and implements innovative solutions that truly improve the quality of healthcare, increase operational efficiency and enhance the patient experience at every stage of the health pathway, bringing tangible benefits to patients, medical staff and the entire PZU Group. Key areas of innovation focus on improving the quality of care, increasing operational efficiency and enhancing the patient experience at every stage of the health pathway.

As part of the implemented projects, work continued on solutions enabling faster and more accurate diagnostics (including laboratory and imaging diagnostics), supporting medical staff in clinical decision-making and improving the availability of services for patients. At the same time, digitalization initiatives were further developed, including pilot implementations of solutions supporting paperless document workflows, biometric confirmation of consents and documents and technologies automating the creation of medical documentation using speech recognition.

Innovation development is based on cooperation with with substantive offices, medical facilities, technology partners and startups, which makes it possible to quickly test and implement solutions with high market and social potential.

PZU Zdrowie remains an active participant in the innovation ecosystem, engaging in acceleration programs and initiatives supporting the development of medical startups (including Start Smart and Huge Think), industry competitions (including Startup Med and EEC Startup Challenge), hackathons focused on addressing healthcare challenges (Hack na Zdrowie) and events bringing together healthcare and new technology market leaders, such as AI & MedTech CEE, MII Connect and MEDmeetsTECH. This activity enables the identification and assessment of new solutions with high business and social potential and supports the development of technology partnerships accelerating the transformation of the healthcare sector.

At the same time, the organization is developing a culture of innovation, promoting interdisciplinary collaboration, a patient-centered approach and openness to change in the rapidly evolving medtech sector.

## 2.1.3. Investments

### TFI PZU

Towarzystwo Funduszy Inwestycyjnych PZU (TFI PZU) operates on the investment fund market in the PZU Group. TFI PZU offers products and services for retail and institutional customers. In addition, under the third pillar of the pension system, TFI PZU offers:

In group form:

- Employee Pension Schemes (EPS);
- Employee Capital Schemes (ECS);

In the individual form:

- Individual Retirement Accounts (IRA); and
- Individual Retirement Security Accounts (IKZE).

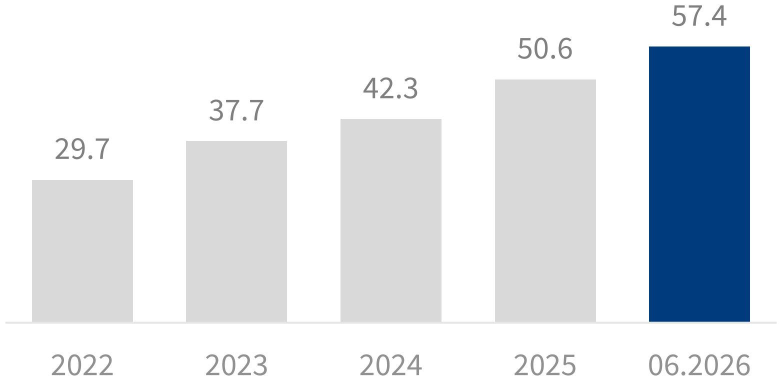
The statutory regulated products are complemented by the Higher Pension Package (HPP).

**At the end of H1 2026, TFI PZU offered 73 funds and sub-funds, including 9 sub-funds within ECS and 3 ETF funds.**

As part of the Company's optimization and development of its product offering in 2026:

- in March, the PZU Group debuted on the WSE with its first ETF in its offering: PZU ETF WIG20 TR + mWIG40 TR PORTFELOWY FIZ – a passive fund investing in equities of the 60 largest Polish companies listed on the Warsaw Stock Exchange;
- in April, the second ETF was launched: PZU ETF MSCI World Portfelowy FIZ – a fund passively investing in developed market equities, enabling exposure to a basket of the largest and most liquid companies from developed markets worldwide, reflecting the composition of the MSCI World Index;
- in May, the Company introduced its third ETF fund to the offering: PZU ETF Gold Portfelowy FIZ, aimed at reflecting changes in the value of the gold market.

**Net assets of TFI PZU funds** (in PLN bn)




Source: IZFiA

At the end of June 2026, TFI PZU managed investment funds with net assets of **PLN 57.4 billion**, an increase of **25.1%** as compared to June 2025 and a **12.1%** share of the investment fund market. In H1 2026, TFI PZU maintained a stable second position after PKO TFI SA in the investment fund management market (according to the report of the Chamber of Fund and Asset Management).

As part of its progressively expanding asset management service on behalf of customers (asset management service), TFI PZU managed nearly **PLN 16 billion** in assets as at the end of June 2026, including over **PLN 1.46 billion** for an external customer. The value of assets under management in investment funds and under the contract management service amounted to over **PLN 72.2 billion**, of which assets from an external customer amounted to **PLN 40.8 billion**.

The largest increases in net assets in H1 2026 were recorded by TFI PZU in PZU Sejf+ **(PLN +1,635 million)**, ECS inPZU 2035 **(PLN +255 million)**, ECS inPZU 2040 **(PLN +248 million)**, inPZU Inwestycji Ostrożnych Obligacje Krótkoterminowe **(PLN +219 million)** and PZU Papierów Dłużnych POLONEZ **(PLN +218 million)**.

The funds whose net assets recorded the largest declines in H1 2026 were: inPZU Akcje Rynków Rozwiniętych **(PLN -35 million)**, inPZU Obligacje Rynków Wschodzących **(PLN -25 million)**, inPZU Akcje Polskie **(PLN -20 million)** and inPZU Akcje Rynku Złota **(PLN -17 million)**.

**The sales balance in H1 2026 placed TFI PZU in first position among all investment fund management companies on the market.**

Changes in assets under management within the funds were driven predominantly by:

- the positive situation in debt and equity markets;
- acquisition of assets in cooperation with third-party distributors;
- development of the inPZU service and offering and the support actions;
- systematic contributions as part of ECSs and EPSs;
- a regular increase in the number of savers under ECSs, EPSs and HPP;
- declines in Polish bond yields, increasing their valuation.

In H1 2026, TFI PZU continued the acquisition of assets from Employee Pension Schemes (EPS) – during this period, **9 programs were taken over, resulting in the transfer of assets amounting to PLN 86.7 million.**

TFI PZU is also one of the market leaders in Employee Capital Schemes (ECS) and Employee Pension Schemes (EPS). This result is due to the extensive support that TFI PZU offers to employers in implementing and operating ECS, in and the continued stabilization of the ECS and EPS portfolio in 2026 has strengthened the PZU Group's position in both areas, both in terms of asset value and number of participants. TFI PZU's ECS fund assets amounted to **PLN 11.9 billion** at the end of June 2026, compared to PLN 9.93 billion at the end of 2025, **an increase of 19.9%.** In total, at the end of June 2026, TFI PZU had **113,559 ECS management agreements** in place, with **1,122,033 employees** enrolled.

Over **225 thousand employees** participated in **624** EPS programs run by TFI PZU, which collectively accumulated savings worth **PLN 13.5 billion** at the end of June 2026.

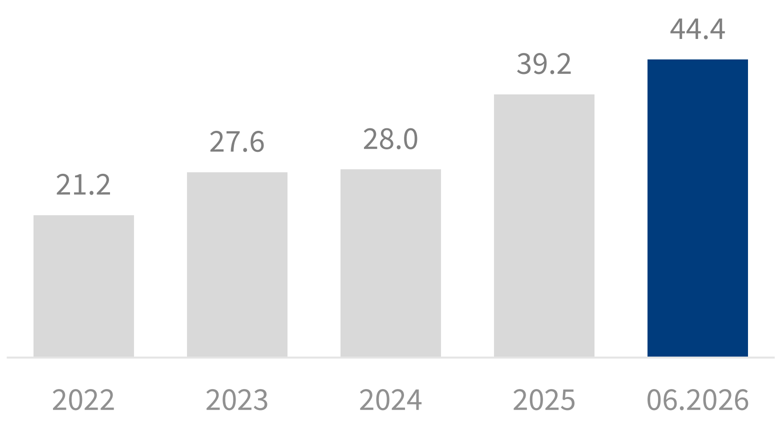
## PTE PZU

PTE PZU manages the following entities:

- OFE PZU "Złota Jesień" open-end pension fund;
- DFE PZU voluntary pension fund.

OFE PZU "Złota Jesień" is one of the largest pension funds in Poland. At the end of June 2026, OFE PZU was the fourth largest pension fund, both in terms of the number of members, as well as in terms of net asset value:

**Net assets of OFE PZU "Złota Jesień" (in PLN bn)**




Source: KNF

- the fund had **over 2.0 million members, or 14.8%** of all participants in open-end pension funds;
- net assets amounted to more than **PLN 44.4 billion, or 13.3%** of the total assets of open-ended pension funds operating in Poland.

As at the end of 2025, DFE PZU had **63.8 thousand** IKZE and IKE accounts with assets worth **PLN 1.5 billion**. As such, it kept the leading position in terms of net assets among the voluntary pension funds.

As at 30 June 2026, DFE PZU assets amounted to **PLN 1.8 billion.**

# 2.1.4. Banking

## Bank Pekao Group

Bank Pekao is a universal commercial bank offering a full range of banking services to individual and institutional customers operating chiefly in Poland. The Bank Pekao Group consists of financial institutions operating on the following markets: banking, asset management, brokerage services, investment and transaction advisory, leasing and factoring. Since 2017, Bank Pekao has been part of the PZU Group.

On the Polish market, the Bank offers competitive products and services, high-level customer service and a developed distribution network. A broad product offering, innovative solutions and a personalized approach provide customers with comprehensive financial services and an integrated service model delivers superior customer service and ensures optimal adaptation to changing needs. The Bank systematically strengthens its market position in the strategic areas of business.

**At the end of Q1 2026, Bank Pekao was the second largest bank in Poland (in terms of the value of its assets)**.

**Development of product portfolio**

In H1 2026, Bank Pekao developed its offering for individual customers, focusing on increasing service accessibility, simplifying processes and adapting the offering to changing customer needs. As a result of these activities, a total of **226 thousand Konta Przekorzystne and Konta Świat Premium accounts were opened.**

Sales results were significantly influenced by activities promoting Konto Przekorzystne offered together with a Savings Account with an attractive interest rate, as well as subsequent editions of promotions for accounts opened online. Customers who met the promotion conditions, actively used a debit card and provided marketing consents could receive cash bonuses of up to PLN 500 for opening an account and actively using it.

In June, the Bank launched the "Travel Promotion," which enhances the attractiveness of its personal account and gold card offering, responding to growing customer interest in domestic and international travel. The Bank encourages customers to systematically save for travel through the promotional "Skarbonka" savings account, offering an interest rate of up to 10% per annum for 12 months from the date of opening. In May, the new "Ogonki do Skarbonki" service was launched, enabling automatic transfers of small amounts to a savings account calculated from transactions made with a debit card or BLIK, supporting systematic saving of small amounts.

Bank Pekao carried out activities encouraging parents to open the first account for their child. The offering included promotions related to account opening, including an attractive interest rate on the Mój Skarb savings account, also available to individuals applying for child benefits under the government Family 800+ program. The "Konto, które napędza samodzielność" campaign was launched to support the acquisition of the youngest customers, while activities targeted at teenagers were continued, promoting the Bank's offering in the educational "Grow your money" space on the Roblox platform. The Bank also continued periodic deposit promotions on the Mój Skarb and "Skarbonka" savings accounts, targeted at children and teenagers and supporting the development of saving habits from an early age.

In H1 2026, the Bank developed its offering targeted at Private Banking and Family Office customers, implementing initiatives in the areas of art, culture and special events. Customer acquisition was supported by promotions on the Private Savings Account offering an increased interest rate on deposited funds.

Customers interested in investment products were offered a wide range of solutions, including Pekao TFI funds, savings and investment products (Investment Deposits and Deposits with Funds), as well as structured products with full capital protection, available in three currencies: PLN, EUR and USD. In Q2 2026, the Portfel+ service was launched, under which the management of entrusted funds is carried out in accordance with the investment strategy selected by the customer. The Bank also supported the process of self-service purchase of investment products through remote channels, particularly in the PeoPay application, by offering periodic offers available exclusively in this channel on preferential pricing terms.

In H1 2026, customers showed the greatest interest in promotions on savings accounts for new customers, with **interest rates of up to 5.7% for 3 months**: up to PLN 100 thousand on Savings Accounts and up to PLN 200 thousand on Premium Savings Accounts, as well as promotions on term deposits available in the PeoPay application and Pekao24 service.

In May, Bank Pekao launched the **"Ekstra mile i bonus z kartą" promotion**, under which new holders of the Karta Kredytowa z Żubrem could receive up to 10 thousand miles in the Miles & More program and a PLN 500 bonus. The accumulated miles could be used, among other things, to purchase airline tickets as part of the "NajMILszy poniedziałek" offer.

In H1 2026, in the area of cash loans, Bank Pekao simplified the loan consolidation process in electronic channels, implemented a new Risk Based Pricing model enabling greater individualization of pricing terms, maintained competitive pricing conditions and conducted promotional activities in electronic channels.

The mortgage loan offering was continuously adjusted to changing market conditions and needs, supporting growth in the number of acquired loan applications and maintaining high sales volumes. Additional preferences were introduced for loans exceeding PLN 500 thousand, as well as an offer for uniformed services, public sector employees and customers refinancing loans from other banks. More attractive terms for refinancing and transferring loans from other banks were introduced and the insurance offering was modified, including changes to available insurance variants and terms.

At Bank Pekao, a new centralized mortgage process was implemented across the entire branch network, covering the handling of applications obtained at Bank branches and providing the foundation for further digitalization of mortgage loan servicing.

In H1 2026, **sales of home loans reached PLN 6.7 bn.** In Q2 2026, sales increased to PLN 3.9 billion, approaching the record volumes achieved during the period when the “Bezpieczny Kredyt 2%” (Secure Loan 2%) program was offered.

In the bancassurance area, the Bank focused on developing and personalizing its insurance offering and supporting its sales. A new version of the “Bezpieczna Podróż” travel insurance product was introduced, featuring an extended scope of coverage, higher sums insured and the possibility of purchase through electronic channels.

Standalone insurance sales, offered through all Bank distribution channels, maintained a strong upward trend. Compared with the corresponding period of the previous year, sales of travel insurance policies increased by 80%, while sales of motor insurance policies increased by 13%. Strong sales growth was also maintained for PZU DOM home insurance; in Q2 2026, sales were more than twice as high as in Q4 2025.

A high share of insurance products in credit product sales was maintained. The share of mortgage loans sold with insurance (where such an offer could be available) amounted to 88%, while for cash loans it was 34%. Positive results were also achieved by investment-related insurance products, with sales increasing by 25% y/y.

In the corporate banking area, covering the small and medium-sized enterprise segment and medium-sized corporations, activities related to automation and digitalization were continued, new functionalities in electronic banking were developed and the scope of customer self-service was expanded.

In H1 2026, the offering for customers in the small and medium-sized enterprise segment, excluding sole proprietorships, was expanded to include the Prepaid Mastercard Pekao card. In addition, multi-currency cash pooling was introduced, i.e. a financial liquidity management service for capital groups, as well as the Deposit Sums Account, a specialized account designed for handling deposits.

In the corporate banking segment, the Bank cooperates with the largest companies and provides comprehensive universal banking services, including leasing, factoring, investment advisory, mergers and acquisitions advisory, highly advanced treasury and capital market products, as well as custody services. At the end of H1 2026, approximately 7.4 thousand customers were served.

**Pekao TFI**

The Pekao Mutual Fund Management Company (Pekao TFI) is member of the Pekao Group. It is the oldest mutual fund management company in Poland. Pekao TFI provides customers with modern financial products and offers opportunities to invest in the global capital markets. It has been devising savings programs, including programs affording an opportunity to put aside more money for retirement under the third retirement pillar. Pekao TFI also offers portfolio management services and Employee Capital Schemes. The company is in the ECS records and its offering is available also through the mojeppk.pl portal.

**As at 30 June 2026, the net asset value of Pekao TFI’s investment funds (including ECS) totaled PLN 45.7 billion, up by PLN 9.2 billion or 25.3% compared to the end of June 2025.**

## Alior Bank Group

The Alior Bank Group is headed by Alior Bank. Alior is a universal deposit and credit bank, providing services to natural persons and legal persons, (including foreign entities). The bank's core business comprises maintaining bank accounts, granting cash loans, issuing bank securities and purchase and sale of foreign currencies. The bank also conducts brokerage activity, provides financial advisory and intermediation services and provides other financial services. Alior Bank has been a member of the PZU Group since 2015.

**At the end of Q1 2026, Alior Bank was the 8th largest bank in Poland in terms of the value of its assets**.

**Development of product portfolio**

In H1 2026, Alior Bank implemented a strategy aimed at strengthening customer relationships by introducing a cash loan offering rewarding customers' primary relationship with the Bank. Customers who choose Alior Bank as their main provider of financial services can benefit from more attractive pricing terms. Remote processes were also optimized – from making remote signatures available in remote processes for more than one borrower to optimizing the loan application process, including the option to cross-sell insurance.

The focus on continuous development of online processes and offerings was reflected in growing customer interest in online loan products. In H1 2026, sales of online loans increased by 58% compared with the previous half-year.

Consistent work on product offerings is best reflected by a highly attractive consolidation offer with no commission and a variable interest rate of 7.6%, supported by a multichannel marketing campaign. The offer was very popular, hence it attracted new customers.

A credit card with a credit limit for any purpose is a product for an individual customer available in all distribution channels: landline channels, telephone channels, as well as Alior Mobile and Alior Online. In H1 2026, the Bank continued promoting the Mastercard OK! and Mastercard TU I TAM credit cards, whose main benefit is cashback on card payments (calculated, respectively, at selected retail and service outlets and for transactions in currencies other than PLN).

Additionally, in H1 2026, the Mastercard World Elite credit card offering was further developed – the sum insured for medical care and repatriation costs was increased to EUR 7.5 million and a new card design was introduced, featuring three LED lights that illuminate during contactless payments, making each transaction a unique experience.

Credit card holders can also make contactless payments using a phone, watch or payment ring. In addition, the Bank enables customers to activate their credit card for mobile payments through "on-the-go" card tokenization, i.e. immediately after signing the agreement but before receiving the physical card, providing a highly convenient solution.

The Bank continued developing credit card sales through electronic and mobile banking (Alior Online and Mobile), where personalized preliminary limit offers were made available to selected customer groups. Alior Online and Mobile also provide the option to independently activate a credit card installment plan, either as an installment transfer or by splitting already completed transactions into convenient repayment installments.

In H1 2026, Alior Bank recorded a **64% increase in mortgage loan sales** compared with H1 2025. The increase translated into a larger scale of new sales and strengthened the Bank's position in the residential lending market.

An important factor supporting growth was the increased share of special offers in new sales. The following offers played a particularly important role: "Refinansuj z Alior Bankiem", "Własne M tam gdzie Ty" and "Własne M dla służb mundurowych". These offers provided preferential pricing terms, including no origination fee and were targeted both at customers pursuing housing goals and at customers interested in refinancing mortgage loans from other banks.

Alior Bank offered mortgage loans with both variable interest rates and fixed interest rates for a 5-year period. High customer interest continued to be observed in mortgage loans with temporarily fixed interest rates, providing greater predictability of financing costs.

An important element of the Bank's deposit offering is savings accounts, with the key acquisition product in H1 2026 being the Konto Mega Oszczędnościowe (replaced by the Konto Max Oszczędnościowe from April 2026). The Bank continued to acquire deposit volumes through subsequent editions of promotions dedicated to holders of these accounts.

The Bank also continued offering the Konto Oszczędnościowe na Start, dedicated to customers opening a current account who had not held such an account with the Bank during the three years preceding its opening.

The offering of savings accounts with promotional interest rates was complemented by: the "Rodzina 800+" variant, intended for customers who submitted an application for the child benefit through Alior Online or whose personal account held with the Bank recorded an inflow of benefits under the "Rodzina 800+" program and the "Bonus dla Młodych" variant, intended for holders of personal accounts who are at least 13 but under 18 years old, as well as children aged 7 to 12.

In H1 2026, the Bank offered the Konto Mieszkaniowe, enabling customers to save long-term for housing purposes and obtain a housing bonus from the Government Housing Fund managed by Bank Gospodarstwa Krajowego.

In H1 2026, the Bank offered fixed-rate term deposits in PLN, USD and EUR and expanded the offering to include deposits denominated in GBP. The Bank also introduced 24- and 36-month deposits for all of the above currencies, expanding the offering with long-term products. Fixed-rate term deposits for new funds in PLN continued to be the most popular among individual customers.

The Bank continued activities supporting customer digitalization by offering a mobile deposit available exclusively in Alior Mobile for new users of the application. At the same time, the retention offering available both through digital channels and at Bank branches was further developed.

In H1 2026, the Bank developed its current and savings account offering, adapting it to the needs of different customer groups – from individuals seeking simple and low-cost solutions to customers expecting an extended range of services and additional benefits.

An important element of the offering development was the launch of Alior Konto Plus, designed for customers who use their account as a central tool for managing personal finances. The product was distinguished by the ability to individually tailor the range of services by selecting from six available benefits, including free cash withdrawals in Poland and abroad, a package of instant transfers, a multi-currency service, card payments without currency conversion fees and an assistance package. The flexible account structure allowed customers to create an offering matching their individual needs and lifestyle.

The Bank also continued developing its offering for the youngest customers. Personal accounts were available for children under 13 years of age, while customers aged 7 to 12 could use the Alior Kids mobile application, supporting financial education and building basic money management skills.

**In H1 2026, in the bancassurance area, Alior Bank generated the highest premium volume from offering investment and savings life insurance products from the PZU Group's offering.** The Bank offered customers the individual life insurance product with unit-linked insurance funds "Multi Capital II", under which customers had access to a wide range of unit-linked insurance funds with different investment strategies, geographic regions, profit potential and risk levels. Customers could also use the individual endowment life insurance product "Bezpieczne Jutro" with a guaranteed sum insured. The total earned premium volume from the two aforementioned insurances in H1 2026 was more than **PLN 240 million.**

Important topics in the bancassurance area during the analyzed period included regulatory matters, simplification of insurance processes, as well as initiatives aimed at increasing sales activation of insurance products linked to loans and standalone products in remote channels.

The Bank also offered group insurance as an added benefit to its banking products. Changes were introduced in this area to increase the level of protection under the group travel insurance for Elite card holders, with the aim of enhancing the attractiveness of the card offering and strengthening relationships with Private Banking customers. For the new Alior Konto Plus personal account offering, a frequently selected benefit was added in the form of emergency assistance insurance.

From January 2026, the Bank no longer offered mortgage loan repayment risk insurance until the mortgage was established. Mortgage loan offerings continued to include low down payment insurance.

In the retail segment, Alior Bank consistently developed its installment loan offering, remaining one of the key participants in the Consumer Finance market. In H1 2026, activities focused on business development, strengthening cooperation with commercial partners and increasing the value of relationships with customers using installment financing were continued.

An important area of activity was the further expansion of the partner network, which increased the availability of the Bank's offering in both physical and digital channels. At the same time, solutions supporting the sales process and customer service were further developed, addressing changing market needs and the expectations of business partners.

In H1 2026, activities supporting the development of the corporate segment were consistently carried out, with the offering and technological solutions being adapted to changing market needs. The objective was to simultaneously strengthen business growth potential, improve customer service quality and maintain the efficiency and security of operations. The main focus areas included the development of financing offerings, continuation of work on a new online banking platform for business customers and further automation of sales processes.

**Alior TFI**

Alior Towarzystwo Funduszy Inwestycyjnych is part of the Alior Bank Group. The company was established in 2010 and its operations, originally as a brokerage house, focused on asset management services. In 2015, the company was transformed into an investment fund company, simultaneously acquiring ALIOR SFIO, an investment fund which it managed.

Currently, Alior TFI's activities focus on the management of ALIOR SFIO, an investment fund whose main distributor of participation units is Alior Bank; however, the company continues to hold a license to manage portfolios comprising one or more financial instruments.

**As at 30 June 2026, the net asset value of Alior TFI's investment funds totaled PLN 5.0 billion, up by PLN 1.2 billion or 31.4% compared to the end of June 2025.**

## 2.1.5. Other areas

### Brief description of other PZU Group companies

#### PZU Pomoc

PZU Pomoc provides auxiliary services to PZU Group companies:

- managing the PZU repair network – as at 30 June 2026, the company cooperated with 856 repair shops;
- organizing motor assistance services for LINK4 and InterEurope (a company outside the PZU Group) and additionally, providing assistance services for SOS Ukraine;
- conducting salvage auctions and sales after loss and damage incidents;
- supporting technical claims handling in motor claims;
- handling assistance products for PZU and PZU Życie (among others, legal consulting, organization of assistance services);
- managing the loyalty program, PZU Pomoc w Życiu Club – more than 2.2 million club members as at 30 June 2026;
- managing PZU Sport in the form of sports and recreation subscriptions, the PZU Benefits platform and operating a loyalty program for individual shareholders of PZU called Moje Akcje PZU.

#### PZU LAB

PZU LAB is a company dealing with advisory services and assistance in the implementation of all kinds of solutions improving the security of the strategic corporate customers of PZU and TUW PZUW.

The company cooperates with numerous academic centers and experienced experts (local and foreign). Constantly seeks new and effective technological solutions to enable mitigation of the risks that have the greatest impact on the insurance activity.

The PZU LAB team has developed methods for cooperation with the existing and prospective customers. First, the engineers identify critical installation sites, simulate critical events such as fire, flooding or explosion and determine their consequences. Then the possible scenarios and the methods of minimizing the negative consequences are discussed. Ultimately, PZU LAB engineers implement innovative technological solutions in customer companies that are to improve their safety.

PZU LAB has implemented Poland’s first product certification system in property damage prevention. The purpose of the certification system is to improve the effectiveness of products deployed to ensure the safety of enterprises and thus to reduce the instances of damage and the scope of losses to company assets. Certified products are marked with the patented “PZU LAB Approved” logo.

The company conducts intense safety-related educational and promotional activities. At the initiative of PZU LAB, the Maritime Industry Safety Forum, the Energy Industry Safety Forum and the Wood Industry Safety Forum are held annually. Moreover, a series of training courses entitled “Pyramid of competences” was launched for all participants in the insurance market, aiming to increase the level of knowledge in risk management among businesses.

This approach signifies an evolution in customer relations. PZU ceases to be only a seller of insurance and becomes a risk management advisor.

#### PZU Finanse

PZU Finanse sp. z o.o. is a service company established to keep accounting ledgers for subsidiaries of the PZU Group (excluding PZU and PZU Życie and PTE PZU).

#### PZU Centrum Operacji

PZU Centrum Operacji provides services supporting the operation of PZU Group companies. PZU Centrum Operacji SA’s line of business is the provision of the following services:

- auxiliary services related to insurance and pension funds;
- constant intermediation in conclusion of insurance agreements, financial and investment agreements and assistance agreements;
- Contact Center;
- Data Center;
- printing services;
- IT services;
- keeping the accounting records;
- human resources and payroll;
- brokerage in selling and redeeming investment fund participation units and titles, as well as investment advice with regard to such instruments.

#### Tower Inwestycje

The company’s line of business is investment activity through the investment of free funds and development activity in the construction of commercial real estate.

The company conducted the office and retail project in a prestigious location in Wroclaw at ul. Oławska 35 (Plac Dominikański) in a venue occupied for the past several decades by an office building owned by PZU. This project is partially intended for the PZU Group’s needs and partially for lease. The investment is intended partly for the PZU Group's needs and partly for rental. Currently, the Company is engaged in the business of leasing office and retail space in the building.

## Ogrodowa-Inwestycje

The core business of the Company is the commercial rental of office and commercial space in the City Gate office building owned by the Company in Warsaw.

The services of the Conference Center are provided on a designated area of nearly 800 sq m; the scope of the services includes commercial rental of professionally equipped conference and training rooms for the organization of conferences, business meetings, training courses and seminars. The services of the Ogrodowa 58 Business Center are provided on a designated area of 1480 sq m; the scope of the services includes commercial rental of 135 modern workstations.

## Armatura Kraków

Since October 1999, the PZU Group has held an equity stake in Armatura Kraków and since November 2020, PZU has been the sole shareholder.

The business of Armatura Kraków lies outside the domain of financial and insurance services. The group is a leading manufacturer in the sanitary and heating industry in Poland. It specializes in the manufacture of bathroom and kitchen taps, aluminum central heating radiators, shower cabins and screens and a wide range of valves.

# 2.2. Sales and distribution

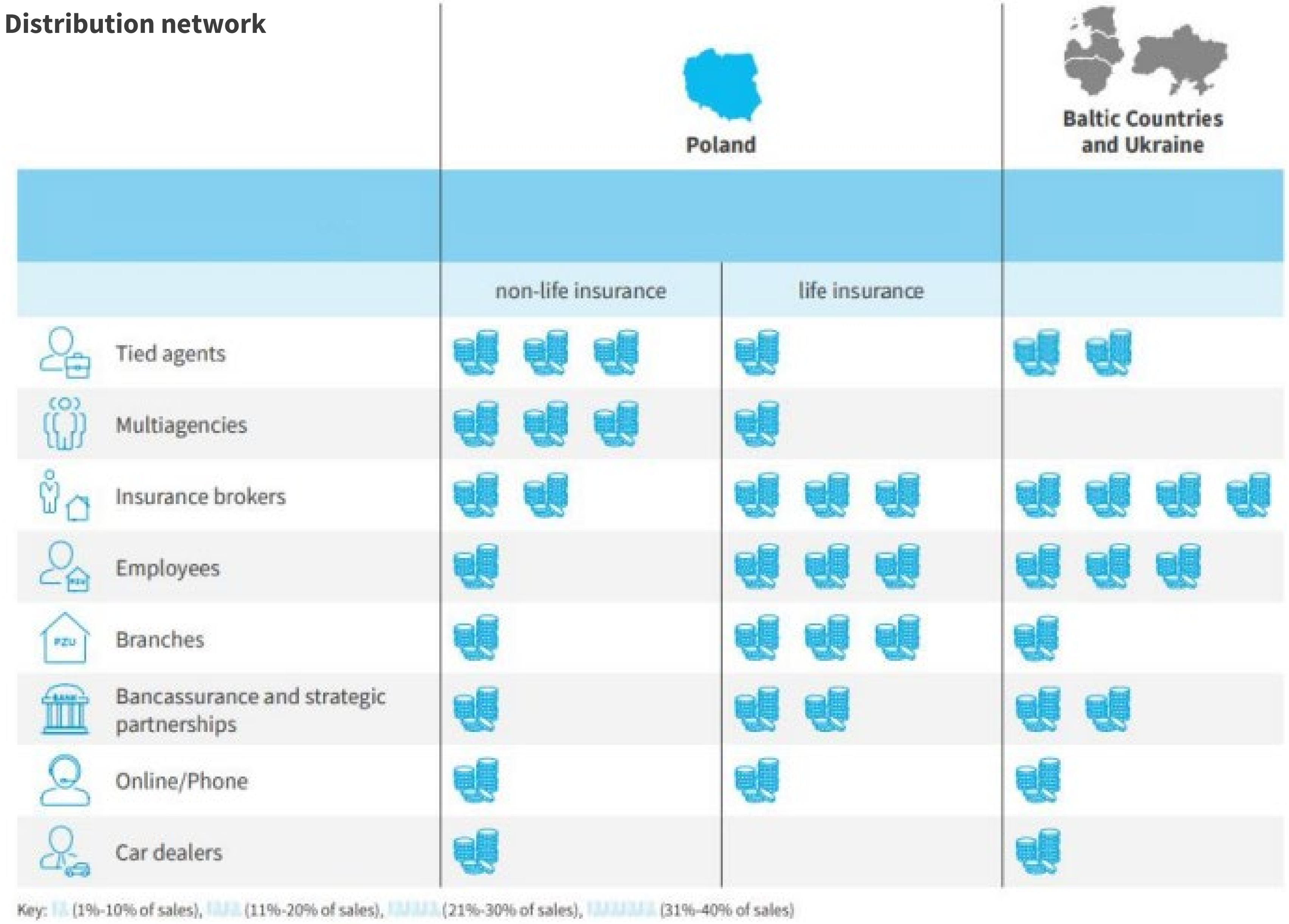
The PZU Group has created the geographically biggest sales network in Poland. It provides customers with a comprehensive product offering through synergies within the PZU Group using a variety of distribution channels. As a result, customers enjoy easy and convenient access to financial products and services. The Group also ensures quality service by upskilling the sellers and providing them with modern tools and by removing barriers..

## 2.2.1. Insurance products

At the end of H1 2026 , the PZU Group's sales and service network in Poland, the Baltic countries and Ukraine comprised:

- **401 branches in Poland**, including 188 in small towns;
- **tied agents** – in Poland, PZU's own agency network consisted of **7.4 thousand** tied agents and agencies. Sales are conducted through the agency channel predominantly in the mass customer segment, particularly of motor and non-life insurance as well as individual insurance (life insurance). LINK4 worked with 823 partners directly. In the Baltic Countries the Group's agency network comprised over 610 agents, while in Ukraine there were 151 agents;
- **multiagencies** – on the Polish insurance market, the PZU Group cooperates with **more than 4.5 thousand** multiagencies. They perform sales operations targeted mainly at the mass market (insurance of all types is sold through this channel, especially motor insurance and non-life insurance) as well as individual life insurance. LINK4 cooperated with 61 aggregators, while in the Baltic Countries Group companies cooperated with 13 multiagencies and 16 in Ukraine;
- **insurance brokers** – in Poland, the Group, in particular PZU's Corporate Customer Division, cooperated with **over 1,000** insurance brokers. In the Baltic Countries, where the brokerage channel is a major insurance distribution channel, the Group companies cooperated with 381 brokers and in Ukraine with 38 brokers;
- **bancassurance and strategic partnership programs** – in the insurance area, PZU cooperated with **10 banks** and **11 strategic partners**, PZU Życie with seven banks, TUW PZUW with two banks and seven strategic partners. LINK4 cooperated with five banks within various distribution models for mostly motor insurance and ten strategic partners. In the Baltic Countries, the cooperation included 6 banks and 10 strategic partners and 17 banks in the Ukraine;
- **remote channel** – non-life insurance sales through this channel is conducted in particular by LINK4 and comprises cooperation with price comparison engines, a website and a call center. This channel also includes the PZU sales infoline and mojePZU portal.

**Distribution network**



## Branches and agencies

The bulk of PZU's customers prefer direct service by the agent and in the agent's office. The network of standardized PZU branches is evenly distributed across Poland in carefully selected locations. PZU branches are the only distribution channel ensuring comprehensive sales and aftersales service of PZU Group's non-life, life and pension insurance and investment products in each outlet. The offering in PZU branches is targeted at individual customers as well as businesses from the small and medium-sized enterprise (SME) segment.

Tied Agents cooperate with PZU in two models: as field agents and office agents and they meet strict customer service standards.

There were **1,269** tied agent offices at the end of H1 2026. Increasing professionalism and customer service quality in agents' offices are key priorities in the development of the network.

**1,269** AGENT

Agents' offices are always close to customers and the quality of service they provide is appreciated by customers, as confirmed by customer satisfaction surveys. Agents actively use modern CRM and remote service systems such as mojePZU. Most agents running offices offer advice regarding the customer property, life and health insurance. They also provide customers with comprehensive service as part of the product offering of the entire PZU Group.

PZU supports agents by developing and promoting their online presence, as customers show great interest in seeking contact with an insurance consultant using this particular channel. The www.agentpzu.pl site is continuously developed together with agent websites in the agentpzu.pl domain. Support is also provided through management of Google business cards of the agency establishments and joint administration of agents' professional Facebook profiles.

In 2026, PZU continued recruiting New Entrants for the Mocny and Bezpieczny START programs, while in H1 2026 a pilot of a new recruitment program, Zdalny Start, was launched. The introduction of the program expanded the recruitment offering by reaching a new target group of candidates interested in working in a flexible remote work model. Cooperation with New Entrants is based on a modern work model aligned with market expectations and digitalization trends, enabling PZU to position itself as an innovative employer and business partner. New Entrants have the opportunity to conduct remote sales of PZU Auto, PZU Dom and PZU Wojażer products through telephone contact with customers. Each conversation is recorded and subject to the remote insurance conclusion procedure. New Entrants receive profiled leads via CRM every day, with a high probability of purchase. At the same time, they receive access to a platform for remote customer service, financial support during the first 24 months of cooperation directly linked to achieving specified sales and conversion thresholds, as well as professional preparation for the role of an exclusive agent, including training, webinars, e-learning courses and practical support from a mentor and manager.

In H1 2026, an initiative was introduced as part of the Partnerstwo OdNowa program, providing comprehensive support to agents in the effective recruitment of OFWCA (persons performing insurance distribution activities) by delivering tools, supporting materials, resources and competencies necessary to attract suitable candidates. The support includes recruitment activities, such as publishing job advertisements, candidate selection and participation in recruitment interviews, as well as further management of the OFWCA candidate process, including fulfilment of KNF requirements and handling the process in the Candidate Application. The aim of the initiative is to professionalize the recruitment process through the involvement and experience of a Recruitment Expert, implementation of recruitment standards and tools used at PZU and further development of the sales network.

Agents operate under:

**2 Macroregions**

**14 Sales Areas**

and collectively in

**144 Sales Teams**

H1 2026 brought even closer cooperation with companies within the PZU Group. **A total of 1,879 tied agents can offer customers LINK4 motor insurance products**, ensuring smooth preparation of the Sales Network for the merger of LINK4 with PZU in 2027. Agents also offer leasing products in cooperation with Pekao Leasing and Alior Leasing. In addition, they may also offer Bank Pekao current accounts.

## PZU Życie Tied Agent network

In H1 2026, PZU Życie consistently implemented initiatives supporting the development of the PZU Życie tied agent network through the introduction of new products, development of IT systems and optimization and digitalization of sales processes. These initiatives are aimed at increasing the efficiency of the sales network, raising customer service standards, ensuring high quality and availability of offered products and services, as well as better adapting insurance protection to changing customer needs. The results of these activities also include shortening and simplifying the sales process and improving the quality of customer experience.

PZU supports its agents through, among other things, attractive training courses and development workshops, access to partner benefits and promoting their online presence in response to strong customer interest in making contact through this channel.

The operations of The MDRT.PZU Club were continued in 2026. It is a mentoring program aimed at supporting salespeople in achieving sales goals that enable them to join the Million Dollar Round Table (MDRT), an organization of the top 1% of the world's best financial agents and advisors. The program includes development activities to improve participants' sales skills and competence in organizing and managing their own work.

## PZU sales infoline


The Remote Sales Office is responsible for the development and operation of PZU's telephone sales channel, enabling customers to purchase insurance remotely and renew existing contracts. The Office combines professional consultant service with the use of modern tools, data analysis and initiatives supporting sales, retention and renewal effectiveness. As a result, the sales helpline plays an important role in ensuring the availability of PZU's offering, maintaining continuity of customer protection and adapting the scope of insurance coverage to changing customer needs. In H1 2026, sales hotline consultants handled more than 2.8 million calls.

**Key initiatives of the Remote Sales Office**

The development of the remote channel focused on increasing the efficiency of sales processes and leveraging data in customer relationship management. The development of the CRM tool and analytical models supporting the use of customer data in sales, renewal, retention and anti-churn campaigns was continued, increasing consultant effectiveness and the efficiency of customer targeting. This enabled more effective identification of customer needs, better adjustment of sales activities and strengthening of retention initiatives.

An important element of operations remained the development of omnichannel sales carried out under the Agent Turbo, Mocne Wsparcie and Zdalny Partner programs. The Agent Turbo program, addressed to agents with the largest customer portfolios, supports renewals of PZU Auto and PZU Dom insurance policies as well as ongoing sales service. At the end of H1, the program covered more than 900 agents, while in July the planned increase of this number to 1,100 was completed. In June, a pilot for servicing renewals of the bundled TPL+MOD portfolio was also launched, expanding the scope of cooperation with agents and testing new solutions supporting renewal effectiveness.

In the SME segment, in mid-2026 the sale of professional TPL insurance was expanded to all professional groups. Previously, the offering covered six professions: physiotherapists, translators, law firms, pharmaceutical technicians, urban planners and companies providing tax advisory services. The product expansion increased sales potential in the SME segment and enabled reaching a broader group of entrepreneurs and professionals requiring liability protection.

As part of product initiatives, a pilot of a two-year PZU Dom insurance variant was launched. The solution supports customer retention, stabilizes the portfolio and reduces the costs of annual renewals.

At the same time, call analysis based on Large Language Models (LLM) was further developed. These solutions help identify sales best practices, monitor process compliance and support further optimization of business activities.

The combination of sales, technological and analytical initiatives strengthens the position of the Remote Sales Office as a modern sales channel effectively responding to customer needs and market changes.

**Quality of sales calls**

Initiatives implemented by the Remote Sales Office translate into a high level of customer satisfaction with the insurance purchase process. In H1 2026, 94% of customers positively assessed the purchase process and 93% declared overall satisfaction with the service provided during contract conclusion. At the same time, customer willingness to recommend PZU services increased during the same period, with the NPS reaching 47%.

The professionalism and high competencies of the team are confirmed by numerous awards and achievements of its members. These include nominations of a manager, trainer and sales representatives to the finals of the Polish Contact Center Awards, as well as the victory of the Direct Sales Area Team Manager in the "Best Project or Department Manager" category.

Customers interested in buying insurance remotely can contact PZU via a hotline, contact forms available on pzu.pl and the mojePZU app. whereas customers with active agreements are taken care of by specialists who ensure the continuity in insurance cover and its alignment with the customers' changing needs. The Direct sales channel offers an ever-expanding, wide range of insurance products aimed at individual customers and SMEs.

## mojePZU

**mojePZU remains the key digital Customer service channel of Grupa PZU.**

Launched in 2018, the service and sales platform has been continuously evolving to meet customer needs and changing market trends. It combines the convenience of modern, intuitive digital solutions with the security and comprehensive range of services offered by Grupa PZU.

mojePZU is the most comprehensive platform on the Polish insurance market, available both as a web platform and through the mojePZU mobile application. It enables customers to access insurance, health, investment and sports services in one place, providing convenient self-service and full control over their products.

The number of users continues to grow – by the end of the first half of 2026, **more than 6 million customers**, were using the mojePZU platform, including **2 million** active users of the mobile application. The application has become the dominant access channel to the platform, accounting for nearly 70% of unique logins.

In H1 2026, the development of mojePZU focused primarily on further improving the user experience. In March, a new, redesigned mobile application dashboard was launched, providing faster access to the most important information and services, greater personalization and simplified navigation. The new version was developed in accordance with UX principles and WCAG accessibility requirements, enhancing the comfort of using the platform for all users.

mojePZU strengthens the omnichannel customer service model and enables customers to handle most matters remotely. In the service, the customer can, among other things:

- purchase new insurance products;
- renew a policy,
- check details of the offers and held policies;
- report a claim and track its handling status;
- complete service processes, such as requesting a refund of an excess premium or notifying the sale of a vehicle.

The platform also provides access to medical services, including collecting e-prescriptions, booking diagnostic tests and medical appointments. It also enables customers to invest their savings, use the PZU Sport program and access other services and benefits offered by Grupa PZU.

mojePZU is continuously developed and enhanced with new features. The development of digital service and sales processes saves customers time, increases self-service and further digitalizes interactions with Grupa PZU, while at the same time reducing the use of paper documentation.


## Cooperation with banks in the area of distribution

PZU's bancassurance and assurbanking business is based on cooperation with the PZU Group banks: Alior Bank (in PZU Group since 2015) and Bank Pekao (in PZU Group since 2017), as well as in distribution of bancassurance insurance products through banks outside the Group. At the end of June 2026, more than 7.3 thousand banking advisors (4.4 thousand in Bank Pekao and 2.9 thousand in Alior Bank) were enrolled in the Register of Insurance Agents.

The overriding objective of the cooperation is to reach the largest number of customers using multiple distribution channels and provide insurance cover to bank customers. The PZU Group's strategy for 2025–2027 focuses on further strengthening relationships with Group banks and partnering with the broader banking market.

Active cooperation with Bank Pekao and Alior Bank allows us to consistently expand the range and scale of sales of insurance products linked to banking products, including insurance for cash loans and mortgages, as well as unrelated products, i.e. motor, travel and real estate insurance.

## *Bancassurance*

In H1 2026, PZU cooperated with **eight commercial banks** and **two cooperative banks**.

Cooperation with Bank Pekao and Alior Bank covers the sales of the following products:

with Bank Pekao:

- non-life and life insurance with mortgage loans, cash loans, personal bank accounts (RORs) and credit cards;
- investment products;
- travel insurance;
- motor insurance;
- property insurance;

with Alior Bank:

- non-life and life insurance for cash and mortgage borrowers;
- investment products;
- travel insurance;
- ADD insurance with health package.
- accident insurance for children and youth.

In H1 2026, PZU Życie continued activities related to the transformation of the premium financing model for insurance products linked to the credit products of banks within Grupa PZU. The initiatives focused on further optimizing solutions based on regular premiums, supporting portfolio stability and increasing resilience to changes in the market environment.

In H1 2026, PZU Życie continued its cooperation with Bank Pekao and Alior Bank (banks within Grupa PZU), as well as with VeloBank, in the distribution of unit-linked products and products with a guaranteed sum insured (SPE). SPE products were also offered through the PZU branch network.

During the reporting period, a high level of sales of SPE products was maintained, as they remained attractive to customers under favorable conditions in the bond market. At the same time, a slight decline in sales of unit-linked investment products was recorded, reflecting market conditions and increased customer interest in lower-risk products with a guaranteed sum insured.

As part of the development of the product offering in H1 2026, the range of available insurance capital funds in the unit-linked product offered in cooperation with Bank Pekao was expanded. Customers were provided with access to three new insurance capital funds based on life-cycle funds: inPZU Puls Życia 2030 L, inPZU Puls Życia 2040 L and inPZU Puls Życia 2050 L, managed by TFI PZU.

## *Assurbanking*

PZU is one of the largest external partners of Bank Pekao in the distribution of savings and checking account (RORs) via the bank's Pekao360 app.

In H1 2026, PZU continued to develop its bank product distribution network. The end-to-end sales model for Konto Przekorzystne was maintained in both remote (telephone) and stationary (branches and agencies) channels, as well as lead generation activities supporting the sale of credit products.

Key initiatives focused on stabilizing and improving processes in the Assurbanking area, with particular emphasis on customer service quality, sales effectiveness and optimizing operational cooperation with Bank Pekao. These initiatives made it possible to maintain a high standard of partnership and establish a solid foundation for the further development of assurbanking initiatives.

## Strategic partnerships

The PZU Group strives to create an ecosystem in which the overriding objective is to manage customer relations skillfully by offering customers solutions in all venues accessible to them. This contributes to intensifying activities in strategic partnerships with companies operating on the Polish market, among others, telecommunication operators, power utilities, retail chains and airlines, regarding joint offering of non-life and life insurance to the customers of such institutions.

Within the framework of its strategic partnerships, PZU offers a number of insurance contracts to the business partners' customers, including:

- electronic equipment insurance and phone insurance;
- assistance insurance guaranteeing services of professionals, e.g. electrician, plumber and brown goods/white goods servicing staff, who provide help in the case of a failure in the household;
- insurance of photovoltaic installations;
- insurance for tickets to sports and cultural events;
- travel insurance.

In H1 2026, PZU cooperated with 15 strategic partners. Those are leaders in their respective industries that have customer bases offering the possibility of extending the PZU's offering with additional innovative products. For example, PZU cooperates with power sector companies to offer assistance services – assistance of a technician, handyman, or health assistant.

## 2.2.2. Health products

Health products – in the form of life & health and property insurance as well as non-insurance products – are distributed through various sales channels of the PZU Group, including the corporate and agency network of PZU and PZU Życie. The COVID-19 pandemic also contributed to an increase in sales through the digital channel of the mojePZU website where customers may choose from the new offering of prevention packages and individual medical subscriptions as well as individual medical consultations delivered both in the form of teleconsultations and stationary appointments.

### Contact channels (outside facilities)

PZU Zdrowie's 24-hour medical hotline

**801 405 905** or **22 505 15 48**

mobile app / self-service website

**mojePZU**

with access to the calendar of appointments of each center

### Development of the scale of PZU operations

**~ 130**
own facilities

**~ 4,800**
partner centers

**~ 6000**
medical staff

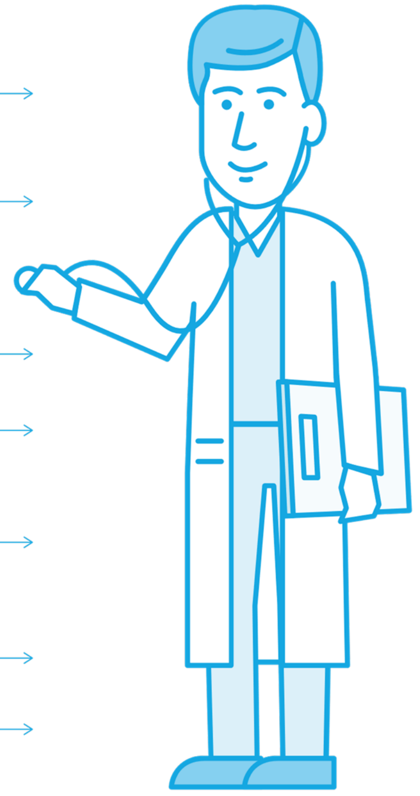
### Health products distribution network

| | Corporate insurance | Mass insurance | Individual insurance | Non-insurance products |
|---|---|---|---|---|
| Corporate sales | ✓ | ✓ | | ✓ |
| Tied agents | ✓ | ✓ | ✓ | |
| Multiagencies/Brokers /Dealers | ✓ | ✓ | ✓ | |
| Branch | ✓ | ✓ | ✓ | |
| Direct (mailing) | | | | ✓ |
| Strategic partners | | ✓ | | ✓ |
| PZU Zdrowie's employees (corporate network and branches) | | | | ✓ |

### Amenities for patients receiving medical care from PZU Zdrowie

What **sets** us **apart**:

- access to specialist doctors without a referral
- accepting referrals from outside the network PZU Zdrowie
- reimbursement of the costs of medical visits and examinations outside PZU Zdrowie facilities
- modern and accessible patient portal
- Scientific Council - expert support from various fields of medicine
- modern medical centres equipped with top-class equipment
- electronic medical interview "Symptom Checker"
- emergency medical assistance



- wide range of telemedicine services
- high standards of patient service
- organization and management of occupational medicine using a dedicated portal
- preventive programs
- psychological help and vouchers for psychological consultations
- smooth process for proceeding to medical care
- pregnancy care and access to birthing school

# 2.2.3. Investment products

## TFI PZU

TFI PZU acquires assets for management within the framework of the following four business models:

**Model I** – obtaining funds through strengthening the company's market position in the pension market within the framework of EPSs and ECSs, whose assets exceeded a total of PLN 25.4 billion;

**Model II** – cooperation with external entities, such as banks, brokerage houses, insurers and independent financial advisors (IFAs) that distribute TFI PZU funds to retail and institutional customers. The external distribution model was launched in 2011 and is rapidly expanding in scope by acquiring new partners in traditional and remote channels. As at the end of June 2026, TFI PZU was working with 17 institutions in this channel;

**Model III** – the use of own and partner networks related to PZU – a network of PZU insurance branches, PZU Group member banks (Bank Pekao and Alior Bank) and TFI TFI's own sales network.

**Model IV** – the online inPZU platform launched in 2018 along with the launch of the first umbrella of index funds in Poland, which at the end of June 2026 was comprised of 28 asset classes.

**Model V** – the newest model of offering PZU ETF funds to customers using brokerage accounts providing access to instruments listed on the WSE.

## inPZU

The online platform, inPZU.pl, launched in 2018, enables customers to independently invest in the first fully proprietary index funds, actively managed funds, IKE and IKZE products and model portfolios in Poland. The platform is available 24/7, both in the desktop version and on any mobile device and since 2020 also an English language version has been available. On the inPZU website, users may compare funds, define their investment objectives and personalize them. inPZU also enables users to search for funds and ready-made model portfolios as well as pay for their orders online. The platform is available to both individual and institutional customers. This is an attractive tool both for advanced investors and persons who are just starting to invest their savings.

In H1 2026, a new identity verification method – moje ID – was implemented in the inPZU service. Analytical and conceptual work was started regarding UX and UI optimization, including a comprehensive change to the user interface.

At the end of June 2026, there were

**>435 thousand**

**active users**

## Call Center

TFI PZU provides a hotline to serve customers, participants, TFI PZU fund distributors and Employers. The infoline is available Monday through Friday on business days and the number of calls conducted on the infoline in H1 2026 reached over 76 thousand calls.

The Transfer Agent also operates an hotline to serve distributors and employers.

## PTE PZU

Payments to OFE PZU originate from pension insurance contributions transferred by the Social Insurance Institution (ZUS) in accordance with the decision made by the insured, under the second pillar of the pension system.

Customer acquisition for individual pension security accounts by DFE PZU is carried out through the following distribution channels: the Internet, PZU Życie, Bank Pekao and external distributors.

Customers for IKE at DFE PZU are acquired through the Internet channel and external distributors. The online contracting tool is the Contract Wizard, available at http://ikze.pzu.pl. Sales activities carried out in 2025 indicate that online actions have the greatest sales potential.

In H1 2026, promotional and educational activities were conducted in connection with communicating the contribution limits for IKZE and IKE, providing information about the possibility of benefiting from a tax relief for contributions made to IKZE and building awareness of pension security and retirement saving.

For DFE PZU customers, in H1 2026 PTE PZU continued a series of promotions waiving the contribution fee for both new and existing DFE PZU customers. In addition, a "loyalty" promotion was continued for savers with more than seven years of participation, exempting them from the contribution fee.

## 2.2.4. Banking products

### Bank Pekao

#### Distribution channels

Bank Pekao provides customers with an extended nationwide distribution network, including its own and partner branches, an ATM network with convenient access throughout the country, a professional telephone service center, as well as modern online and mobile banking platforms for retail, corporate and small and microenterprise customers.

As at 30 June 2026, the bank had 557 own branches and 1,396 own ATMs.

#### Online and mobile banking

In H1 2026, the number of active mobile banking customers increased to 3.8 million, i.e. 7% higher than a year earlier and 16% higher than two years earlier. The number of active mobile customers using the PeoPay app, increased to 3.7 million and was 8% higher than a year ago and 20% higher than two years ago.

The most important changes implemented in H1 2026 in Pekao24 electronic banking and the PeoPay application included, among others:

- implementation of simplifications in the mobile application, including widgets related to financial security, a simplified transaction history widget, a widget with branch and advisor contact details, the option to increase font size and navigation optimization;
- launch of an educational section enabling users to learn about application features and become familiar with new functionalities;
- introduction of the “Your finances” feature, including a dashboard widget and a financial summary in the “All” tab;
- highlighting the “Offer” section in the main navigation, presenting products and services available for online purchase;
- implementation of customer satisfaction surveys regarding contact with Bank employees;
- launch of automatic notifications after application activation and when installing a new version;
- providing access in the PeoPay application to Live Nation ticket pre-sales for music events;
- launch of a new “Offer” section for business customers, presenting products and services available for purchase;
- implementation of the Activation Bar in the branch application used by advisors;
- making the “Ogonki do Skarbonki” service available, enabling automatic saving of transaction amounts rounded up from card or BLIK payments to the “Skarbonka” account;
- implementation of the “Travel Package”, offering benefits related to travel expenses.

### Alior Bank

#### Distribution network

At the end of June 2026, Alior Bank had 459 branches (139 traditional branches, 7 Private Banking branches, 12 Corporate Banking Centers , 11 Micro Sales Centers and 301 partner branches). The bank’s products were also distributed through a network of approximately 2.1 thousand credit intermediaries.

By the end of June 2026, Alior Bank upgraded its more than 90 branches to the new format. The role of the new branches is primarily to digitize customers and branch processes, provide convenience and privacy for customers and improve bankers' convenience. The distinguishing features of these branches include their innovative design and the use of modern technologies.

Alior Bank also uses distribution channels based on a modern IT platform incorporating: online banking, mobile banking, call centers and the DRONN technology.

#### Online and mobile banking

The Alior Mobile application continues to strengthen its position among customers, serving as a key channel of contact with the bank and the most important channel for the distribution of products and services. The bank systematically records an increase in the number of logins and the application remains the main channel for customers to perform everyday banking operations.

In H1 2026, Alior Bank focused the development of digital channels on further improving customer experience by expanding the range of services available in the self-service model, simplifying the most frequently performed processes and developing functionalities related to financial management, investments and product documentation. Customers gained, among other things, more intuitive access to information and functions related to accounts, the ability to independently download loan documents directly in the mobile application and ongoing access to their investment funds and pension products. The scope of matters that can be handled fully digitally was also expanded.

The initiatives implemented supported the execution of the Bank’s strategic objectives under “Alior Bank. Albo nic.”, strengthening the role of digital channels as the primary point of customer contact and service.

The implementation of customer identification using PUSH authorization in Alior Mobile improved the service process carried out by the Contact Center, enabling faster and more secure identity verification. The solution reduces service time, increases customer convenience and limits the number of activities required to complete the identification process.

Changes to the application dashboard increased the transparency and intuitiveness of using Alior Mobile, making it easier for customers to access key products, services and financial information. The organized presentation of accounts, payments, transaction history and most frequently used functions allows customers to complete everyday operations faster and manage their finances more efficiently.

Login process improvements increased the intuitiveness of using the application and shortened the time required to access the Bank's services. By simplifying the authentication process, the number of user errors was reduced and the need to use hotline support was minimized. At the same time, the possibilities for application personalization were expanded and access to selected services, such as BLIK, ticket purchases and parking payments, was provided without the need to log in.

The development of communication and sales in Alior Mobile focused on increasing the effectiveness of communication with customers and better utilizing the sales potential of the mobile channel. Changes in the area of current and savings accounts improved the availability of key account-related information and functions, increasing the convenience of everyday banking.

The self-service process related to recovering access to electronic banking was optimized by simplifying the user journey, redesigning the process logic and reducing the number of verification questions. Thanks to these changes, customers can regain access to the Bank's services faster without the need to contact the Contact Center. The solution improves user experience and increases the effectiveness of self-service.

# 3. External environment



- ✓ Despite ongoing economic uncertainty, **the Group effectively leverages favorable conditions in its key areas of operations** and maintains high business profitability.
- ✓ **Tariff discipline, responsible risk management** and a strong market position limit the impact of adverse external factors.
- ✓ **Strong business fundamentals** generate value both during periods of dynamic economic growth and increased market uncertainty.

# 3.1. The most important economic trends in Poland and abroad

The first half of 2026 was marked primarily by increased inflationary pressure. The key event was the escalation of the conflict in the Middle East, which led to a sharp increase in oil prices. This worsened growth prospects in many regions. It also resulted in a varied response from the major central banks.

## 3.1.1. Situation in the world economy

Economic activity in the world's major economies remained subdued, due in part to continued heightened uncertainty, conquered by trade and geopolitical tensions. Following a weaker end to 2025, when the annualized growth rate of US GDP amounted to just 0.5%, the US economy accelerated in H1 2026 to 2.1% in Q1, before slowing to 1.5% in Q2. Although the Q2 reading was slightly disappointing, the growth structure indicates that domestic demand remains solid. Growth at the beginning of the year was driven mainly by investments, including those related to AI and data centers. In Q2, private consumption became the main source of growth, while investment and export activity weakened and federal spending was also lower. Economic growth is also continuing in the euro area. After slowing to 0.5% y/y in Q1 2026 from 1.1% y/y in Q4 2025, the growth rate accelerated in Q2 of this year to 1.0% y/y, clearly exceeding market expectations. Ireland once again had a significant impact on the aggregate result, recording notable GDP declines after a period of strong growth earlier in the year (-13.2% y/y and -5.6% y/y in Q1 and Q2 of this year, respectively). Acceleration in activity compared with the beginning of the year was, however, visible in some smaller countries, including Lithuania, Sweden and Finland. Among the largest euro area economies, Spain continued to stand out, maintaining economic growth at 2.7% y/y. Other large economies developed more slowly, although their results were better than market expectations. This applied, among others, to Italy, where GDP growth in Q2 amounted to 1.0% y/y after 0.8% y/y in Q1, as well as Germany, Poland’s key trading partner, where GDP growth accelerated from 0.3% y/y in H2 2025 to 0.6% y/y in Q1 and 0.9% y/y in Q2 of this year. Although economic growth prospects in Europe remain moderate, burdened by issues related to the competitiveness and innovativeness of the European economy, as well as risks associated with the final shape of trade policy and the further course of the US-Iran conflict, the better-than-expected Q2 results suggest greater resilience of the Old Continent to adverse external factors than was assumed at the beginning of the year. Support for activity in the following quarters may come from the expected easing of fiscal rules and an increase in defense spending. In China, GDP growth has not exceeded 5% y/y in recent quarters. In Q2 2026, it slowed to 4.3% y/y, reaching the lowest level since Q4 2022. The slowdown was driven by the continued weakening of domestic demand, while trade turnover increased at the same time.

Fuel price fluctuations caused by the war in Iran were reflected in the course of inflation processes in many parts of the world. In the euro area, HICP inflation increased from 1.7% y/y in January to 3.2% y/y in May, before declining to 2.8% y/y in June 2026, supported by the stabilization of the situation in fuel markets and favorable trends in core inflation categories. In the United States, inflation increased from 2.4% y/y in January to 4.2% y/y in May, before declining to 3.5% y/y in June. Similarly to the euro area, core categories played an important role in reducing inflationary pressure, while the decline in commodity prices was most likely also related to renewed growth in imports from China. In China, the outbreak of the Iran-US war ended the period of deflationary trends, while price pressure remained moderate. In June of this year, consumer goods and services prices were 1.0% higher than a year earlier. At the same time, following higher oil prices, Chinese producer prices have also been increasing since March. In June, the pace of this growth accelerated to 4.1% y/y.

After most central banks eased monetary policy in 2025, events in the Persian Gulf region caused interest rate paths in the major economies to begin diverging in H1 2026. The Fed held off on further rate cuts, leaving rates at 3.50–3.75%. The European Central Bank made a different decision, agreeing to one rate increase to 2.25% from 2.0% at its June meeting. Despite weaker economic conditions, the ECB was concerned about inflation risks related to higher energy prices and geopolitical uncertainty. However, communication from both the Fed and the ECB remained relatively hawkish. Meanwhile, in China, where the economy continues to face weak demand, the People’s Bank of China stabilized interest rates at 3.0%.

At the same time, the labor market situation remained relatively favorable. In the euro area, the unemployment rate in June 2026 stood at 6.3%, the same level as a year earlier. Across the Atlantic, concerns about the condition of the labor market have so far not translated into a significant deterioration in key indicators – the US unemployment rate in June amounted to 4.2%, only 0.1 p.p. above the level recorded a year earlier. After a slightly weaker start to the year, employment in non-farm sectors increased in Q2, which was partly related to the FIFA World Cup co-hosted with Canada and Mexico.

## 3.1.2. Trends in the Polish economy

### GDP and production

According to the preliminary estimate released by Statistics Poland, **real GDP growth** accelerated to 3.8% y/y in Q2 2026.

The engine of growth at the beginning of this year was domestic demand. Household consumption increased in real terms by 3.3% year on year in the first quarter of 2026, following a 4.3% y/y increase in the fourth quarter of 2025. It added 2.0 p.p. to GDP growth. Consumption at the beginning of the year was weighed down by slower growth in real wages. Higher uncertainty and higher inflation related to the outbreak of the conflict in the Middle East also contributed. Following a robust 6.6% y/y increase in the fourth quarter of 2025, investment increased by 2.4% year on year in the first quarter of 2026, contributing 0.3 p.p. to GDP growth. The weaker result was primarily due to weather conditions – the onset of a freezing and snowy winter in January and February seriously disrupted activity in the construction sector, while public investments also recorded a weaker result, with fluctuations resulting, among other things, from military equipment deliveries. Public consumption also made a positive contribution to the growth of the Polish economy (+1.2 p.p.). Changes in inventories and net exports were neutral for GDP growth, although imports continued to grow faster than exports (6.1% y/y and 5.6% y/y, respectively), reflecting the faster pace of growth in domestic activity compared with Poland's trading partners.

Although detailed data for Q2 2026 are not yet available, the data published so far indicate that consumption remained the main driver of growth, although most likely with a slightly smaller contribution to GDP growth compared with the Q1 result. The available data indicate that this may have been offset by the growing role of investments supported by EU funds. Due to disruptions caused by the blockade of the Strait of Hormuz and the conflict in the Persian Gulf region, the contribution of inventories was most likely positive, while the contribution of net exports was negative.

In H1 2026, **industrial output sold** was 3.9% higher than in the same period last year. This result was driven, among other things, by a dynamic increase in mining production exceeding 20%. Double-digit growth was also recorded in the production and supply of electricity, gas, steam and hot water. Detailed data also indicate that the relatively strong performance of capital goods continues, while after the outbreak of the conflict in Iran, the growth of intermediate goods production also accelerated significantly. A record increase in new domestic industrial orders recorded in May 2026 is also noteworthy, which may be linked to the SAFE program and the signing by the Armament Agency of contracts with a total value of PLN 120 billion. Under conditions of persistently weak economic activity among Poland's main trading partners and tensions related to the war in Iran, strong domestic demand will remain an important source of recovery in the sector.

In H1 2026, **construction and assembly production** was 2.9% lower than in the corresponding period of the previous year. Declines in production were recorded among entities engaged in building construction and specialized construction activities, while in the area of civil and water engineering, the result was marginally better than a year earlier. The weaker performance of the sector was largely a consequence of unfavorable weather conditions at the beginning of the year. Construction began to recover losses quickly, with spring bringing, among other things, favorable trends in residential construction, while the accumulation of EU funds inflows will provide an additional boost in the coming quarters.

### Labor market and consumption

**Average employment** in the corporate sector amounted to 6,377.1 thousand in the first half of 2026, down 1.1% y/y. Between January and June 2026, the number of jobs in the enterprise sector decreased by 25.2 thousand. The reduction in headcount was also accompanied by continued cautious recruitment activity by companies. Despite relatively favorable economic conditions, there has been no clear recovery in labor demand. This results from both demographic processes and structural changes taking place in the labor market, including those related to forms of work arrangements. Insurance data indicate that, while the number of employees in companies is declining, the number of people providing work under civil law contracts and running their own businesses is increasing.

Weaker labor demand from the business sector did not have a significant impact on unemployment. The registered unemployment rate reached in fact 5.8% in June 2026, i.e. 0.7 p.p. higher than a year earlier, while the number of registered unemployed at the end of the month amounted to 901.5 thousand, up by 104.5 thousand y/y. However, these statistics do not indicate a significant worsening of the labor market situation; they are primarily the result of the entry into force of the labor office reform, which has significantly reduced the number of de-registrations from unemployment, especially those resulting from failure to appear at the labor office on the scheduled date. At the beginning of 2026, these trends were also reinforced by the reduction in Labor Fund resources allocated to employment activation measures. The latest data from labor offices indicate that these effects are gradually beginning to fade.

The deseasonalized unemployment rate published by Eurostat, calculated with a methodology harmonized for EU countries, was 3.1% in June 2026, with the average for the European Union at 6.0%. In recent months, the indicator has remained at a similar level of approximately 3.0–3.2% and Poland remains one of the leaders – in June, only Bulgaria and Cyprus could report lower rates than Poland (3.0%).

**The average gross monthly salary** in the business sector in H1 2026 was PLN 9,337.14. Compared to the same period last year, it increased nominally by 5.8%. This was the lowest wage growth rate since H1 2020. Although a temporary acceleration in wage growth can be visible in some months – partly due to calendar effects and shifts in the payment dates of variable remuneration components – wage pressure is easing, as confirmed, among other things, by survey results. In the current year, upward pressure on the wage grid is also limited by the lowest increase in the minimum wage since 2005 (3.0%).

It also limits real wage growth – in H1 2026, it amounted to 3.0% y/y and was the lowest since 2023. This translates into a gradual weakening of consumer demand growth. After the first six months of 2026, **retail sales** at constant prices were 3.5% higher than a year earlier, with growth of 4.8% y/y in Q1 and 2.3% y/y in Q2. Detailed data still indicate solid demand for durable goods – sales of furniture, household appliances and consumer electronics increased by 7.0% y/y in H1 of this year, while motor vehicle sales increased by 4.1% y/y. Fuel sales also increased significantly and after six months of 2026 were 10.3% y/y higher in real terms than a year earlier. This growth was partly related to increased purchases motivated by concerns about price increases following the escalation of tensions in the Middle East. At the same time, elevated uncertainty continues, which may encourage households to limit spending and maintain an increased savings rate. However, relatively positive consumer sentiment remains a mitigating factor. Although sentiment deteriorated in March and April, immediately after the outbreak of the war in Iran, it returned in the following months to levels almost similar to those observed before the conflict. In particular, households are increasingly positively assessing their ability to save and are also improving their assessments of conditions for making major purchases.

## Inflation, monetary policy and interest rates

In the first half of 2026, **consumer prices** increased by an average of 2.7% y/y, with inflation rising from 2.1% in January to 3.2% y/y in April, before declining to 2.5% in June 2026. Disinflationary trends were halted by a sharp increase in fuel prices recorded after the outbreak of the conflict in the Persian Gulf region. Despite concerns about the negative impact of this factor on the inflation path in Poland, inflation has remained within the acceptable fluctuation range of the NBP inflation target since July 2025. This was supported, among other things, by the CPN program, which was in effect in Q2 2026 and under which VAT and excise tax on fuels were reduced and maximum fuel prices at stations were introduced. The program directly limited the impact of fluctuations in global oil prices on fuel prices in Poland and available data indicate that, at least until June 2026, it also helped avoid broad-based pass-through effects of higher fuel costs to other categories. Lower food prices also helped keep inflation under control, with vegetable prices declining significantly in May and June of this year.

In the first half of 2026, the Monetary Policy Council cut interest rates once, from 4.0% to 3.75%. The Council's decision in March 2026 was motivated by lower inflation prospects in the March projection, amid a declining pace of price growth in the final months of 2025 and at the beginning of 2026. The Council lowered interest rates despite the sharp increase in energy commodity prices caused by the conflict in the Persian Gulf. As expected, rates were left unchanged at subsequent meetings, but favorable inflation trends resulted in increasingly dovish communication from the Council.

## Public finance

According to Statistics Poland's fiscal notification, **the deficit in the government and local government sector** in 2025 stood at 7.3% of GDP, after being at 6.4% of GDP in 2024. Estimates available from Statistics Poland indicate that the deficit reached 7.1% of GDP in Q1 2026 (as the sum of the last four quarters). On 26 July 2024, the EU Council decided to launch the excessive deficit procedure against Poland. The justification states that the deficit of the central and local government sector exceeding the reference value (3% of GDP) is not temporary, as confirmed by the 2024 figure. According to the EU Council Recommendation to Poland of 8 July 2025, the procedure was temporarily halted due to compliance with the Council's recommended rate of increase in net spending. According to the “Public Finance Sector Debt Management Strategy 2026–29,” the central and local government sector deficit is expected to gradually decrease from 2026 and reach 4.7% of GDP within the strategy's horizon. However, according to the “Report on the implementation of the Medium-Term Budgetary-Structural Plan for 2025–2028”, the projected deficit is expected to amount to 6.8% of GDP in 2026, which may result in changes to the path presented in the “Strategy”.

**The state budget deficit** at the end of 2025 amounted to PLN 275.7 billion, against the PLN 288.8 billion assumed in the budget law. According to the Budget Act, the budget deficit in 2026 is expected to amount to PLN 271.7 billion, while the Ministry of Finance's estimated data indicate that after H1 2026, the deficit amounted to PLN 123.7 billion and as the sum of the last four quarters it equaled 6.9% of GDP.

According to the Statistics Poland's signal notification, **the deficit in the government and local government sector** in 2025 went up to 59.7% of GDP from 54.8% of GDP in 2024. The Ministry of Finance data indicate that after Q1 2026, this debt amounted to 61.6% of GDP. According to the “Report on the implementation of the Medium-Term Budgetary-Structural Plan for 2025–2028”, the projected general government debt is expected to amount to 65.1% of GDP in 2026. According to the “Public Finance Sector Debt Management Strategy 2026–29,” government debt is expected to rise to 75.3% of GDP in 2029, while state public debt is expected to exceed the prudential threshold of 55% of GDP in 2028, which would mean triggering prudential procedures under the Public Finance Act in 2030. The macroeconomic scenario presented in the “Multi-Year Macroeconomic Assumptions for 2026–2030” assumes the commencement of fiscal consolidation in line with EU and national fiscal rules from 2029, which indicates the possible exceeding of the 55% of GDP prudential threshold by public debt already in 2027.

# 3.1.3. External environment in the Baltic Countries and Ukraine

**Lithuania**

Lithuania's economy contracted by 0.3% quarter-on-quarter in Q1 2026, reversing the 1.9% growth trend recorded in the previous three-month period. It was the first quarterly decline since Q4 2023. The deterioration in economic conditions was primarily driven by declines in the construction, trade and services, information and communication and financial and insurance sectors. Industrial activity and the real estate market also slowed. From the demand side, the main factor limiting growth was a decline in gross fixed capital formation. On the other hand, the economy was positively affected by accelerating household consumption and increased public spending. Foreign net demand also remained supportive of economic activity, although export growth weakened and imports returned to growth.

Despite the quarterly deterioration in economic conditions, the Lithuanian economy maintained annual growth, although its pace slowed to 2.3% from 3.3% recorded in the previous quarter.

Inflation in Lithuania continued to accelerate. In May 2026, the annual inflation rate increased to 5.5% from 5.3% a month earlier, reaching the highest level since August 2023. The increase in prices was driven primarily by higher transport costs, housing and utilities, as well as education, health, financial and catering services. Price growth for alcoholic beverages and tobacco products continued, as did increases in services related to healthcare, communication, education and accommodation.

On the other hand, price growth for household equipment, recreation and culture slowed. Food and non-alcoholic beverage prices remained at the level recorded a year earlier, while prices of clothing and footwear continued to decline.

On a monthly basis, the consumer price index decreased by 0.1%, reversing the 0.6% increase recorded in April.

In Q1 2026, the unemployment rate in Lithuania amounted to 7.4% and increased by 0.6 percentage points compared with Q4 2025 and by 0.5 percentage points compared with Q1 2025. The unemployment rate among men amounted to 8.4%, while among women it was 6.4%.

The average monthly salary in Lithuania increased to EUR 2,554 in Q1 2026 and was 1.1% higher compared with the previous quarter. From 1 January 2026, the minimum wage amounts to EUR 1,153, representing an increase of 11.1% compared with Q4 2025.

**Latvia**

According to data from the Central Statistical Bureau, in Q1 2026 the Latvian economy recorded GDP growth of 2.5% y/y in constant prices, after eliminating the impact of seasonal and calendar factors. Compared with the previous quarter, GDP increased by 0.6%.

The main driver of economic growth was the sectors related to the generation and supply of electricity, gas, steam and air conditioning services. Higher revenues from product taxes also had a positive impact on GDP growth.

Wholesale and retail trade, as well as activities related to the real estate market, also made a significant contribution to the increase in value added. At the same time, declines recorded in the transport and storage sector, as well as in agriculture, forestry and fishing, partially limited the scale of economic growth.

Annual inflation in Latvia decreased in June 2026 to 3.4% from 3.5% recorded a month earlier. The slowdown in price growth was supported, among other things, by a deeper decline in food prices, as well as prices of clothing and footwear. At the same time, price growth slowed in the transport sector, restaurant and hotel services and healthcare. On the other hand, accelerated price growth was recorded in categories related to housing and energy carriers, recreation and culture, alcoholic beverages and tobacco products, household equipment, financial and insurance services and education. On a monthly basis, consumer prices remained stable, while in May they increased by 0.5%.

The unemployment rate in Q1 amounted to 7.1%, representing a decrease of 0.3 p.p. compared with the corresponding period of the previous year, while increasing by 0.3 p.p. compared with the previous quarter. The unemployment rate among men was slightly higher than among women, amounting to 7.2% and 7.0%, respectively.

The average monthly gross salary in Q1 2026 amounted to EUR 1,831, representing an increase of 4.2% compared with Q1 2025. Compared with Q4 2025, it decreased by 1.6%. The public sector recorded a higher year-on-year increase in average earnings than the private sector – 4.6% and 4.1%, respectively. From 1 January 2026, the national minimum wage increased from EUR 740 to EUR 780 and the minimum non-taxable income threshold was set at EUR 550 per month.

**Estonia**

According to Statistics Estonia, in Q1 2026 GDP increased by 2.4% compared with the corresponding period of 2025. The largest driver of economic growth was manufacturing, where value added increased by 7.0%. A significant impact was also made by administrative activities, agriculture, forestry, fishing, energy, as well as arts, entertainment and recreation. The largest negative impact came from information and communication and trade. Economic growth was also slowed by activities related to healthcare and social assistance, as well as accommodation and food service activities, mining and quarrying and water supply and sewerage.

A significant improvement was also recorded in private consumption, which increased by 4.2%. The largest increases were recorded in household expenditure on transport, recreation, sports and culture. Households also spent more on financial and insurance services, as well as other goods and services. The only declines were recorded in expenditure on alcoholic beverages and tobacco, while a slight decrease was also observed in food expenditure.

The consumer price index in June 2026 decreased by 0.5% compared with May, while on an annual basis it increased by 2.3%. Compared with June 2025, the prices of goods were 1.0% higher, while services were 4.2% higher. The main factors contributing to inflation growth were higher housing and transport costs. In the case of housing costs, the increase was primarily driven by higher electricity and natural gas prices, which rose by 18.7% and 30.8%, respectively. In turn, higher transport costs were driven by increased fuel prices – petrol and diesel, which increased by 6.4% and 17.3% y/y, respectively. Inflationary pressure was partly limited by lower prices of food and non-alcoholic beverages, as well as clothing and footwear. A significant increase was also recorded in the category of alcoholic beverages and tobacco products, where prices were 8.9% higher than a year earlier. Among food products, price increases mainly affected prepared food, fresh and frozen meat, eggs and fresh and frozen fish. At the same time, prices of butter, vegetables, apples and stone fruits decreased significantly.

The unemployment rate in Q1 2026 amounted to 7.1%. Compared with the corresponding period of the previous year, the situation in the labor market improved – the unemployment rate decreased by 1.5 p.p., while compared with the previous quarter it increased by 0.7 p.p.

The average monthly gross salary in Q1 2026 amounted to EUR 2,135 and was 6.2% higher compared with the corresponding period of the previous year. The largest year-on-year increase was recorded in the energy sector.

**Ukraine**

The full-scale aggression of Russia against Ukraine, which began on 24 February 2022, materialized most of the risks previously identified as significant threats to both society and economic activity. Despite the ongoing hostilities, the Ukrainian economy is gradually adapting to the new conditions and continues the process of reconstruction. However, the pace of this process remains limited due to the consequences of the war, including regular attacks and extensive destruction of critical infrastructure. At the same time, economic activity continues to be supported by sustained consumer demand in the domestic market.

In Q1 2026, Poland’s GDP declined in real terms by 0.6% y/y. The slowdown in economic activity was primarily affected by electricity shortages resulting from infrastructure damage caused by massive Russian attacks, limited budget expenditures due to delays in obtaining external financing and exceptionally low temperatures.

The annual inflation rate in Ukraine decreased to 7.2% in June 2026 from 8.2% in May. Inflation has been affected by higher fuel prices caused by the escalation of tensions in the Middle East, as well as continued cost pressure on the business side, particularly in the areas of wages and logistics and the effects of the earlier weakening of the hryvnia exchange rate. On 18 June 2026, the NBU left the discount rate unchanged at 15%, aiming to maintain stable inflation expectations and support the attractiveness of financial instruments denominated in hryvnia. The trade deficit in goods decreased, supported by a decline in gas imports and a seasonal reduction in foreign purchases by the agricultural sector. At the same time, foreign exchange reserves decreased due to lower inflows of international financial assistance. The conflict in the Middle East continues to be a significant source of uncertainty in global energy markets. Military actions causing disruptions to the functioning of the Strait of Hormuz and the related increase in energy commodity prices and higher volatility, also affect the Ukrainian economy by increasing inflationary pressure, limiting economic growth and negatively affecting the foreign trade balance.

Although labor supply was growing faster than demand for workers, the labor market continued to face staff shortages, particularly among highly qualified specialists. Limited labor availability and wage increases in the public sector supported dynamic wage growth – nominally by 21.3% y/y. According to UN data, the number of Ukrainian migrants decreased slightly and amounted to 5.8 million people as of 30 April 2026. These statistics also includes people who were forcibly displaced or deported to Russia.

The rating agency S&P Global Ratings upgraded Ukraine’s credit rating, restoring the country’s status above restricted default. The decision resulted from the successful completion of the restructuring of debt instruments linked to economic growth dynamics. As a result, Ukraine’s rating was upgraded to CCC+. On 24 April 2026, Fitch Ratings maintained Ukraine’s long-term foreign currency rating at “CCC”, confirming the country’s existing credit risk assessment.

# 3.2. Insurance markets in Poland, the Baltic Countries and Ukraine

## Non-life insurance market in Poland

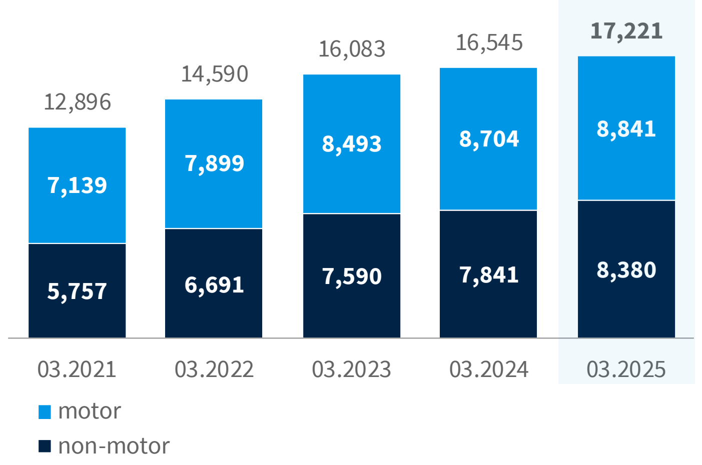
Measured by gross written premium in Q1 2026, the non-life insurance market in Poland grew by a total of PLN 0.7 billion (+4.1%) in comparison to the corresponding period of the previous year.

Total written premium on direct business grew by PLN 0.5 billion (+3.2% y/y) and on indirect business – by PLN 0.2 billion (+16.9% y/y).

The market growth was attributable to the increase in gross written premium in non-motor insurance (by PLN 539 million, +6.9% y/y) and motor insurance (by PLN 138 million, +1.6% y/y).

In **non-motor insurance**, the biggest contributor to the growth of gross written premiums was insurance against fire and other damage to property (by PLN 319 million, +7.9% y/y, of which PLN 168 million related to indirect business). Sales growth was also visible in assistance insurance (up PLN 100 million, +13.4% y/y) and other insurance (up PLN 95 million, +27.8% y/y). A decrease in gross written premium was recorded in credit and guarantee insurance (down PLN 98 million, -29.6% y/y) and marine, aviation and transport insurance (down PLN 58 million, -19.1% y/y).

**Gross written premium of non-life insurers in Poland (in PLN million)**

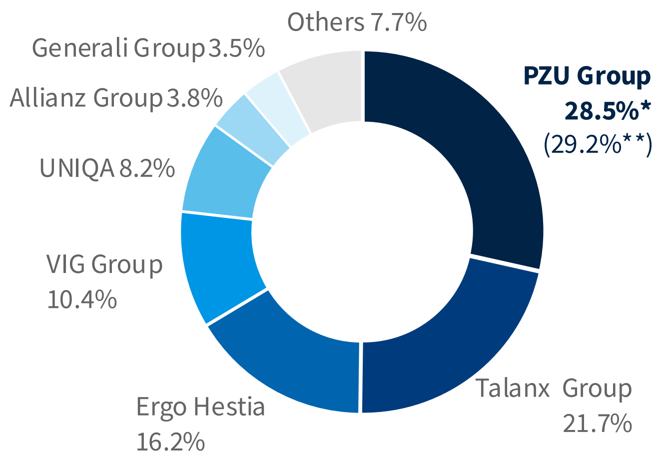



Source: The Quarterly Bulletin of the Polish Financial Supervision Authority (www.knf.gov.pl). Rynek ubezpieczeń 1/2026, Rynek ubezpieczeń 1/2025, Rynek ubezpieczeń 1/2024, Rynek ubezpieczeń 1/2023, Rynek ubezpieczeń 1/2022

The increase in premiums from **motor insurance** was driven by TPL insurance (up PLN 126 million, +2.5% y/y), which remains the largest group of insurance products. After Q1 2026, it generated PLN 5.1 billion in written premiums, accounting for 29.3% of the property insurance market.

During Q1 2025, the overall non-life insurance market generated a net result of PLN 1,173 million, which is PLN 94 million more in comparison with the corresponding period of 2025 (up by 7.4%).

**Non-life insurers – percentage of gross written premium in Q1 2026 (in %)**




**) PZU Group's market share in non-life insurance on direct business of the Group: **PZU Group** – PZU, LINK4, TUW PZUW; **Talanx** – Warta, Europa; **VIG** – Compensa, InterRisk, Wiener, TUW TUW; **Allianz** – Allianz, Erste Allianz TU S.A.;
Source: KNF's Quarterly Bulletin. Rynek ubezpieczeń [Insurance Market] 1/2026

The technical result of the non-life insurance market after Q1 2026 declined by 29.2% y/y to PLN 783 million (down PLN 322 million). The largest impact on the decline in the technical result came from Auto Casco insurance (a deterioration in the result by PLN 191 million y/y to PLN 62 million), insurance against damage caused by natural forces and other property damage (a decrease of PLN 82 million y/y) and motor TPL insurance (a decrease of PLN 77 million y/y).

The largest increase in the technical result was recorded in liability insurance (up PLN 69 million).

**Non-life insurance – Gross written premium vs technical result (in PLN million)**

| Gross written premium vs technical result | 1 January – 31 March 2025 | | | 1 January – 31 March 2026 | | |
|---|---|---|---|---|---|---|
| | PZU* | Market | Market excl. PZU | PZU* | Market | Market excl. PZU |
| Written premium | 4,931 | 16,545 | 11,614 | 4,913 | 17,221 | 12,309 |
| Technical result | 466 | 1,105 | 639 | 378 | 783 | 404 |

*) incl. LINK4 and TUW PZUW
Source: The Quarterly Bulletin of the Polish Financial Supervision Authority (www.knf.gov.pl). Rynek ubezpieczeń 1/2026, Rynek ubezpieczeń 1/2025, PZU figures

After Q1 2026, the PZU Group had a 28.5% share in the non-life insurance market, measured by the gross written premium (29.2% on direct business) compared with 29.8% in the corresponding period of 2025 (30.3% from direct business), meaning a decrease of 1.3 pp. in the market share (1.1 pp from direct business).

After Q1 2026, the PZU Group's technical result (PZU together with LINK4 and TUW PZUW) stated as a percentage of the overall market's technical result was 48.4% (the PZU Group's technical result was PLN 378 million while the overall market's technical result was PLN 783 million).

The total value of the investments made by non-life insurers at the end of Q1 2026 (net of the investments made by subordinated entities) was PLN 96,683 million, up 0.9% compared to the end of 2025.

Non-life insurers estimated their net technical provisions at a net aggregate amount of PLN 82,798 million, signifying a 1.4% growth compared to the end of 2025.

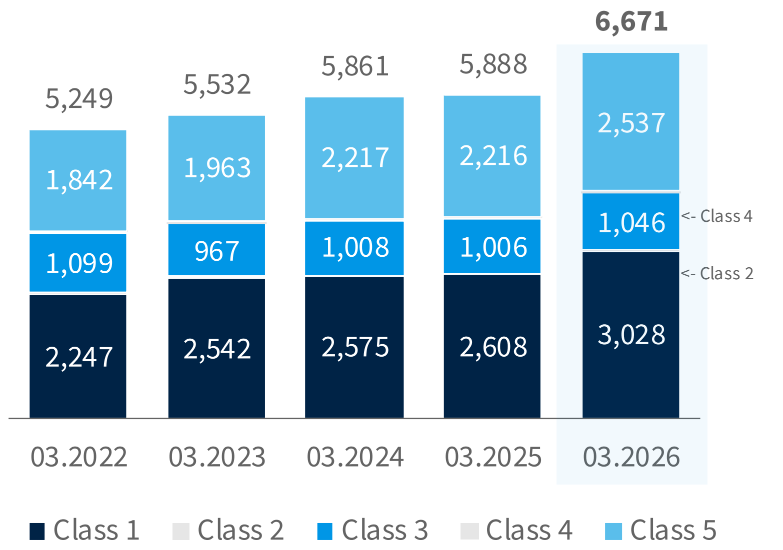
## Life insurance market in Poland

After Q1 2026, the life insurance market in Poland, measured by gross written premium, was estimated at PLN 6,671 million, meaning that it has grown over the most recent five years, on average, by 6.2% *per annum*, whereas this is the result of the considerably dynamic growth last year. The premiums collected in Q1 2026 were by 13.3% higher than those in the corresponding period of 2025, driven by an increase in both periodic and single premiums. In endowment and children's provision insurance (Group II), a decrease in premiums was recorded for insurance products with periodic premium payments.

After Q1 2026, after a period of significant slowdown in sales of investment-type products, there was an increase in premiums, including single-premium insurance in class III (PLN +67.7 million, +37.1%). The reasons for the earlier downward cycle can be traced to changes in the capital market situation and the legal and macroeconomic environment, including the recommendations of the Polish Financial Supervision Authority.

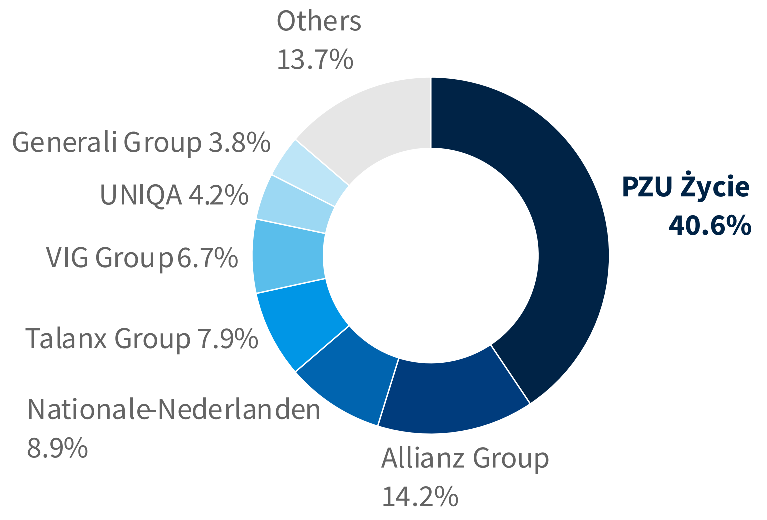
As a result of market changes in recent years, the importance of products with periodic premiums has increased, representing a competitive advantage of PZU Życie. In Q1 2026, premiums from these products were 7.1% higher compared with the same period of 2025. Despite the declining periodic premium in unit-linked life insurance (down PLN 27.6 million y/y), the premium on protection products in classes I (up PLN 194.8 million y/y) and V increased (by PLN 216.2 million y/y) in both group and individually purchased insurance.

**Gross written premium of non-life insurers in Poland (in PLN million)**




Source: KNF's Quarterly Bulletin. Rynek ubezpieczeń 1/2026, Rynek ubezpieczeń 1/2025, Rynek ubezpieczeń 1/2024, Rynek ubezpieczeń 1/2023, Rynek ubezpieczeń 1/2022

**Life insurers – percentage of gross written premium in Q1 2026 (%)**




Source: KNF's Quarterly Bulletin. Rynek ubezpieczeń [Insurance Market] 1/2026

At the same time, market concentration measured by the periodic gross written premium remained high. The list of the five largest entities on the market remained unchanged and their combined market share amounted to 77.9%.

Life insurance companies generated a total net profit of PLN 812 million in Q1 2026, which was comparable to the previous year's level (an increase of PLN 1 million, or 0.1%). This was, among other factors, a result of higher technical results compared with the corresponding period of 2025, partially offset by a lower level of net investment income transferred from the technical account and a higher level of tax charges.

The technical result of life insurance companies in Q1 2026 amounted to PLN 146 million, i.e., was PLN 87 million higher (+8.2% y/y) than in the corresponding period of 2025. The increase is mainly due to an increase in the technical result in Group V accident and sickness insurance (up PLN 50.1 million), Group I life insurance (up PLN 16.9 million) and Group III life insurance linked to unit-linked funds (up PLN 16.2 million).

The total value of the investments made by life insurance companies at the end of Q1 2026 was PLN 47,142 million, signifying an 1% increase compared to the end of 2025. The net asset value of life insurance in which policyholders bear the investment risk decreased by 1.3% to PLN 41,732 million.

Within the PZU Group, PZU Życie operates on the Polish life insurance market.

In Q1 2026, the PZU Group accounted for 40.6% of the gross written premium of all life insurers on the market, signifying a decrease versus the last year's market share (by 4.2 p.p.), mostly as a consequence of the declining share of PZU Życie in the single premium market.

At the same time, the PZU Group continued to be the leader in the periodic premium segment. In Q1 2026, it generated 40.1% of these types of premiums, signifying a small decrease (-0.7 p.p.) in the market share in this segment as compared to the previous year. The PZU Group's written premium growth in this segment was +5.2% y/y.

PZU Życie's share in just the life insurance segment (class I) for periodic premiums at the end of Q1 2026 was 44.7% when measured by gross written premium and 47% when measured by the number of contracts in force.

The PZU Group's market share in terms of the method of entering into a contract in the life insurance segment was 53.8% for contracts executed in group form and 31.7% for individual contracts (measured by gross written premium).

The PZU Group's technical result represented close to 41.5% (-7.4 pp) of the result earned by all life insurance companies. This evidences the high profitability these products enjoy. PZU Życie's technical result margin on gross written premium was higher than the overall margin generated by other companies offering life insurance (17.6% versus 16.9%).

## Insurance markets in the Baltic Countries and Ukraine

**Lithuania**

According to the Bank of Lithuania, between January and May 2026, gross written premiums in the property and other personal insurance market amounted to EUR 552 million and decreased by 0.3% compared with the end of May 2025. Motor insurance was the most significant insurance class on the market (51.8% of all gross premiums written in non-life insurance). Within motor insurance, gross written premiums from TPL insurance decreased by 0.1% y/y, while premiums from Auto Casco insurance increased by 2.4%. In the health insurance segment, premiums decreased by 10.2% y/y, while a 3.0% increase was recorded in property insurance.

As at the end of May 2026, there were 12 companies operating in the non-life insurance sector, including 8 branches of insurance companies registered in other EU member states. The combined market share of top four players in the non-life insurance market totaled 81%.

The PZU Group has been present in Lithuania since 2002. As of November 2014, it has been conducting its activity on the non-life insurance market as Lietuvos Draudimas, which, as of May 2015, is also the owner of the PZU branch in Estonia.

Lietuvos Draudimas is the leader of the non-life insurance market in Lithuania. At the end of May 2026, its market share was 29.4%. After H1 2026, it recorded a 0.5% decrease in gross written premiums to EUR 195 million. The largest declines were recorded in motor TPL insurance (-EUR 3 million), Auto Casco insurance (-EUR 1 million) and health insurance (-EUR 1 million), partially offset by increases in property insurance (+EUR 3 million) and accident insurance (+EUR 1 million).

Gross written premiums collected by Lithuanian life insurance companies during the first five months of 2026 amounted to EUR 189 million, representing an increase of 18.9% compared with the corresponding period of 2025. Sales of insurance with regular premiums rose by 12.3% y/y (i.e., by EUR 19 million), while those with single premiums increased by 171.9% y/y (i.e., by EUR 11 million).

In the life insurance structure, unit-linked insurance represented the largest share at 82.3% of the market value. Traditional life insurance accounted for 6.0% of written premium.

As at the end of May 2026, seven companies operated on the Lithuanian life insurance market. The said market was highly concentrated – in May 2026, the share held by the three largest life insurance companies in total gross written premium was 62.0%.

The largest life insurance company in Lithuania in terms of total gross written premiums was Allianz (22.6% market share), followed by Compensa (20.2% market share) and Swedbank (19.2% market share).

PZU Group's life insurance operations in Lithuania are conducted through UAB PZU Lietuva Gyvybės Draudimas (PZU Lithuania Life). The gross written premium posted by PZU Lithuania Life in H1 2026 was EUR 16 million, up 16.4% from H1 2025. Market share after May 2026 stood at 7.0%.

**Latvia**

According to the figures from the Bank of Latvia, as at the end of Q1 2026, gross premiums written from non-life and other personal insurance amounted to EUR 198 million. This is EUR 12 million (6.2%) more than in the corresponding period of 2025. Including premiums from property insurance (i.e. health and accident insurance) collected by insurers offering life insurance, the value of gross written premiums amounted to EUR 217 million, representing a year-on-year increase of 5.3% (i.e. EUR 11 million).

Health insurance premiums had the largest share of the non-life insurance market in Q1 2026. Their market share amounted to 35.2% and the value of gross written premiums increased by 9.8% y/y (i.e. +EUR 6 million). The combined share of motor TPL and Auto Casco insurance amounted to 33.9%. Auto Casco insurance recorded growth of 4.1% y/y, while TPL insurance recorded a decrease of 6.7% y/y. A significant segment (18.4% market share) was represented by property insurance, the value of which increased by 7.3% y/y.

At the end of March 2026, eleven insurance companies operated in the Latvian non-life insurance market and the market share of the four largest insurance groups amounted to 78.7%.

In June 2014, the PZU Group was joined in Latvia by AAS BALTA, which in May 2015 took over the PZU Lithuania branch operating in the Latvian market since 2012.

AAS BALTA is the largest insurer by gross written premium in Latvia. In Q1 2026, the share of AAS Balta in the non-life insurance market was 30.7%. In H1 2026, the gross premium written by AAS Balta reached EUR 111 million, up 8.2% (EUR 8 million) relative to the corresponding period in 2025. The largest increases were recorded in the area of health insurance.

**Estonia**

During the first five months of 2026, gross written premiums in the non-life insurance market amounted to EUR 254 million and increased by 0.9% compared with the corresponding period of 2025.

Growth was recorded in personal property insurance (+9.5% y/y, i.e. EUR 4 million), TPL insurance (+25.3% y/y, i.e. EUR 2 million), as well as health insurance (+10.7% y/y, i.e. EUR 1 million). The increases were partially offset by a decline in MTPL and MOD insurance, which together accounted for 47.1% of the market share (down EUR 7 million y/y). MTPL insurance recorded a decrease of 6.5% y/y (i.e. EUR 3 million), while MOD insurance decreased by 5.4% y/y (i.e. EUR 4 million).

At the end of May 2026, there were 13 companies operating in the non-life insurance sector, among which the top four held a combined market share of 62.5%.

Since May 2015, the PZU Group's operations in Estonia have been conducted by the Lietuvos Draudimas branch, established through the merger of a branch of PZU's Lithuanian subsidiary and the Estonia branch, which had operated under the Codan brand.

The share in the Estonian non-life insurance market in this period was 13.3% at the end of May 2026. Gross premiums written accumulated at the end of H1 amounted to EUR 40 million, a decrease of 3.1% (or EUR 1 million) from H1 2025. Greatest fall was observed in MOD and MTPL insurance.

**Ukraine**

Since the end of June 2021, the National Bank of Ukraine (NBU) has been the supervisory authority overseeing the insurance market in Ukraine. In order to increase the effectiveness of supervision, the NBU monitors the implementation and compliance with regulations and undertakes supervisory actions against entities that do not meet regulatory requirements.

The insurance market in Ukraine is gradually recovering after a period of significant disruption, although the pace of this process remains diversified across individual segments. Motor insurance is developing most dynamically, while property and life insurance segments are gradually increasing their activity. At the same time, the importance of digital channels has increased significantly in recent years and demand for insurance services and products offered online is steadily growing.

The domestic insurance market is consistently adapting to the standards applicable in the European Union. Following the entry into force on 1 January 2024, of the Laws of Ukraine "On Financial Services and Financial Companies" and "On Insurance", the NBU updated a number of regulations concerning the registration and operations of participants in the insurance market. These changes aim to harmonize national regulations with EU requirements and further enhance the transparency and stability of the sector. The legal framework for insurance activities and insurance intermediation is currently regulated by a number of legal acts defining the fundamental principles of market operations.

In response to the consequences of Russia's full-scale aggression, some insurance companies have introduced coverage for war-related risks for both individual customers and businesses. New products have emerged on the market aimed at protecting life and health, vehicles and property. The increase in interest in property insurance is particularly noticeable, driven by the need to protect homes, commercial buildings, infrastructure and production facilities against the effects of war-related events, including air raids and shelling. Thus, the insurance sector is adapting its offering to the changing needs of customers operating in conditions of elevated risk.

After Q1 2026, the Ukrainian insurance market, measured by gross written premium, grew by 17.6% up to UAH 18.1 billion. The premium accumulated in non-life insurance was UAH 16.6 billion, signifying 18.6% growth compared to the same period in 2025. The number of entities operating in the Ukrainian non-life insurance market continues to decline. As of the end of Q1 2026, 47 insurance companies were operating. Over the last 12 months (March 2025 – March 2026), six insurance companies exited the market, among other reasons due to failure to adapt their ownership structures to the requirements of applicable regulations.

The increase in written premiums was driven primarily by the motor and health insurance segments. The largest nominal increase in premiums was recorded in motor TPL insurance (up UAH 1,012 million y/y, i.e. 22.9%) and Auto Casco insurance (up UAH 784 million y/y, i.e. 24.3%). At the same time, market results were negatively affected by declines in financial insurance and the Green Card segment.

As at the end of March 2026, insurance companies offering life insurance collected gross written premium of UAH 1.5 billion, signifying 7.1% growth compared to the corresponding period in 2025. Ten life insurance companies were operating, with the five largest companies collecting 89.4% of gross written premiums.

On the Ukrainian market, the PZU Group operates the insurance business via two companies: PrJSC IC PZU Ukraine (PZU Ukraina) in non-life and other personal insurance and PrJSC IC PZU Ukraine Life (PZU Ukraina Życie) in life insurance. In addition, LLC SOS Services Ukraine offers assistance services.

In H1 2026, gross written premium collected by PZU Ukraine amounted to UAH 2 billion, or 51.8% more than in the previous year. The increase in sales was recorded primarily in motor insurance, in particular Green Card and TPL insurance. In H1 2026, gross written premium collected by PZU Ukraine Life was UAH 205 million, up 8.5% from the comparable period in 2025.

During Q1 2026, PZU Ukraine attracted 5.3% of the gross written premium on the Ukrainian non-life insurance sector and its market share went up by 1.3 p.p. versus Q1 2025. The share of PZU Ukraina Życie in the Ukrainian life insurance market remained unchanged at 7.5%, the same level as in the previous year.

# 3.3. The health care market in Poland

The healthcare market in Poland is one of the most promising sectors of the economy, developing in both the publicly and privately funded areas. Its key segments include services financed by the National Health Fund (NFZ), services paid directly by patients (fee for service, FFS), medical subscriptions, private health insurance and expenditure on medicines and non-medicinal products[8].

**Market value**

Total healthcare expenditure in Poland exceeded PLN 300 billion in 2024. Approximately one-third of this amount was attributable to private expenditure, while the remaining part was financed from public funds, primarily in the segments of hospital care, ambulatory specialist care (AOS) and primary healthcare (POZ).

According to the PMR Market Experts report “Private Healthcare Market in Poland 2025,” the value of the private healthcare market in Poland in 2024 approached PLN 90 billion, recording a double-digit growth rate. Fee for service services had the largest share in the market structure, accounting for nearly one-third of the value of private medical services.

The growth rate of remuneration in the private healthcare sector in 2024 amounted to approximately 9.4% y/y. This increase was primarily related to the continuing wage pressure among doctors, nurses, rehabilitation specialists, physiotherapists and other medical staff.

Pursuant to the Act of 8 June 2017 on the method of determining the lowest basic remuneration of certain employees employed in healthcare entities, as of 1 July 2026, minimum basic remuneration in healthcare increased by 8.82%, which will constitute an additional cost factor affecting the profitability of medical entities.

**Health insurance**

The private health insurance market in Poland is developing dynamically. Growing health awareness among the population, an ageing population and limited availability of certain services within the public system are supporting increased interest in additional forms of health protection.

According to data from the Polish Insurance Association, at the end of 2025 the number of people holding private health insurance exceeded 5.8 million, representing an increase of 8.6% compared with the previous year. Gross written premium in this segment reached PLN 2.65 billion, increasing by 14.8% y/y. Group insurance offered by employers continues to account for the dominant share of the market, although there is also growing interest in individual policies.

Despite its dynamic growth, private health insurance accounts for a relatively small share of the overall healthcare market and the private medical services market. However, this segment has significant potential for further development, supported by patients’ growing expectations regarding rapid access to medical services and the increasing importance of health benefits in employers’ policies.

According to analyses by PMR Market Experts, the private healthcare market will maintain stable growth through 2030. The value of the private medical services segment (excluding medicines and paramedical products) is expected to increase by an average of approximately 7.6% annually.

The key development trends in the market include:

- further development of telemedicine and digital patient contact channels;
- an increase in the number of people of post-working age and the resulting increased demand for healthcare services;
- growing awareness of the importance of prevention and regular diagnostic examinations;
- continued medical inflation pressure, particularly with regard to medical staff costs;
- growing popularity of health applications, wearables and tools supporting prevention, health monitoring and the treatment process.

**PZU Zdrowie’s market position**

PZU Życie (Health Pillar in the PZU Group) is the leader of the health insurance market in Poland and remains among the largest companies in the overall private health care market, where the main competitors are the LUX MED Group and Medicover. In terms of the value of the Health Pillar's revenues, the PZU Group ranks third among nationwide medical operators with revenues at PLN 2.2 billion in 2025, an increase of 14.4% y/y.

8) The “medicine and non-medicine expenses” category includes: (1) patient spending on medicines (reimbursed, non-reimbursed Rx and OTC), dietary supplements and other products in pharmacies and (2) patient spending on OTC medicines and dietary supplements outside of pharmacies (in convenience stores, including grocery stores, gas stations, drugstores, herbalists, herbal and medical stores, specialized supplement stores, sporting goods stores and others), including online sales in e-stores (including e-pharmacies) and sales platforms

# 3.4. The bank market in Poland

During the January–May 2026 period, the banking sector remained profitable; however, results were lower than in the corresponding period of 2025. The decline in results was driven by lower net interest income amid lower interest rates, rising operating costs and higher tax burdens. The sector's situation was positively affected by an acceleration in lending activity and an improvement in the quality of the loan portfolio.

At the end of May 2026, there were 30 commercial banks, 488 cooperative banks and 35 branches of credit institutions operating in Poland and abroad. The banking network comprised a total of 4,860 branches, 2,109 offices, agencies and other customer service outlets and 2,503 representative offices. Therefore, the banking network comprised a total of 9,472 outlets, i.e. 187 fewer than in the same period of 2025.

Headcount in the banking sector at the end of May 2026 rose to 149.7 thousand people and had 1.4 thousand (+0.9%) more people than at the end of May 2025.

Between January and May 2026, the banking sector generated a net profit of PLN 17.7 billion, compared to PLN 21.0 billion in the corresponding period of 2025, down PLN 3.3 billion. The increase in the income tax rate for banking activities had a significant impact on the lower net income, resulting in a PLN 3.4 billion decrease in the result. Gross income in the banking sector increased by PLN 0.1 billion y/y to PLN 27.9 billion. At the end of May 2026, the banking sector recorded a PLN 1.2 billion decrease in net interest income (to PLN 45.5 billion) compared with the corresponding period of 2025. The result was also negatively affected by a PLN 1.9 billion y/y increase in banks' operating costs (PLN 25.2 billion at the end of May 2026). The banking sector's result was positively affected by an increase in net fee and commission income, which reached PLN 8.7 billion at the end of May 2026 (+5.8% y/y), as well as provisions that were PLN 1.5 billion lower y/y (PLN 0.8 billion at the end of May 2026).

Net interest margin (NIM)[9] declined to 3.42% at the end of May 2026, compared to 3.77% at the end of May 2025. At the end of May 2026, the return on equity (ROE)[10] of the banking sector was 14.76%, representing a decrease by 1.22 pp y/y. In turn, the return on assets (ROA) stood at 1.32% at the end of May 2026, meaning that it remained at the same level as at the end of May 2025. The R/I ratio[11] (the ratio of the banking sector's burden of operating income on provisions and write-offs) declined by 4.3 p.p. y/y to 10.7% at the end of May 2026. The increase in costs y/y, with operating income remaining at a stable level, contributed to an increase in the C/I ratio[12] across the sector to 45.1% at the end of May 2026, from 43.0% at the end of May 2025[13].

9) NIM indicator – the relation of the interest result of 12 consecutive months to average interest assets in the same period of 13 consecutive months.
10) ROA and ROE indicators – the relation of the sum of the financial result of 12 consecutive months to, respectively, average assets and average capital in the same period of 13 consecutive months. ROE relates to the aggregate commercial and cooperative banking sector (without branches of credit institutions), ROA relates to the entire banking sector.
11) R/I ratio – relation of write-offs and provisions (provisions+impairment or reversal of impairment) to revenue (total net operating income) – rolling average from 12 months.

At the end of May 2026, the asset value of the banking sector was PLN 3,459 billion, down 1.9% from May 2025.

In May 2026, the value of credits in the non-financial sector amounted to PLN 1,275 billion, an increase of 8.8% compared to May 2025. Business loans increased by PLN 43 billion (+10.3% y/y) to the level of PLN 458 billion at the end of May 2026. Household loans increased by PLN 60 billion (+8.1% y/y) to the level of PLN 808 billion.

At the end of May 2026, the value of deposits of the non-financial sector was PLN 2,181 billion, an increase of 10.4% compared to May 2025. In the structure of non-financial sector deposits, household deposits recorded the highest growth of 13.0% and amounted to PLN 598 billion at the end of May 2026. Household deposits grew by 9.6% y/y to 1,539 billion at the end of May 2026.

The banking sector's own funds for capital ratios, calculated in accordance with the regulations laid down in the CRR Regulation, were at PLN 292 billion at the end of Q1 2026, up 9.6% from the end of Q1 2025.

12) C/I ratio – relation of costs (costs of an operation+depreciation of fixed assets and intangible assets) to revenue (total net operating income) – rolling average from 12 months.
13) KNF, Monthly data of the banking sector as of the end of May 2026

In Q1 2026, the sector's capital situation remained stable. The banking sector's total capital ratio at the end of Q1 2026 was 21.3%, while the Tier I capital ratio at the end of Q1 2026 was 19.4%.

# 3.5. Financial markets in Poland and around the world

## 3.5.1. Global and local equity and bond market

In the first half of 2026, stock markets rose following temporary declines in early March. Yield curves shifted upward in response to rising oil prices.

Most major central banks entered H1 2026 with plans to stabilize or cut interest rates. The increase in oil prices following the outbreak of the U.S.-Iran conflict led to rate hikes (BoJ, ECB) or changed the narrative to a more hawkish stance (Fed), with PBoC being the exception. In the case of NBP, the decline in inflation in the country encouraged NBP to cut interest rates and maintain a dovish stance. Bond yields in most countries rose from March in response to the oil shock. In Poland, yields declined after a temporary increase. Global stock market indexes gained, as did those in Poland.

### Interest rates

#### Banks of developed countries – FED, ECB, BoJ, PBC

After most central banks in the Western world reduced interest rates in 2025, 2026 brought their stabilization (Fed at 3.50–3.75%, BoE at 3.75%, SNB at 0.0%) or an increase in the case of the Eurozone (deposit rate to 2.25% from 2.0%). At the same time, both Fed and ECB central bankers remained hawkish, suggesting the risk of rate hikes. The situation in Asia was somewhat different. In H1 2026, the Bank of Japan raised interest rates from 0.75% to 1.0% in response to rising inflation. The People Bank of China left the one-year Loan Prime Rate unchanged at 3.0%, after reducing it in 2025 amid an economy slowing due to weak consumption.

#### National Bank of Poland

Poland was among the countries cutting interest rates in 2025 and 2026. In March 2026, there was one 25-basis-point rate cut. According to NBP, the decline in inflation supported the decision. The cut took place despite the U.S.-Iran conflict beginning in March. The central banks of Hungary and Russia cut interest rates, while the Czech central bank raised them once by 25 bps.

### Bond markets

#### Underlying markets

The first two quarters of 2026 brought increases in yields in the U.S. debt market. In the case of German bonds, the trend from 2025 continued, when expectations of an economic rebound contributed to higher yields. This movement intensified starting in March, when the outbreak of the U.S.-Iran conflict caused oil prices to rise and, consequently, yields to increase. In mid-May, reports of an agreement being reached between the U.S. and Iran translated into a short-term improvement in market sentiment. At the end of Q2, positive surprises in U.S. data and hawkish communication from the Fed brought U.S. Treasury yields back to an upward trend. Unlike U.S. yields, German government bond yields declined almost until the end of June 2026, benefiting from the decline in oil prices.

Overall, over the six-month period, the UST curve shifted by +67 bps, to 4.14% (2Y), +48 bps, to 4.19% (5Y) and +27 bps, to 4.42% (10Y). During this time, the German curve moved by +41 bps, to 2.54% (2Y), +15 bps, to 2.60% (5Y), while the long end remained unchanged at 2.86% (10Y).

#### Emerging markets

In Q1 2026, the JP Morgan Emerging Markets Bonds ETF, denominated in U.S. dollars, temporarily declined in response to concerns about a rise in global inflation as a result of drastic increases in oil and gas prices. In Q2 2026, the index recovered all of its losses despite the strengthening U.S. dollar. This was supported by weaker-than-expected inflationary pressures in emerging markets and the relatively mild response of central banks to the oil shock, amid ongoing disinflationary trends in non-energy product markets.

Bonds issued by some countries benefited from higher oil prices, which, in the case of major exporters of these commodities, contributed to lower credit risk.

#### Poland

At the beginning of 2026, yields on Polish government securities, similarly to their U.S. counterparts, were declining. The trend reversed in March in response to the U.S.-Iran conflict and the resulting increases in oil prices. Their decline, following the agreement reached between Iran and the U.S. in May, NBP moving away from hawkish communication and continued declines in inflation in the country, translated into lower yields in the second half of Q2. Overall, over H1 2026, changes in the SPW curve amounted to +30 bps, to 4.06% in the 2Y segment, +18 bps, to 4.80% in the 5Y segment and +12 bps, to 5.30% in the 10Y segment.

## Stock markets

### Developed countries

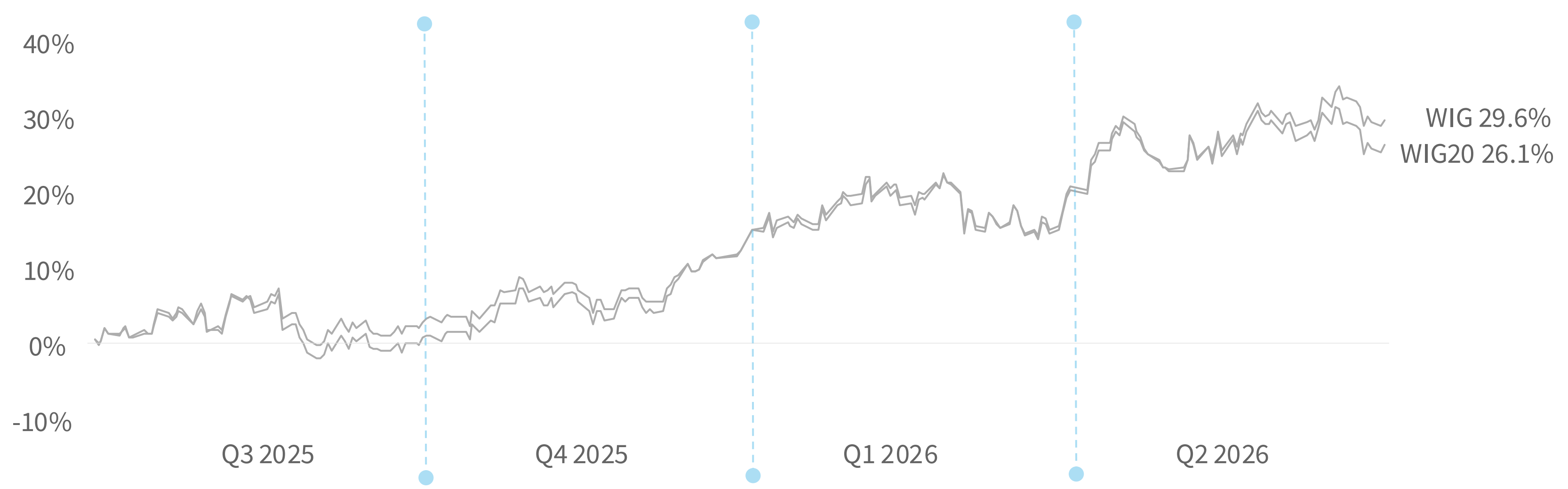
The first two months of 2026 were marked by stabilization in the equity markets of developed countries. The beginning of March and the U.S.-Iran conflict temporarily pushed the indexes below their year-end 2025 levels. However, as early as April, stock markets began to recover their losses, helped in May by falling oil prices and positive macroeconomic data emerging in Q2 in the U.S. and Germany. Ultimately, the DAX index rose 5.1% from the end of December, the S&P 9.6% and the TOPIX 17.2%.

The relatively weaker increase in German indexes was a consequence of the limited rebound in the Eurozone. The somewhat stronger increase in U.S. indexes was driven by strong performance in the technology and consumer sectors. Solid growth in Japan was driven, among other factors, by strong demand, improved corporate performance and a weak yen. Overall, this enabled the dollar-denominated iShares MSCI ACWI ETF, representing global equity markets, to increase by 10.9% over H1 2026.

### Emerging countries

In H1 2026, the dollar-denominated iShares MSCI EM UCITS ETF, representing emerging markets, after gains in January and February, fell at the beginning of March to its year-end 2025 level. This was a response to the outbreak of the U.S.-Iran conflict and rising energy commodity prices. At the turn of March and April, a rebound took place, allowing H1 2026 to end 23.8% above the December 2025 closing level.
By geographic region, mixed results were recorded by stock markets in Asia and Africa, which are heavily dependent on oil imports from Arab countries. Indexes in Turkey and South American countries, which source energy commodities from other regions of the world, gained.

**WIG index, WIG 20 index**




### Poland

Domestic indexes gained in H1 2026. The increase in indexes was driven by steadily rising consumption, expectations of lower inflation and, consequently, lower interest rates, as well as strong performance by financial institutions. In addition, investors sought to price in the implementation of KPO spending and expectations of a fiscal impulse related to the 2027 elections. Overall, over the six-month period, WIG appreciated by 15.7% (29.6% over a 12-month period), while WIG20 gained 12.7% (26.1% over a 12-month period).

## Foreign exchange markets

### Underlying markets

In H1 2026, the U.S. dollar appreciated against the euro by 2.8%, reflected in the EURUSD moving to 1.1421 from 1.1745. The appreciation of the U.S. dollar was driven by risk aversion caused, among other factors, by the U.S.-Iran conflict. In Q2 2026, the U.S. dollar strengthened further under the influence of more hawkish communication from the Fed and favorable macroeconomic data from the U.S., amid weaker prospects for rate hikes in Europe. The JPY declined, primarily due to the use of the Japanese yen as a funding currency for carry trades and numerous investments by Japanese investment funds in high-yielding U.S. assets. As a result, USDJPY rose to 165.52 at the end of June 2026, from 156.67 at the end of 2025.

### Emerging markets

In H1 2026, among emerging markets, the Turkish lira lost the most against the U.S. dollar (-7.9%), traditionally hurt by high inflation, which was driven higher by rising oil prices. The currencies of other Asian countries also declined due to the strong exposure of their economies to imports of Arab oil and gas. In contrast, South American currencies gained, most notably the Colombian peso (+9.1%), which appreciated due to higher interest rates and the resulting capital inflows. In second place was the Brazilian real, which appreciated by 6.3%, supported by high interest rates and high oil prices, with Brazil being an oil exporter.

The Chinese yuan gained 3.2% against the U.S. dollar and strengthened against each of the Asian currencies included in the MSCI index. In the Central and Eastern European region, HUF appreciated by 8.5% against EUR (as a result of the pro-European party's election victory), while CZK weakened by 0.5%.

### Poland

In H1 2026, the zloty weakened by 2.0% against the EUR and by 4.9% against the USD, reflected in EURPLN moving to 4.2959 from 4.2127, while USDPLN moved to 3.7615 from 3.5841. This was driven by increased risk aversion and dovish language from NBP, while markets simultaneously anticipated rate hikes by the ECB and Fed. During this period, CHFPLN exchange rate moved to 4.6585 from 4.5390.

# 3.5.2. Polish investment and pension fund market

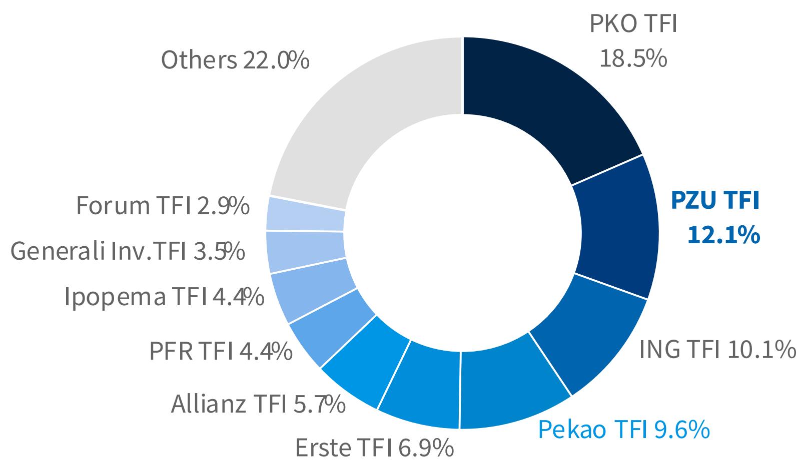
## Investment fund market

At the end of June 2026, the assets of domestic investment funds amounted to **PLN 476.2 billion**, setting another all-time record. This represents an increase of **PLN 7.9 billion** (+1.7% m/m) compared with the end of May 2026. Over the past 12 months, assets increased by **PLN 94 billion**, or nearly **25%**, while since the beginning of 2026, the market has grown by almost **PLN 41 billion** (+9.4%).

According to Analizy.pl and IZFiA, in June 2026, client inflows were more significant to asset growth than investment performance. The estimated investment result amounted to approximately **PLN 2.5 billion**, while the net balance of inflows and outflows reached **PLN 4.95 billion**. Retail funds received approximately **PLN 4.4 billion** net, while PPK funds attracted approximately **PLN 0.6 billion**.

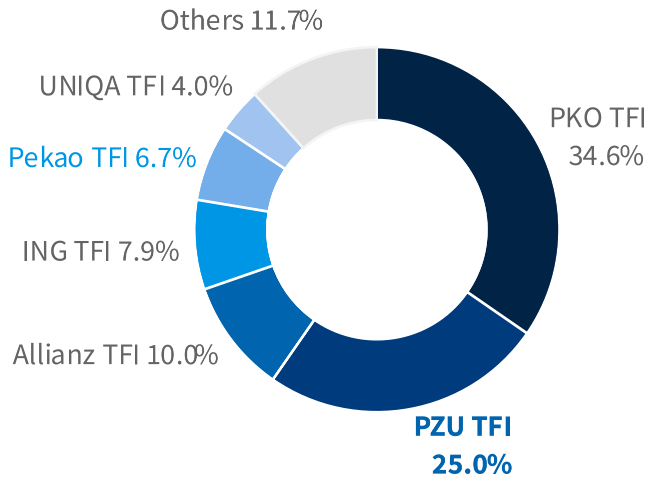
Debt funds had the greatest impact on the market's growth in June. Their assets increased by **PLN 5.3 billion**, to **PLN 222.2 billion**, accounting for approximately two-thirds of the monthly increase in assets across the entire market. The share of debt funds in the market increased from 46.3% to **46.7%**. Assets of Polish debt funds increased by **PLN 4.6 billion**, to **PLN 204.7 billion**, while assets of foreign bond funds increased by **PLN 0.7 billion**, to **PLN 17.5 billion**.

**Investment fund companies (TFI) – share in assets of funds managed by TFI as of 30 June 2026 (in %)**




Source: IZFiA

**Investment fund companies (TFI) – share in ECS assets as at 30.06.2026 (in %)**




Source: Chamber of Fund and Asset Management (IZFiA), Polish Financial Supervision Authority (KNF), DDF net asset value by managing institutions, data for TFIs only, excluding PTEs and TUs

## Employee Capital Schemes

The net asset value of target-date funds operating under Employee Capital Schemes (ECS) amounted to **PLN 54.1 billion** at the end of June 2026, compared with **PLN 53.2 billion** a month earlier. This represents an increase of approximately **PLN 938 million** (+1.8% m/m). On a year-over-year basis, ECS assets were approximately **41%** higher.

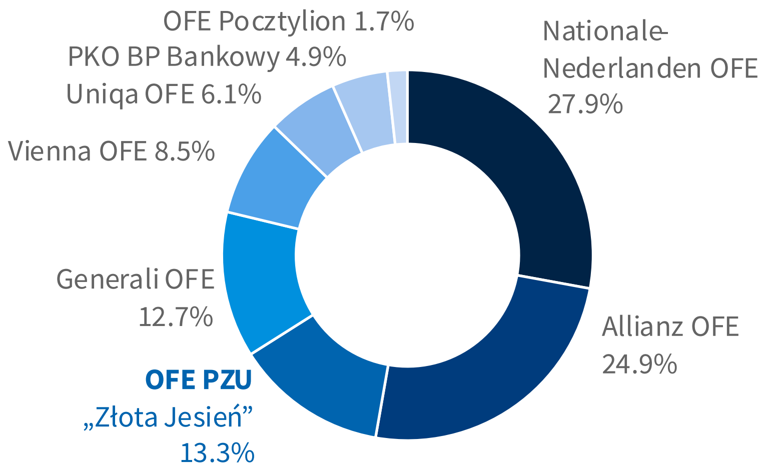
According to Analizy.pl estimates, net inflows accounted for approximately **PLN 680 million** of the June increase in ECS assets, while investment performance contributed a further approximately **PLN 260 million**. The June result was lower than in April and May, but remained positive and allowed a new record in the value of assets accumulated in ECS to be set.

In H1 2026, ECS assets increased from **PLN 45.2 billion** at the end of December 2025 to **PLN 54.1 billion** at the end of June 2026, i.e., by approximately **PLN 8.9 billion** (+nearly 20%). Total net inflows amounted to approximately **PLN 5 billion** during this period, while investment performance increased assets by approximately **PLN 3.9 billion**.

## Pension funds market

At the end of June 2026, the net assets of open-ended pension funds amounted to nearly PLN 335 billion, an increase of **14.1%** compared to the end of 2025. The higher value of trade in goods was the result of mostly the good situation in the capital markets.

**Open-ended pension funds – share in net assets as at 30.06.2026 (in %)**




Source: KNF, monthly data on the OFE market, data for June 2026

## Voluntary Pension Funds

At the end of 2025[14], the assets of voluntary pension funds increased to over **PLN 3.3 billion**. In addition to the increase in net asset value resulting from fund management, current contributions had a significant impact on asset value.

In 2025, contributions to PZU's DFE totaled nearly **PLN 382.9 million**. As at 31 December 2025, DFE PZU remained the IKZE market leader in the voluntary pension fund segment, in terms of both the number of accounts (57.2% of all accounts) and the value of assets (52.0%).

14) Latest available data

# 3.5.3. Main factors affecting PZU share prices

PZU made its début on the Warsaw Stock Exchange (WSE) on 12 May 2010. Since then, it has been included in the most important index – WIG20 – calculated on the basis of the portfolio value of the 20 largest and most heavily traded companies on WSE's main market. PZU also belongs to the following Polish indices: WIG, WIG30, WIG-Poland, WIGdiv, WIG20 TR, WIG.MS-FIN, CEEplus, as well as the following foreign indices: MSCI Poland, STOXX Europe 600 and FTSE Russell Mid Cap Index.

## WSE indices

In H1 2026, the Polish blue chip index (WIG20) oscillated within a broad band between 3,234 and 3,738 points. The variance was 504 points and was 124 points higher than that observed in the corresponding period of 2025 (628 points). In H1 2026, the WIG20 index increased by 12.7%, while the broad-market WIG index increased by 15.7%.
Over a 12-month period (chart below), these increases amounted to 26.1% and 29.6%, respectively.

## PZU's share price

At the last trading session of H1 2026, the PZU share price was PLN 65.6, representing an increase of 12.5% over a 12-month period (adjusted for the dividend) and a decline of 1.7% since the beginning of 2026.

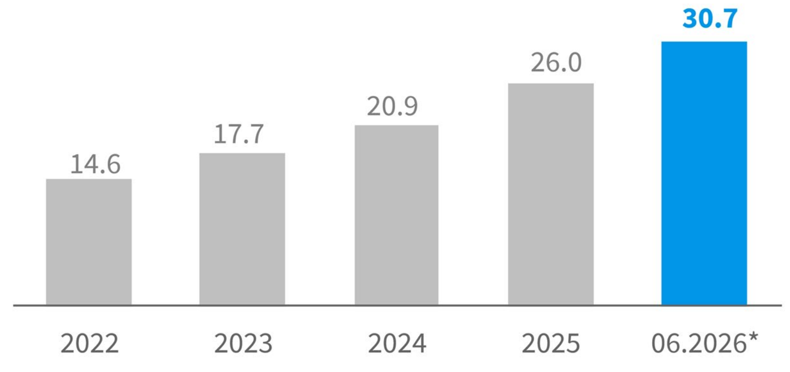
## Capitalization

PZU's market capitalization at the end of H1 2026 amounted to PLN 56.7 billion (an increase of 4.2% y/y, without adjustment for the dividend). In terms of market valuation, the company ranked eighth among domestic companies listed on the WSE (down five positions y/y). PZU's share in WSE's total trading volume was 5.0% (6th place – no change y/y).

## Liquidity

In H1 2026, PZU's shares maintained highly liquidity. The average spread of PZU's shares was 5 bps compared to the average spread of 8 bps for the 20 most liquid companies.  The annualized share turnover for H1 was PLN 30.7 billion (up 18.2% y/y), which was 54.2% of PZU's total capitalization at the end of H1 2026.

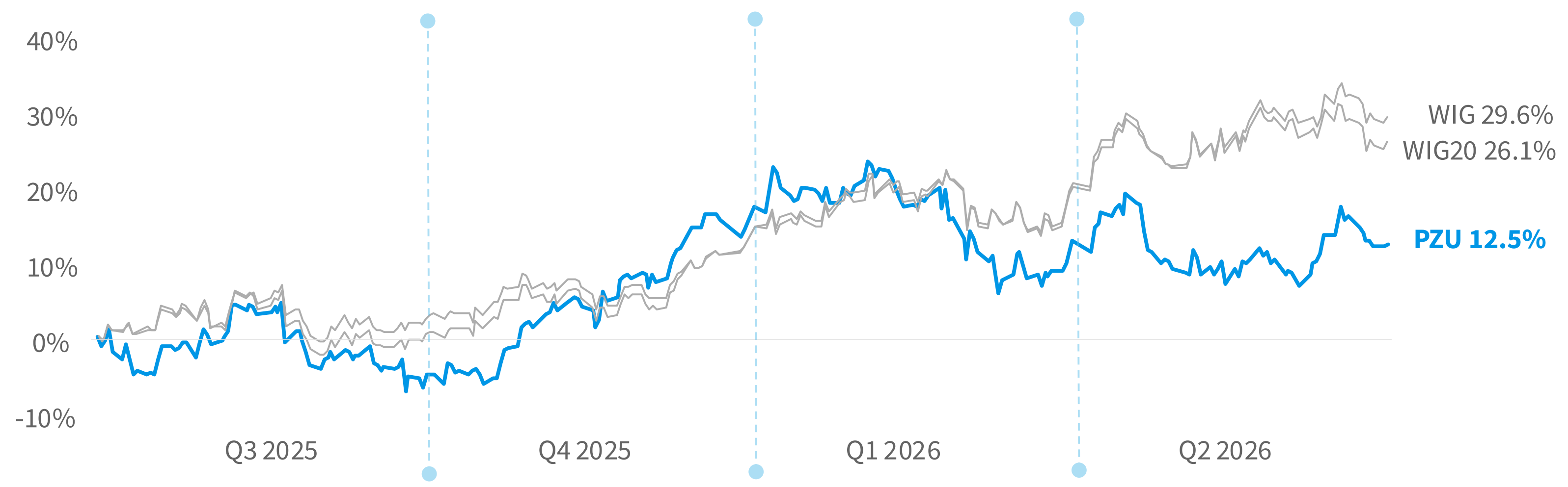
**PZU share turnover in PLN billions**




Source: https://gpw.pl/

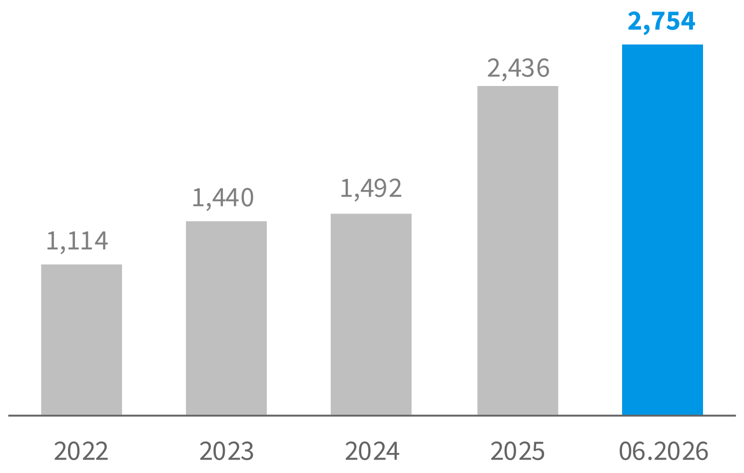
* Annualized value

**PZU share price (adjusted for dividend) versus WIG and WIG20**

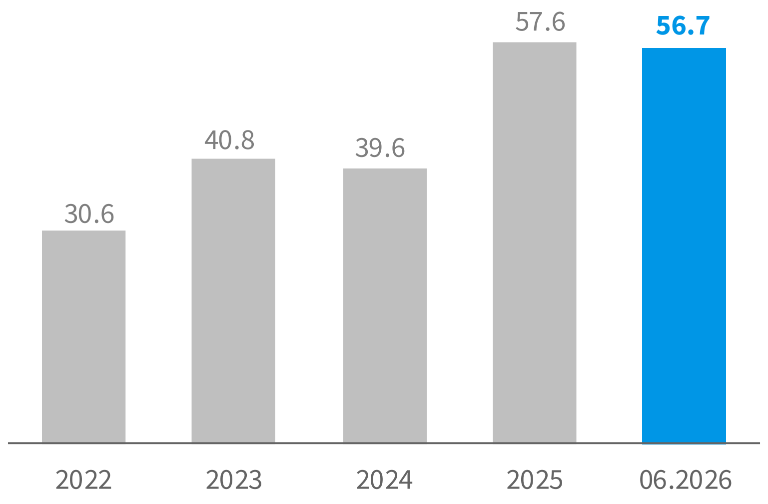



Source: https://biznes.pap.pl/; https://stooq.pl/

**Capitalization of WSE in PLN billion (domestic and international companies)**




**Capitalization of PZU in PLN billion**




Source: https://gpw.pl/

| Indicators for PZU shares* | 2022** | 2023 | 2024 | 2025 | H1 2026 |
|---|---|---|---|---|---|
| C/WK (P/BV)<br>Market share price / book value per share | 1.2x | 1.4x | 1.2x | 1.6x | **1.6x** |
| WKNA (PLN) BVPS (PLN)<br>Book value per share | 30.3 | 34.8 | 37.2 | 41.1 | **39.9** |
| C/Z (P/E)<br>Market share price / net return per share | 8.1x | 7,1x | 7,4x | 8,6x | **8,7x** |
| ZNA (PLN) EPS (PLN)<br>Net profit (loss) / number of shares | 4.4 | 6.7 | 6.2 | 7.8 | **7.5** |

* calculations based on the PZU Group figures (in line with IFRS); share price and book value as at end year; net profit for 12 months; number of PZU's shares; 863,523,000

**) data – restatement of comparative data resulting from the application of IFRS 17

| PZU's shares-related statistics* | 2022 | 2023 | 2024 | 2025 | H1 2026 |
|---|---|---|---|---|---|
| Maximum price (PLN) | 37.82 | 48.90 | 55.50 | 67.92 | **72.12** |
| Minimum price (PLN) | 23.16 | 31.63 | 39.15 | 45.60 | **51.90** |
| Theoretical price at the last session of the year (PLN) | 35.42 | 47.27 | 45.84 | 66.74 | **65.62** |
| Average price per session (PLN) | 30.97 | 40.13 | 47.14 | 58.62 | **63.57** |
| Turnover value (PLN million) | 14645 | 17692 | 20945 | 25980 | **30700** |
| Turnover (items) | 472,866,103 | 436,702,363 | 447,904,241 | 447,150,041 | **439,408 894** |

Source: https://biznes.pap.pl/

* value and trading volume for H1 annualized; number of PZU shares: 863,523,000

# 3.6. Regulations pertaining to the insurance market and the financial markets in Poland

In H1 2026, matters of particular importance from the PZU Group's perspective included, among others, implementation work on the IRRD, KNF recommendations concerning insurance distribution and the continued implementation of digital and sustainable finance regulations.

## Solvency

**Solvency II – Directive 2025/2 and implementing acts**

The **Directive (EU) 2025/2 of the European Parliament and of the Council amending Directive 2009/138/EC (Solvency II, or Solvency II) Solvency II)**, which Member States should transpose by 29 January 2027. The amendment strengthens the proportionality principle, introduces new requirements in the area of liquidity risk, incorporates climate risks into risk management processes and stimulates long-term financing of the economy through regulatory incentives.

In parallel, the European Commission proposed amendments to Delegated Regulation 2015/35 (entering into force from 2027), covering a new calibration of credit spread risk, an update concerning measures related to long-term guarantees, a modification of the method for calculating the capital requirement for catastrophe risk and clarification of rules concerning groups. Together, these changes improve the alignment of capital requirements with the actual risk profile, more effectively address the potential build-up of systemic risk in the insurance sector and reduce the administrative burden on smaller undertakings.

Amendments to Solvency II – despite the general trend involving the lowering of capital requirements – will result in an increase in the capital requirement for PZU due to its shareholdings in two banks. The key changes involve the inclusion of the requirements concerning the combined credit institution buffer in the calculation of the PZU Group’s capital requirement. PZU is working on a partial internal model which, through better alignment with the risk profile of the PZU Group, will partially mitigate the impact of new regulatory requirements on the level of capital requirements.  Implementation of the model is planned for 2027.

In H1 2026, EIOPA continued technical work related to adapting reporting and disclosures to the amended Solvency II framework (among other things, in March 2026, EIOPA published a report containing a draft of amendments to the Implementing Technical Standards (ITS) concerning reporting and disclosure requirements arising from Solvency II).

In July 2026, EIOPA published the final package of final guidelines and draft technical standards developed in connection with the Solvency II review, thereby completing the regulatory mandates entrusted to it in this area.

**IRRD – the framework for insurer recovery and resolution**

**Directive (EU) 2025/1 of the European Parliament and of the Council on establishing a framework for recovery and resolution of insurance and reinsurance undertakings (IRRD)** establishes the first harmonized EU-level framework for the recovery and resolution of insurers and reinsurers, modeled on the logic of the BRRD applied to banks.

The purpose of the IRRD is to strengthen the insurance sector and increase its resilience and ability to protect the interests of policyholders. The IRRD introduces mechanisms to help insurance companies and relevant authorities manage crisis situations and respond early to serious financial difficulties. This is to protect policyholders and reduce the negative impact on the economy and financial system, while eliminating the risk of burdening taxpayers. The directive will be implemented in three phases of consultation with the insurance industry, during which EIOPA will develop detailed technical standards and guidelines. The first phase was scheduled to be completed in Q2 2026, the second in Q4 2026 and the third will last until Q2 2027. Although the directive is to be implemented in Q4 2026, the industry is proposing a transition period until 2028 to be able to become fully compliant with the new regulations. The directive is to be implemented into Polish law by the end of January 2027.

In July 2026, EIOPA published a package of documents containing four guidelines and three draft regulatory technical standards (RTS).

Also in July, EIOPA launched a consultation on two draft RTS supporting the implementation of the IRRD, which regulate the rules for the valuation of insurance and reinsurance undertakings for the purposes of the resolution process. The consultation will run until 20 October 2026.

## New technologies and data management

**Artificial Intelligence Act**

**The AI Act (Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonized rules on artificial intelligence)** entered into force on 1 August 2024. In 2025, the first obligations took effect, with bans on certain practices and requirements for advancing AI literacy as of 2 February 2025 and with rules for general-purpose AI models (GPAI), supervisory structures and a penalty regime, among others, as of 2 August 2025. Most of the remaining provisions will apply as of 2 August 2026 and some of the requirements for GPAI models launched before 2 August 2025 will apply as of 2 August 2027.

For financial institutions, it is important to map AI applications in terms of risk classes – in particular, assessing risk as "high" for such applications as creditworthiness evaluations or pricing in the case of insurance – which implies requirements in risk management, data quality, human oversight and documentation. Analyses of the AI Act interface with sector regulations for financial services were published in 2025.

In May 2026, the European Commission published a report on the review of the prohibitions and high-risk artificial intelligence systems set out in Annex III to the AI Act. The document was prepared as part of monitoring and adapting the regulations to technological developments and the practice of using AI systems.

Furthermore, in May 2026, the Commission launched a consultation on its guidelines on the classification of high-risk artificial intelligence systems. The guidelines are intended to support providers and deployers of artificial intelligence systems, as well as the competent market surveillance authorities, in assessing whether an artificial intelligence system should be classified as a high-risk system (facilitating the application and enforcement of Article 6 of the AI Act).

In June 2026, the Sejm adopted the Act on Artificial Intelligence Systems – **the government's draft Act on Artificial Intelligence Systems**. The Act aims to implement the requirements of the AI Act into the national legal order. (The Act was submitted for signature by the President of the Republic of Poland in July 2026.) Furthermore, the Council of the EU adopted a package of amendments to the AI Act.

**FiDA – access to financial data (open finance)**

On 4 December 2024, the Council of the EU adopted its general position **on the proposed framework for access to financial data (Access to Financial Data, FIDA)**.

In 2025, work continued to establish a single European open finance ecosystem. The finalization of the document was expected by the end of 2025, with implementation expected to begin in 2027. The regulation will cover data on credit products, investment products, selected insurance, as well as data used in customer risk assessment processes, such as investment preferences and suitability assessments.

Once the regulation is implemented, insurers will gain access to a broader set of customer data, enabling more accurate underwriting and better tailoring of products to the customers' individual needs. At the same time, there is the opportunity to create hybrid products based on external data, with the obligation to share one's own data on an interoperable as well as fair, reasonable and non-discriminatory (FRAND) basis. This means adjusting processes for handling consent and for protecting sensitive data to meet new regulatory requirements. Banks will become both key providers and consumers of data, which can significantly support the development of advanced analytics and scoring services.

New interoperability and security requirements will require the API structure to be modernized and data management oversight to be strengthened. The FRAND rule will reduce the extant negotiating advantage of the largest players, leveling the playing field for access to data and making it easier for smaller players in the sector.

The draft regulation is currently at the trilogue stage, i.e., the final three-way negotiations between the European Commission, the European Parliament and the Council of the European Union. Official adoption of the final text of the regulation is expected in the second half of 2026.

**AML/CFT package**

On 19 June 2024, the Official Journal of the European Union published a package of regulations concerning **anti-money laundering and countering the financing of terrorism (AML/CFT Package), including, among others, the AMLR Regulation (EU 2024/1624), the AMLD6 Directive (EU 2024/1640) and the regulation establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA).**

The new rules establish a single European AML/CFT system and harmonize the obligations of obliged entities across the European Union. The majority of requirements arising from the AMLR Regulation and the AMLD6 Directive will apply from **10 July 2027**, while AMLA commenced its operational activities in 2025 and is working on detailed implementing standards.

From **9 February to 8 May 2026**, AMLA conducted a public consultation on draft regulatory technical standards (RTS) concerning the application of customer due diligence (Customer Due Diligence – CDD) measures. The draft is intended to clarify, among other things, the scope of information and documents required for customer identification and verification, as well as the rules for applying a risk-based approach. The results of the consultation will provide the basis for developing final technical standards supporting the implementation of the new AML/CFT requirements before the date of their full application.

**DORA – Digital Operational Resilience**

**Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector (Digital Operational Resilience Act – DORA)** established uniform requirements concerning ICT risk management, incident reporting, digital resilience testing and ICT third-party risk management for financial sector entities in the European Union. The Regulation entered into force on 16 January 2023, while its provisions have applied directly since **17 January 2025**. DORA covers, among others, insurance undertakings, reinsurance undertakings, TFI, investment firms, banks and other financial market participants and also introduces oversight of critical third-party ICT service providers. In 2024–2026, the European Commission and the European Supervisory Authorities (EBA, ESMA and EIOPA) successively adopted delegated acts and technical standards (RTS/ITS) specifying the operational and reporting requirements arising from DORA.

As a result, financial institutions:

- strengthened ICT risk management processes, including through the implementation of detailed control rules and continuous monitoring mechanisms;
- maintain and regularly update ICT outsourcing and subcontracting records, identifying critical and essential functions;
- implemented uniform processes for classifying and reporting ICT incidents, in line with the DORA methodology and harmonized at the EU level;
- prepared for Threat-Led Penetration Testing (TLPT) which will become mandatory for many entities in the coming years;
- adjusted ICT provider contracts to meet requirements in subcontracting, audit rights, reporting and business continuity controls, among others.

Currently, financial market entities are required to fully comply with DORA requirements, including maintaining appropriate ICT risk management frameworks, reporting major incidents and managing risks related to ICT service providers.

**Data Act – access to and use of data**

**Since 12 September 2025, the provisions of Regulation (EU) 2023/2854 of the European Parliament and of the Council on harmonized rules on fair access to and use of data (Data Act) have applied.** The Regulation established a legal framework for access to data generated by products and services connected to the Internet (IoT), rules for sharing such data between users, manufacturers and third parties and facilitates switching between cloud computing service providers. The Data Act aims to increase the availability of data in the European economy while maintaining the protection of trade secrets and personal data.

For the financial and insurance sectors, the regulation may mean a gradual increase in the availability of data originating, among others, from vehicles, telematics devices, smart buildings and other IoT devices. In the longer term, this may support the development of more advanced risk assessment models, products based on actual usage (usage-based insurance), improvements in underwriting and claims handling processes and the development of analytical solutions using data obtained with users' consent. At the same time, the implementation of the new requirements entails the need to adapt data management processes, information-sharing rules and relationships with technology service providers.

## ESG Reporting

**Omnibus I – changes in sustainability reporting**

In 2025 and 2026, at the European Union level, work continued aimed at simplifying and reducing the regulatory burden related to sustainability reporting and sustainability due diligence obligations. An important element of this process was **the adoption of the Omnibus I deregulation package, including amendments to the CSRD (Corporate Sustainability Reporting Directive) and the CSDDD (Corporate Sustainability Due Diligence Directive).**

The first stage of these efforts was the publication on 16 April 2025 **of Directive (EU) 2025/794 of the European Parliament and of the Council (“stop-the-clock”),** which postponed the dates of application of sustainability reporting requirements for companies required to report for the first time for 2025 and 2026 and postponed the deadlines for the implementation and application of selected obligations arising from the CSDDD. In Poland, the provisions implementing the Directive were published in the Journal of Laws on 28 July 2025 and the relevant amendments have applied since 12 August 2025. As a result, the obligation to prepare ESG reports for some companies was postponed by two years.

The next step was **the adoption of Directive (EU) 2026/470 of the European Parliament and of the Council, published in February 2026, amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760** with regard to certain requirements concerning corporate sustainability reporting and corporate sustainability due diligence. Following this, on 14 March 2026, **the Act of 27 February 2026 amending the Accounting Act entered into force, implementing into national law the solutions arising from this Directive**.

On 16 December 2025, the EU institutions agreed on the final form of the Omnibus I package, providing for changes to the obligations arising from the CSRD and CSDDD.

**As part of the Omnibus I package**, changes were introduced to regulations concerning sustainability reporting and corporate due diligence, aimed at reducing the administrative burden and narrowing the scope of entities subject to the requirements arising from the CSRD and CSDDD. In particular, the thresholds for being subject to the obligations under the CSRD were raised to companies employing more than 1,000 employees and generating more than EUR 450 million in net revenue. At the same time, the so-called “trickle-down” effect, whereby reporting obligations are passed on to smaller entities participating in value chains, was limited and further simplifications were provided for corporate groups. With regard to the CSDDD, the thresholds were raised to 5,000 employees and EUR 1.5 billion in turnover, limiting the scope of due diligence obligations to the largest companies. These changes are aimed at increasing the proportionality of regulatory requirements while maintaining the fundamental principles of European sustainable development policy. Additionally, in July 2026, the European Commission adopted revised European Sustainability Reporting Standards (ESRS), which significantly reduce the number of required disclosures and simplify the reporting process**.**

These changes may have a significant impact on the financial sector, including insurance undertakings, banks and other financial institutions, by limiting the scope of entities subject to reporting and due diligence obligations and thereby reducing the costs associated with meeting regulatory requirements. At the same time, cooperation with counterparties and suppliers, particularly smaller entities, is being simplified, as they will not be subject to such extensive information requirements as originally envisaged.

On 3 July 2026, the European Commission adopted revised ESRS and a voluntary reporting standard for companies outside the scope of the CSRD. These changes significantly reduce the number of required disclosures, simplify the reporting process and strengthen the protection of smaller entities participating in value chains against excessive information requests from entities subject to sustainability reporting obligations.

As at the date of preparation of this report, further legislative work related to implementing the EU changes into national law is ongoing. In July 2026, a draft Act amending the Accounting Act and certain other acts concerning ESG reporting was published, with the aim of aligning Polish regulations with the latest changes in European Union law. The final form of the national regulations and their impact on companies' reporting obligations will depend on the course of the legislative process.

## Selected rulings of the Supreme Court issued in H1 2026 which may impact insurance activity

**On 3 March 2026**, in case No. II CSKP 692/24, the Supreme Court dismissed a cassation appeal in a case concerning compensation claimed in connection with the compulsory acquisition of shares at a price allegedly understated, according to the plaintiffs. The claims were based on Article 471 and Article 415 of the Civil Code.

Significance for insurance business: indirect but noticeable, particularly for: directors' and officers' liability insurance; transaction risk insurance; assessment of damage suffered by an investor or shareholder; the causal link between a breach of corporate duties and a decrease in the value of equity rights.

**On 24 April 2026**, in case no. II CSKP 185/25, the Supreme Court upheld PZU's key position that § 22(5)(5) of the GTCI, which determines the value of damage to fruit in the event of a total loss at 75% of the value of the main crop, concerns the insurer's principal obligation, was formulated unambiguously and therefore is not subject to an unfairness review under Article $385^{1}$ § 1 of the Civil Code.

**On 12 June 2026**, in case no. III CZP 2/26, the Supreme Court, sitting as a panel of seven judges, presented the following thesis: “An appeal shall be available to the court of second instance (Article 741 § 1, first sentence and § 2, first sentence, of the Code of Civil Procedure) against a decision of the bankruptcy court securing a claim brought by the bankruptcy estate trustee for an order to transfer assets to the bankruptcy estate by prohibiting their disposal or encumbrance (Article 134(1b) of the Bankruptcy Law).”

Significance for insurance undertakings: ancillary but practical, particularly where an insurer: pursues recourse against an entity in bankruptcy; is a creditor in bankruptcy proceedings; is a defendant in a dispute involving an asset of the bankruptcy estate; needs to challenge a security measure restricting the disposal of an asset.

**On 13 May 2026**, in case no. III CZP 25/25, the Supreme Court, in a resolution of seven judges, held that: “compensation for damage resulting from improper performance of an obligation under a construction works contract cannot be determined as the equivalent of the costs of remedying defects.” The resolution may be relevant to the assessment of the amount of compensation claims.

# 3.7. External and internal factors relevant to the development of the PZU Group

Taking into account the PZU Group's operations in the insurance sector (in Poland, the Baltic Countries and Ukraine), as well as in the investment, old-age pension, healthcare and banking sectors, the main external factors affecting its operations in the short term (up to 1 year) and medium term (1 to 5 years) can be divided into three categories: macroeconomic and geopolitical, legal and regulatory, as well as segment-specific. The Group's operations are also influenced by internal factors determining the pace of its development, operational efficiency and the achievement of strategic goals.

## 3.7.1. Macroeconomic and geopolitical factors

The growth rate, level and structure of the key macroeconomic factors in Poland and abroad (GDP, inflation, interest rates) translate into the growth rate of business in all sectors in which the PZU Group operates and their profitability. They determine, directly or indirectly, albeit with a certain time lag, the gross written **premium growth rate** and insurance revenue in non-life insurance, as well as changes in **demand for credit and accumulation of deposits** and inflow of **assets into funds**. Moreover, they influence **the claims ratio in non-life insurance and the investment result**. They also shape the fund management fee results and key measures that affect the performance of the banking sector (net interest margin and costs of risk).

In particular, **inflation** is a factor that strongly affects the insurance business. It raises amounts claimed, costs of claims handling and costs of business. It also generates a problem for customers related to the depreciation of insurance benefits in long-term products, significantly reduces the real value of life policies and erodes the guaranteed sum in third-party liability insurance (e.g. D&O policies). Inflation and high costs may bring about the risk of underinsurance, present when the declared value of assets (such as movable and immovable property and content thereof) and risks are lower than in reality. When underinsurance arises, the insurer may accordingly diminish the sum they are obliged to pay, accounting for the ratio between the insurance value and the real value of the assets lost. As a consequence, the compensation paid out might not be enough to cover the real costs of restoring the assets insured. This is a particularly significant risk for corporate insurance, which may hinder the restoration of business and cause liquidity and stability problems for enterprises.

**GDP** growth also translates into individual consumption and domestic demand and therefore also into spending by households and the corporate sector on the purchase of insurance policies, the sale of loans and related insurance for borrowers. Here, inflation has the inverse effect, affecting real household income, among other things. A slowdown in economic growth generally leads to a deceleration in the growth rate for gross written premiums in non-life insurance, a decline in the demand for life insurance as well as subscriptions and health insurance, particularly within the framework of perks offered by companies. Poorer financial standing of companies and households may result in an increase in credit risk (in particular in the banking segment) and higher loss ratio on the financial insurance portfolio, weakening of the growth rate of new mortgage loans and a weaker growth rate of consumer loans. In addition, rising unemployment and lower employment may also lead to an increase in extortion and insurance crimes.

The economic environment, in particular the actions of the Monetary Policy Council with respect to **interest rates** and the reserve requirement, play a key role in the functioning of the banking sector. A very low interest rate environment has a negative effect on the sector's performance (by affecting the banks' net interest income), which could be felt particularly in 2021. An increase in market interest rates, on the one hand, promotes improvements in the profitability and financial position of banks and insurers, but on the other hand, it carries risks to financial stability, as it may contribute to a deterioration in the quality of banks' loan portfolios. Higher yields on bonds measured at arm's length in portfolios of banks and insurers involve a reduction in their nominal value. The effect for insurance companies of this matter depends on the difference between the duration of assets and equity and liabilities. Furthermore, administrative solutions aimed at lowering the cost of rising interest rates for households (so called moratorium periods) limit the profit of the banking sector.

**The key macroeconomic risk in H2 2026 now appears to be economic activity in Poland's external environment.**

Tensions remain high in global geopolitics.

Currently, the greatest risks are associated with a renewed escalation of the U.S.-Iran conflict, which, through disruptions to freight in the Strait of Hormuz and global supply chains, could potentially lead to a prolonged, severe energy crisis, as well as disrupt the fertilizer and plastics markets. An additional source of uncertainty is the risk of the threats extending to the route through the Bab al-Mandab Strait, following the Houthis' declarations concerning a blockade of maritime traffic and their attack on Saudi Arabian tankers.

Such a negative supply shock may increase inflationary pressure, which – if inflation expectations become unanchored – could hinder the return to the disinflationary trend observed in previous years. The materialization of this adverse scenario could force a tightening of financial conditions, increase market volatility and trigger sharp asset price corrections as well as capital outflows. For energy-importing economies, this would create pressure on both external and fiscal balances, especially in the context of higher defense spending requirements or the need for protective measures and interventions, e.g. in the energy market. It would also worsen economic growth prospects by strongly limiting private consumption due to erosion of real household incomes and higher costs of essential goods – i.e. energy, fuel and food – as well as reducing corporate investment through cost pressure, supply chain disruptions, higher financing costs and elevated uncertainty.

In addition, the armed conflict between Russia and Ukraine, despite attempts to extinguish it, is still ongoing, with great uncertainty about the possibility and timing of a lasting peace agreement. In recent months, disruptions in the transportation of agricultural commodities from Russia and Ukraine have been generating risk.

Geopolitical risks are also linked to the strategic rivalry between the U.S. and China and, more broadly, to the ongoing fragmentation of international economic cooperation. These processes intensified after Donald Trump took office in the U.S. and the change in the U.S. administration's approach to trade policy, through which attempts are being made to influence China and its largest trading partners.

The potential consequences of these actions for global trade flows and, consequently, for economic conditions in individual economies – combined with a significant increase in uncertainty regarding the economic policies of major powers – are strongly affecting both developed and emerging financial markets. This is of material importance for the situation on the Polish stock market, the exchange rate of the złoty and the profitability of Polish securities.

The risk of weaker economic activity may be mitigated by **increased infrastructure and defense spending announced in Germany, as well as the relaxation of fiscal rules by the European Commission** aimed at increasing military expenditures in the EU. Current data suggest, however, that the materialization of these impulses into faster production growth may take longer than previously expected due to the need to expand production capacity in the defense industry.

**Data for the Polish economy**

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026* |
|---|---|---|---|---|---|---|
| Real GDP growth in % (y/y) | 6.9 | 5.3 | 0.2 | 3.2 | 3.6 | 3.6 |
| Household sector consumption growth in % (y/y) | 6.2 | 5.0 | (0.3) | 2.9 | 3.7 | 3.3 |
| Growth in gross fixed capital formation in % (y/y) | 1.5 | 1.7 | 12.7 | 0.4 | 4.4 | 7.6 |
| Consumer price growth in % (y/y, annual average)" | 5.1 | 14.4 | 11.4 | 3.6 | 3.6 | 2.7 |
| Nominal wage growth in the national economy in % (y/y) | 8.7 | 12.0 | 13.1 | 13.3 | 9.1 | 6.2 |
| Unemployment rate in % (end of period) | 5.8 | 5.2 | 5.1 | 5.1 | 5.7 | 5.8 |
| NBP base rate in % (end of period) | 1.75 | 6.75 | 5.75 | 5.75 | 4.00 | 3.75 |

*Estimate of the PZU Department of Macroeconomic Analyses of 15 July 2026.
Source: Statistics Poland/PZU Department of Macroeconomic Analyses

Poland also still has a sizable amount of European funds to draw on, the growing inflow of which into the real economy should mitigate the negative effects of external shocks.

A positive impulse for growth and productivity may also come from the **development of artificial intelligence**, although it is increasingly accompanied by global debates on related risks, including potential labor market tensions and situations in selected sectors where value added can be generated more cheaply and faster using AI algorithms.

## 3.7.2. Legal and regulatory factors

The operations of the PZU Group are significantly affected by domestic and European regulations concerning the financial sector. In the second half of 2026 and in the short term, the regulatory environment will continue to be characterized by a high pace of change, covering insurance and banking, as well as cybersecurity, anti-money laundering, artificial intelligence and sustainability reporting. These changes may affect the business model, the scope of reporting obligations, capital requirements, risk management processes and the level of regulatory and operating costs incurred by the PZU Group.

**Insurance**

In the insurance sector, preparations for the implementation of changes resulting from the revision of the Solvency II Directive and the IRRD (Insurance Recovery and Resolution Directive), which will apply from 2027, are of key importance. They require the preparation of new crisis management processes and recovery plans, as well as adjustments to reporting and risk management systems.

For the PZU Group, the changes resulting from the revision of Solvency II concerning the supervision of groups conducting insurance and banking activities are of particular importance. The new regulations provide for the inclusion, at the insurance group level, of capital requirements applicable to credit institutions belonging to the group, including the combined buffer requirement, which will result in an increase in the PZU Group's capital requirements and a reduction in its Solvency II ratio. In response to these changes, PZU is working on the implementation of a partial internal model, which is intended to enable a better reflection of the Group's risk profile and partially mitigate the impact of the new regulatory requirements on the level of capital requirements. Implementation of the model is planned for 2027.

In the second half of 2026, the KNF will continue supervisory activities focused on the solvency of insurance undertakings, product quality and insurance distribution, operational resilience and the impact of climate and catastrophe risks on insurers' financial position. Of particular importance are also the Recommendations for insurance undertakings concerning insurance distribution adopted by the KNF, which are to apply from 1 July 2027. Their implementation will require further adjustments to sales processes, customer needs assessment rules, supervision of intermediaries and product governance.

The insurance sector is also affected by changes concerning consumer protection, including new rules for communication with and servicing customers using financial services remotely, as well as obligations arising from regulations concerning the accessibility of selected products and services for customers.

The established case law concerning motor claims handling may also be of significant importance. In particular, the resolution of the Supreme Court of 24 September 2025 (III CZP 32/24) confirmed the possibility of determining the amount of compensation under TPL insurance for holders of motor vehicles based on hypothetical repair costs, even if the repair has not been carried out and limited the possibility for insurers to automatically take discounts on parts and paint materials into account when calculating compensation. This ruling strengthens the position of injured parties and in the longer term, may affect the level of compensation paid and the profitability of the motor insurance portfolio.

**Banking**

In the banking sector, one of the key risk factors remains legal issues related to mortgage loans and consumer loans. Decisions by national courts and the Court of Justice of the European Union concerning the cost-free credit sanction, foreign-currency loans and the use of the WIBOR benchmark will continue to be of key importance. Despite the ruling of the CJEU of 12 February 2026 in case C471/24, which was favorable to the banking sector and according to which the mere use of the WIBOR benchmark does not in itself determine the unfairness of a credit agreement, the risk of litigation in this area remains a significant factor affecting the sector's results.

The CJEU judgment of 23 April 2026 in case C744/24 concerning the cost-free credit sanction was also of significant importance. The Court confirmed high standards of consumer protection with regard to information obligations and challenged the possibility of charging interest on the part of a loan intended to finance credit-related costs, such as commissions or insurance premiums. This ruling increased uncertainty regarding consumer loan portfolios and contributed to an increase in legal risk in the banking sector.

For the banks belonging to the PZU Group, the effects of proceedings concerning foreign-currency mortgage loans remain significant, in particular the impact of case law on the level of provisions created, the costs of settlements with customers and the profitability of loan portfolios. In the case of Alior Bank, an additional area of risk is claims related to the cost-free credit sanction. The CJEU judgment of 23 April 2026 contributed to increased legal uncertainty in this area and was one of the factors taken into account by the bank when updating the level of provisions. In H2 2026, further court rulings and evolving case law may affect the scale of customer claims, the level of provisions created and the bank's financial results.

Banking activities will also be affected by increasing regulatory requirements resulting from the implementation of the CRR III/CRD VI package, the further development of open banking in connection with the proposed PSD3 and PSR regulations and persistently high fiscal burdens. These regulations may require further investments in reporting systems, risk models and compliance processes, as well as maintaining appropriate capital buffers and adapting risk management and reporting processes to new supervisory requirements.

The results of the banking sector are also affected by public-law charges. In 2026, the banking sector's total contribution to the Bank Guarantee Fund amounts to PLN 2.725 billion, compared with PLN 2.7 billion a year earlier, while the increase in the CIT rate for banks from 19% to 30% increases the sector's tax burden. These factors may put pressure on banks' profitability and limit their ability to generate capital. In the case of Bank Pekao, growing capital and regulatory requirements, as well as the impact of changes in taxation and public-law charges on the ability to generate capital and the profitability of banking activities, are currently more significant than risks related to foreign-currency loans.

### Retail Investment Strategy (RIS)

An important area of potential regulatory changes remains the work on the RIS package, which may have a significant impact on the rules governing the distribution of retail investment products and insurance-based investment products. The proposed solutions aim to increase retail investor protection by raising requirements concerning product transparency, conflict of interest management and the assessment of their value for the customer. As a result, these regulations may require adjustments to sales processes, product documentation and solutions used by PZU Group entities offering investment and savings products.

### Cybersecurity, data and new technologies

A challenge for both insurance undertakings and entities in the banking sector remains the implementation of the requirements arising from the DORA Regulation concerning the digital operational resilience of the financial sector. In H2 2026, issues related to digital resilience testing, ICT incident management, business continuity and oversight of technology service providers will be of particular importance. These requirements entail the need for further investments in cybersecurity, monitoring systems and technology risk management.

The provisions of the Data Act are also relevant to the financial sector, regulating, since September 2025, the rules for access to data generated by products and services connected to the Internet. In the longer term, this regulation may increase the availability of data used by financial and insurance institutions, while requiring adjustments to processes for managing, sharing and using such data.

In the area of new technologies, the AI Act is also of significant importance. As additional regulatory obligations gradually enter into force, requirements concerning the design, use and oversight of artificial intelligence systems used by financial institutions will increase. This may require further development of AI model management mechanisms, compliance processes and documentation of the use of artificial intelligence. Additionally, some of the requirements arising from the AI Act will begin to apply from August 2026, which will require further development of processes for managing artificial intelligence systems, particularly in the areas of risk management, documentation, model oversight and regulatory compliance.

### Preventing Money Laundering and Terrorism Financing

The activities of the PZU Group will also be affected by preparations for the implementation of the new European AML/CFT package, including the AMLR Regulation, the AMLD6 Directive and the activities of the new European AMLA. Although the majority of the new provisions will apply from July 2027, work is already underway on detailed implementing standards and guidelines concerning customer due diligence.

This means the need for further development of transaction monitoring systems, KYC processes, automation of compliance processes and analytical tools supporting the prevention of money laundering and terrorist financing.

### Sustainability and ESG Reporting

An important area of change remains regulations concerning sustainability and ESG reporting. In 2026, solutions arising from the Omnibus I package are being implemented, limiting the scope of entities subject to the obligations arising from the CSRD and CSDDD and simplifying reporting requirements. Additionally, in July 2026, the European Commission adopted revised European Sustainability Reporting Standards (ESRS), reducing the number of required disclosures and the administrative burden associated with ESG reporting.

Given the scale of its operations and the size of the PZU Group, the changes resulting from the Omnibus I package should not significantly affect the scope of the Group's reporting obligations, which will remain subject to sustainability reporting requirements. The changes may, however, contribute to the simplification of certain reporting processes, a reduction in the number of required disclosures and a reduction in the information burden imposed on entities in the value chain. At the same time, the direction of further development of sustainable finance regulations, including SFDR and the EU Taxonomy, remains in place, which will require ongoing monitoring of regulatory changes and further adjustment of ESG reporting and data collection processes.

At the same time, work is continuing at the European Union level on the review of regulations concerning sustainable financial products, in particular SFDR, which in subsequent years may result in changes to the classification and presentation of investment and insurance-based investment products.

### Reorganization of financial groups

For the PZU Group, domestic legislative work concerning the reorganization of financial groups, carried out as part of the draft Act amending the Banking Law, the Act on Insurance and Reinsurance Activity and certain other acts (UD268), is of particular importance. The purpose of the draft is to establish a legal framework enabling the reorganization of financial groups, including the division of insurance undertakings and the merger of banks with entities belonging to the same corporate group.

The draft provides for amendments to four key legal acts:

- the Act of 29 August 1997 – **Banking Law**;
- the Act of 11 September 2015 on **Insurance and Reinsurance Activity**;
- the Act of 15 December 2017 on **Insurance Distribution**;
- the Act of 16 December 2016 on the **Principles of State Assets Management**.

The proposed solutions are intended, among other things, to enable the merger of a bank with a joint-stock company belonging to the same corporate group, introduce detailed rules for the division of insurance and reinsurance undertakings, regulate the transfer of insurance agents' registrations in the event of the division of an insurance undertaking and adjust regulations concerning the supervision and ownership of entities of strategic importance.

As at the date of preparation of this report, draft UD268 remains in the government legislative process. According to information published by the Government Legislation Centre, the stage of interministerial arrangements, public consultations, opinions and work of the Legal Committee has been completed, while the draft has not yet been submitted for consideration by the Council of Ministers or to the Sejm.

The date of entry into force and the final form of these regulations may have a significant impact on the possibility of implementing planned reorganization activities within the PZU Group, including potential integration processes involving entities in the insurance and banking sectors. In particular, the entry into force of the proposed amendments is one of the conditions enabling the contemplated reorganization of the ownership structure of the PZU Group and Bank Pekao. Failure of the proposed solutions to enter into force would prevent the reorganization from being carried out in the form specified by the parties in the existing transaction assumptions.

## 3.7.3. Factors specific to business segments

The PZU Group's operations are shaped by external factors specific to its business segments, reflecting the different risk structures and competitive conditions in each sector. The most important of these are described below, broken down by each of the PZU Group's business segments.

### Non-life insurance segment in Poland

- **The greater number of cars** and continued traffic may cause an increase in how often claims are made and consequently an increase in the claims ratio, which will impact profitability of MTPL and MOD insurance;
- **High growth of new car sales** in 2025, mainly in the dealership channel and financed by leasing companies, may result in higher sales of motor insurance;
- **Strong price competition in motor insurance and** deteriorating result in MTPL and MOD will be reflected in different pricing strategies, thus affecting the market share levels;
- **Changes in trends and behavior of customers** looking for personalized offerings and a fast, electronic way to conclude contracts and avail themselves of insurance service are forcing the need to adapt quickly to new expectations in order to maintain a competitive edge;
- **Climate change** which result in, among other things, a greater range of crop species is grown by agricultural producers, which has a positive impact on crop rotation and biodiversity and may influence the development of subsidized agricultural insurance offerings;
- **Repeated and increasingly more unpredictable chance events**, such as sudden floods, hail, torrential rains, hurricanes, tornadoes, droughts and spring frosts, are contributing to increasing claims ratios in the non-life insurance sector;
- **Increase in sums insured: with perceived inflation and risk of underinsurance**, companies and individual customers are updating sums insured, which leads to both an increase in insurance premiums and claims paid to ensure full restoration of lost or damaged property;
- **The growth of the construction industry**, including the increase in infrastructure, mega-investments (nuclear power plant, wind farms in the Baltic Sea, Central Transport Port) and energy transition, in conjunction with the expected inflow of funds from with an expected influx of funds from the National Reconstruction Plan and EU funds for cohesion policy 2021-2027 may translate into the increased interest in contractual guarantees and construction insurance;
- **The development of non-motor insurance offerings** by, among other things, providing customers with value beyond just insurance coverage may result in the further development of strategic partnerships between insurers and companies with large customer bases, as well as the creation of customer service ecosystems;
- **The increase in the use of technology and artificial intelligence** (AI) will result in the rapid growth of the cyber-insurance market, with insurers focusing on offering comprehensive solutions that combine financial protection with prevention and incident response services;
- **Better use of data due to technological developments and the use of artificial intelligence** (AI) will allow the creation of more precise offerings and a better adjustment of price to risk, consequently, building a competitive edge, both in compulsory and voluntary insurance.

### Life insurance segment in Poland

- **An increase in mortality** due to an aging population and emergence of new epidemics or infectious diseases will contribute to an increase in claims and a reduction of the insurance portfolio (a decrease in the number of people insured);
- **Demographic changes** and the aging society as well as the ensuing changes in the current mortality and fertility levels will lead to developing insurance offerings for senior citizens and higher demand for health and ;retirement insurance;
- **Price pressure**, in particular in group insurance and the competition for customer ownership (and customer data) might cut the insurer's margins, reduces the scope (quality) of the product and fostering entry and exit obstacles for customers to overcome with independent intermediaries;

- KNF's implementation of its **recommendations on insurance distribution** will result in the need to better match product coverage to the real needs of customers, as well as to implement more rigorous supervisory and quality assurance processes throughout the distribution chain;
- **Increasing insurance awareness**, changes in customer trends and behavior toward personalized life insurance offerings may result in the development of individual insurance, while limiting the potential for the development of group insurance in its current formula;
- **Further expansion of private health care** as a consequence of the realization of health debt, demographic changes and the rise in popularity of health insurance;
- **Better use of data** due to technological developments and the use of artificial intelligence (AI) will allow the creation of more precise offerings and a better adjustment of price to risk, consequently, building a competitive edge.

## Insurance segments in the Baltic Countries and Ukraine

- **Geopolitical tensions, particularly the ongoing Russia-Ukraine war**, which has a direct impact on the possibility of conducting insurance operations in Ukraine and on their results;
- **More intense and increasingly more unpredictable chance events**, such as sudden floods, hail, torrential rains, hurricanes, tornadoes, droughts and spring frosts, are contributing to increasing claims ratios in the non-life insurance sector;
- **Changes in trends and behaviors of customers** seeking customized proposals as well as an electronic, swift conclusion of agreements and handling of insurance, force insurers to adapt to these new expectations rapidly;
- **Increase in insurance fraud cases** as a result of the more difficult situation in numerous industries causing growing unemployment;
- **Introduction of insurance premium tax in Lithuania** – from 1 January 2026, a 10% tax on premiums was introduced for property insurance, excluding mandatory MTPL insurance for individuals. The tax will be allocated to the state Defence Fund. The introduction of the tax may lead to higher operating costs for insurance companies, consequently reducing their profitability and investment capacity. It may also result in lower demand in price-sensitive segments.

## Health

- **High demand for specialist physicians with an insufficient supply** can slow the growth of medical facilities and squeeze their margins;
- **Inflationary pressures** from partner establishments and **wage pressures** from medical staff may directly reduce PZU Zdrowie's financial performance;
- **Rising salary expectations of staff**, combined with increased demand for medical services, may lead to a reduction in the availability of services at the selected establishments, with staff which may prefer to work at establishments offering higher salaries;
- **Changing trends and growing customer expectations** that require the personalization of offerings may force modifications to processes and systems, which affects the level of performance;
- **An aging population (declining fertility rates), rising mortality and morbidity rates**, as well as the health debt after the COVID-19 pandemic, resulting from treatment of chronic diseases (including cardiovascular and oncological conditions) being postponed, may translate into an increase in health product claims;
- **The continuing pressure on price in group insurance** limits the ability to sell new health products that are add-ons to group insurance policies;
- **Strong price and product competition in the medical services market** affects the profitability of establishments operating in the health care segment;
- **High saturation of the market in large cities** combined with staff shortages and limited customer potential in smaller localities may slow down the development of the health offering;
- **Changes in the valuation of outpatient specialty care services** by the National Health Fund (NFZ) may significantly affect the performance of medical establishments;
- **Aggressive expansion of competing medical networks**, especially in terms of the development of their own infrastructure, may in the long term limit patient acquisition opportunities and weaken the competitive position of PZU Zdrowie operators;
- **Pandemics or epidemics**, whether new or similar to COVID-19, may have social and economic consequences leading to business restrictions, including on the operation of medical establishments, which can significantly reduce their performance.

## Investment segment – Investment funds and Employee Capital Schemes

- **The reduction in interest rates** may have a positive impact on debt fund valuations, making them even more attractive to both institutional and individual customers;
- **The geopolitical and macroeconomic situation** and the fiscal actions of the world's central banks in terms of interest rates may translate into prosperity in the financial markets;
- **The stability of the regulatory environment**, including potential amendments to laws, regulations and guidelines, as well as unanticipated modifications to pension, EPS and ECS regulations, may affect the growth prospects and performance of the segments;
- **The pace of economic growth in Poland, as well as the performance of listed companies**, may affect the performance of equity and mixed-profile funds;
- **The financial situation of the customers may affect their willingness to invest**, due to, among other things, increased debt service costs with continued elevated inflation and high interest rates.

## Pension segment – pension funds

- **The climate on the capital market** (in particular on the Warsaw Stock Exchange, which is affected by both the geopolitical and macroeconomic factors) may shape the value of the funds' assets and the level of fees collected by pension fund companies for management;
- **Legislative work and regulatory efforts concerning the third pillar of the pension system** may have an impact on improving its efficiency and making it more attractive to participants;
- **Strengthening public awareness** of the need for additional retirement savings;
- **Changes in tax laws**, particularly those related to capital gains tax, may affect segment performance;
- **The growing negative balance of cash flows between OFEs and ZUS** resulting from the entry into the "zipper" mechanism of the vintages of fund members with the highest volume and those with the largest accumulated capital. This phenomenon will significantly affect the level of assets managed by Open Pension Funds.

## Banking operations segment

The main factors that could affect the scale and profitability of PZU Group's banking operations include:

- **The level of demand for banking services** from retail and institutional customers, influenced, among other factors, by the pace of economic growth, particularly private consumption;
- **The financial situation of households and businesses**, which will affect the ability of customers to repay their financial obligations on time;
- **The institutional environment and potential rulings by the CJEU, the Supreme Court and other state authorities**, especially regarding mortgage loans denominated in foreign currencies, free credit sanctions, cash loans or consumer rights protection;
- **Refinancing and renegotiating interest rates on fixed-rate mortgages**;
- **Possible implementation of government schemes to support the housing market**, which can stimulate lending;
- **Progressive consolidation and restructuring of the banking sector**, affecting its structure and competitiveness;
- **Competition** among entities in the banking sector, particularly price competition, as well as the development of **banking services offered by unregulated entities**, increasing competition in the sector;
- **The pace of implementation of EU-funded projects**, affecting investment and financial activity;
- **Interest rate cuts**, following historically high rates through 2025, may lead to lower net interest margins and, consequently, lower earnings generated by banks;
- **Reform of the benchmark index**, i.e., the replacement of WIBOR with a new index;
- **The introduction of a higher CIT rate for banks, which stands at 30% in 2026.**

## 3.7.4. Internal factors

The internal factors affecting the operations of the PZU Group are primarily determined by **the PZU Group Strategy and the PZU Group Capital and Dividend Policy**.

In the area of operations, priority is given to initiatives aimed at **eliminating technological debt, implementing a new sales system** in which the various channels are complementary, rather than competitive and **increasing the efficiency of the claims handling process**. In H2 2026 and over the medium term, the following initiatives will be of particular importance:

- **New IT architecture** to deploy more AI-based tools;
- **A new front-end system** to support all sales models while maintaining the specific nature of each distribution channel;
- **A new model of cooperation with multiagencies**, which will also maintain the strong position of tied agents, including a simplified and predictable remuneration system, access to PZU's advanced tools and significant investment in MTPL/MOD tariffs, which will increase the competitiveness of the offering and support sales growth;
- **Expanded cooperation with banks**, which will include the development of bancassurance offerings to include products aimed at the small and medium-sized enterprise (SME) segment.
- **Development of the mojePZU platform** to intensify customer interaction (refreshing the interface, improving intuitiveness, streamlining user paths, expanding the range of services) and further strengthen the direct channel;
- **Upgrade for the claims handling system** to improve process efficiency and customer experience;
- **Improvement of risk tariffication and segmentation processes**, increasing the pricing precision and flexibility in adjusting offerings, which is key to maintaining a competitive edge;
- In the area of **life insurance** – making the full range of offerings and processes available in digital channels, especially in the area of individual continuation (IK), as well as developing products geared to the silver and middle-age generations to better match the offerings to market needs;
- In the **area of health** – developing self-service functions in digital channels, standardizing patient pathways and expanding the company's own network of establishments to strengthen PZU's position as a leader in comprehensive insurance and protection products.

In the area of capital management, the PZU Group's capital and dividend policy for 2025-2027 directly shapes its **long-term growth strategy** through the capital structure, investment opportunities and level of capital security. Under this policy, up to 20% of profit is allocated to organic growth and innovation, while the remainder can be used for dividends or other capital needs. The following aspects are of key importance:

- **Strong capital position** – a high solvency level and a high return on equity provide a solid foundation for continuing to pay high dividends in subsequent years. The dividend in 2026 amounted to PLN 4.80 per share;
- **Internal risk model** – the implementation of an internal risk model (compliant with Solvency II requirements) planned for the first half of 2027 will optimize the PZU Group's capital position. This solution should have a positive impact on the further development of the business and enable the continuation of the current dividend policy in 2027, even without the capital reorganization of the PZU Group (see below);
- **Capital reorganization of the PZU Group** – the transformation of the Group into a holding structure will allow an increase in the regulatory capital of the new banking and insurance group by PLN 15-20 billion (under the so-called Danish compromise). This change may translate into faster growth for both PZU and the banks within the Group, increasing their capacity to participate in large-scale economic projects.

# 4. Strategy and perspectives



- ✓ The PZU Group is developing strategic growth areas, **focusing on investments in healthcare and digital transformation** while maintaining profitable growth in its core insurance business.
- ✓ Cooperation among the Group's business areas is increasing, leveraging **the potential of a shared customer base and distribution channels**.
- ✓ In May 2026, the **plan to merge PZU and LINK4**was signed, marking the implementation of one of the key projects aimed at simplifying the Group’s organizational structure and increasing its operational efficiency.

# 4.1. Strategic ambitions by 2027

The Strategy of the PZU Group for 2025–2027 was adopted on 2 December 2024 and is focused on four pillars: simplicity, focus, development and engagement. For the PZU Group, simplicity means simplifying the structure and strengthening operational efficiency. The focus is to ensure profitable growth of the insurance business. Development relates to investment in health market, digitization and offerings developed with partners. Engagement is about building the Poland's resilience and inclusive society.

The PZU Group set the following ambitions until 2027:

- > **PLN 6.2 billion of net profit**;
- **>19% ROE** from core business[15];
- **+40% EPS growth** from core business[16];
- **< 90% COR** in non-life insurance;[17]
- **>20%** operating **margin** in life insurance.

15) ROE – Return on Equity, calculated on core business, i.e. excluding banks
16) EPS – Earnings per Share, calculated on core business, i.e. excluding banks
17) COR – Combined Ratio (mixed ratio), mass and corporate segments combined, all products

Financial objective are also reflected in the non-financial dimension:

- Highest NPS on the market in products and service;
- 8 million customers in mojePZU digital channels;
- Taking care of physical health and mental well-being of children and adults;
- Inclusive and transparent sponsorship, prevention and education programs;
- Common solutions implemented in cooperation with the market.

The ambitions adopted until 2027 will be implemented in the strategy horizon in each business line under four pillars: simplicity, focus, development, engagement.

## I. Simplicity

The PZU Group is focusing on efficiency by simplifying its organizational structure, which will increase efficiency and agility.

### Operational efficiency

The PZU Group is building an organization in a structure that allows it to prioritize customer needs.

**PZU measures in terms of operational efficiency:**

- adjusting the organizational structure to provide greater autonomy and agility for business units;
- simplifying processes to accelerate change implementation, enable optimization and automation and enhance profitability management;
- streamlining the structure of banking assets within the Group to ensure transparency and efficient capital management;
- building synergy in insurance and investment companies.

**Key objective for 2027**

PLN 400 million increase in efficiency thanks to synergies of simplifying the Group's asset structure and organizational structure.

## II. Focus

The PZU Group is focused on increasing the profitability of its core insurance business.

### Mass non-life insurance

**PZU's position and market context** – PZU is a leader in mass property insurance, with ~32% share of premiums and ~47% in technical result.[18] The non-life insurance market in Poland is on an upward trend, but profitability, particularly in the motor third-party liability insurance segment, remains a significant challenge.

**Identified strategic objectives and actions to support** profitable growth:

- achieving technical and operational excellence with advanced pricing models, models based on behavioral and climate data and competence centers in the areas of product, pricing and claims handling;
- disseminating the offer across all channels through a profitable distribution presence and a new value proposition for own channels;
- active management of brands as a result of a multibrand strategy covering all customer segments.

18) Includes both the mass and corporate segments in terms of direct business; figures adopted in developing strategic assumptions Source: KNF, as of the end of 2Q 2024

**Key objectives for 2027**

- >30% increase in insurance revenue[19]
- <90% combined ratio (COR)[20]

### Corporate non-life insurance

Strong growth of the PZU Group in the rapidly growing corporate insurance market.

**PZU's position and market context** – PZU Group is a leader in the business insurance market with a share of ~37%, 18% average annual growth against a market with 13% growth.[21]

**Activities that support strategic objectives** based on profitable growth and building customer relations:

- making results independent from the impact of underwriting cycles through technical and operational excellence with better use of data in pricing and unified risk assessment and customer data analysis, also through automation;
- building a unique value proposition for customers as well as agents and brokers based on the development of new and existing products and services: iFlota, RiskPRO, Process Safety Management (PSM);
- automation of sales and service processes using new technologies and GenAI to streamline sales processes (e.g., sales support via chat) and fast claims handling system.

19) Applies to non-life insurance in the mass segment excluding bancassurance products
20) COR – Combined Ratio (mixed ratio), mass and corporate segments combined, all products
21) As at 2023; figures adopted in developing strategic assumptions

**Key objectives for 2027**

- >25% increase in insurance revenue
- <90% combined ratio (COR)

### Life insurance

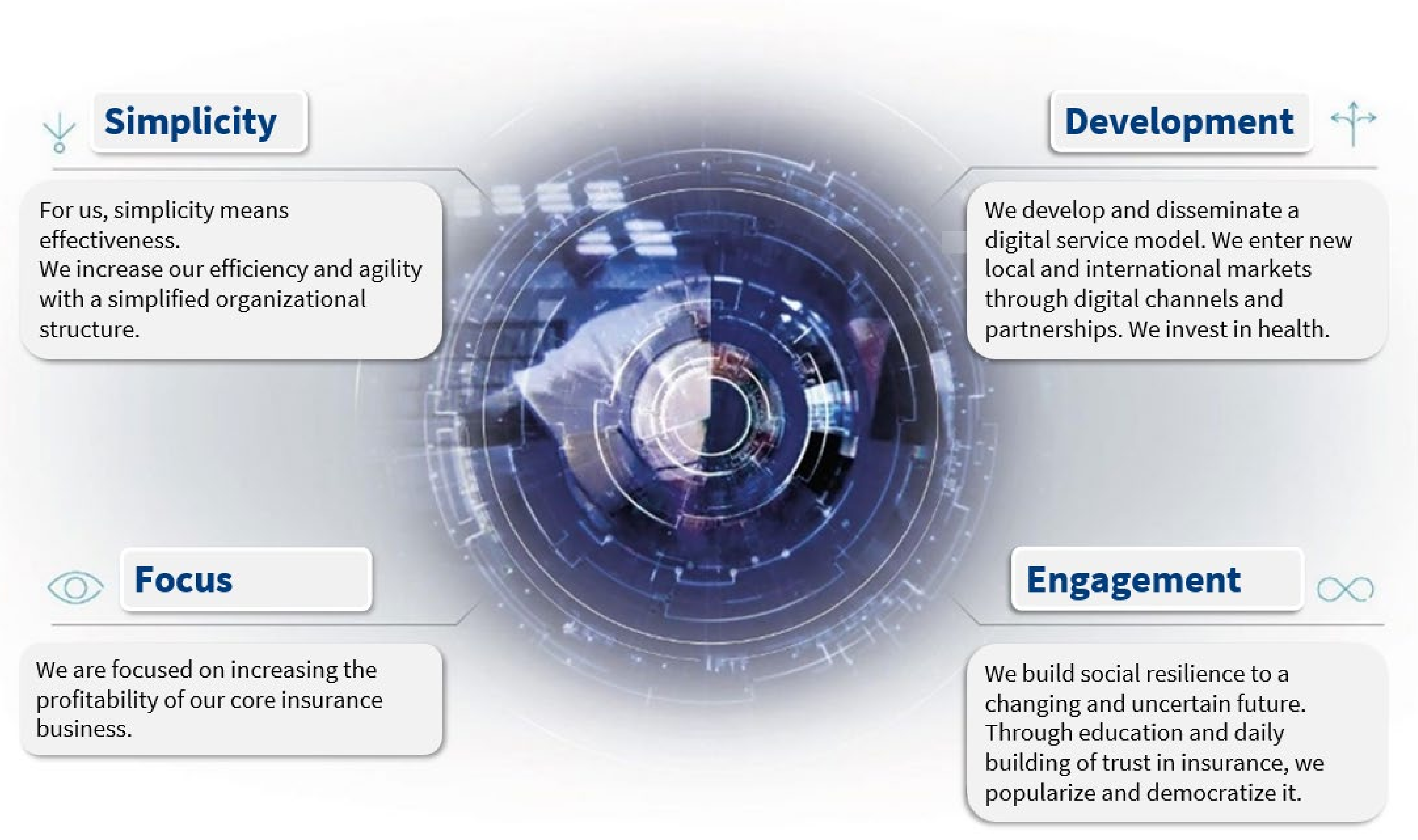
A leader that sees potential in changing demographics.

**PZU's position and market context –** PZU is a leader in the life insurance market, with ~42% share of premiums, ~33% share of APE and perceived highest potential for value creation in the baby boomer and silver generations, who expect more from financial institutions.[22]

**Strategic priorities** define key directions to strengthen the market leadership position:

- making the offer more attractive and adjusting it to the needs of changing demographics as a result of maintaining customer portfolios and increasing profitability in group insurance by redefining the value proposition: new life, health, sports and other benefit products, and focusing activities around the baby boomer and silver generations;
- increasing conversion from group insurance to individual insurance as a result of the development of digital and hybrid sales and service processes for individual follow-up;
- simplifying the retail customer base through x-sell growth – new products and active sales activities;
- improving the efficiency of distribution channels with the support of programs to increase the effectiveness and develop the competence of the sales network.

22) Source: KNF, PIU; as at the end of Q2 2024. Shares calculated with respect to regular premium insurance; figures adopted in developing strategic assumptions




**Key objectives for 2027**

- >35% new business value growth[23]
- >20% operating margin

23) New business under IFRS 17 measurement for life insurance in Poland – defined as CSM contractual service margin less loss component for insurance contracts entered into during the period, measured at the time of contract recognition

### Bancassurance

Growth potential in the fastest-growing segment of unrelated protection products.

**PZU's position and market context –** in investment insurance, a leadership position built through solid asset management and stable premium growth, despite market trends. In unrelated protection products, significant untapped potential PZU addressed by expanding offerings. In related protection products, the position is close to the shares of PZU Group banks and has the potential to grow to the level of bancassurance business leaders.

**Operational activities** based on stable growth, expansion of offerings and omni-channel model:

- a new approach to offering insurance linked to bank products through premiums spread over the entire coverage period, giving stable growth and greater availability and value of products for the customer;
- expanded offering of unrelated protection insurance and services, as well as savings and investment products using new and modified products and tailoring on the basis of customer knowledge and comprehensive life, health and asset protection offerings for every stage of life;
- omnichannel distribution and service model with the support of simplified digital and hybrid insurance sales processes as well as personalization of offerings and communications, reaching a broad customer base.

**Key objectives for 2027**

- +50% increase in the number of insured customers in the PZU Group banks
- 4x higher written premium in unrelated protection products

## III. Development

The PZU Group is developing and promoting a digital service model, entering new local and international markets through digital channels and partnerships. It is also investing in the health market.

### Health

Growth in a huge market, in the fastest-growing categories.

**PZU position and market context –** PZU Group with a strong position in the private healthcare market in Poland. Group's segments (subscriptions and insurance) with expected +10-15% average annual growth over the Strategy horizon.[24]

**Operational activities** to consistently build a leadership position:

- improving quality for customers through technology infrastructure that sets the best market standards as a result of the streamlining of digital customer pathways in mojePZU and the development of multichannel, digitalization of business processes and optimization of medical systems;
- improving profitability through an efficient business and operating model by increasing the use of own facilities (target ~60% share) and improving the terms of cooperation, with partner facilities (integration of systems and closer cooperation);
- growing the revenue from a wide range of services and being present in the most attractive segments as a result of increasing the share of "fee-for-service" products in sales to ~20% and realizing the potential of cooperation with the public payer (NHF).

**Key objectives for 2027**

- >PLN 3 billion in revenue (>60% growth)
- 2x higher EBITDA operating result

### Investments

Broader offerings for external customers and support for green transition.

**PZU's position and market context**

The PZU Group is a key investor in Poland, with a broad value proposition for customers and PLN 111 billion[25] in assets under management.

Directions of action and strategic objectives:

- Increasing the PZU Group's exposure to green transformation as a result of increased investment in the debt financing segment;
- Increasing the Group's exposure to innovation and technology through increased investments in the alternative funds segment;
- Expanding product offerings for external customers by creating an asset management service for businesses and an alternative investment fund for external customers.

**Key objectives for 2027**

- >PLN 49 billion in third-party customer assets at TFI PZU (up +50%[26]);
- PLN 3 billion in new investments in green transition and innovation.

24) Source: OECD, Economist Intelligence Unit, PMR

25) TFI, PTE and PZU own assets

26) Compared to data at the end of 3Q 2024

### Digitalization

mojePZU as a comprehensive digital channel and customer relations center.

**PZU's position** – 4.9 million users of mojePZU, 40 million logins during the year, PLN 650 million of premium from direct and hybrid sales, 560 thousand reported claims and benefits.[27]

**Strategic objectives and actions:**

- Reaching 8.0 million mojePZU users (CAGR of 18%) and 60 million logins by 2027 (CAGR of 15%);
- Strengthening the role of mojePZU through the availability of key customer pathways, supporting the omnichannel sales model and aligning functions with broader sales needs and increasing "productization" of customers.

### Advanced technologies

New levels of operational excellence and innovation.

**PZU's position** – PZU has an advanced CRM that leverages 360 view data for the customer and agent, aggregates data from all channels and provides the ability to implement joint analytical projects with PZU Group banks.

PZU also cooperates with startups – cooperation within the PZU Ready for Startups platform has already brought a total of >PLN 200 million in additional profit with 76 completed projects.

27) Data asat the time the strategic assumptions were prepared

**Strategic objectives and actions:**

- Building a next-generation interactive CRM that enables real-time hyper-personalization and proactive relations management;
- Ensuring PZU Group's consistent transformation using AI as a result of technology scaling and the introduction of an AI solution in pricing, as well as a major pilot of AI Assistant;
- Developing the PZU Ready for Startups platform for collaboration, reaching out to a wider group of perspective startups and supporting them to implement innovations.

### Strategic partnerships and new business

Stabilizing relationships with major players in key markets and development of contextual offerings.

**PZU's position** – leader in the embedded insurance market.[28] PZU is present with partner offerings in the sector, among others:

- energy, offering more than 60 assistance services;
- tourism, offering travel insurance with dynamic pricing in ticket reservation system;
- telecommunications, combining smartphone service with insurance;
- commerce, providing insurance packages for electronic devices, integrated within the API.

**Strategic objectives and actions**

- increasing the number of strategic partners as a result of focusing on key markets: financial services, automotive, tourism, real estate development, home appliances, electronics, e-commerce;
- developing employee benefits by expanding the offer to include the full range of benefits existing on the Polish market;
- creating a wellbeing ecosystem as a result of expanding the offer with a PZU Sport subscription and an ecosystem of complementary services, i.e.: psychological, dietary, recovery, supplementation, physiotherapy and physical activity support.

28) Position in terms of gross written premiums

### Overseas expansion

The PZU Group is now present in five Central European countries, with further development in light expansion model.

**PZU's position** – experience in the region thanks to the presence of the PZU Group in 5 countries of Central and Eastern Europe. Well-established active reinsurance competencies, ~PLN 1.4 billion of written premiums from inward reinsurance in 2023.

**Strategic objectives and actions**

- Developing international competence and exploring new markets
- PLN 500 million of additional revenue from active reinsurance outside the Group by 2030.[29]

29) Not including reinsurance within the PZU Group – in Poland and abroad

## IV. Engagement

The PZU Group is building social resilience to a volatile and uncertain future through education and building confidence in insurance on a daily basis, leading to its universalization and democratization.

### Green Transition

PZU, in cooperation with banks, offers a full catalog of solutions to support the green transformation.

**Corporate insurance area:**

- Products adequate at the investment stage, including engineering
  and specialized ones;
- Post-project non-life insurance, including TUW.

Capital investment area:

- Stocks and bonds of companies specializing in green transition;
- Green government bonds;
- Loans for green investments;
- Investments in BREEAM-certified buildings.

Debt financing area:

- Project finance and structured financing of green investment projects;
- Targeted loans for investments.

**Guarantee area –** insurance and banking solutions to secure transactions between contractors in green investments, e.g., due performance, remedy of defects, payment of bid bonds, timely payment of receivables.

### Collaboration

Building solutions for customers and market development, in partnership with key players.

**mSerwis Ubezpieczeniowy** – introduction of insurance services on common platforms, such as mStłuczka solutions within mObywatel, to increase customer convenience by standardizing and digitizing the handling of motor claims.

**Insurance Data Ecosystem** – using and sharing data in the ecosystem, e.g., Insurance Databases, containing information on non-life and life insurance, allowing for advanced analysis of concluded contracts and reported claims.

**Support tools** – developing tools to improve market efficiency, e.g., FOTO for countering claim scams from motor insurance using automatic image recognition technology.

**Strategic objectives:**

- Building the best solutions and value for customers;
- Increasing insurance awareness among Poles;
- Building a positive perception of the insurance industry.

### Society

Building trust and a friendly image of a socially engaged brand.

Sponsorship and prevention activities:

- Promoting a healthy and active lifestyle;
- Building healthy and safe social attitudes;
- Cooperating with public services: police, fire brigades;
- Supporting emergency services: GOPR, WOPR;
- Campaigns and projects implemented jointly with the ministries of health, education, sports.

**PZU Foundation:**

- Building competencies of the future, including critical thinking, defense against disinformation;
- Creating spaces for community integration and dialog;
- Modern philanthropy, inspiring action;
- Education and talent promotion;
- Building a society that is resilient to the challenges of the current times through initiatives in the areas of health, education, reducing vulnerability to misinformation.

**Key objectives for 2027**

- 15 million people each year covered by PZU's activities in the field of corporate social responsibility[30]

### PZU Team

PZU is enhancing agile capabilities and developing competencies to drive the Group's growth. Strong brand and HR competence make the PZU Group an attractive place to work:

- Employee satisfaction in the area of people management and inclusiveness and cooperation, 4–6 p.p. above market average;
- Good position in the pay market and GPG ratio (Gender Pay Gap) of 95%;
- ~2.5 x lower turnover, 4x higher return rate than on the market;
- Space to develop skills and gain diverse experience.

**The HR strategy will focus on:**

- Accountability for results through comprehensive performance management and ensuring optimal development of people and the organization;
- Development of supportive leadership and distinctive employee experiences;
- Inclusive organizational culture that supports agile operations, autonomy and employee innovation;
- Delivery of tomorrow's competencies, crucial from a strategic perspective, including for international expansion.

30) Activities under the 4 operational objectives "Safe on the road," "Safe in health," "Safe in action," and "Safe at home and business"

## Bank assets

**One of the priorities of the strategy is to ensure the optimal structure of the PZU Group, including addressing the identified challenges associated with the banks under its control:**

- Lower attractiveness for investors and discount in measurement as one of the few insurance groups in Europe directly controlling two competing banks;
- Complexity of direct supervision over two competing entities and failures to achieve synergies between entities operating in the same industry within the Group;
- Large capital concentration on the Polish banking sector, with a large stake in two entities within the sector – greater risk;
- suboptimal use of capital.

**Operational activities**

In early December 2024, a letter of intent was signed between PZU and Pekao to analyze various strategic options for the merger, taking into account the impact on Group capitals, the external environment, potential synergies and integration costs.

**Strategic directions and objectives:**

- transparent structure that increases attractiveness to shareholders;
- simplified Group governance model;
- Effective capital management;
- Ability to generate value through bank complementarity.

The company will use **the freed up capital to develop the PZU Group's business** and transform the economy:

- developing strategic partnerships in Poland and abroad, including distribution, bancassurance and embedded insurance;
- strengthening the health area;
- participating in financing the transformation of the Polish economy.

## Financial ambitions

In the strategy horizon, thanks to its focus on core business, the company assumes:

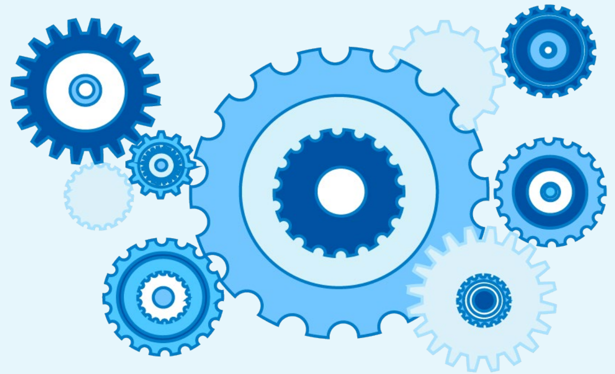
- an increase of PLN 7.5 billion in insurance revenues to PLN 36.2 billion;
- 40% increase in EPS from core business to >PLN 5.1;
- increase by 2 p.p. ROE from core business to >19%.

All this with good cost efficiency and high solvency:

- <90% Combined ratio (COR) in non-life insurance;
- >20% life insurance operating margin;
- >190% Solvency II.

## Summary – PZU Group Strategy 2025–2027 primarily relies on:

- **simplification of the Group structure** – building efficiency and value for investors by increasing organizational transparency and simplifying the operating model;
- **focus on the core insurance business and profitable growth** – developing insurance operations, increasing gross written premium and reducing the COR ratio to <90%, with profitable growth as the strategic priority in the insurance area;
- **digitalization and modern customer service** – developing the mojePZU platform, automating processes and leveraging data and technology to build more personalized customer relationships;
- **growing and secure dividend** – increasing DPS to a level of at least PLN 4.5, an increase in the result and less dependence on the level of interest rates;
- **ESG and social resilience** – developing prevention, education, healthcare and initiatives supporting the climate transition and the creation of long-term value for stakeholders.



# 4.2. Implementation of the strategy in H1 2026

Simplicity, focus, development and commitment are the 4 pillars of the PZU Group Strategy 2025–2027, announced in December 2024.

## I. Simplicity – Simpler Group structure and stronger operational agility

The PZU Group continues its efforts aimed at simplifying its operating model and reducing process complexity. The initiatives which are being implemented strengthen the organization's agility and enable more efficient use of resources, resulting in higher efficiency and better cooperation and synergy among Group units.

**Group reorganization**

In 2025, the PZU Group began reorganizing to create a new banking and insurance group by merging PZU with Bank Pekao. Details in this regard are presented in Chapter 4.3.

**Operating model**

In H1 2026, the PZU Group continued to implement its strategic objectives related to the development of the multibrand model and the simplification of its operating model. An important step in this process was the signing, on 29 May 2026, by the Management Boards of PZU and LINK4 of a merger plan.

The merger is intended to increase operational efficiency and make better use of the scale and capabilities of both organizations. At the same time, it provides for the continued development of LINK4 as a distinct brand. Under the multibrand model, the PZU and LINK4 brands will complement each other, offering customers and partners a broader product portfolio while leveraging shared operational foundations.

## II. Focus – Ensuring profitable growth of the insurance business

**Development in property insurance**

The transformation of pricing and underwriting processes in the property insurance segment continued. As part of these efforts, the allocation of responsibilities between data science and portfolio management teams was further defined and the pricing function was strengthened. In parallel, the use of machine learning models and artificial intelligence-based solutions in underwriting processes was further developed, supporting more accurate risk assessment and more effective portfolio management.

In addition, the PZU Doradca offering was expanded to include personal accident insurance (NNW) and business interruption (BI) insurance, addressing the growing needs of businesses in terms of employee protection and safeguarding business continuity.

In response to the growing popularity of cycling, the modular PZU Rowerzysta insurance product was also introduced, providing protection for both the bicycle and its user, with the scope of coverage flexibly adjustable to individual customer needs.

In the corporate property insurance segment, TUW PZUW developed third-party liability insurance for entities involved in the construction of a nuclear power plant, responding to market needs arising from the implementation of strategic infrastructure investments.

In parallel, PZU implemented solutions supporting the broker channel, including an artificial intelligence-powered tool for analyzing requests for quotations and preparing offers for corporate customers. These initiatives were complemented by a new broker cooperation model implemented on 1 April 2026, integrating the servicing of this channel within Corporate Sales Branches. The changes are aimed at accelerating sales processes, increasing service efficiency and making better use of the scale of the business and the organization's resources.

**Expanding product offerings in life insurance**

In H1 2026, PZU Życie continued to develop its group insurance offering by introducing PZU Orto Plan, an additional insurance product providing the organization and coverage of the costs of planned orthopedic surgeries following an accident. As the first solution of its kind in the Polish group protection insurance market, the product combines insurance coverage with the organization of medical services, responding to growing customer expectations for comprehensive support throughout the treatment and recovery process.

## III. Growth – strengthening the PZU Group's position, investments in healthcare and digitalization and partner-developed offerings

### Strengthening the PZU Group's position in Central and Eastern Europe

In H1 2026, the PZU Group took steps to strengthen its position in the Central and Eastern European markets. An important step was the execution of a conditional agreement to acquire 100% of the shares in MetLife Ukraine, a leader in the Ukrainian life insurance market, serving approximately 900,000 customers and holding around a 50% share of this market segment. The transaction is in line with the strategic objective of building a strong regional insurance and financial group and strengthens the scale of the PZU Group's life insurance operations. The acquisition will expand the Group's presence in a promising market with low life insurance penetration, while providing access to complementary distribution channels, advanced product expertise and an extensive customer base.

In addition, from 1 April 2026, PZU introduced the option to provide insurance coverage for business activities conducted in Ukraine, with an extension covering extraordinary risks. The solution is primarily targeted at transport and freight forwarding companies operating in this market and provides coverage against, among other things, the consequences of armed conflict, acts of terrorism, sabotage, riots and confiscation of property. The offering was developed in cooperation with KUKE and represents a unique solution on the European market supporting the international expansion of Polish companies.

### Development of the Health Pillar

In H1 2026, the PZU Group continued to develop its healthcare business, expanding both its own network of medical facilities and its partner network. As part of PZU Zdrowie's development strategy, seven new medical facilities are planned to open in 2026, including in Warsaw, Poznań and Bydgoszcz, while the partner network is expected to be expanded by 175 new locations. At the same time, PZU Zdrowie continued to expand its operations through acquisitions, acquiring Centrum Medyczne Babka Medica in Warsaw and Osteodex Centrum Medyczne in Nowy Sącz, strengthening its expertise in specialist care and increasing the availability of medical services in additional regions of Poland.

### Development of the digital channel

In H1 2026, the PZU Group continued to develop the mojePZU platform, focusing on improving the user experience and increasing the availability of digital services. A new, redesigned mojePZU application dashboard was introduced, providing greater personalization, easier access to customers' most important matters and simplified navigation. A new login page for the mojePZU application was also implemented, simplifying access to digital services and improving the overall user experience. In parallel, self-service functionalities were further developed, including the introduction of renewal offers in the "My Matters" section, streamlining the policy renewal process.

### Support for Tied Agents

To further strengthen the efficiency of the sales network, the "Partnerstwo odNowa" program was launched for Tied Agents. The initiative includes a package of dedicated benefits, tools and solutions supporting agents' business development, including access to the full range of PZU Group products, leasing products offered by Pekao Leasing and Alior Leasing and new services designed to enhance customer convenience. The program was also linked to the implementation of modern CRM tools providing a comprehensive view of customer needs and supporting the effectiveness of sales activities, thereby strengthening the role of the agency network in delivering the PZU Group's growth strategy.

### Strengthening strategic partnerships in Poland

In H1 2026, the PZU Group continued to develop its cooperation with Toyota Insurance Services by introducing the Toyota Full Hybrid Insurance program. The solution represents another step in the development of modern motor insurance products, combining insurance coverage with additional benefits for customers using hybrid vehicles.

## IV. Engagement

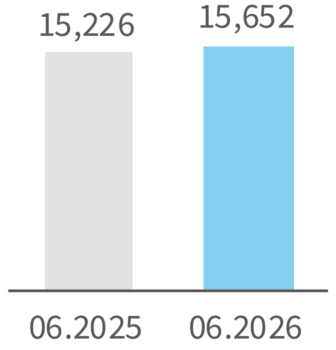
### Supporting investments in transformation and infrastructure

In H1 2026, the PZU Group joined the implementation of the "Local Content. For the Benefit of Poland" project, initiated by the Ministry of State Assets. The initiative aims to increase the participation of Polish companies in strategic investments, particularly in the areas of energy, infrastructure, digitalization and defense, while respecting the principles of competition and compliance with European Union regulations. As part of the initiative, the PZU Group supports the development of domestic economic capabilities by providing insurance coverage and financial support for key investment projects implemented in Poland. These activities are consistent with the PZU Group's long-term role as a partner supporting the country's economic security, investment stability and the development of strategic sectors of the Polish economy.

# Strategic goals until 2027 and their implementation

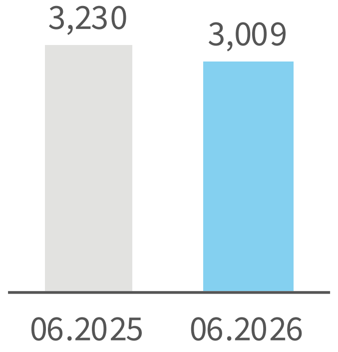
**Gross insurance revenue**[1] (PLN m)

FY2027
**>36 bn PLN**



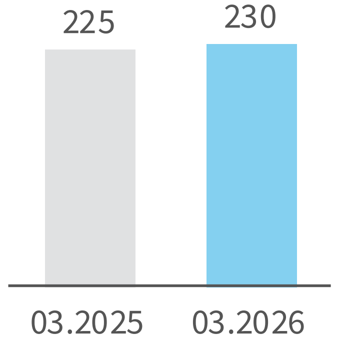

**PZU Group net profit**[2] (PLN m)

FY2027
**>6.2 bn PLN**



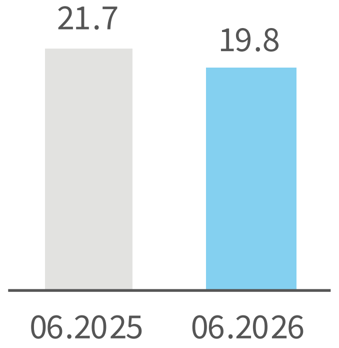

**Solvency II ratio** (%)

2027
**> 190%**



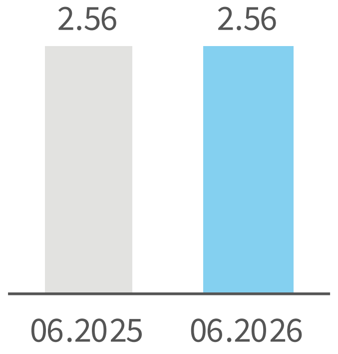

**ROE**[3] (%)

FY2027
**> 19%**



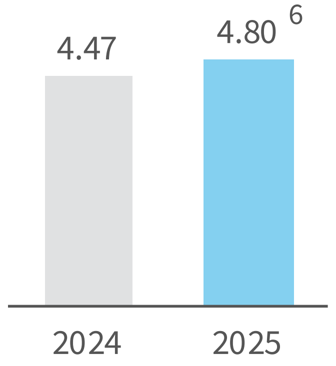

**EPS**[3] (PLN)

FY2027
**> 5.1**



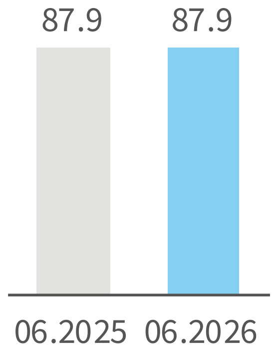

**DPS** (PLN)

FY2027
**≥ 4.5**



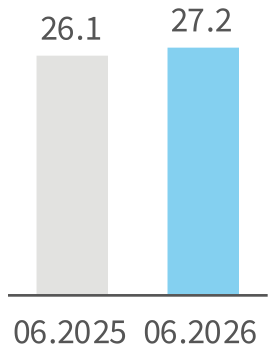

**COR**[4] (%)

FY2027
**< 90%**



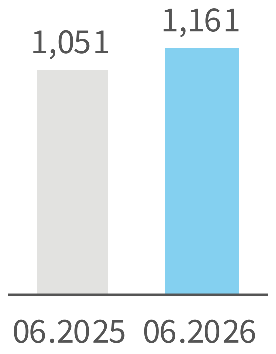

**Margin**[5] (%)

FY2027
**> 20%**



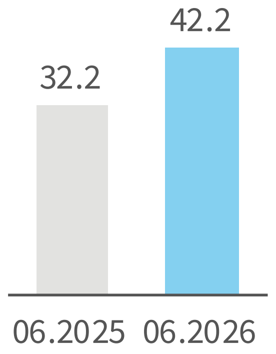

**Health pillar revenue** (PLN m)

FY2027
**> 3 bn PLN**




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

2027
**> 49 bn PLN**




1. Gross insurance revenues of PZU Group
2. Net profit attributable to the shareholders of the parent company
3. Core business, excluding banks
4. Combined ratio (COR) in nonlife insurance in Poland
5. Life insurance operating margin in Poland
6. Dividend approved by the OSH for payment in 2026

# 4.3. PZU Group reorganization towards a holding structure

In 2025, a reorganization process was launched in the PZU Group to create a new banking and insurance group by merging PZU with Bank Pekao.

**Letter of intent – 2 December 2024**

The first step in the reorganization phase was the signing of a letter of intent between PZU and Bank Pekao on 2 December 2024, which envisaged taking steps to reorganize the PZU Group's assets in order to optimally utilize the potential of all its companies.

**Memorandum of cooperation – 2 June 2025**

PZU and Bank Pekao signed a memorandum of cooperation on 2 June 2025, which provided a framework for further work toward the Group's reorganization. At this stage, it was announced that both brands will retain their identities, distinctiveness and autonomy of operation in their business areas, just as they have for many years within the PZU Group, but the new group will be headed by a bank rather than an insurer. To achieve this, it will first be necessary to divide PZU by separating a holding company and a wholly-owned subsidiary for its non-life insurance operations. The PZU holding company will then be merged with Bank Pekao as the acquirer. Ultimately, there will be one company listed on the Warsaw Stock Exchange with a much higher capitalization and greater liquidity of shares than the current two, thus increasing the attractiveness of such an entity from the point of view of investors and the entire capital market.

**Term Sheet – 26 June 2025**

PZU and Bank Pekao signed a Term Sheet on 26 June 2025, i.e., a document that preliminarily establishes the principles of cooperation between the two companies in a potential transaction to reorganize the capital group and create a new banking and insurance group. The signing of the document was another step in the preparation of the transaction, strengthening the parties' cooperation. Among other things, it was agreed that the companies would establish a Steering Committee and joint working groups to carry out work on the project.

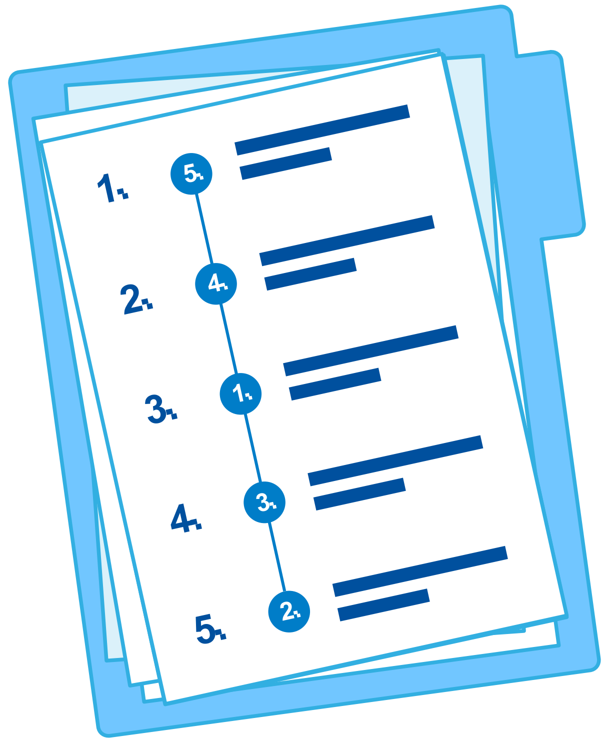
To ensure close coordination of activities, the parties agreed to establish a Steering Committee composed of the presidents of PZU and Bank Pekao and one board member from each company.

The Term Sheet also indicated that the parties would determine the rules for determining the parity of exchange of PZU shares for Bank Pekao shares that would be issued to PZU shareholders in the process of merging the companies. The parity is to be determined taking into account the interests of all shareholders, including minority shareholders and valuations of PZU and Bank Pekao will be made by reputable entities selected by the insurer and the bank, respectively.

According to the Term Sheet, it was announced that the intention of the parties is to complete the potential transaction by 30 June 2026. The document included a caveat that the execution of the transaction is subject to a number of factors beyond the control of the parties, including the entry into force of relevant legislative changes, including amendments to four laws (on the principles of state property management, banking law, insurance and reinsurance activity and insurance distribution), the agreement and conclusion of relevant transaction documentation by the parties (within 120 days of the entry into force of the necessary legislative changes), obtaining approvals from the Council of Ministers and a number of regulatory approvals, in particular from the KNF.

**Annex to Term Sheet – 19 December 2025**

On 19 December 2025, PZU and Bank Pekao agreed on amendments to the Term Sheet. **In accordance with the agreed arrangements, the parties intend to complete the potential transaction by 31 December 2027.** The parties have also agreed on conditions that, if not met, would result in the Term Sheet expiring. In particular, **the Term Sheet will no longer be effective if the agreed legislative changes enabling the potential transaction are not published in the Polish Journal of Laws by the end of December 2026 and do not come into force by the end of April 2027.**



# 5. Risk management

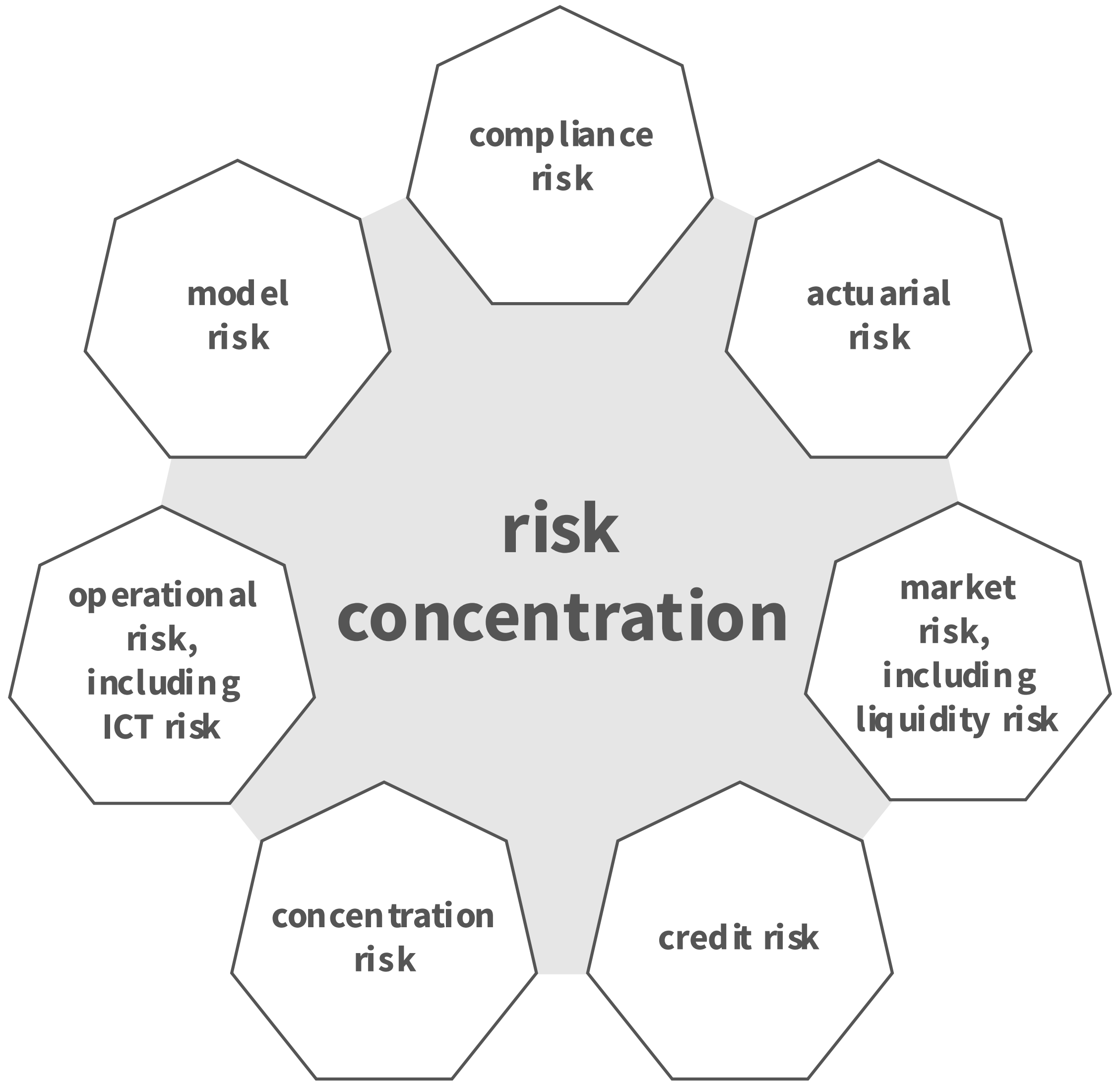


- ✓ The PZU Group develops and applies **uniform risk management standards** across the entire financial conglomerate, covering the identification, measurement, monitoring and reporting of risk concentrations, as well as the implementation of management measures.
- ✓ Risk management processes **actively support business development** while maintaining high standards of security and control.
- ✓ Sustainability-related risks, including **climate and ESG risks**, are incorporated into risk identification and assessment processes, as well as selected investment decisions and corporate customer assessment processes.

# 5.1. PZU Group’s risk profile

The major risks to which the PZU Group is exposed include the following: underwriting risk, market (including liquidity) risk, credit risk, concentration risk, operational risk (including ICT risk), model risk and compliance risk.

**Major risks in the PZU Group**




In H1 2026, financial market conditions were volatile due to the armed conflict in Iran. The conflict raised concerns about higher inflation, resulting in a significant increase in interest rates in Poland compared with the end of 2025. Higher interest rates reduced the value of bonds held, negatively affecting the PZU Group's own funds in Q1 2026. Towards the end of Q2, interest rates returned to previously observed levels; however, their volatility remained high.

Apart from risks arising from financial market conditions, no events were identified in the insurance business that had a material impact on the PZU Group's risk profile. However, the situation in the banking sector required special attention.

The major risks associated with the operation of Alior Bank and Bank Pekao include the following risks: credit risk (including the risk of loan portfolio concentration), operational risk and market risk (involving interest rate risk, FX risk, commodity price risk and financial instrument price risk) and liquidity risk.

The overall risk of the banking sector entities, taking into account PZU’s equity interests in both banks, accounts for approximately 30% of the PZU Group’s total risk (Q1 2026), while the largest contribution is in credit risk.

Low inflation readings in January and February this year prompted the Monetary Policy Council to cut interest rates by a further 0.25 p.p. in March. This contributed to a decline in banks' funding costs. At the same time, the quality of the loan portfolios at Bank Pekao and Alior Bank remained stable.

Legal risks remained important in the banking sector in H1 2026. The inflow of new court cases related to CHF-denominated loans at the banks within the PZU Group remained in line with expectations, despite the issuance of new CJEU rulings in this area. However, the CJEU ruling of April this year concerning the inadmissibility of charging interest on amounts allocated to cover the costs of credit, such as insurance or fees, significantly increased the legal risk associated with consumer loans. This risk relates in particular to potential court rulings concerning the so-called sanction of free credit, which, in the event of an adverse line of case law for banks, could lead to higher costs and lower profitability of the loan portfolio.

Additionally, the risk is amplified by ongoing discussions between the banking sector and UOKiK concerning the expected approach of banks in handling customer-reported unauthorized transactions.

Elements of sustainability risks, particularly those related to climate change, are managed as part of the individual risk categories identified later in the Report. Furthermore, selected ESG risks are subject to separate assessment within the framework of the risk analysis process and the key risk identification process. The main risks in this area are transformation risks and physical risks.

In accordance with the European Commission’s Sustainability Reporting Guidelines, transformation risks refer to the transition to a low carbon and climate resilient economy. Physical risk on the other hand entails financial losses stemming from the physical consequences of climate change and encompasses acute (e.g. storms, fires) and long-term risk (rising sea level).

The process of managing individual risk categories takes into account the requirements of sustainable development, also with regard to the PZU Group's subsidiaries, while respecting the provisions of generally applicable laws and internal regulations of the PZU Group, including the ESG ambitions, as defined in the PZU Group Strategy.

## Actuarial risk

The likelihood of a loss or an adverse change in the value of liabilities under the existing insurance contracts and insurance guarantee agreements, due to inadequate assumptions regarding premium pricing and creating technical provisions.

Risk identification commences with a proposal to develop an insurance product and continues until the expiry of the related liabilities. The identification of actuarial risk is performed, among others, as follows:

- 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 / specific 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 insurance products;
- assessing actuarial risk through the prism of similar existing insurance products;
- monitoring of existing products;
- analyzing the policy of underwriting (assessment of the risk accepted for insurance), tariffs, technical provisions and reinsurance and the claims and benefits handling process.

The assessment of actuarial risk 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.

The measurement of underwriting risk is performed using:

- 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.

PZU is developing a partial internal model for actuarial risk in non-life insurance, with the aim of measuring the risk of PZU's insurance portfolio more accurately and precisely.

The monitoring and control of underwriting risk includes a risk level analysis by means of a set of reports on selected ratios.

Reporting aims to ensure effective communication regarding underwriting risk and supports management of actuarial risk at various decision-making levels – from an employee to the supervisory board. The frequency of each report and the scope of information provided therein are tailored to the needs at each decision-making level.

The management actions contemplated in the actuarial risk management process are performed by doing the following:

- defining the level of tolerance for actuarial 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.

Moreover, mitigation of the underwriting risk inherent in current operations is supported by:

- defining the scopes of liability in the general / specific terms and conditions of insurance or 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 a correct claims or benefits handling procedure;
- sales decisions and plans;
- prevention.

## Reinsurance

Reinsurance protection in the PZU Group secures insurance activity, limiting the consequences of the occurrence of catastrophic phenomena that could adversely affect the financial standing of insurance undertakings. This task is performed through obligatory reinsurance contracts supplemented by facultative reinsurance.

### Reinsurance treaties in PZU

PZU consciously and adequately protects the Company's financial result against the results of materialization of natural risks, e.g. severe storms, floods, droughts or fires, associated with, among others, the climate change. For this purpose, the PZU Group runs, among others, periodic analyzes of the non-life insurance portfolio for its exposure to natural disasters. The portfolio is divided into zones with specific degrees of exposure to the risk of floods and cyclones has been introduced. The values of prospective losses are assigned to each one of the zones under analysis. They correspond to the severity of a given phenomenon and, consequently, its specific probability level. On this basis, as part of the annual reinsurance cover program design process, the distribution of the level of possible catastrophic loss is estimated.

PZU uses reinsurance treaties to limit its risk related to catastrophic losses among others through a catastrophic non-proportional excess of loss treaty and a non-proportional excess of loss treaty for crop insurance. The risk related to the consequences of large single losses, in turn, is mitigated under non-proportional reinsurance treaties to protect its portfolios of property, technical, marine, air, third party liability and third party liability motor insurance.

PZU's risk is also mitigated by proportional and non-proportional reinsurance of the financial insurance portfolio (guarantees, commercial credit) and proportionate reinsurance of cybernetic risks.

PZU's reinsurance partners have high rating agency assessments. That evidences the reinsurer's robust financial position and affords the Company security.

PZU's inward reinsurance business involves the PZU Group's other insurance companies. As a result of the exposure to protect Baltic companies and PZU Ukraine, LINK4 and TUW PZUW, PZU continues to generate a high gross written premium by virtue thereof. The Company also generates gross written premium on inward reinsurance on domestic business through facultative and obligatory reinsurance.

Further, as part of its international expansion, PZU conducts selective reinsurance activity in selected European markets, which allows it to develop its foreign insurance competence and builds the Company's position in the region.

### Reinsurance treaties in PZU Życie

The outward reinsurance treaty entered into by PZU Życie protects the company's entire portfolio against the accumulation of risk and individual policies with higher sums insured.

Reinsurance partners have high rating agency assessments. That evidences the reinsurer's robust financial position and affords the Company security.

### Reinsurance treaties in the PZU Group's international companies, LINK4 and TUW PZUW

The PZU Group's other insurance companies, i.e., Lietuvos Draudimas, Lietuvos Draudimas Branch in Estonia, AAS BALTA, PZU Ukraine, PZU Lietuva gyvybes draudimas, LINK4 and TUW PZUW have reinsurance cover aligned to the profile of their operations and their financial standing. Every material insurance portfolio is secured with the appropriate obligatory treaty. Reinsurance cover is provided for the most part by PZU, which transfers a portion of the accepted risk outside the Group.

**Reinsurance premium under PZU's obligatory treaties according to the rating**


Main reinsurers in 2026: Munich Re, Hannover Re, Swiss Re, VIG Re, QBE, Scor

**Reinsurance premium under PZU Życie's obligatory treaties according to the rating**


Main reinsurers in 2026: QBE, VIG Re, Mapfre

## Market risk, including liquidity risk

**Market risk** is understood as the risk of a loss or an 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, as well as value of liabilities and financial instruments.

The risk management process for the credit spread and concentration risk has a different set of traits from the process of managing the other sub-categories of market risk and has been described in a subsequent section (Credit risk and concentration risk) along with the process for managing counterparty insolvency risk.

The market risk in the PZU Group originates from three major sources:

- operations associated with asset and liability matching (ALM portfolios);
- operations associated with designating the optimum medium-term asset structure (for non-ALM portfolios);
- banking operations – in conjunction with them, the PZU Group has a material exposure to interest rate risk.

Numerous documents approved by supervisory boards, management boards and relevant committees govern investment activity in the PZU Group entities.

Market risk identification consists in the identification of actual and potential sources of this type of risk. For assets, the identification of risk begins with the decision to commence transactions in a given type of financial instrument. Units that make a decision to start entering into such transactions draw up a description of the instrument containing, in particular, a description of the risk factors. They convey this description to the unit responsible for risk that identifies and assesses market risk on that basis.

The identification of market risk associated with insurance liabilities commences with the process of developing an insurance product. It 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, specifying whether the materialization of risk entail a loss capable of affecting the financial condition of a particular PZU Group entity.

Market risk is measured using the following risk measures:

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

In the case of banking entities suitable measures are employed in accordance with the regulations applicable to this sector and best market practices. These measures were included in the risk appetites of the entities.

Market risk measurement is divided into stages, in particular:

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

The risk measurement is performed:

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

Monitoring and control of market risk involves an analysis of the level of risk and of the utilization of the designated limits.

Reporting involves communicating to the various decision-making levels information concerning the level of market risk and the results of monitoring and controlling it. 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 in respect of market risk involve in particular:

- execution of transactions serving the purpose of mitigation of market risk, i.e. selling a financial instrument, closing a position on a derivative, purchasing a derivative to hedge a position;
- 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 application of limits is the primary management tool to maintain a risk position within the acceptable level of risk tolerance. The structure of limits for the various categories of market risk and also for the various organizational units is established by appointed committees in such a manner that the limits are consistent with risk tolerance as agreed by the management boards of the PZU Group subsidiaries. Banking sector entities are in this respect subject to additional requirements in the form of sector regulations.

**Financial liquidity** risk means the possibility of losing the capacity to settle, on an ongoing basis, the PZU Group's liabilities to its customers or business partners. The liquidity risk management system aims to maintain the capacity of fulfilling the entity's liabilities on an ongoing basis. Liquidity risk is managed separately for the insurance part and the bancassurance part.

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

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

Risk assessment and measurement involve estimation of the shortage of cash to pay for liabilities. The risk estimate and measurement is 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 prepared for a given date;
- 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 possibility of selling the portfolio of financial investments in a short period to satisfy liabilities arising from the occurrence of insurable events, including extraordinary ones;
- current statements of estimates (short-term financial liquidity risk) – by monitoring demand for cash reported by the date defined in regulations which are in force in that entity.

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

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 analyze 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).

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

Liquidity ratios of both PZU Group banks remained at high levels throughout the half year, significantly above regulatory requirements.

Liquidity risk reporting involves communicating the level of financial liquidity 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.

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;
- provisions of the Agreement on managing portfolios of financial instruments entered into between TFI PZU and PZU 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;
- limits of liquidity ratios in the banks belonging to the PZU Group.

## Credit risk and concentration risk

**Credit risk** is understood as the risk of a loss or an adverse change in the financial situation resulting from fluctuations in the reliability and creditworthiness of issuers of securities, counterparties and all debtors. It materializes in the form of a counterparty's default on a liability or an increase in credit spread.

The following risk categories are distinguished in terms of credit 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.
- counterparty default risk;
- credit risk in financial insurance.

**Asset concentration risk** is understood as 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.

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

Risk assessment consists of estimating the probability of risk materialization and the potential impact exerted by risk materialization on a given entity's financial standing.

The measurement of credit risk is performed using:

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

Concentration risk for a single entity is calculated using the standard formula.

A measure of total concentration risk is the sum of concentration risks for all entities treated separately. In the case of related parties, concentration risk is calculated for all related parties jointly.

In the case of banking entities suitable measures are employed in accordance with the regulations applicable to this sector and best market practices. Credit risk is measured using a set of loan portfolio quality metrics.

Monitoring and control of credit risk and concentration 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.

The monitoring pertains to:

- credit exposure in investment portfolios;
- credit risk exposures in financial insurance;
- exposures to reinsurance;
- exposure limits and risk tolerance limits;
- credit exposures in the processes in effect in banking entities.

Reporting involves providing information on the levels of credit risk and concentration risk and the effects of 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 in respect of credit risk and concentration risk involve in particular:

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

The structure of credit risk limits and concentration risk limits for various issuers is established by appointed committees in such a manner that the limits are consistent with the adopted risk tolerance determined by the management boards of the respective subsidiaries and in such a manner that they make it possible to minimize the risk of 'infection' between concentrated exposures.

In banking activity the provision of credit products is accomplished in accordance with loan granting methodologies appropriate for a given customer segment and type of product. The assessment of a customer's creditworthiness preceding a credit decision is performed using tools devised to support the credit process, including a scoring or rating system, external information and the internal databases of a given PZU Group bank. Credit products are granted in accordance with the binding operational procedures stating the relevant actions performed in the lending process, the units responsible for that and the tools used.

To minimize credit risk, adequate collateral is established in line with the credit risk incurred. The establishment of a security interest does not waive the requirement to examine the customer's creditworthiness.

In H1 2026, the quality of the loan portfolios at both banks within the PZU Group remained stable and at acceptable levels, within the established risk appetite framework.

In H1 2026, in PZU's and PZU Życie's debt instrument portfolio held at own risk, exposures to two issuers were classified to Stage 3 under IFRS9. These two exposures accounted for about 0.2% of the value of assets covered by the placement strategy. The quality of the remaining portion of PZU's credit portfolio remained stable.

## Operational risk, including ICT risk

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

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.

Operational risk is assessed and measured by:

- calculating the effects of the occurrence of operational risk incidents;
- estimating the effects of potential operational risk incidents that may occur in the business.

Monitoring and control of operational risk is supported mainly by an established system of operational risk indicators and limits 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 involves communicating to the various decision-making levels information concerning the level of operational risk and the results of monitoring and controlling it. 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 involving reactions to any identified and assessed operational risks involve primarily:

- 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.

Operational risk includes **ICT risk**, defined as any reasonably identifiable circumstance related to the use of networks and information systems that, if it materializes, may compromise the security of such networks and information systems.

## Model risk

Model risk, classified by the PZU Group as significant, 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 formal identification and assessment process for this risk was implemented in PZU and PZU Życie to ensure high-quality practices for model risk assessment.

The model risk management process involves:

- risk identification, which takes place through regular identification of the models used in the areas covered by the process; (identified models are assessed for materiality);
- risk measurement, which is based on the results of independent model validations and monitoring;
- risk monitoring, which 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 internal regulations);
- risk reporting, which involves communicating the process results on the appropriate management level, in particular results of risk monitoring, validation and measurement;
- management actions, which aim to mitigate the model risk level; they can be active (e.g. recommendations resulting from completed validations) and passive (developing model and model risk management standards).

In the entities from the banking sector, given the high significance of model risk, the management of this risk has already been implemented in the course of adaptation to the requirements of Recommendation W issued by the KNF. Both PZU Group banks have defined standards for the model risk management process, including the rules for developing models and evaluating the quality of their operation, ensuring at the same time appropriate corporate governance solutions. Model risk is factored into the risk appetite of both banking sector entities.

## Compliance risk

### Compliance risk at PZU and PZU Życie

Compliance risk is understood as the risk of PZU, PZU Życie, or persons acting on their behalf incurring consequences, in particular legal sanctions, financial losses, or reputational damage, as a result of non-compliance or regulatory risk.

Compliance risk includes regulatory risk, understood as the risk of failing to adapt to changes in the regulatory environment affecting the operations of PZU and PZU Życie. This risk exists until the date on which the obligation to apply a regulatory change enters into force and may affect the level of compliance assurance at PZU or PZU Życie and, consequently, the ability of all their organizational units to incorporate the necessary changes into their business activities.

This risk may materialize as a result of delayed implementation or absence of clear and unambiguous laws. This may cause irregularities in business and, as a result, lead to higher costs (for instance, administrative penalties, other financial penalties) and a heightened level of loss of reputation risk.

PZU and PZU Życie have consistent and uniform solutions for ongoing compliance risk management and monitoring.

Identification, assessment, reporting and analysis of compliance risk are carried out at relevant levels of risk management within each company, in accordance with the competencies under the regulations adopted at PZU and PZU Życie.

The compliance risk at PZU and PZU Życie level is analyzed taking into account the cyclical risk self-assessment prepared by the unitary organizational structures as part of the ongoing risk management in the supervised areas.

The results of the self-assessment are systematized based on the compliance risk knowledge accumulated by the Compliance Office of PZU and PZU Życie in the course of its activities. These include analyses of the legal situation and legislative changes, supervisory recommendations, results of compliance analyses, findings from investigations of notifications and participation in implementation projects for new regulations. Conclusions from systemic risk analyses are one of the factors considered in planning of activities and compliance analyses by PZU and PZU Życie and they are also the subject of reporting.

Members of the Management Boards and Supervisory Boards of PZU and PZU Życie receive periodic sets of reports on the compliance risk management systems operating at both companies.

### Compliance risks in the PZU Group

PZU establishes group-wide compliance frameworks and uniform standards across all entities of the PZU Group. It also monitors compliance risk across the PZU Group as a whole.

In H1 2026, the PZU Group entities had compliance risk management systems in place that were aligned with the standards established by PZU, taking into account the principles of proportionality and adequacy.

The compliance units of individual PZU Group entities are responsible for providing the PZU Compliance Office with comprehensive information on compliance risk.

PZU Group entities monitor and manage the compliance risks arising from their respective activities.

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

- monitoring observance of the standards of conduct, including ethical standards, in consideration of the best practices adopted in the PZU Group;
- ensuring coordination and uniform solutions in deploying the compliance function and managing compliance risk in the PZU Group;
- initiating and recommending changes in systemic solutions and analyzed processes in place at PZU Group companies ensuing from compliance analyses;
- assessing compliance risk at the level of the PZU Group and execute the compliance function in the PZU Group;
- consulting and exchanging information with subsidiaries of the PZU Group in order to ensure consistency in the process of compliance risk identification and assessment;
- preparing reports and management information regarding the efficiency and adequacy of the compliance function in the PZU Group and submitting them to the Management Board and the Supervisory Board of PZU;
- providing substantive support and advisory for the PZU Group entities in performing the compliance function tasks;
- consulting and cooperating with PZU Group entities 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 entities to the preparation of responses to inquiries sent by the Polish Financial Supervision Authority systemically to regulated entities;
- preparing, developing and promoting common training and information standards in the PZU Group;
- providing analysis and ongoing monitoring of the application of "Chinese wall" rules – in connection with the additional investor commitments made by PZU on 21 April 2017 (as part of the proceedings following the notification on the intent to purchase Bank Pekao's shares).

The compliance area was engaged in working to ensure that the Company met the requirements imposed by a number of legal acts, among others:

- Bill amending the Banking Law, Act on Insurance and Reinsurance Activities,= and Certain Other Laws (Holding Act);
- Directive (EU) 2025/2 of the European Parliament and of the Council of 27 November 2024 amending Directive 2009/138/EC as regards proportionality, quality of supervision, reporting, measures on long-term guarantees, macro-prudential tools, sustainability risks and group and cross-border supervision,= and amending Directives 2002/87/EC and 2013/34/EU (Revision of the Solvency II Directive);
- Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024, establishing harmonized rules for artificial intelligence and amending Regulations (EC) No. 300/2008, (EU) No. 167/2013, (EU) No. 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (AI Act);
- Artificial intelligence systems act;
- Recommendations for insurance companies regarding the distribution of insurance;
- Proposal for Directive of the European Parliament and of the Council amending Directives 2009/65/EC, 2009/138/EC, 2011/61/EU, 2014/65/EU and (EU) 2016/97 as regards Union rules on retail investor protection (changes under the RIS Package);
- Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1286/2014 with regard to the modernization of key information documents (PRIIPs amendments as part of the RIS package);
- Regulation (EU) 2023/2854 of the European Parliament and of the Council of 13 December 2023 on harmonized rules on fair access to and use of data and amending Regulation (EU) 2017/2394 and Directive (EU) 2020/1828 (Data Act);
- Bill on Fair Access to and Use of Data;
- Directive (EU) 2025/1 of the European Parliament and of the Council of 27 November 2024 establishing a framework for the recovery and resolution of insurance and reinsurance undertakings and amending Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132 and Regulations (EU) No. 1094/2010, (EU) No. 648/2012, (EU) No. 806/2014 and (EU) 2017/1129 (IRRD);
- Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing an Office for the Prevention of Money Laundering and Terrorist Financing and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010;
- Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing;
- Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 on the mechanisms that Member States should put in place to prevent using the financial system for money laundering or terrorist financing, amending Directive (EU) 2019/1937 and amending and repealing Directive (EU) 2015/849;
- Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms (Pay Transparency Directive);
- Draft Act on strengthening the implementation of the right to equal pay for men and women for equal work or work of equal value;
- Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (Women on Boards Directive);
- Act amending the Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organized Trading and on Public Companies and the Act on Implementation of Certain Provisions of the European Union on Equal Treatment;
- Bill on Restrictive Measures (“Sanctions Act”);
- Consumer Loan Bill;
- Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework (eIDAS 2.0).

## Risk concentration

When managing the various categories of risk, the PZU Group identifies, measures and monitors risk concentration. Compliance with the regulatory obligations imposed on groups identified as financial conglomerates is supported by the model introduced in 2020 to manage significant risk concentration in the PZU Financial Conglomerate in keeping with the requirements of the Supplementary Supervision Act.

Supplementary supervision protects the financial stability of lending institutions, insurance undertakings, reinsurance undertakings and investment firms being members of financial conglomerates. The supervision is exercised, among others, through measuring the risk concentration level in the financial conglomerate as a whole, also from the perspective of regulated entities being its members.

The implementation of this model served the purpose of defining the risk concentration management principles and supporting the units involved in the process, in particular through:

- defining the roles and responsibilities of individual participants of the significant risk concentration management process;
- introducing consistent risk definitions;
- introducing the principles of identifying, measuring and assessing risk;
- determining the risk profile of exposures identified as material concentration;
- defining the risk limits and threshold values;
- defining the principles of monitoring significant risk concentrations;
- introducing the principles of reporting and management decision-making.

Regulated subsidiaries monitor and submit regular reports to the leading entity in the PZU Financial Conglomerate on the measures and data required to identify risk concentrations. In the case of identification of an excessive risk concentration, management actions are implemented on the level of the given entity or the whole financial conglomerate.

Risk concentration is measured and monitored, in particular, in the following dimensions:

- concentration per counterparty or group of counterparties;
- concentration per currency;
- concentration per sector of economy;
- concentration per country;
- concentration per asset type.

# 5.2. Risk management system

The objective of the PZU Group's risk management system is to ensure early identification and adequate management of material risks associated with the activities of the PZU Group and its individual entities. Risk management is one of the key internal processes in the PZU Group. The risk management system in place in PZU is based on three lines of defense. Its framework reflects the standards prevailing in the insurance sector and the guidelines laid down in regulatory regulations.

## The risk management system in the PZU Group

PZU exercises supervision over the PZU Group's risk management system by the power of cooperation agreements entered into with other Group entities and the information provided thereunder. It manages risk at the PZU Group level on an aggregate basis, especially in terms of capital requirements. The cooperation agreements signed with the PZU Group subsidiaries enable the collection and processing of information necessary for appropriate and effective management of risk at the PZU Group level. They also guarantee that the various risks generated by the individual PZU Group entities are assessed and are based on the same standards, taking into account the requirements and restrictions arising from the applicable law. The main elements of the PZU Group's risk management system have been implemented to ensure sectoral consistency and the execution of the various entities' strategic plans and the overall PZU Group's business objectives.

The Risk Management Strategy in the PZU Group is the basis of operation of the risk management system in the PZU Group. The Group has introduced risk management rules for the affiliates identified in the strategy. The rules constitute a recommendation issued by PZU regarding the organization of the risk management system in subsidiaries. Additionally, guidelines and recommendations regulating the various risk management processes in the PZU Group entities are also issued from time to time. The management boards of PZU Group companies from the financial sector are responsible for fulfilling their own duties in accordance with the generally applicable provisions of national and international law. In particular, they are responsible for the implementation of an adequate and effective risk management system.

Subsidiaries from outside of the financial sector introduce the risk management rules including the allocation of roles and responsibilities and the catalog of risks associated with the relevant activity.

The determination of the appropriate level of risk in each company is the management board's responsibility, whereas a review of the risk management system, especially the risk appetite level, is conducted once a year by the unit responsible for risk, with all actions being coordinated at the PZU Group level.

## ESG risk management

The ESG risk management processes are part of a broader risk management process in the Group. ESG risks were also identified through a dual materiality assessment process. Selected ESG risks are taken into account in the investment decision-making process and in selected corporate customer risk assessment processes, which enable the insurer to evaluate the premium.

**The risk management process consists of the following stages:**

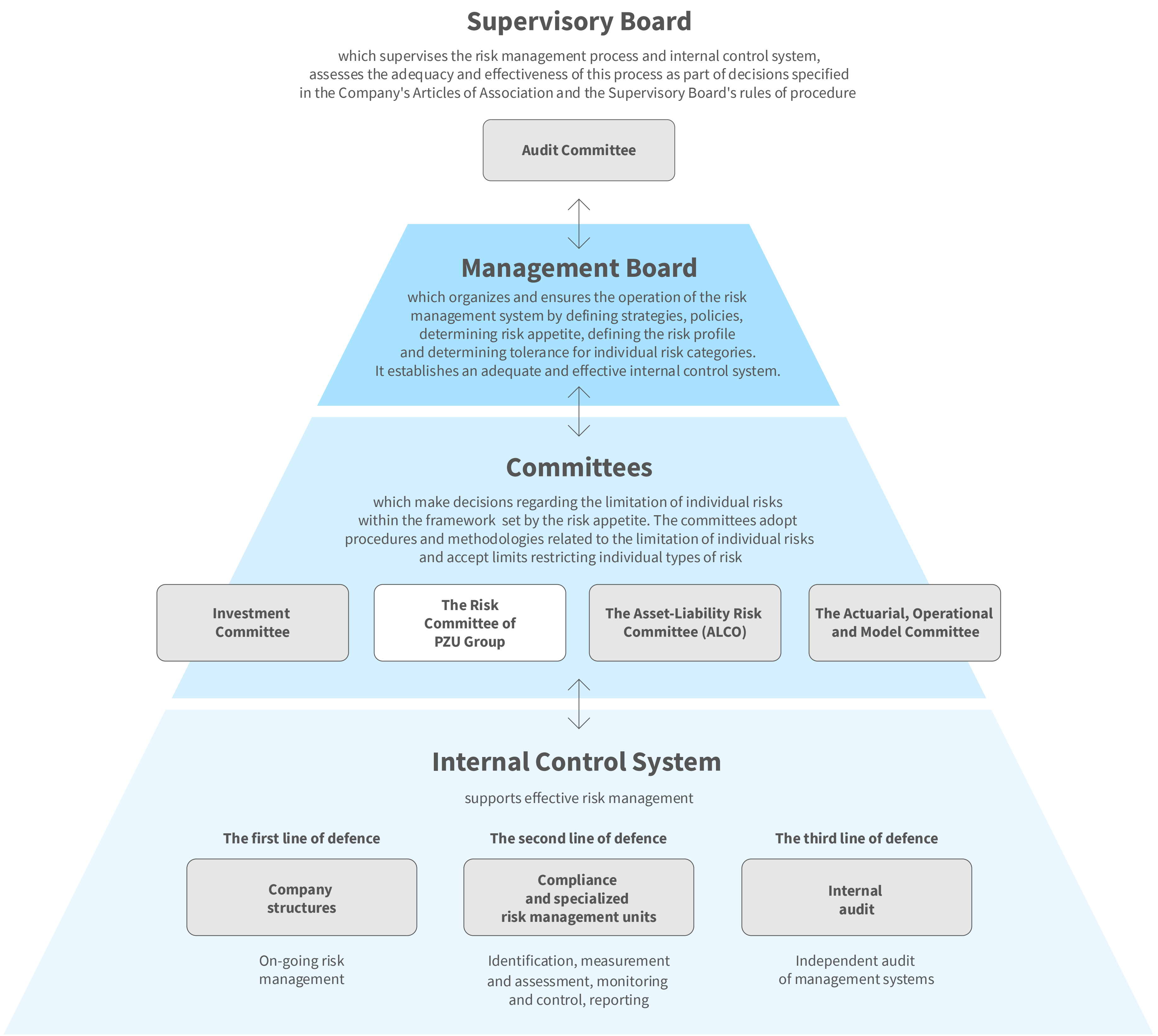
**Identification**
The process commences with a proposal to develop an insurance product, buying a financial instrument, modifying an operating process, as well as whenever some other event occurs that may potentially lead to the emergence of risk. The identification process continues until the expiration 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.

**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 materiality. Risk measurement is carried out by specialized units. Risk units in each company are responsible for the development of tools and the measurement of risk in terms of risk appetite, risk profile and risk tolerance.

**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).

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

**Management actions**
They include, among others, risk avoidance, risk transfer, risk mitigation, acceptance of risk level, as well as implementation of supporting tools, such as limits, reinsurance programs or regular review of internal regulations.




## Risk appetite

Risk appetite is the level of risk that the PZU Group is willing to accept in pursuing its business objectives. The PZU Group's risk management strategy defines risk appetite as the minimum value of the solvency ratio for the PZU Group on a consolidated basis and for PZU on a standalone basis.

In addition, PZU as the leading entity in the PZU Group Financial Conglomerate manages risk concentration at the level of the overall conglomerate. The leading entity has established the risk concentration management standards, in particular through introduction of rules for identification, measurement and assessment, monitoring and reporting of significant risk concentration and making managerial decisions.

Once a year, the internal audit unit prepares an annual activity report, which includes, in particular, an evaluation of the internal control system and the risk management system. The procedure for preparing the report and its scope are governed by separate internal regulations. For the purposes of report, the risk unit prepares information as to the adequacy and effectiveness of the risk management system.

Sustainability risks, particularly those related to climate change, are managed as part of the individual risk categories identified later in the Report. Furthermore, selected ESG risks are subject to separate assessment within the framework of the risk analysis process and the key risk identification process. The main risks in this area are transformation risks and physical risks.

The management process for various risk categories comprises requirements of sustainable development and the same applies at the level of each PZU Groupsubsidiary, in compliance with prevailing provisions of law and individually defined PZU Group internal policies, including the ESG Strategy which constitutes an integral part of the PZU Group Strategy.

## Risk management – subsidiaries

### Risk management responsibility, including the climate impact risk

The consistent split of powers and tasks in the PZU Group and in its various financial sector subsidiaries covers four decision-making levels: Supervisory Board, Management Board, Committees and various operating units within the three lines of defense.

1. Supervision over the risk management systems in the various financial sector entities is exercised by supervisory boards. PZU designates its representatives to the supervisory boards of its subsidiaries, including in particular the Alior Bank Group and the Pekao Bank Group.

2. The management boards of PZU Group entities are responsible for executing their own duties in accordance with the generally applicable provisions of national and international law. In particular, they are responsible for implementing an adequate and effective risk management system. The Management Board organizes the risk management system and ensures that it is operational by adopting strategies and policies, setting the level of risk appetite, defining the risk profile as well as tolerance levels for the individual categories of risk.

3. Committees decide about limiting the levels of individual risks to fit the risk appetite framework they have defined, adopt procedures and methodologies for mitigating the individual risks and accept the limits for individual risk types. Selected members of the Management Boards sit in the Committees. Since 2025, the responsibilities of the former Investment Risk Committee, which was dissolved, have been transferred to the Asset and Liability Management Committee.

4. The fourth decision-making level pertains to operational measures in the various business units divided into three lines of defense. At PZU, an assessment of the internal audit function is carried out internally (annually) and by third parties (no less than once every five years).

# 6. Performance and dividend



- ✓ The PZU Group generated **more than PLN 3.0 billion in net** profit attributable to shareholders of the parent company, maintaining a very high capacity to generate results despite lower interest rates, higher tax burdens in the banking segment and the negative impact of one-off events in banking operations.
- ✓ **The Group's core business remains highly profitable**, confirming the market resilience of its operating model based on insurance, health, investments and banking.
- ✓ **Its strong capital position and high profits** translated into a high dividend approved by the OSH – PLN 4.8 per share.

# 6.1. Key factors affecting the financial results achieved

In H1 2026, the PZU Group generated **net profit** attributable to owners of the parent company of **PLN 3.0 billion**, confirming the strength and resilience of its diversified business model. This strong result was achieved despite a challenging market environment, including lower interest rates, higher tax burdens and the effects of CJEU rulings affecting the results of the banks within the PZU Group, as well as continued claims inflation and strong price competition in the motor insurance segment. Profitable insurance operations and the rapidly growing health business remained the key drivers of the Group's financial performance.

In H1 2026, net profit attributable to the shareholders of the PZU Group's parent company was PLN 3,009 million, compared to PLN 3,230 million in h1 2025 (down 6.8%). Net profit reached PLN 5,735 million and was 13.4% lower than in the corresponding period of 2025 (the decrease was largely due to the change in the tax rate on banking activities from 19% in 2025 to 30% in 2026). Gross profit amounted to PLN 8,338 million compared with PLN 8,512 million in the previous year (a decrease of 2%).

Operating profit in H1 2026 was PLN 8,336 million, down PLN 2.1% compared to the result in H1 2025.

Operating profit was driven by strong performance in the insurance business, both in non-life and in life insurance. The insurance segments recorded:

- **growth in profit in the mass non-life insurance segment** (PLN +40 million), driven mainly by a higher insurance service result in non-motor insurance, partly offset by weaker performance in motor insurance. Net insurance service expenses decreased by 1.4% year-on-year, while net insurance revenue declined by 0.7% year-on-year, resulting in a 0.5 percentage point improvement in profitability as measured by the combined ratio (COR);
- **higher operating profit in the group and individually continued life insurance segment** (PLN +50 million), mainly reflecting higher insurance revenue, which more than offset the increase in insurance service expenses, including a higher release of contractual service margin across all product groups, despite a lower investment result allocated to the segment;
- **growth in operating profit in the individual protection life insurance segment** (PLN +78 million), primarily due to higher insurance revenue resulting from the release of contractual service margin, including in bancassurance protection products;
- **decline in operating profit in the corporate non-life insurance segment** (PLN -20 million), reflecting higher net losses from current-year claims compared with the previous year, driven by weaker motor insurance performance, despite higher revenue associated with stronger growth in motor insurance sales;
- **lower profit in the Baltic Countries segment** (PLN -39 million), due to a weaker insurance service result. This was driven by a higher loss ratio in non-life insurance companies as a result of adverse winter weather conditions, which significantly increased the frequency of motor and property claims, as well as a higher value of large claims in the corporate customer segment.

In addition to insurance performance, operating profit was influenced by:

- **higher operating profit in the investments segment** (PLN +97 million), particularly due to stronger returns on surplus funds, supported by improved private equity performance, mainly in AI and cybersecurity investments, reflecting private market valuation adjustments to changing market conditions, as well as higher gains from property revaluation;
- **higher operating profit in the pension insurance segment** (PLN +37 million), primarily resulting from increased asset management fees driven by a higher average value of assets under management;
- **lower results in the banking segment** (PLN -270 million), mainly due to lower net interest income resulting from declining market interest rates and the impact of the CJEU ruling on consumer loans, as well as higher contributions to the Bank Guarantee Fund (BFG) and increased operating expenses.

Within individual operating result items, the PZU Group recorded:

- **a 2.8% increase in insurance revenue** - to PLN 15,652 million (PLN +473 million including the allocation of reinsurance premiums). Growth was driven by the group and individually continued life insurance segment, reflecting a higher release of contractual service margin across all insurance groups within the segment and higher expected claims and benefits. Higher revenue was also recorded in the individual life insurance segment due to increased contractual service margin release in bancassurance products. Revenue growth was further supported by the Baltic Countries segment, driven by higher sales of health, property and other liability insurance products, as well as motor third-party liability (MTPL), motor own damage (MOD) and Green Card insurance in Ukraine. These increases were partially offset by lower revenue in the mass non-life insurance segment, mainly due to lower amortisation of liabilities for remaining coverage (LRC), reflecting slower growth in motor insurance sales caused by continued intense price competition from key market competitors, partly offset by growth in non-motor insurance;

- **the higher level of insurance service expenses**, which amounted to PLN 13,184 million, i.e. 4.8% more than in H1 2025. Expenses adjusted for the amounts recoverable from reinsurers increased by PLN 338 million and this resulted from:
  - higher liabilities for current-year claims in the corporate insurance segment due to deterioration in both TPL and Auto Casco insurance, due to continued claims inflation, with the level of claims in non-motor insurance remaining stable;
  - higher liabilities for current-year claims in the Baltic countries segment, mainly due to a significant increase in the frequency of motor and property claims, as well as a higher value of large claims in the corporate customer segment;
  - release of higher excess net loss reserves from previous years over the value of payouts in the mass property insurance segment;
  - recognition of a loss component, mainly in the MTPL insurance portfolio, mass property insurance segment, as a consequence of high claims inflation in an amount that exceeds the amortization from the opening balance sheet. The total excess of the creation of the loss component over amortization in the mass property insurance segment amounted to PLN -88 million (a y/y change of PLN -160 million);
  - higher claims and benefits in the group and individually continued life insurance segment, including in group insurance and health insurance;
  - higher administrative expenses allocated to insurance activities, particularly in the mass property insurance segment;
  - higher amortization of cash flows from acquisition, particularly in the mass insurance segment, due to a change in the sales mix by channel;
- **9.4% lower investment income**, exclusive of interest expenses and 4.4% lower income after factoring in the interest expenses[31] (decrease from PLN 11,021 million to PLN 10,538 million). The decrease related to investment results generated from banking activities and, to a lesser extent, non-banking activities. In banking activities, the decrease was primarily related to a decline in net interest income due to lower market interest rates and the impact of the CJEU ruling on consumer loans (PLN -126 million at Bank Pekao, PLN -153 million at Alior Bank). At the same time, a decline in investment income was posted in investment activity, net of banking activity[32].

They were lower than in H1 2025 mainly due to:

- decrease 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;
- lower results from listed equity, in particular due to adverse market conditions, as well as a gain recognized in the prior year from the sale of a portion of shares in the portfolio;
- a decrease in income from floating-rate debt instruments caused by the declining level of money market rates,

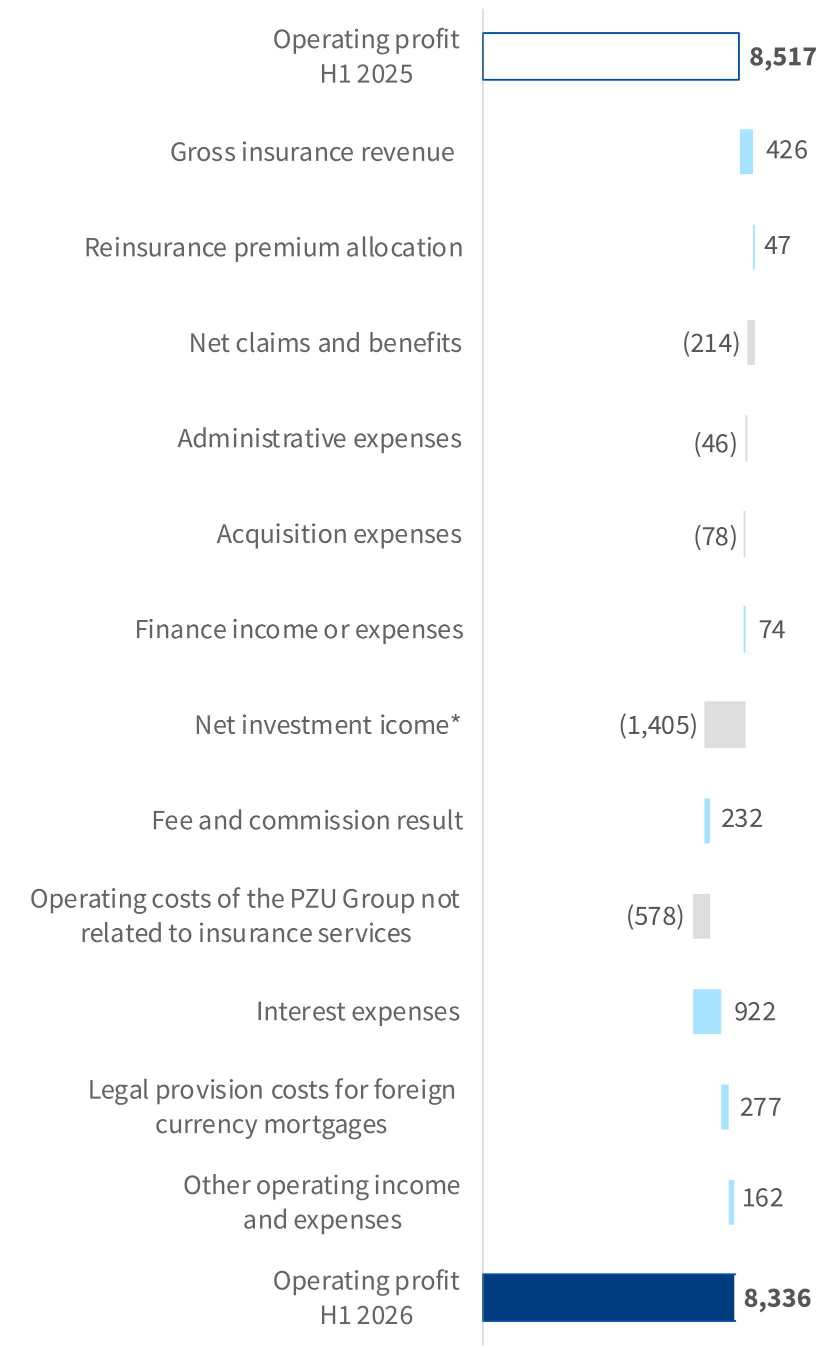
the impact of the above factors was offset by:

- a higher private equity portfolio result, mainly in the area of AI and cybersecurity, following the adjustment of private market valuations to changes in economic conditions,
- an improvement in the real estate valuation result,
- an increase in income from fixed-rate debt instruments, as a result of purchasing instruments for the portfolio at favorable yield levels, as well as a positive impact of foreign exchange differences offset by a change in the valuation of foreign currency insurance contract liabilities;

31) including: 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, interest. expense

32 Banking activity: data of Bank Pekao and Alior Bank

**Operating result of the PZU Group in H1 2026** (in PLN million)




*) exclusive of interest expenses

- **an increase in the result from commissions and fees** to PLN 2,203 million in H1 2026 compared with PLN 1,971 million in the corresponding period of 2025, mainly related to higher revenue from funds, investment fund management companies and pension insurance. Higher revenue was also recorded from servicing bank accounts, payment cards and credit cards;
- **lower provision for legal risk related to foreign currency mortgages** amounted to PLN 143 million versus PLN 420 million in H1 2025. The decrease concerned Bank Pekao in particular, while the slight increase in the balance sheet value of provisions in the current year was mainly due to the longer duration of disputes;
- **an increase in the Group's operating expenses not related to insurance services** from PLN 5,605 million in H1 2025 to PLN 6,183 million in H1 2026, in particular due to higher costs of external services and personnel expenses, as well as an PLN 86 million higher charge related to contributions to the Bank Guarantee Fund. Additionally, the charge related to the financial institutions tax increased in total from PLN 773 million in H1 2025 to PLN 804 million in H1 2026, proportionally to the change in the level of assets subject to taxation, with the tax rate remaining unchanged;
- **movement in the balance of other operating income and expenses** – to PLN 573 million, compared with PLN 411 million in H1 2025. The change was a result of higher revenue from the sale of medical services and lower provisions recognized for consumer protection matters at Bank Pekao, amounting to PLN 30 million in H1 2026 compared with PLN 108 million in H1 2025.

Net of non-recurring events,[33] net result declined by 15.1% compared to last year.

| **Basic amounts of the consolidated profit and loss account** | **1 January – 30 June 2024** PLN million** | **1 January – 30 June 2025 PLN million** | **1 January – 30 June 2026 PLN million** |
|---|---|---|---|
| Insurance service result before reinsurance | 2,350 | 2,643 | 2,468 |
| Insurance revenue | 14,295 | 15,226 | 15,652 |
| Insurance service expenses | (11,945) | (12,583) | (13,184) |
| Net income or expenses from reinsurance contracts held | (750) | (488) | (178) |
| Reinsurance premium allocation | (898) | (994) | (947) |
| Amounts recoverable from reinsurers | 148 | 506 | 769 |
| Insurance service result | 1,600 | 2,155 | 2,290 |
| Finance income and expenses from insurance | (928) | (935) | (1,040) |
| Finance income or expenses from reinsurance | 90 | (81) | 98 |
| Fee and commission result | 1,851 | 1,971 | 2,203 |
| Net investment result* | 13,874 | 14,992 | 13,587 |
| PZU Group's non-insurance operating expenses | (5,350) | (5,605) | (6,183) |
| Legal risk costs of foreign currency mortgage loans | (270) | (420) | (143) |
| Interest expenses | (4,085) | (3,971) | (3,049) |
| Other operating income and expenses | 537 | 411 | 573 |
| **Operating profit (loss)** | **7,319** | **8,517** | **8,336** |
| Share of the net financial results of entities accounted for using the equity method | 5 | (5) | 2 |
| **Gross profit (loss)** | **7,324** | **8,512** | **8,338** |
| Income tax | (1,688) | (1,887) | (2,603) |
| **Net profit (loss)** | **5,636** | **6,625** | **5,735** |
| **Net profit (loss) attributable to the equity holders of the parent company** | **2,446** | **3,230** | **3,009** |

*) including: 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.
**) Restated data.

33) One-time events in H1 2026 include:
- an update to the provision for risks related to foreign currency mortgage loans at Bank Pekao;
- a reduction in net interest income due to the CJEU ruling on consumer loans at Bank Pekao and Alior Bank.

One-time events in H1 2025 include:
- updating the provision for risks related to foreign currency mortgage loans at Bank Pekao;
- provision for customer protection issues at Bank Pekao.

# 6.2. PZU Group's income and costs

## Insurance revenue

In H1 2026, the insurance revenue of PZU Group reached PLN 15,652 million, i.e. 2.8% more (PLN 426 million) than in the corresponding period in 2025. The change in the level of insurance revenues was driven predominantly by:

- **higher insurance revenue in the group and individually continued life insurance segment** (PLN +211 million y/y) as a result of a higher level of contractual service margin release (PLN +69 million), a higher level of premiums required to cover expected claims and benefits (PLN +131 million), resulting from the annual update of assumptions regarding claims ratios in group and group health insurance (the impact of medical cost inflation) and growth in the portfolio measured by written premiums;

**PZU Group insurance revenues in H1 2026** (in PLN million)

**15,652**

- **an increase in insurance revenue in the individual protection life insurance segment** (up PLN 110 million y/y) as a result of a higher level of contractual service margin release, in bancassurance insurance mainly due to higher sales of mortgage insurance and J-type products, an increase in expected expenses and expected claims and benefits and the allocation of premiums intended to cover acquisition costs;
- **a higher level of insurance revenue in the Baltic countries segment** (an increase in gross revenue of PLN 89 million y/y, an increase in revenue after taking into account the allocation of reinsurance premiums of PLN 87 million) as a result of higher sales in health, property and other TPL insurance;
- **an increase in insurance revenue in Ukraine** (PLN +47 million y/y), mainly as a result of the development of the TPL and MOD motor insurance portfolio and Green Card insurance;
- **an increase in revenue in the corporate property insurance segment** by PLN 28 million (+1.1% y/y, to PLN 2,562 million), including amortization of the remaining coverage liability (LRC) (PLN +3 million), resulting from higher growth in motor insurance sales and a decline in non-motor insurance.
  After taking into account the allocation of reinsurance premiums, revenue increased by PLN 70 million y/y;
- **a decrease** of PLN 60 million (-0.9% y/y, to PLN 6,722 million) in **insurance revenue in the mass property insurance segment** (after taking into account the allocation of reinsurance premiums, a decrease of PLN 50 million), including a decrease in amortization of the remaining coverage liability (LRC) as a result of lower growth in motor insurance sales (the impact of continued strong price pressure from key competitors) and an increase in non-motor insurance sales.

## Fee and commission result

In H1 2026, commissions and fees result amounted to PLN 2,203 million and was by PLN 232 million, i.e. 11.8%, higher than in the previous year. The revenues included primarily:

- **net commission and fee income from banking activities** – amounting to PLN 1,670 million, PLN 105 million higher, i.e. 6.7% higher than in the previous year, mainly due to growing commission income related to payment and credit card services and bank account services;

**Fees and commissions result in H1 2026 (in PLN million):**

**2,203**

- **pension insurance revenues** – at PLN 129 million, higher by PLN 34 million (+35.8% y/y), mainly due to an increase in fund management fees due to a higher average net value of assets;
- **revenue and fees from funds and mutual fund companies** – amounting to PLN 402 million, higher by PLN 94 million (30.5% y/y), including due to a higher level of assets under management.

## Investment result and interest expense

Investment result including interest expense excluding Pekao Bank and Alior Bank amounted to PLN 1,802 million compared to PLN 1,816 million in the comparable period of the previous year.

The slightly lower result on investment activities excluding banking activities was particularly related to:

- **decrease in the results generated 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 insurance finance Change income or expenses;
- **lower results from equity instruments**, in particular due to less advantageous market conditions, as well as a gain recognized in the prior year from the sale of a portion of shares in the portfolio;
- **a decrease in income from floating-rate debt instruments** caused by the declining level of money market rates.

The impact of the above factors was offset by:

- **a higher private equity portfolio result**, mainly in the area of AI and cybersecurity, following the adjustment of private market valuations to changes in economic conditions,
- **an improvement in the real estate valuation result;**
- **an increase in income from fixed-rate debt instruments,** as a result of purchasing instruments for the portfolio at favorable yield levels, as well as a positive impact of foreign exchange differences offset by a change in the valuation of foreign currency insurance contract liabilities.

## PZU Group's non-insurance operating expenses

The PZU Group's non-insurance operating expenses amounted to PLN 6,183 million in H1 2026, compared to PLN 5,605 million in the comparable period in 2025. The balance change was caused by the following factors:

- **higher fees to the Bank Guarantee Fund** by PLN 86 million, the total burden on banks in H1 2026 rose to PLN 504 million;
- **higher external services costs and personnel costs** (including in banking operations);
- **higher charge of the tax levy on financial institutions** (insurance and banking activities combined) increased from PLN 773 million in H1 2025 to PLN 804 million in H1 2026, due to movement in taxable assets, with the bank tax rate remaining unchanged.

## Result on other operating income and expenses

In H1 2026, the balance of other operating income and expenses stood at PLN 573 million, compared to the balance of PLN 411 million in H1 2025. The balance change was caused by the following factors:

- **lower costs related to the creation of provisions** recognized for consumer protection matters at Bank Pekao, amounting to PLN 30 million compared with PLN 108 million in H1 2025;
- **an increase in revenue from the sale of medical services**.

| Insurance segments | Insurance revenue | | |
|---|---|---|---|
| | 1 January – 30 June 2024<br>PLN million | 1 January – 30 June 2025<br>PLN million | 1 January – 30 June 2026<br>PLN million |
| **TOTAL** | **14,295** | **15,226** | **15,652** |
| Total non-life insurance – Poland | 8,606 | 9,316 | 9,284 |
| Mass insurance – Poland | 6,308 | 6,782 | 6,722 |
| MTPL | 2,211 | 2,315 | 2,192 |
| MOD | 1,781 | 1,870 | 1,765 |
| Other products | 2,316 | 2,597 | 2,765 |
| Corporate insurance – Poland | 2,298 | 2,534 | 2,562 |
| MTPL | 315 | 355 | 425 |
| MOD | 488 | 530 | 550 |
| Other products | 1,495 | 1,649 | 1,587 |
| Total life insurance – Poland | 4,263 | 4,398 | 4,720 |
| Group and individually continued insurance – Poland | 3,850 | 3,937 | 4,148 |
| Individual insurance – Poland | 362 | 407 | 517 |
| Investment insurance – Poland | 51 | 54 | 55 |
| Total Non-life insurance – Ukraine and the Baltic Countries | 1,389 | 1,476 | 1,611 |
| Ukraine – non-life insurance | 105 | 106 | 155 |
| Baltic Countries – non-life insurance | 1,284 | 1,370 | 1,456 |
| Total life insurance – Ukraine and Baltic Countries | 38 | 36 | 37 |
| Ukraine – life insurance | 16 | 12 | 10 |
| Baltic Countries – life insurance | 22 | 24 | 27 |

## Insurance service expenses (PZU Group)

Insurance service expenses were PLN 13,184 million, i.e. increased by PLN 601 million, i.e. by 4.8%, as compared to H1 2025. Expenses adjusted for the amounts recoverable from reinsurers increased by PLN 338 million and this resulted from:

- **in the mass property insurance segment** – higher y/y liabilities for current-year claims, mainly in MOD insurance (the impact of higher frequency of events and claims inflation) and, to a lesser extent, in non-motor insurance, recognition of a loss component, mainly in the MTPL insurance portfolio, as a result of high claims inflation, in an amount exceeding the amortization from the opening balance and a positive impact of the development of claims reserves from prior years;
- **in the corporate property insurance segment**, higher liabilities for current-year claims in both MTPL and Auto Casco insurance due to claims inflation, with the level of claims in non-motor insurance remaining stable, as well as the release of a higher excess of net claims reserves from prior years over the current value of payments, mainly in MTPL insurance and higher amortization of acquisition costs;
- **Higher claims and benefits, together with adverse prior-year claims reserve development in the group and individually continued life insurance segment,** primarily in group life and health insurance. Changes in the loss component had a negative impact on the result (PLN -2 million, compared with PLN -11 million year-on-year);
- **higher liabilities for current-year claims in the Baltic countries** segment as a result of a significant increase in the frequency of motor and property claims, as well as a higher value of large claims in the corporate customer segment and a positive impact of the development of claims reserves from prior years;
- **higher liabilities for current year claims, costs including amortization of insurance acquisition cash flows in the individual protection life insurance segment**;
- **higher administrative expenses** allocated to insurance activities, particularly in the mass property insurance segment.

## Insurance finance income and expenses from PZU Group insurance

Insurance finance income and expenses amounted to PLN -1,040 million in H1 2026 compared with PLN -935 million in H1 2025. After taking into account reinsurance finance income and expenses, they amounted to PLN -942 million and PLN -1,016 million, respectively. The y/y decrease in expenses was mainly driven by a lower y/y increase in the value of investments at the policyholder's risk in the investment insurance segment.

## Costs of legal risk of mortgage loans in foreign currencies

Legal risk costs related to foreign currency mortgage loans decreased from PLN 420 million in H1 2025 to PLN 143 million in H1 2026 and the change in their balance related mainly to Bank Pekao and resulted in particular from last year's update of the forecast for future inflows of lawsuits from borrowers, while in H1 of the current year, the significantly lower increase in provisions was mainly due to the longer duration of disputes.

## Drivers and atypical events affecting the results

In H1 2026 PZU Group's result was burdened by:

- **legal risk costs of foreign currency mortgage loans** at Bank Pekao of PLN 90 million;
- **a reduction in net interest income due to the CJEU ruling on consumer loans** at Bank Pekao and Alior Bank in the amounts of PLN 126 million and PLN 153 million, respectively (impact on net profit of PLN 97 million and PLN 97 million, respectively).

In H1 2025 PZU Group's result was burdened by non-recurring effects related to banking activities:

- legal risk costs of foreign currency mortgage loans at Bank Pekao in the amount of PLN 358 million;
- recognition of provisions for consumer protection issues at Bank Pekao amounting to PLN 108 million.

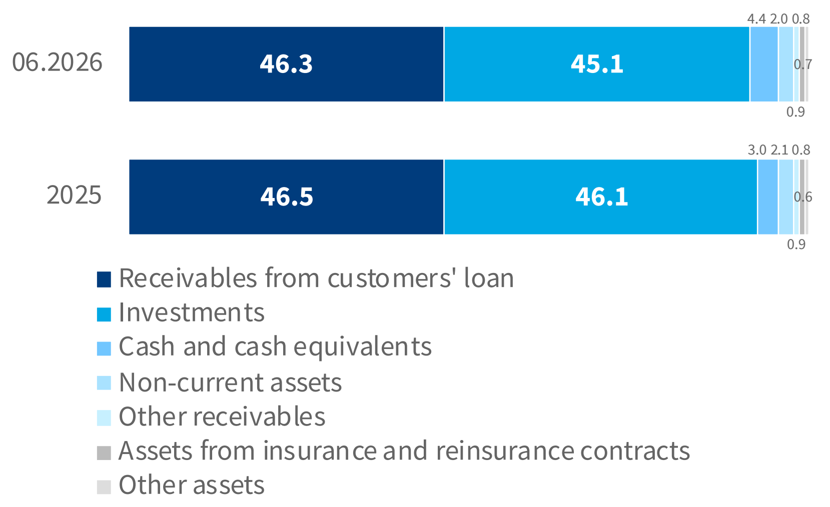
# 6.3. PZU Group’s asset and liability structure

As at 30 June 2026, the PZU Group’s total assets were PLN 561,130 million, up PLN 25,647 million compared to the end of 2025.

## Assets

As at 30 June 2026, **loan receivables from customers** constituted **46.3%** of the Group’s assets (versus 46.5% at the end of 2025). Their balance reached PLN 259,961 million. Compared to 2025, it increased by PLN 10,863 million chiefly due to an increase in business segment loans as well as mortgage loans for individual customers.

**PZU Group’s asset structure (in %)**




**Deposits accounted for 45.1%** of assets (versus 46.1% at the end of 2025). These include investment financial assets, investment real estate, derivatives and assets pledged as collateral for liabilities. They totaled **PLN 252,852 million** and were up by PLN 6,136 million as compared to the end of last year. The investment portfolio, excluding banks, increased due to inflow of premiums as a result of the growth in business, as well as the profit or loss on investments. The balance of deposits was also affected by an increase in financial investment assets related to banking activities.

**2.0%** of assets (versus 2.1% at the end of 2025) were **non-current assets** in the form of intangible assets, goodwill and property, plant and equipment. They totaled PLN 11,201 million and were down PLN 27 million as compared to the end of 2025. The decrease related to intangible assets and property, plant and equipment.

**4.3%** of assets (versus 3.0% at the end of 2025) were **cash** and cash equivalents. Their value was PLN 23,978 million and was PLN 7,745 million higher than in 2025. This was mainly determined by an increase in the cash balance in a central bank at Bank Pekao.

The **0.9%** of assets (as at the end of 2025) represented the **PZU Group’s receivables**, including receivables under the current income tax. They amounted to PLN 4,912 million and down by PLN 232 million as compared to the end of 2025. The increase was primarily due to a higher balance of unsettled transactions related to financial instruments and collateral deposits.

Assets held for sale accounted for 0.2% of assets, compared with 0.1% at the end of 2025. In 2026, their balance fell by PLN 294 million, to PLN 879 million. This mainly concerned the properties held for sale by real estate sector mutual funds since the expected investment horizon was reached.

## Equity and liabilities

As at 30 June 2026, the PZU Group’s consolidated equity reached **PLN 69,352 million**, which was down PLN 3,301 million compared to 2025.

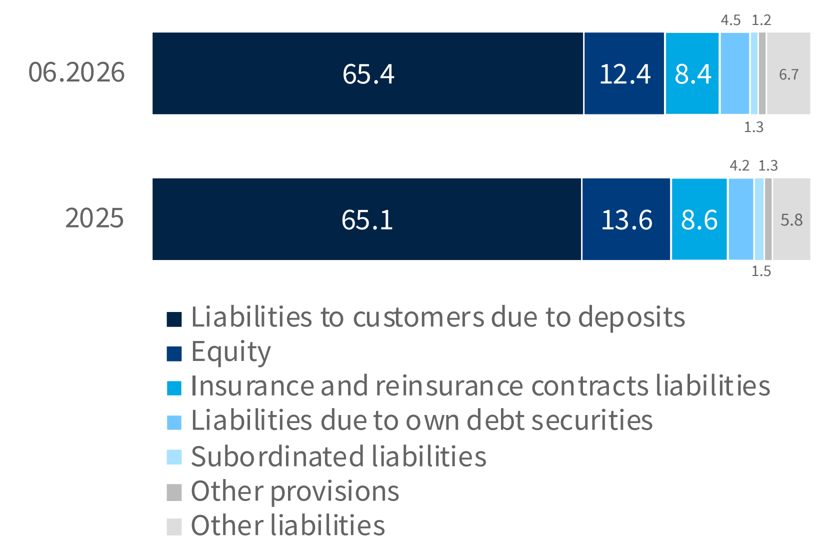
The value of the non-controlling interests decreased by PLN 2,276 million to PLN 34,906 million. This was a result of the profit attributable to non-controlling shareholders of PLN 2,726 million (earned by Alior Bank and Bank Pekao), the allocation of PLN 5,189 million and PLN 1,166 million to dividends by Pekao and Alior Bank (including a total of PLN 4,945 million to minority shareholders) and to a lesser extent a change in the valuation of debt and cash flow hedging instruments measured at fair value through other comprehensive income.

**Equity attributable to the parent company’s shareholders dropped by PLN 1,025 million** to PLN 34,446 million. This results from:

- the net profit attributable to the parent company generated in H1 2026 in the amount of PLN 3,009 million;
- allocating PLN 4,145 million to dividend (distribution of PZU’s profit for 2025 of PLN 5,062 million, plus PLN 1,089 million transferred from the supplementary capital created from net profit for 2024);
- a positive effect of the change in discount rates used to value insurance liabilities.

As at 30 June 2026, **65.4%** of the Group's liabilities consisted of **deposit liabilities to customers**. They amounted to PLN 367,198 million and were by PLN 18,556 million higher as compared to the end of 2025. This was influenced by an increase in current and time deposits at Pekao Bank and Alior Bank.

**Structure of PZU Group's equity and liabilities (in %)**




As at 30 June 2026, the PZU Group had liabilities arising from own debt securities totaling PLN 25,461 million, including:

- PLN 23,717 million on bonds issued by Bank Pekao and Alior Bank;
- PLN 77 million on certificates of deposit issued by Bank Pekao and Alior Bank;
- PLN 1,667 million on covered bonds issued by Bank Pekao.

Subordinated liabilities of the PZU Group as at 30 June 2026 reached PLN 7,251 million, down by PLN 700 million as compared to 2025.

The value of net insurance contract liabilities amounted to PLN 47,170 million as at 30 June 2026 and accounted for 8.4% of total equity and liabilities. Compared to the liabilities as at 31 December 2025, they increased by PLN 1,260 million.

**4.2%** of equity and liabilities at the end of June 2026 was **other liabilities** in the amount of PLN 23,805 million. They were PLN 5,933 million higher than at the end of 2025. The change in the balance was primarily affected by liabilities to shareholders related to dividends and liabilities from repurchase agreement transactions.

## Cash flow statement

Net cash flows amounted to PLN 7,683 million at the end of the first half of 2026, decreasing by PLN 335 million compared with the previous year. The decline was driven primarily by lower net cash flows from investing activities.

## Material off-balance sheet line items

The value of contingent liabilities as of 30 June 2026 was PLN 97,590 million, that is PLN 2,889 million more than at the end of 2025. The balance consisted primarily of the following items:

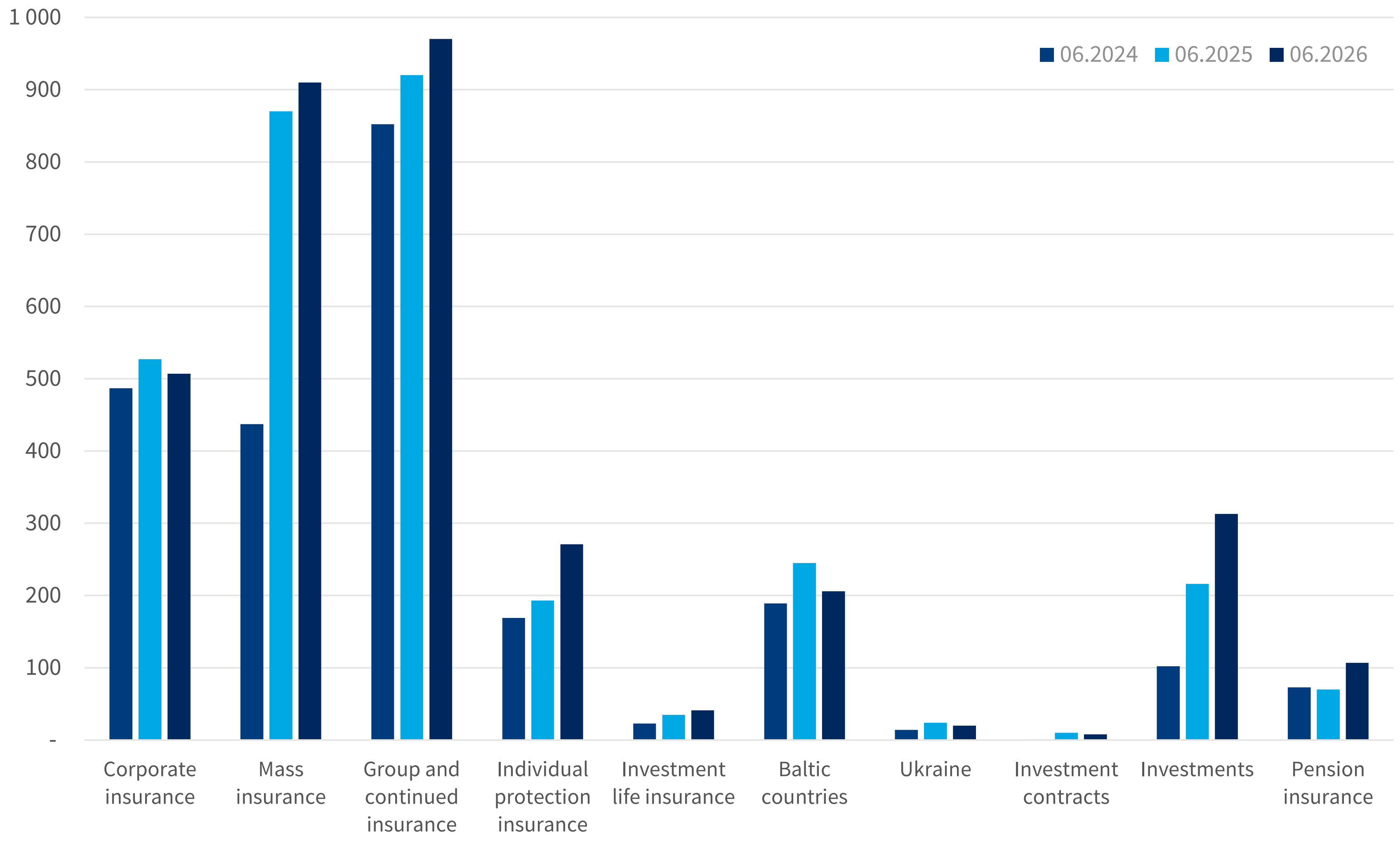
- PLN 5,984 million in contingent liabilities for renewable limits in settlement accounts and credit cards;
- PLN 63,161 million in liabilities from loans in tranches;
- PLN 12,248 million in liabilities in the form of awarded guarantees and sureties;
- 12,539 million in factoring liabilities.

# 6.4. Contribution made by the market segments to the consolidated result

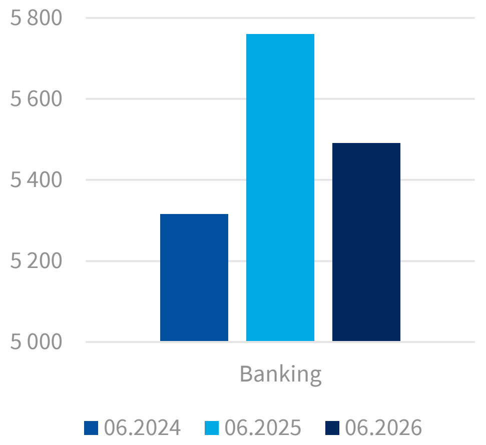
The following industry segments were identified in order to facilitate management of the PZU Group:

- corporate insurance (non-life insurance) – a broad scope of property, TPL and motor insurance products customized to a customer'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 customers 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 customers under which the insurance contract applies to a specific insured and this insured is subject to individual underwriting;
- life investment insurance – unit-linked insurance and SPE with significant insurance risk (investment agreements that are not investment contracts;
- 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 – the segment includes income and expenses of PZU OFE pension funds;
- banking – a broad range of banking products offered to corporate and retail customers by Bank Pekao and Alior Bank;
- Baltic Countries – non-life insurance and life insurance products provided in the territories of Lithuania, Latvia and Estonia;
- Ukraine – non-life insurance and life insurance products provided 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.

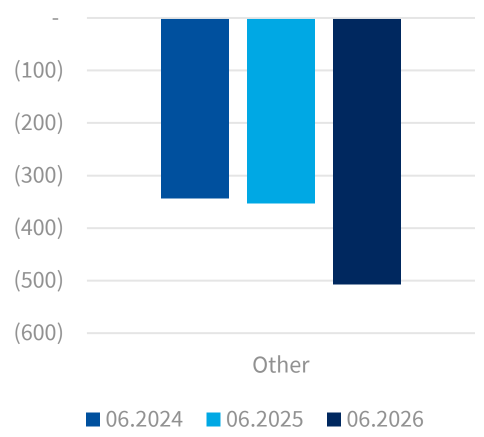
**Contribution of segments to operating result (excluding the banking segment and other) in PLN thousand***




**Contribution of the banking segment to operating result in PLN thousand***




**Contribution of the Other segment to operating result in PLN thousand****




* **Presentation note:** the charts show the contribution of segments to the operating result. The banking segment is presented separately because it shows the entire banking result, rather than the result attributable to PZU's share. Consequently, directly comparing its contribution with the contribution of the other segments could lead to an incorrect interpretation of their actual impact on the Group's result.

** For presentation clarity, the **"Other"** segment has also been presented separately.

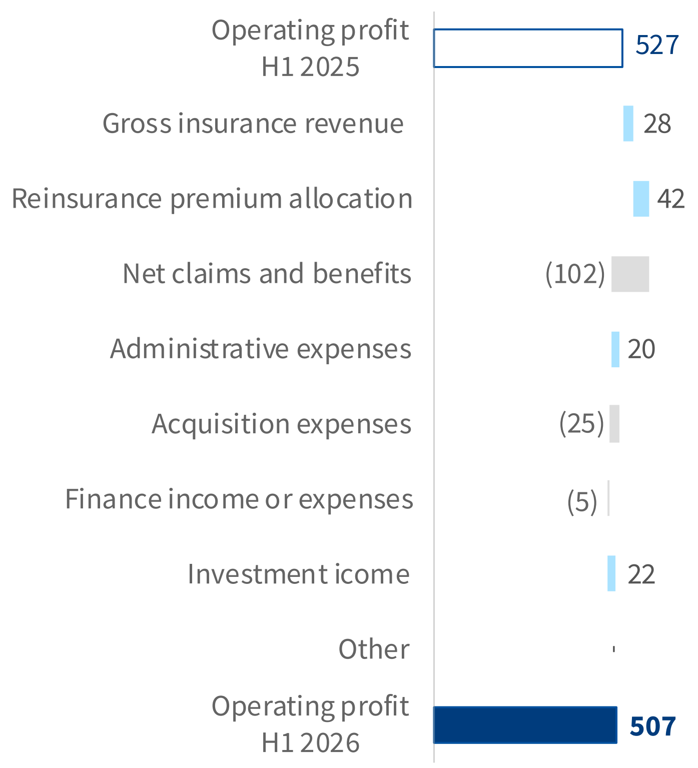
## Corporate insurance

The operating profit in the corporate insurance segment in 2026 was PLN 507 million, down by PLN 20 million (-3.8% y/y). The decline in operating result was mainly due to a decrease in net insurance services profit (PLN -37 million y/y) and a movement in investment income and other financial revenues or costs (PLN +17 million y/y).

The operating result was driven mainly by:

- growth of **revenue from insurance contracts** compared to the corresponding period of 2025 by PLN 28 million, i.e.: +1.1% y/y (PLN +70 million y/y after reinsurance premium allocation). As part of revenue, there was an increase in the amortization of liabilities (LRC), resulting from higher growth in motor insurance sales, mainly TPL and a decline in non-motor insurance. In motor insurance, higher LRC amortization is the result of a systematic increase in average premiums from the end of 2025. The decrease in LRC amortisation within non-motor insurance was primarily driven by the pattern of revenue recognition from large contracts with varying insurance coverage periods. Higher insurance revenue also reflected a year-on-year increase in the portion of premiums allocated to cover acquisition costs, resulting from growing sales and changes in the product portfolio mix;
- higher net **insurance service expenses** by PLN 107 million y/y (+8.4 % y/y) which together with an increase in the net insurance revenue by 4,2% y/y resulted in the profitability measured by the combined ratio (COR increasing by 3.1 p.p.). An increase in the net insurance service expenses is a result of:
  - higher y/y claims and benefits for the current year (PLN +144 million y/y), resulting from deterioration in both TPL and Auto Casco insurance (the impact of claims inflation), with the level of claims in non-motor insurance remaining stable (a decrease of PLN 1 million y/y);

**Operating profit in the corporate insurance segment** (in PLN million)




  - the release of a PLN 65 million higher y/y excess of net claims reserves from prior years over the current value of payments, mainly in MTPL insurance;
  - higher amortization of acquisition costs – the effect was partially offset by a y/y decrease in administrative expenses allocated to insurance activities. Lower administrative expenses were primarily attributable to a reduction in lead co-insurer fees and, to a lesser extent, lower IT services costs.;
- an increase of PLN 22 million (+11.1% y/y) in the **investment result** compared with the corresponding period of the previous year, resulting from the purchase of Polish government bonds for the portfolio, measured at fair value through other comprehensive income, at favorable market yield levels, active increases in portfolio yields, as well as a positive impact of foreign exchange differences;
- **insurance finance income or expenses** (after reinsurance allocation) changed (increase of PLN 5 million y/y) and amounted to PLN -57 million. The increase in costs is the result of changes in the exchange rate and the timing of foreign currency reinsurance settlements.

In H1 2026, the segment recorded a gross result from insurance services of PLN 469 million (excluding the reinsurer's share), a decrease of PLN 322 million y/y with a simultaneous decrease in net insurance services result (net of reinsurance)of PLN 37 million compared to the result in H1 2025.

## Mass insurance

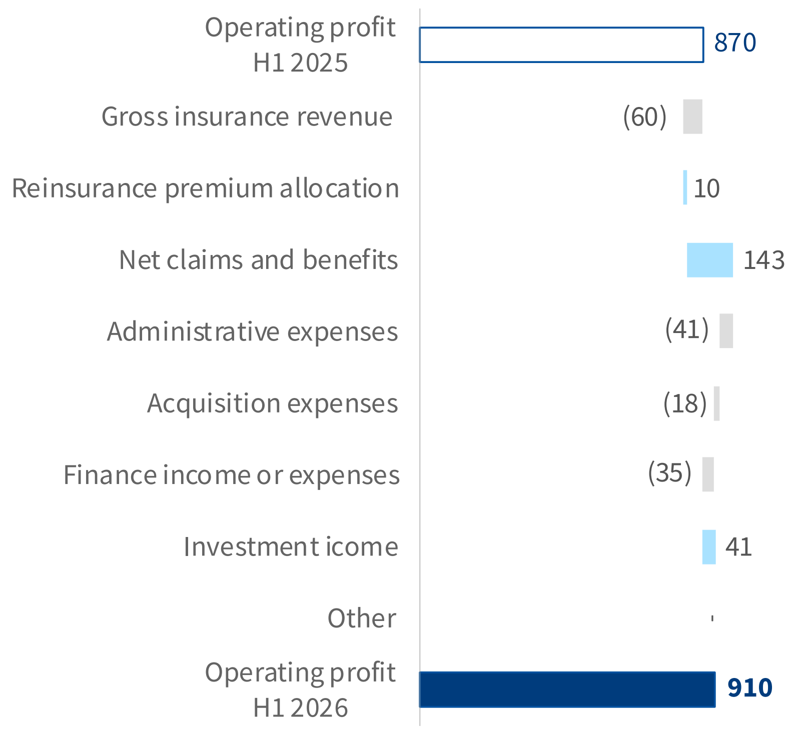
The operating profit in the mass insurance segment in H1 2026 was PLN 910 million, meaning it was up by PLN 40 million or 4.6% compared to the corresponding period in 2025. The higher profit was the result of a decrease in net insurance service result (PLN +34 million), finance income or expenses under insurance and reinsurance (PLN -35 million), with better performance on investments (PLN +41 million).

The profit was driven mainly by:

- decline in **revenue from insurance contracts** compared to the corresponding period of 2025 by PLN 60 million, i.e.: -0.9% y/y (PLN -50 million y/y after reinsurance premium allocation). As part of revenue, there was a decrease in the amortization of liabilities (LRC) as a result of a slowdown in the growth of motor insurance sales (both Auto Casco and TPL), partially offset by higher sales of non-motor insurance. In motor insurance, this was mainly due to a slowdown in premium growth in the second half of 2025 and the first months of 2026 (the impact of continued strong price pressure from key competitors). The increase in LRC amortization in non-motor insurance was mainly due to the development of the PZU Dom insurance portfolio, which is linked to the new version of the offering and PZU Firma insurance offered to small and medium-sized enterprises. The change in insurance contract revenue was also due to a higher y/y level of premiums allocated to cover acquisition costs (+1.2% y/y), as a result of the growing share of voluntary insurance in the portfolio and a change in the sales channel mix in the portfolio, reflected in a higher share of the Dealer and multiagency channels, with a simultaneous decrease in own channels;

- lower **net insurance service expenses** by PLN 84 million y/y (-1.4 % y/y) which together with a decrease in the net insurance revenue by 0,7% y/y resulted in the improved profitability measured by the combined ratio (COR decreasing by 0.5 p.p.). A decrease in the net insurance service expenses is a product of:
  - higher y/y liabilities for current-year claims and acquisition costs, mainly resulting from a change in the sales channel mix. The y/y increase in current-year claims and benefits (PLN +45 million y/y) was particularly noticeable in Auto Casco insurance (the impact of higher frequency of events and claims inflation) and, to a lesser extent, in non-motor insurance. The effect was partially offset by an improvement in TPL insurance.
  - an increase in administrative expenses by PLN 41 million y/y;
  - recognition of a loss component, mainly in the MTPL portfolio (including the active reinsurance portfolio with PZU Group companies) as a result of high claims inflation. The total excess of loss component recognition over amortization amounted to PLN 88 million (a y/y change of PLN 160 million);
  - development of net loss reserve from previous years with impact on the result PLN 329 million;
- an increase of PLN 41 million (10.1% y/y) in the **investment result** compared with the corresponding period of the previous year, resulting from the purchase of Polish government bonds for the portfolio, measured at fair value through other comprehensive income, at high market yield levels, active increases in portfolio yields, as well as a positive impact of foreign exchange differences;
- **insurance finance income and expenses** (after reinsurance allocation) were PLN -204 million, an increase in expenses of PLN 35 million y/y mainly as a consequence of the impact of exchange rate differences as well as changes in interest rates.

**Operating profit in the mass insurance segment** (in PLN million)



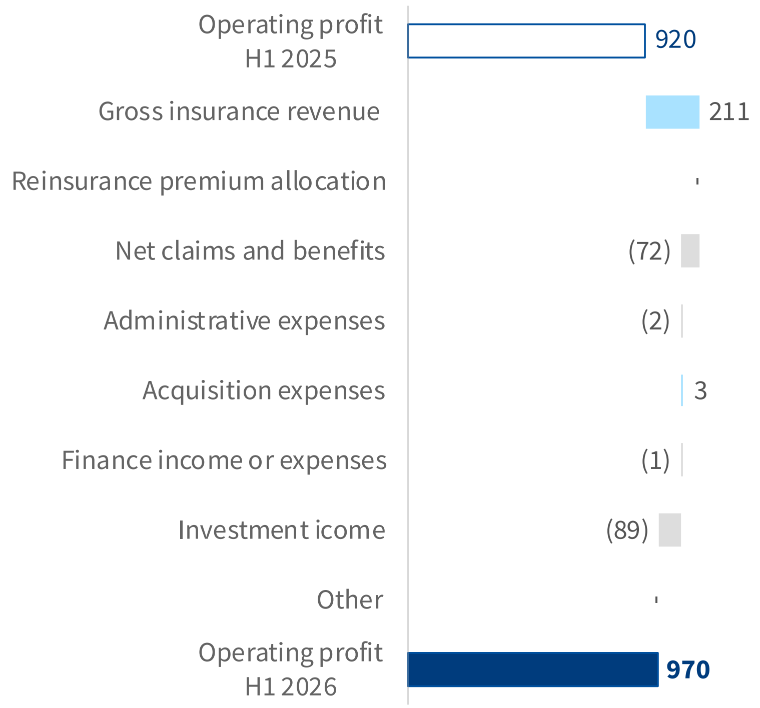

## Group and individually continued insurance

In H1 2026, the PZU Group generated PLN 970 million in operating profit in the group and individual continued insurance segments. This represents an increase of PLN 50 million, or 5.4%, compared to the same period last year. The profit was driven mainly by:

- insurance contract revenues higher by PLN 211 million (+5.4% y/y) as a result of:
  - higher contractual service margin release in 2026 (PLN +69 million y/y), including on the individual continued insurance portfolio (PLN +47 million y/y) and group insurance (PLN +28 million y/y);
  - a higher level of premiums required to cover expected claims and benefits (PLN +131 million y/y), resulting from the annual update of assumptions regarding claims ratios in group and group health insurance (the impact of medical cost inflation) and growth in the portfolio measured by written premiums;
  - a higher level of other revenue (an increase of PLN 16 million y/y) as a result of a higher level of premiums received compared with expected premiums for group insurance;
- an increase in net insurance service expenses by PLN 71 million y/y (+2.2% y/y), which together with an increase in the net insurance contract revenue by 5,4% y/y resulted in the profitability measured by the ratio of insurance service result to insurance revenue increasing by 2.4 percentage points. An increase in the insurance service expenses is a product of:
  - higher claims and benefits (PLN +63 million y/y) as a result of higher claims costs in group insurance (PLN +57 million y/y) and health insurance (PLN +14 million y/y), partially offset by a decrease in claims costs in individually continued insurance (PLN -7 million y/y),

    a change in the value of the loss component with a negative impact on the result of PLN -2 million (PLN -11 million y/y), resulting from the recognition of a loss component in H1 2026 at the same level as in H1 2025, with simultaneously lower amortization the loss component from previous periods (more of the loss component was recognized in 2024 than in 2025),

**Operating profit in the mass insurance segment (in PLN million)**



– the development of claims reserves from prior years in 2026, with a positive impact on the result of PLN +36 million and a simultaneous increase of PLN 2 million y/y,

– a decrease of PLN 89 million (-19.0% y/y) in the investment result compared with the corresponding period of the previous year, mainly due to lower money market rates and deterioration in the results of equity instruments in the medical sector.

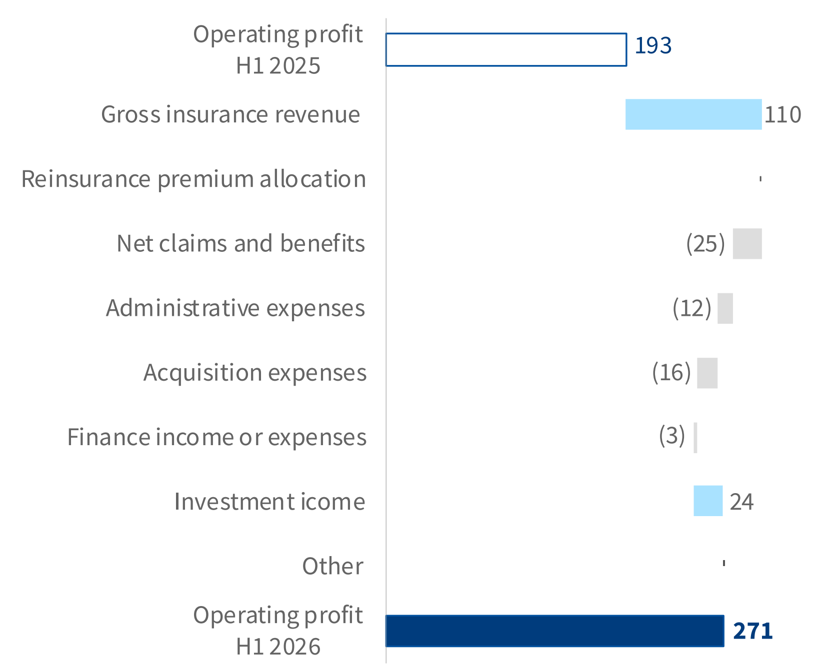
## Individual insurance

In the individual insurance segment, PZU Group posted an operating profit of PLN 271 million, up PLN 78 million, or 40.4%, compared to the same period last year. This was mainly driven by a change in the insurance service result (PLN +57 million y/y) and an increase in the investment result allocated to the segment by PLN 24 million y/y.

The result was driven mainly by:

- higher **insurance revenues** (PLN +110 million y/y) resulting from:
  - higher y/y **contract margin release** (PLN +45 million y/y), including in bancassurance (PLN +21 million y/y, thanks to among other things higher y/y sales of mortgage insurance) and in type J products (PLN +12 million y/y);
  - 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 53 million y/y;
  - the increase in **other revenue** by PLN 10 million y/y resulted from a significant negative deviation in 2025 due to higher-than-expected cancellations of bancassurance insurance contracts.
- an increase in net **insurance service expenses** by PLN 53 million y/y (+24.1% y/y), which together with an increase in the net insurance contract revenue by 27,0% y/y resulted in the profitability measured by the ratio of insurance service result to insurance revenue increasing by 1.3 p.p. An increase in the net insurance service expenses is mainly the result of:
  - an increase in the **amortization of cash flows from acquisition** and administrative expenses allocated to insurance activities by a total of PLN 28 million y/y,
  - a change in the **loss component** with an impact on the result of PLN -7 million y/y, resulting from the cumulative effect of the recognition of a new loss component at a higher level than in the corresponding period of the previous year (mainly related to term insurance) and higher amortization of the loss component for active cohorts from previous periods than in H1 2025,
- **insurance finance income or expenses** (net of reinsurance) were PLN -58 million, which means an increase in expenses by PLN 3 million y/y.

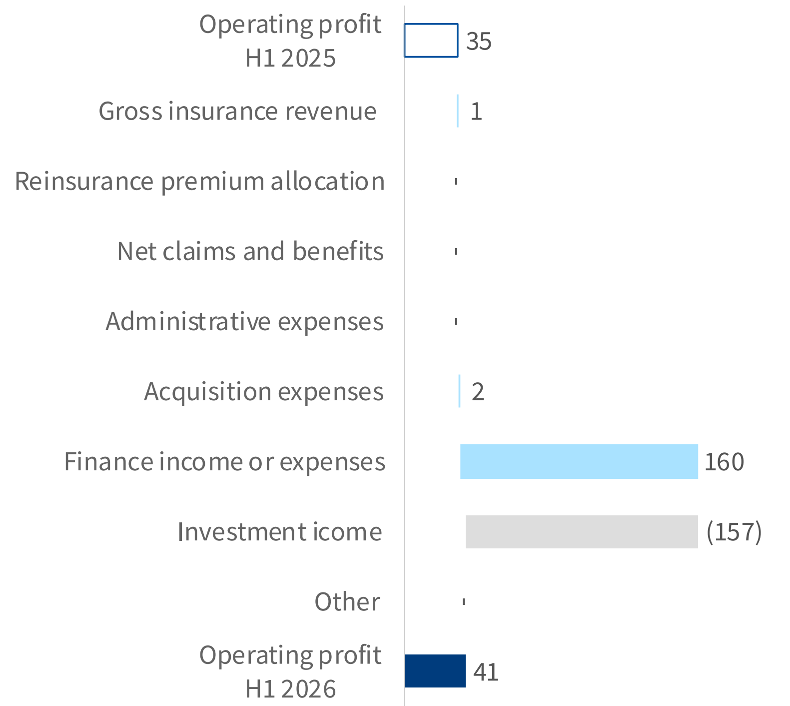
**Operating profit in the individual insurance segment** (in PLN million)




## Life investment insurance

In the investment life insurance segment, the PZU Group recorded an operating profit of PLN 41 million, compared to PLN 35 million in the same period last year. The y/y change results from a change in the product portfolio structure (an increase in sales of unit-linked life insurance with an insurance capital fund, high sales of life insurance and life insurance with a guaranteed sum assured and higher fees charged to customers as a consequence of the lower value of unit-linked funds) and the movement in the loss component, including the creation of the component for the portfolio of insurance products with a guaranteed sum assured offered by banks.

**Profit/loss in the life investment insurance operating activity segment** (in PLN million)



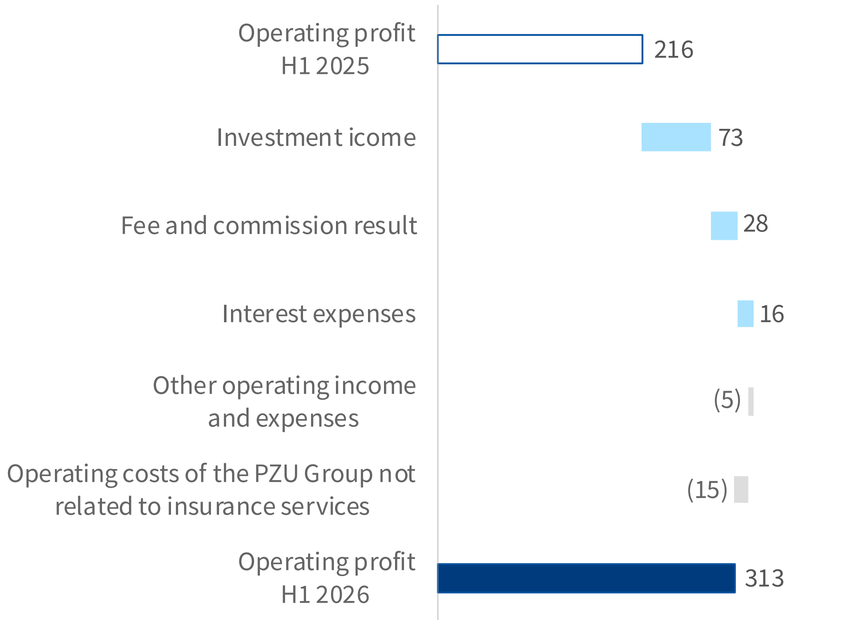
The investment income was PLN 319 million, as compared to PLN+ 476 million in the previous year (change of PLN -157 million y/y), in particular, on the PPE and WPI products. However, the decrease in the investment income had no effect on the PZU Group's total net profit, as it is offset by insurance finance income or expenses.

## Investments

The operating result in the investments segment amounted to PLN 313 million and was PLN 97 million higher than in the corresponding period of the previous year, mainly due to a higher investment result on free funds, primarily as a result of:

- a higher private equity portfolio result, mainly in the area of AI and cybersecurity, following the adjustment of private market valuations to changes in economic conditions;
- an improvement in the real estate valuation result.

**Operating result in the investment segment** (in PLN million)




## Banking segment / banking activity

The operating profit in the banking segment (without amortization of intangible assets acquired as part of the bank acquisition transactions), composed of the Bank Pekao and Alior Bank groups, amounted to PLN 5,490 million in H1 2026 and was lower by PLN 270 million than in the corresponding period in 2025.

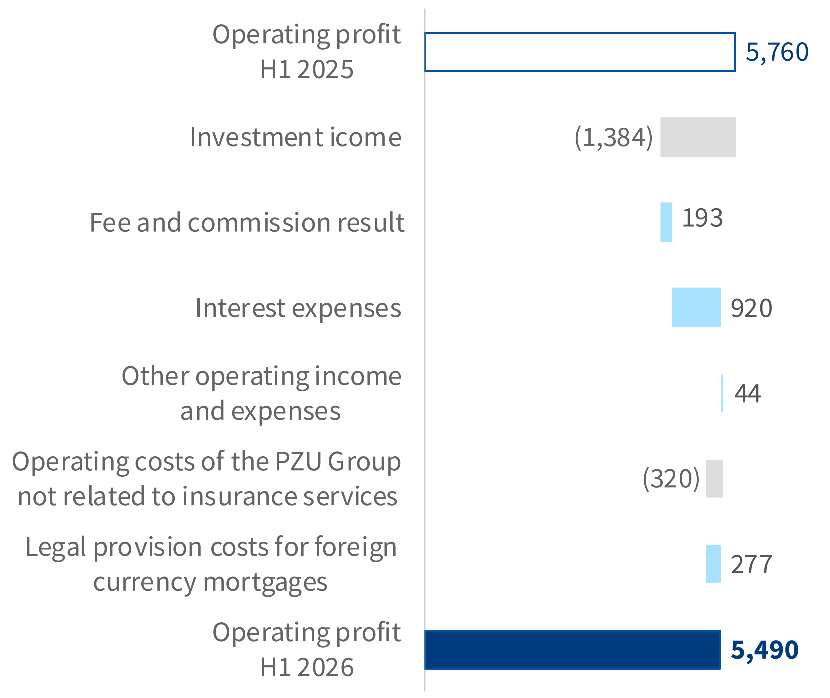
Bank Pekao's contribution to the PZU Group's operating profit in the banking segment (net of the amortization of intangible assets acquired as part of the acquisition transaction) was PLN 4,252 million (PLN -38 million y/y), while Alior Bank's contribution was PLN 1,238 million (PLN -232 million y/y).

The decrease in Bank Pekao's result y/y was mainly due to lower net interest income and higher operating expenses. The decrease in Alior Bank's result y/y was mainly due to lower net interest income and higher impairment allowances for expected credit losses.

The key element of the segment's income is the investment income, which amounted to PLN 11,672 million in H1 2026 (-10.6% y/y). Investment income consists of: interest income, dividend income, trading result and result on impairment losses. Investment income after factoring in interest expense amounted to PLN 8,701 million (-5.1% y/y).

In H1 2026, both banks recorded a y/y decrease in net interest income, mainly due to lower market interest rates and reductions in the result due to the CJEU ruling on consumer loans (PLN -126 million at Bank Pekao, PLN -153 million at Alior Bank). The decrease in the result was partially offset at Bank Pekao by

**Operating result in the banking segment**
(in PLN million)




higher volumes, particularly in strategic product areas, as well as lower deposit costs. At Alior Bank, the net interest income result was positively affected by lower funding costs, lower costs of the hedging policy applied and an increase in the value of the loan portfolio. Additionally, the operating profit was positively contributed to by the receipt of a PLN 40 million dividend from Polski Standard Płatności S.A. by Alior Bank.

The total portfolio of loan receivables in both banks increased by PLN 10.9 billion (+4.4% y/y) at the end of June 2026 compared to the end of December 2025. Growing accounts receivable from business customers contributed the most to the growth.

The value of allowances for expected credit losses and impairment losses on financial instruments totaled PLN 452 million and was higher by PLN 67 million y/y. At Alior Bank, impairment charges amounted to PLN 280 million, up PLN 104 million year-on-year, primarily due to the recognition of impairments on business segment clients and lower gains on NPL portfolio sales transactions.

Bank Pekao's profitability achieved in H1 2026, measured by the net interest margin, amounted to 3.8%, representing a decrease of 0.5 p.p. y/y. The value of Alior Bank's net interest margin after H1 2026 is 4.9%, down 0.9 p.p. compared to the corresponding period in 2025.

The net fee and commission income in the banking activity segment amounted to PLN 2,098 million and was 10.1% higher than in H1 2025. The main driver of the improvement in fee and commission income was growth across all areas of activity at Bank Pekao, as a result of increased customer activity and more favorable conditions in the capital markets, as well as higher fee and commission income, mainly in brokerage fees and insurance sales, at Alior Bank.

In H1 2026, the PZU Group's non-insurance operating expenses in the banking segment totaled PLN 5,097 million and consisted of Pekao's expenses of PLN 3,753 million (PLN 3,459 million in H1 2025) and Alior Bank's expenses of PLN 1,344 million (PLN 1,318 million in H1 2025). The 6.7% y/y increase in costs in the segment was mainly driven by higher costs at Bank Pekao, resulting from higher contributions to the Bank Guarantee Fund, higher costs of external services supporting business development and higher personnel expenses.

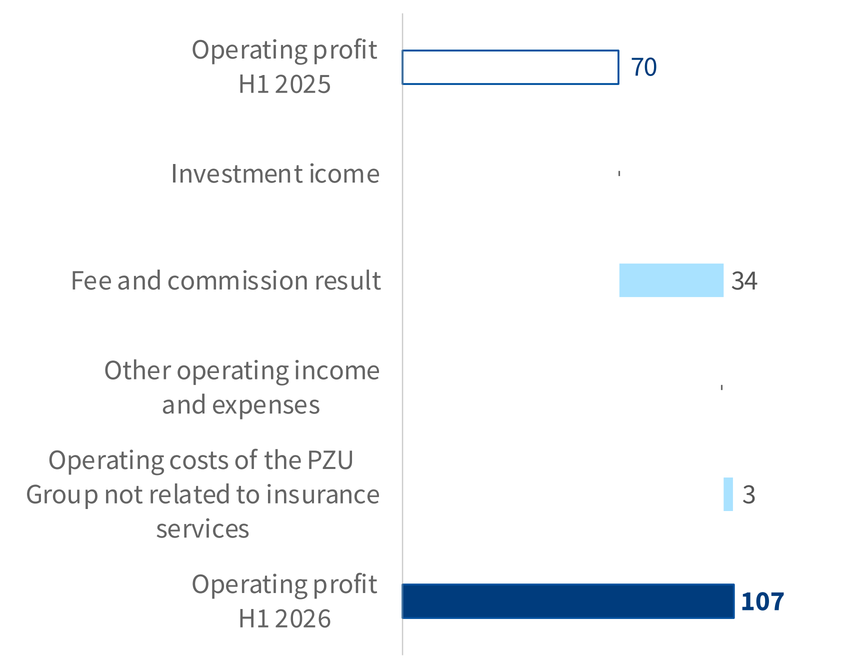
The decrease in legal risk costs related to foreign currency mortgage loans to PLN 143 million (PLN 420 million in H1 2025) had a positive impact on the segment's result in H1 2026. The slight increase in the balance sheet value of provisions in H1 2026 was mainly due to the longer duration of disputes, while H1 2025 results were burdened by provisions resulting from an update of assumptions regarding the target level of disputes.

The operating result was also contributed to by a negative balance of other operating income and expenses of PLN -69 million (PLN -113 million in the corresponding period of 2025). The balance was affected by the recognition of an additional provision for consumer protection matters of PLN 30 million at Bank Pekao and PLN 39 million at Alior Bank – H1 2025 results were burdened by the recognition of a PLN 108 million provision at Bank Pekao. The Cost/Income ratio for both banks was 39.3%, i.e. 2.8 p.p. higher than in H1 2025.

## Pension insurance

The operating profit of the pension insurance segment amounted to PLN 107 million, 52.9% higher than in the corresponding period of 2025, mainly due to an increase in commission and fee income of PLN 34 million to PLN 129 million, primarily as a result of higher management fees resulting from a higher average value of net assets. The result was also positively affected by a lower level of the PZU Group's operating expenses not related to insurance services, which decreased by PLN 3 million to PLN 30 million.

**Operating profit in the pension insurance segment** (in PLN million)




## Baltic Countries

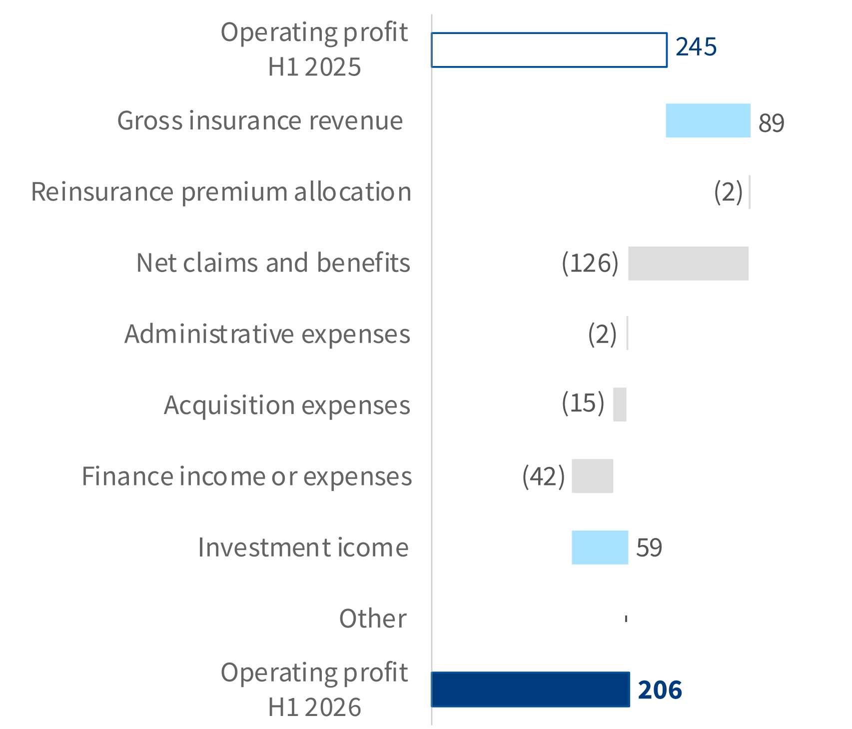
The operating result in the Baltic Countries after H1 2026 was PLN 206 million, a decrease by PLN 39 million, or 15.9%, compared to H1 2025.

Compared to the previous year, there was an increase of PLN 89 million, or +6.4%, in **insurance contract revenue**, including allocated reinsurance premiums of PLN 87 million. Within revenues, there was an increase in the amortization of LRC as a consequence of a higher sales. Sales higher by PLN 47 million (i.e. +3.2%, or +2.4% in the functional currency) were generated in the non-life insurance due to, among other things, the increases in sales of the following:

- health insurance (by 15.8% in functional currency) as a result of an increase in the number of policies and the conclusion of large contracts in Latvia;
- non-life insurance (by 3.7% y/y in functional currency) as a result of an increase in the average premium and a higher number of insurance policies;
- other TPL insurance (by 25.1% y/y in functional currency), mainly as a result of an increase in written premiums in MedMal insurance in Estonia;
- at the same time, a decrease in sales was recorded in MTPL and MOD insurance (a total of 4.9% y/y in functional currency) as a result of lower rates in the region.

Sales of life insurance products increased by PLN 10 million (i.e. by +17.3% y/y, or +16.4% y/y in functional currency).

**Operating result in the Baltic Countries segment**
(in PLN million)




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 (+12.4%). The increase concerns the non-life insurance and, with an increase in the net revenues from insurance contracts by 6.4% y/y, represents a 4.9 p.p. deterioration in profitability as measured by the combined ratio (COR). In the life insurance business, insurance service expenses grew by 16.7% compared to the corresponding period in the previous year.

Within the framework of insurance service expenses, we noted:

- net compensation and benefits liabilities higher by PLN 198 million y/y;
- net run-off of prior years' claims reserves over the current projected value of payouts higher by PLN 56 million y/y;
- change of a loss component with an effect on the insurance service result PLN +16 million y/y as a product of the recognition of a new loss component lower by PLN 2 million as compared to the corresponding period of the preceding year and of changes in assumptions for active cohorts from the preceding years having an effect on the profit in the amount of PLN +14 million y/y;
- a 1.4% y/y increase in administrative expenses, mainly due to higher personnel costs. At the same time, the segment's ratio of administrative expenses calculated to net insurance service revenue decreased by 0.5 p.p. to 10.0%;
- PLN 15 million higher amortization of acquisition cash flow. The acquisition expense ratio was 18.5% which is a 0.1 p.p. y/y decrease.

Increase in the results generated in the investment activity on the asset portfolio that constitute investment insurance coverage, which has no impact on the total result, as it is offset by the change in insurance financial income and expenses.

## Ukraine

The Ukraine segment ended H1 2026 with an operating profit of PLN 20 million, meaning a PLN 4 million decrease, i.e., by 16.7%, compared to the corresponding period in the previous year.

In H1 2026, there was an increase in **insurance contract revenue** compared to the corresponding period in the previous year by PLN 47 million, i.e. 39.8% y/y (in functional currency, an increase of UAH 696 million, i.e. +54.3% y/y), with the inclusion of allocated reinsurance premiums – an increase of PLN 44 million. Within revenues, there was an increase in the amortization of LRC due to a growth in sales. Sales increased by PLN 44 million y/y, or 31.8% (UAH 700 million, or 46.4%, in functional currency). In non-life insurance, sales growth in functional currency amounted to UAH 684 million, or 51.8%, mainly as a result of the growth in the following portfolios: MTPL and MOD (43.2% y/y in total) and Green Card insurance (101.5% y/y). In life insurance, sales increased by UAH 16 million, i.e. 8.5% y/y.

**Insurance service expenses** adjusted by amounts due from reinsurers increased by PLN 50 million y/y. Non-life insurance business saw an increase of PLN 49 million (50.5% y/y), which, with a 43.8% increase in net insurance revenues, represents a 4.3 p.p. decrease in profitability measured by the combined ratio (COR).

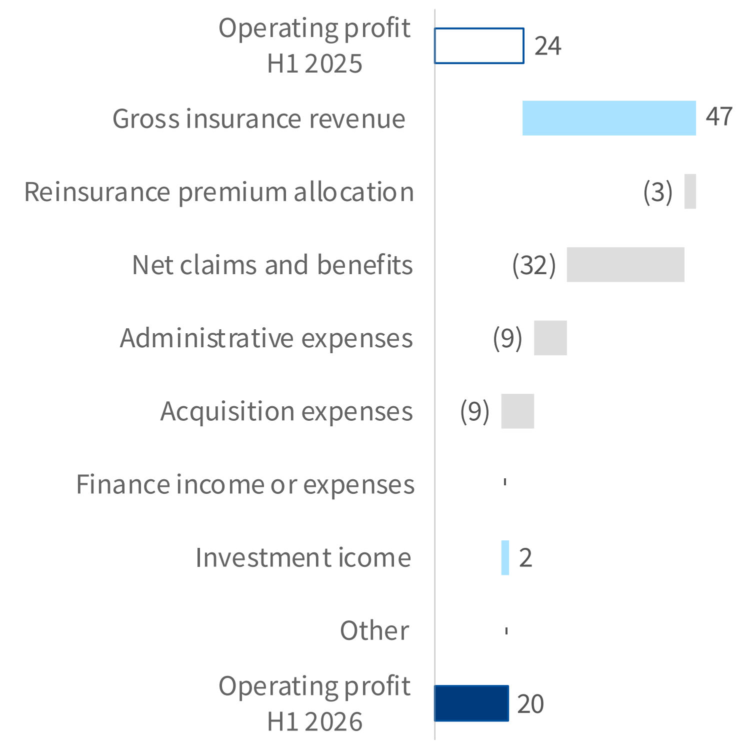
An increase in the net insurance service expenses of the segment is a product of:

- net compensation and benefits liabilities higher by PLN 23 million y/y;
- the release of a PLN 5 million 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 insurance service result PLN -4 million y/y as a product of the recognition of a new loss component higher by PLN 3 million as compared to the corresponding period of the preceding year and of changes in assumptions for active cohorts from the preceding years having an effect on the profit in the amount of PLN -1 million y/y;
- an increase in administrative expenses of 39.1% y/y, mainly in personnel expenses and IT costs. The segment's ratio of administrative expenses calculated to net insurance revenues increased by 0.2 p.p. as compared to the corresponding period in the previous year and stood at 19.9%;
- amortization of cash flows from acquisition was PLN 9 million higher, i.e. 28.1% y/y, as a result of an increase in commission rates. At the same time, the acquisition cost ratio decreased by 1.9 p.p. to 25.5%.

Net insurance **finance income and expenses** were at the same level as in the previous year and amounted to PLN -12 million.

The result from investments stood at PLN 27 million, up by PLN 2 million y/y.

**Operating result in Ukraine segment** (in PLN million)

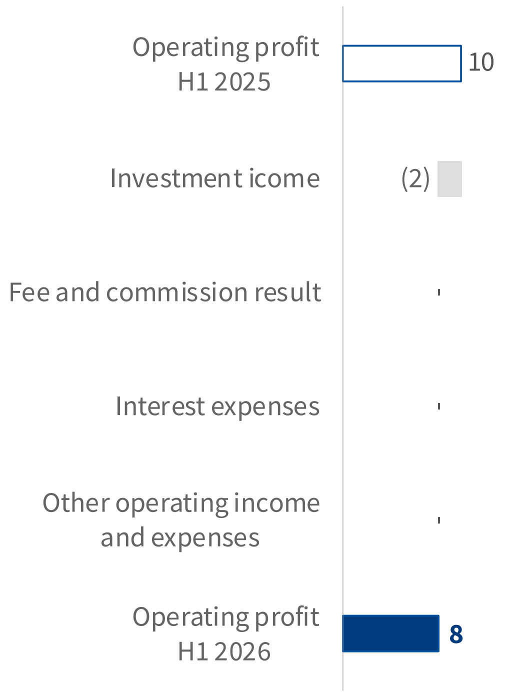


## Investment contracts

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.

**Operating result in the investment contracts segment** (in PLN million)



## Alternative Performance Measures

Selected Alternative Performance Measures (APM) within the meaning of European Securities and Markets Authority Guidelines (ESMA) no. 2015/1415 are presented below.

The profitability and operational efficiency indicators presented herein, constituting standard measures applied generally in financial analysis, provide, in the opinion of the Management Board, significant additional information about the PZU Group's financial performance. Their usefulness was analyzed in terms of information, delivered to the investors, regarding the Group's financial standing and financial performance.

## Profitability indicators

To facilitate the analysis of PZU Group's profitability, such indicators were selected that best describe this profitability in the opinion of the Management Board.

Return on equity (ROE), adjusted return on equity (aROE) and return on assets (ROA) indicate the extent to which the Company is able to generate profit using its resources, i.e. equity or assets and return on equity from core business (ROE from core business) indicates the ability to generate profit from core business i.e. excluding the banking sector.

They belong to the most frequently applied indicators in the analysis of profitability of companies and groups regardless of the sector in which they operate.

Return on equity (ROE) is a measure of profitability. It permits an assessment of the degree to which the company multiplies the funds entrusted to it by the owners (investors). This is a ratio of the generated profit to the held equity, i.e. financial resources at the Group's disposal for an indefinite term which were contributed to the enterprise by its owners. In the case of the PZU Group, the value of net profit and equity differ considerably depending on whether they are provided excluding or including the profit/equity of minority shareholders. In this respect, both return on equity (ROE) – attributable to equity holders of the parent and return on equity (ROE) – consolidated, without excluding profit and equity attributable to non-controlling shareholders, are presented. In addition, the PZU Group presents an adjusted return on equity (aROE), calculated on an equity basis excluding accumulated other comprehensive income relating to insurance and reinsurance financial income and expenses (being a cumulative effect of changes in discount rates for valuation of insurance liabilities on the PZU Group's capital), which provides greater stability to the indicator.

Return on equity from core business (ROE from core business) is the return on equity, where the contribution to earnings from the banking sector was subtracted from net income, while equity attributable to the parent company was reduced by equity attributable to banking sector entities and Bank Pekao's goodwill (breakdown presented in sections 2.4 and 10.16 of the PZU Group Consolidated Report).

Return on assets (ROA) reflects their capability of generating profit. This indicator specifies the amount of net profit attributable to a unit of financing sources engaged in company's assets.

Return on equity attributable to equity holders of the parent company for H1 2026 was 17.2% and the aROE ratio was 17.8%. The ratios were 3.0 p.p. and 3.4 p.p. lower, respectively, than those achieved in the corresponding period of the previous year, mainly due to a lower result in the banking activities segment. The decrease in the banks' result was mainly driven by a decline in net interest income due to lower market interest rates and charges related to the CJEU ruling on consumer loans, higher contributions to BFG and higher operating expenses. Additionally, the net profit of the banks was negatively affected by an increase in the income tax rate for banking activities from 19% in 2025 to 30% in 2026. Return on equity from core operations (ROE from core operations) in H1 2026 amounted to 19.8% and decreased by 1.9 p.p. compared with the corresponding period of 2025, with the result from core operations remaining stable (PLN 2,208 million in H1 2026 compared with PLN 2,211 million in the corresponding period of 2025), but with a higher capital base. Return on assets (ROA) of the PZU Group for H1 2026 was 2.1%, i.e. 0.5 p.p. lower than in the corresponding period of 2025. This was mainly due to lower results in the banking segment.

| Basic performance indicators of the PZU Group | 1 January – 30 June 2024* | 1 January – 30 June 2025 | 1 January – 30 June 2026 |
|---|---|---|---|
| **Adjusted Return on Equity (aROE) – attributable to the parent company**<br>(annualized net profit / average shareholders' equity excluding accumulated other comprehensive income relating to financial income and expenses *from insurance and from reinsurance) x 100%* | 17.4% | 21.2% | 17.8% |
| **Return on equity from core business (ROE on core business) – attributable to the parent company**<br>*(annualized net profit excluding banks / average equity excluding banks) x 100%* | 15.6% | 21.7% | 19.8% |
| **Return on equity (ROE) – attributable to the parent company**<br>*(annualized net profit / average shareholders' equity) x 100%* | 16.6% | 20.2% | 17.2% |
| **Return on equity (ROE) – consolidated**<br>*(annualized net profit / average shareholders' equity) x 100%* | 19.0% | 20.4% | 16.2% |
| **Return on assets (ROA)**<br>*(annualized net profit / average assets) x 100%* | 2.4% | 2.6% | 2.1% |

*) restated data

## Operational efficiency ratios

To facilitate the analysis of PZU Group's performance, such indicators were selected that best describe performance in the case of insurance companies and those pursuing banking activity in the opinion of the Management Board. Some indicators refer the costs of pursuit of insurance activity to revenue, hence reflect which portion of the revenue was allocated to costs and which portion – to margin. For the banking activity, the Cost/Income (C/I) ratio was selected as the relation which best reflects the performance of this area of the activity in the opinion of the Management Board. All indicators are widely applied by other companies from the corresponding sectors and by investors and serve an analysis of efficiency and profitability of these companies.

One of the fundamental measures of operational efficiency and performance of an insurance company is COR (Combined Ratio) calculated, due to its specific nature, for the non-life insurance sector (Section II). This is the ratio of insurance service expenses, including amounts recoverable from reinsurers to the net income on insurance activities; a decrease in the value of this indicator signifies an improvement in efficiency.

The combined ratio (for non-life insurance) of the PZU Group's has been maintained at a level ensuring high profitability of business.

In H1 2026, it amounted to 88.3% and was 0.8 p.p. higher than in H1 2025, as a result of the increase in insurance service expenses exceeding the increase in insurance revenue in the Baltic countries and Ukraine segments. In the non-life insurance segments in Poland, the ratio remained at the previous year's level.

Another important indicator is the life insurance profit margin – the profitability of life insurance segments calculated as the ratio of operating profit/loss to net insurance revenues. In H1 2026, the ratio reached 27.2% and its increase by 0.9 p.p. in comparison to H1 2025 was, in particular, due to higher insurance revenues and improved profitability of individual protection life insurance.

As regards banking activities, efficiency is measured by the cost/income ratio, i.e., the quotient of the PZU Group's non-insurance operating expenses excluding tax on other financial institutions and total operating income, which includes: interest income calculated using the effective interest rate and equalized, other net investment income, result on discontinued recognition of financial instruments and investments not measured at fair value through profit or loss, net change in fair value of assets and liabilities measured at fair value, interest expenses and result on commissions and fees and other operating income and expenses. In H1 2026, the cost to income ratio in the PZU Group's banking business reached 39.3% and was higher than in H1 2025 by 2.8 p.p. This was due to an increase in costs in the segment of 7.5% and a decrease in revenue of 0.5%. The increase in costs mainly concerned Bank Pekao and was related to higher contributions to BFG, an increase in external service costs and personnel expenses. At the same time, the decrease in revenue, mainly at Alior Bank, was driven by lower interest rates and the recognition of the impact of the CJEU ruling on consumer loans on net interest income.

| | Operational efficiency ratios | 1 January – 30 June 2024* | 1 January – 30 June 2025 | 1 January – 30 June 2026 |
|---|---|---|---|---|
| 1. | **Index of administrative expense ratio of insurance segments** *(administrative expenses / net insurance revenue) x 100%* | 9.1% | 8.8% | 8.8% |
| 2. | **Combined ratio in non-life and other personal insurance** *(net insurance service expenses / net insurance revenue) x 100%* | 91.0% | 87.5% | 88.3% |
| 3. | **Margin from insurance operations in life insurance** *(operating profit / net insurance revenue) x 100%* | 24.6% | 26.3% | 27.2% |
| 4. | **Cost/income ratio – banking activity** | 36.4% | 36.5% | 39.3% |

*) Restated data.

# 6.5. Capital management and dividends

## 6.5.1. Capital and Dividend Policy

The PZU Group's Capital and Dividend Policy adopted for 2025–2027 was in force in 2026.

In keeping with the Policy, PZU Group endeavors to:

1) manage capital effectively by optimizing the usage of capital from the Group's perspective;
2) maximize the rate of return on equity for the parent company's shareholders, in particular, by maintaining the level of security and retaining capital resources for strategic growth objectives through the organic growth and acquisitions;
3) ensure sufficient financial means to cover the Group's liabilities to its customers.

The capital management policy rests on the following principles:

1) manage the PZU Group's capital (including excess capital) at the level of PZU;
2) maintain target solvency ratios of 200% for the PZU Group, 200% for PZU and 200% for PZU Życie (according to 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, hereinafter referred to as the "Solvency II Directive") in the period until the date of entry into force of the amendments to the Solvency II Directive and at the level of 180% for the PZU Group, 200% for PZU and 200% for PZU Życie in the period after the entry into force of the amendments to the Solvency II Directive;
3) maintain a financial leverage ratio of no more than 25%;
4) ensure funds for growth and acquisitions;
5) maintain the financial conglomerate's surplus own funds above the pertinent requirements for solvency;
6) PZU will not issue any new shares for the duration of this Policy;
7) it is assumed that certain temporary deviations in the actual solvency ratio above or below the target level may occasionally occur.

**The PZU and PZU Group's Dividend Policy is based on the following principles:**

- the PZU Group endeavors to manage capital effectively and maximize the rate of return on equity for the parent company's shareholders, in particular by maintaining the level of security and retaining capital resources for strategic growth objectives through acquisitions;
- the dividend amount proposed by the parent company's Management Board which PZU pays for the respective financial year is determined on the basis of the PZU Group's consolidated financial result attributable to equity holders of the parent company, where:
  a) not more than 20% will increase retained earnings (supplementary capital) for purposes of organic development and innovations and implementation of development initiatives;
  b) no less than 50% is subject to payment as an annual dividend;
  c) 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, with the reservation that:
- according to the Management Board's plans and risk and solvency self-assessment of the parent company, the own funds of the parent company and the PZU Group following the declaration of payment or payment of a dividend will remain at a level that will ensure fulfillment of the conditions specified in the capital policy;
- the dividend determination takes into account the recommendations of the supervisory authority on dividends for all PZU Group companies.

### Capital and Dividend Policy for 2025–2027

The Capital and Dividend Policy for 2025–2027 takes into account changes to Solvency II regulations entering into force as of 2027. In order to maintain capital stability to pay put dividends, the Solvency II target ratio is amended for the PZU Group and set at **180%** (it is unamended for PZU and PZU Życie) – as of the date the Solvency II amendments come into force. Until then, target solvency ratios of 200% for the PZU Group, 200% for PZU and 200% for PZU Życie will be maintained.

## 6.5.2. Solvency ratio

Solvency ratios for the PZU Group, PZU and PZU Życie are calculated in compliance with 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).

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

As at the closing of Q1 2026, the estimated solvency ratio (calculated in line with the standard Solvency II formula) was

**230%**

| Solvency ratio | 2025 | 1Q 2026* |
|---|---|---|
| **SCR** | | |
| PZU Group | 239% | 230% |
| PZU | 237% | 233% |
| PZU Życie | 360% | 350% |
| **MCR** | | |
| PZU Group | 380% | 365% |
| PZU | 911% | 899% |
| PZU Życie | 800% | 777% |
| **CRR** | **2025** | **H1 2026** |
| PZU Group – total solvency ratio | 16.4% | 16.8% |
| Tier 1 | 15.0% | 14.8% |
| Alior Bank Group – total solvency ratio | 17.6.% | 17.6% |
| Tier 1 | 17.6% | 17.6% |

*) 1Q 2026 was neither audited nor reviewed by the Statutory Auditor

## 6.5.3. Disbursement of dividends

On 18 June 2026, the Ordinary Shareholder Meeting of PZU passed a resolution on the distribution of net profit PZU for the year ended 31 December 2025 increased by the amount transferred from the supplementary capital created from the net profit for the year ended 31 December 2024, in which it decided to allocate PLN 4,144,910,400.00, i.e. PLN 4.80 per share, for the disbursement of dividends.

The dividend record date was set for 17 September 2026 and the dividend payout date was set for 8 October 2026.

| PZU profit and dividend | 2022 | 2023 | 2024 | 2025 | H1 2026 |
|---|---|---|---|---|---|
| Consolidated profit attributable to the parent company (PLN million) | 3,781 | 5,780 | 5,342 | 6,699 | 3,009 |
| PZU's unconsolidated profit (PLN million) | 1,637 | 3,983 | 3,877 | 5,062 | 4,539 |
| Dividend paid for the year (PLN million) | 2,072 | 3,748 | 3,860 | 4,145 | - |
| Dividend per share for the year (PLN) | 2.40 | 4.34 | 4.47 | 4.80 | - |
| Dividend per share according to the year in which the right was established (PLN) | 1.94 | 2.40 | 4.34 | 4.47 | 4.80 |
| (a) Change in share price ytd | 0.2% | 33.5% | (3.0)% | 45.6% | (1.7)% |
| (b) Annual dividend ratio (%)* | 5.5% | 6.8% | 9.2% | 9.8% | 7.2% |
| (a+b) TSR Total Shareholders Return | 5.7% | 40.3% | 6.2% | 55.4% | 5.5% |

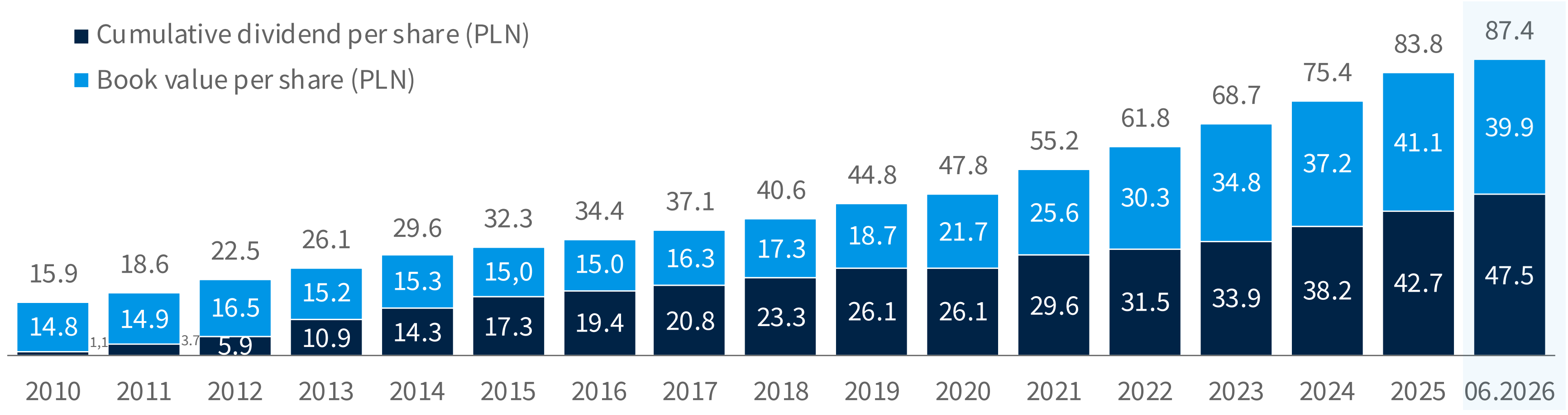
* ratio calculated as dividend (according to the year in which the right was established) compared to share price as at the end of the previous reporting year

Source: PZU figures

**Total Shareholders Return (TSR) compared to the WIG index**


Source: PZU

**Book value per share and cumulative gross dividend per share of PZU in PLN**




Source: PZU

**PZU profit and dividend since going public on the WSE**


Source: PZU

# 6.6. Financial rating

## Poland's rating

Since 2004, PZU and PZU Życie have been subject to regular reviews by the rating agency of S&P Global Ratings (S&P). The rating assigned to PZU and PZU Życie results from an analysis of financial data, competitive position, management and corporate strategy of both companies as well as the sovereign rating. It also includes a ratings outlook, or an assessment of the Company's future position in the event that specific circumstances occur.

**Recent rating/outlook changes**

On 28 May 2024, the rating agency of S&P Global Ratings (S&P) raised the rating outlook of PZU from "stable" to "positive". The financial strength and credit ratings of PZU have remained at A- since 21 January 2016.

On 29 May 2026, S&P Global Ratings affirmed the financial strength and credit strength ratings for PZU and its main subsidiaries at "A-". The outlook remained unchanged (positive).

## Poland's rating

On May 8, 2026, the S&P rating agency  decided to affirm the rating at A- and A-2 for long- and short-term liabilities in foreign currencies, respectively and at A and A-1 for long- and short-term liabilities in the domestic currency, respectively.

The rating outlook remained stable.

### PZU rating

| | Current | | Previous | |
|---|---|---|---|---|
| Company name | Rating and outlook | Last change | Rating and outlook | Update date |
| **PZU** | | | | |
| Financial strength rating | A- /positive/ | 28 May 2024 | A- /stable/ | 6 April 2020 |
| Credit reliability rating | A- /positive/ | 28 May 2024 | A- /stable/ | 6 April 2020 |
| **PZU Życie** | | | | |
| Financial strength rating | A- /positive/ | 28 May 2024 | A- /stable/ | 6 April 2020 |
| Credit reliability rating | A- /positive/ | 28 May 2024 | A- /stable/ | 6 April 2020 |
| **TUW PZUW** | | | | |
| Financial strength rating | A- /positive/ | 28 May 2024 | A- /stable/ | 6 April 2020 |

Source: S&P Global Ratings

### Poland's rating*

| | Current | | Previous | |
|---|---|---|---|---|
| Country | Rating and outlook | Last change | Rating and outlook | Update date |
| **Poland** | | | | |
| Credit reliability rating (long-term, local currency) | **A /stable/** | 12 October 2018 | **A- /positive/** | 13 April 2018 |
| Credit reliability rating (long-term, foreign currency) | **A- /stable/** | 12 October 2018 | **BBB+ /positive/** | 13 April 2018 |
| Credit reliability rating (short-term, local currency) | A-1 | 12 October 2018 | A-2 | 13 April 2018 |
| Credit reliability rating (short-term, foreign currency) | A-2 | 13 April 2018 | A-2 | 13 April 2018 |

Source: S&P Global Ratings

## Bank Pekao

Bank Pekao cooperates with three leading rating agencies: Fitch Ratings (Fitch), S&P Global Ratings (S&P) and Moody's Investors Service. In the case of the first two agencies, the ratings are prepared at the Bank's request, based on agreements concluded, whereas the Bank does not have an agreement in place with the rating agency Moody's Investors Service agreement and the rating is prepared based on publicly available information and review meetings.

In H1 2026, there were no changes to Bank Pekao's credit ratings; all ratings were maintained at their existing levels.

As of 30 June 2026, Bank Pekao's financial strength ratings were as follows:

| S&P GLOBAL RATINGS | PEKAO BANK | POLAND |
|---|---|---|
| Long-term rating in foreign currencies | A- | A- |
| Long-term rating in domestic currency | A- | A |
| Short-term rating in foreign currencies | A-2 | A-2 |
| Short-term rating in domestic currency | A-2 | A-1 |
| Stand-alone rating | bbb+ | - |
| Outlook | Stable | Stable |

| S&P GLOBAL RATINGS (COUNTERPARTY'S RATING IN THE CASE OF FORCED RESTRUCTURING) | PEKAO BANK | POLAND |
|---|---|---|
| Long-term rating of liabilities in foreign currencies | A | - |
| Short-term rating of liabilities in foreign currencies | A-1 | - |
| Long-term rating of liabilities in domestic currency | A | - |
| Short-term rating of liabilities in domestic currency | A-1 | - |

Source: [Credit Ratings - Investor Relations - Bank Pekao S.A.]

| FITCH RATINGS | PEKAO BANK | POLAND |
|---|---|---|
| Long-term issuer's rating (IDR) | BBB+ | A- |
| Short-term issuer's rating (IDR) | F2 | F1 |
| Viability rating | Bbb+ | - |
| Government subsidy rating | No subsidy | - |
| Outlook | Stable | Negative |
| Domestic long-term rating | AA(pol) (outlook: stable) | |
| Domestic short-term rating | F1+(pol) | - |

| MOODY'S INVESTORS SERVICE | PEKAO BANK | POLAND |
|---|---|---|
| Long-term rating of deposits in foreign currencies | A2 | A2 |
| Short-term rating of deposits | Prime-1 | Prime-1 |
| Baseline Credit Assessment | baa2 | - |
| Long-term counterparty credit risk rating | A2(cr) | - |
| Short-term counterparty credit risk rating | Prime-1(cr) | - |

## Alior Bank

Alior Bank is rated by two leading rating agencies: S&P Global Ratings and Fitch.

On 24 February 2026, S&P Global Ratings informed the Bank that it had upgraded its long-term rating to investment grade BBB- from BB+ and its short-term rating to A-3 from B.

According to S&P, the rating upgrade reflects changes implemented by the bank during 2025 in the diversification of its loan portfolio toward less risky exposures and the active reduction of non-performing loans (NPL). The agency particularly pointed to high profitability, which supports the growth of the bank's scale and increases the prospects for higher dividend payments to shareholders. The stable rating outlook is based on the agency's belief in the stability of the bank's financial results, further diversification of its business and improvement in risk indicators.

As of 30 June 2026, Alior Bank's financial strength ratings are presented in the tables alongside.

| FITCH RATINGS | ALIOR BANK | POLAND |
|---|---|---|
| Long-term issuer's rating (IDR) | BB+ | A- |
| Short-term issuer's rating (IDR) | B | F1 |
| Viability rating | bb+ | - |
| Government subsidy rating | ns | - |
| Outlook | Positive | Negative |

| S&P GLOBAL RATINGS | ALIOR BANK | POLAND |
|---|---|---|
| Long-term rating in foreign currencies | BBB- | A- |
| Long-term rating in domestic currency | BBB- | A |
| Short-term rating in foreign currencies | A-3 | A-2 |
| Short-term rating in domestic currency | A-3 | A-1 |
| Stand-alone rating | bb | - |
| Outlook | Stable | Stable |

Source: Ratings - Alior Bank

# 7. Corporate governance



- ✓ The Group maintains **high standards of corporate governance**, ensuring effective monitoring of the implementation of strategic objectives, capital position and key business risks.
- ✓ The statutory bodies support the **implementation of the Group's key initiatives**, including activities related to business development and projects aimed at increasing organizational efficiency.
- ✓ **Transparent communication with shareholders** and the capital market remains one of the foundations for building trust in the PZU Group.

# 7.1. Audit firm auditing the financial statements

PZU selects the entity authorized to audit financial statements in accordance with:

- Policy for the selection of an audit firm to conduct audit of financial statements and attestation of sustainability reporting
- Policy for the provision of permitted non-audit or non-sustainability reporting attestation services by an audit firm conducting an audit of financial statements or attestation of sustainability reporting, by entities related to the audit firm and by a member of the network to which the audit firm belongs;
- Procedure for the selection of an audit firm.

## Main assumptions underlying the policy for selecting the audit firm

Policy for the selection of an audit firm to conduct audit of financial statements and attestation of sustainability reporting assumes:

- ensuring that the selection process is conducted in a proper, transparent and regulatory manner and that the responsibilities of the participants are clearly defined;
- the key role of the Audit Committee in recommending the selection of an auditor;
- ensuring high quality testing and attestation and meeting independence requirements;
- the ability to audit and attest the PZU Group by a single auditing firm;
- applying the rule of rotating the audit firm and the key statutory auditor in the embraced time horizon.

## Entity authorized to audit financial statements

On 24 August 2022, having reviewed the Audit Committee’s recommendation, the PZU Supervisory Board selected PricewaterhouseCoopers Polska Sp. z o.o. Audyt Sp.k. **(PwC)** as the audit firm for the annual audit and reviews of the interim standalone and consolidated financial statements and audits of the annual individual and consolidated reports on the solvency and financial condition of PZU and the PZU Group for the five fiscal years 2024–2028, with

## Main assumptions underlying the policy of providing permitted services

PZU has a Policy governing permitted services provided by audit firms and its affiliates, which services do not constitute an audit or attestation of sustainability reporting.

Major assumptions of the Policy include:

- ensuring auditor independence – by precisely defining the list of prohibited services, the obligation to each time assess threats to independence and the application of appropriate safeguards for both audit and attestation services;
- broad and unambiguous definition of prohibited services, which are additionally subject to time limits to eliminate risks of impact on the auditor's work;
- strict definition of the list of permitted services, the commissioning of which each time requires the approval of the Audit Committee after completing a relevant risk assessment;
- introducing a limit on fees for non-audit services to prevent the audit firm from becoming economically dependent on PZU or PZU Group companies;
- formal application and control procedure that ensures transparency of the entire process and full compliance with national and EU regulations, including requirements for public interest entities.

## List of permitted services provided to the issuer by the audit firm

In H1 2026, PwC provided permitted non-audit services to PZU. Each time they required the approval of the Audit Committee, which assessed potential threats to the firm's independence in accordance with the policy adopted by the Supervisory Board.

Permitted services performed by PwC as part of the audit and review of the 2025–2026 financial statements included:

- reviewing interim separate and consolidated financial statements of PZU and PZU Group for the periods ended 30 June 2025 and 30 June 2026;
- auditing the individual and consolidated Solvency and Financial Condition Reports of PZU and the PZU Group for the year ended 31 December 2025.

# 7.2. Shareholders and the issuer's securities

## PZU's shares

PZU's share capital is divided into 863,523,000 ordinary shares with a nominal value of PLN 0.10 each giving the right to 863,523,000 votes at the Shareholder Meeting[34].

## Significant equity stakes in PZU

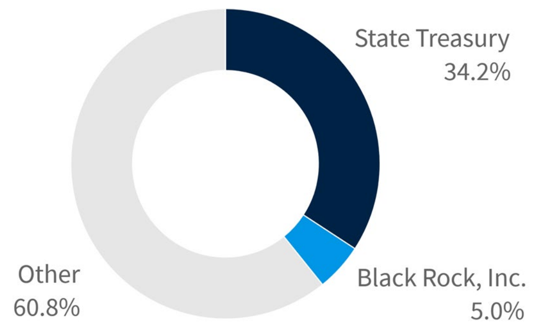
As of 30 June 2026 and as of the date of submission of the report, the shareholders of PZU holding significant blocks of shares (at least 5%) were: the State Treasury of the Republic of Poland, which held 295,217,300 shares, representing 34.19% of PZU's share capital and carrying 295,217,300 votes at the Shareholder Meeting and BlackRock, Inc., which, according to the notification submitted to PZU on 15 July 2026, held 43,206,518 shares as of that date, representing 5% of PZU's share capital and carrying 43,206,518 votes at the Shareholder Meeting.

The following changes in BlackRock, Inc.'s shareholding occurred by the date of submission of this report:

- On 13 March 2026, PZU was notified by BlackRock, Inc. that as a result of the disposal of PZU SA's shares on 9 March 2026, the total shareholding of BlackRock, Inc. in the share capital and in the total number of votes at the Shreholder Meeting of PZU amounted to 4.98% as of 12 March 2026;
- On 11 June 2026, PZU was notified by BlackRock, Inc. that as a result of the acquisition of PZU SA's shares on 15 May 2025, the total shareholding of BlackRock, Inc. in the share capital and in the total number of votes at the Shareholder Meeting of PZU SA amounted to 5% as of 9 June 2026.
- On 13 July 2026, PZU received a notification from BlackRock, Inc. stating that, as a result of a transaction involving the sale of PZU shares on 9 July 2026, BlackRock, Inc.'s total share in the share capital and total number of votes at the Shareholder Meeting of PZU amounted to 4.99% as of 13 July 2026;
- On 15 July 2026, PZU received a notification from BlackRock, Inc. stating that, as a result of a transaction involving the acquisition of PZU shares on 13 July 2026, BlackRock, Inc.'s total share in the share capital and total number of votes at the Shareholder Meeting of PZU amounted to 5% as of 15 July 2026.

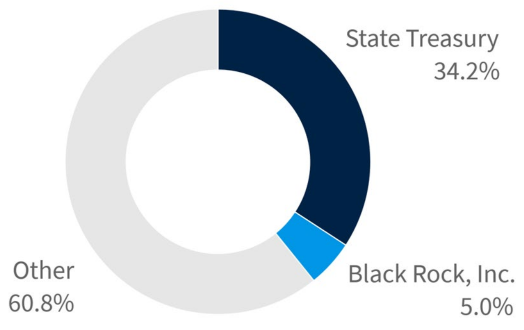
| | Number of shares and votes at the Shareholder Meeting | | Shareholding and share in the total number of votes at the SM | |
|---|---|---|---|---|
| Shareholders holding significant equity stakes | **31 December 2025** | **30 June 2026** | **31 December 2025** | **30 June 2026** |
| State Treasury | 295,217,300 | 295,217,300 | 34.19% | 34.19% |
| BlackRock, Inc. | 43,249,344 | 43,206,518 | 5.00% | 5.00% |
| Other | 525,056,356 | 525,099,182 | 60.81% | 60.81% |
| **Total** | **863,523,000** | **863,523,000** | **100.00%** | **100.00%** |

**PZU shareholder structure as of 31 December 2025**




Source: Current report 38/2025

**PZU shareholder structure as of 30 June 2026**




Source: Current report 21/2026

34) On 30 June 2015, PZU's Ordinary Shareholder Meeting adopted a resolution to split all PZU shares by decreasing the nominal value of each PZU share from PLN 1 to PLN 0.10 and increasing the number of PZU shares making up the share capital from 86,352,300 to 863,523,000 shares. The split was effected by exchanging all the shares at a ratio of 1:10 and did not affect the amount of PZU's share capital. On 3 November 2015, the District Court for the Capital City of Warsaw, 12th Commercial Division of the National Court Register registered the pertinent amendment to PZU's Articles of Association. On 24 November 2015, the Management Board of the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych, "KDPW") adopted Resolution No. 789/15 on setting 30 November 2015 as the date for splitting 86,348,289 PZU shares with a nominal value of PLN 1 each into 863,482,890 PZU shares with a nominal value of PLN 0.10 each.

## Entitlements and restrictions on PZU shares

All PZU shares are ordinary shares with no preferential rights attached to them, in particular no special control rights. Each share carries the right to one vote at the Shareholder Meeting and the same right to dividends.

However, PZU's Articles of Association limit voting rights on PZU shares in certain cases. The shareholders' voting rights is limited in such a manner that no shareholder may exercise more than 10% of the total number of votes in existence in PZU at its Shareholder Meeting on the date of holding a Shareholder Meeting subject to the reservation that for the purposes of determining the obligations of the buyers of significant equity stakes contemplated by the Act on Public Offerings and the Insurance and Reinsurance Activity Act, such limitation of voting rights shall be deemed not to exist. The restriction on voting rights does not apply to the following:

- shareholders who on the date of adopting the Shareholder Meeting resolution implementing this restriction were entitled to shares representing more than 10% of the total number of votes (i.e., the State Treasury);
- shareholders acting with the shareholders specified in the item above pursuant to executed agreements pertaining to jointly exercising the voting rights attached to shares.

For the purpose of limiting voting rights, the votes of shareholders among whom there is a parent or subsidiary relationship are totaled in accordance with the rules described in the Articles of Association. The aforementioned restrictions on shareholders' voting rights will expire as soon as the State Treasury's stake in PZU's share capital falls below 5%.

The PZU Management Board does not have information about executed agreements as a result of which changes may transpire in the future in the equity stakes held by its shareholders and bondholders to date.

PZU did not issue, redeem or repay any debt or equity securities and did not issue any securities that would provide its shareholders with special control rights.

No employee stock programs were in place at PZU from 2013 through H1 2026.

## Limitations on transferring the title to the issuer's securities

The PZU Articles of Association contain no provisions restricting the transfer of the title to the issuer's securities (either shares or bonds). Nor are there any other known limitations arising from documents other than the Articles of Association that would be applicable in this context, except for limitations resulting from generally applicable laws in precisely defined situations, in particular:

- limitations resulting from the provisions of 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 (consolidated text: Journal of Laws of 2024, item 620, 1883), namely:
  - from Article 75(4) – shares encumbered with a pledge, until the date of its expiration, may not be traded, except in a situation where the acquisition of such shares takes place in the performance of an agreement on the establishment of financial security within the meaning of the Act of 2 April 2004 on Certain Forms of Financial Security,
  - from Article 88a – temporary limitations on the direct or indirect acquisition of or subscription for shares in a public company by an entity required to perform the obligations specified in Article 73(1) of the Act, which in the company in question exceeded the threshold of the total number of votes specified in these regulations – until the date of fulfillment of such obligations;
- limitations arising from Article 362 of the Commercial Company Code, regarding the prohibition of the acquisition of treasury shares by the issuer, except for the cases specified therein and limitations on the acquisition of the parent company's treasury shares by a subsidiary company or a subsidiary cooperative and persons acting on their behalf;
- limitations pertaining to the closed period referred to in Article 19 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (MAR) and insider dealing within the meaning of the provisions of MAR;
- possible objection by the regulatory authority, in the form of a decision, to the acquisition of or subscription for shares or rights attaching to shares in a domestic insurance undertaking in a quantity ensuring the achievement or exceeding of, as the case may be, one-tenth, one-fifth, one-third, one-second of the total number of votes at the Shareholder Meeting or of a stake in share capital – in accordance with Article 90(1) of the Act of 11 September 2015 on Insurance and Reinsurance Activity (consolidated text: Journal of Laws of 2024, item 838, 1565, 1863) (hereinafter the “Insurance Activity Act”), if:
  - the entity submitting the notification referred to in Article 82(1) failed to remove the deficiencies in its notification or in the documents or information attached to the notification within the prescribed time limit,
  - the entity submitting the notification referred to in Article 82(1) failed to provide additional information or documents required by the regulatory authority within the prescribed time limit,
  - it is justified by the need of prudent and stable management of the domestic insurance undertaking due to a possible impact of the entity submitting the notification referred to in Article 82(1) on the domestic insurance undertaking or due to the assessment of the financial standing of the entity submitting the notification;
- possible determination by the regulatory authority of a time limit for the acquisition of or subscription for shares or rights attached to shares, in accordance with Article 90(4) and (5) of the Insurance Activity Act, in a decision declaring the absence of grounds for filing an objection;
- possible issuance, by the regulatory authority, in accordance with Article 98(5) of the Insurance Activity Act, of a decision requiring the disposal of shares within the prescribed time limit in the event that the

authority issues a decision prohibiting the exercise of voting rights attached to shares in a domestic insurance undertaking for the reasons specified in Article 98(1) of this Act;

- possible issuance, by the regulatory authority, in accordance with Article 98(5) of the Insurance Activity Act, of a decision requiring the disposal of shares within the prescribed time limit in the event that the authority issues a decision prohibiting the exercise of voting rights attached to shares in a domestic insurance undertaking for the reasons specified in Article 98(1) of this Act.

## Shares or rights to shares held by persons managing or supervising PZU

As of the date of submission of this Management Board Report on the activities for H1 2026 (i.e. 19 August 2026) and as of 13 May 2026, i.e. the date of publication of the consolidated financial statements for the three-month period ended 31 March 2026, PZU shares were held by three members of the Management Board (Maciej Fedyna, Tomasz Tarkowski, Jan Zimowicz) and one member of the Supervisory Board (Jarosław Antonik).

Other members of the Management Board and Members of the Supervisory Board did not hold PZU shares or rights to them either at the date of conveying this interim report or at the date of conveying the report for H1 2026.

A summary of the number of PZU shares held by PZU managers and supervisors is presented in the table opposite.

| Number of PZU shares held by PZU Management Board Members and PZU Supervisory Board Members | 19 August 2026 | 13 May 2026 | change |
|---|---|---|---|
| **PZU Management Board Members** | | | |
| Maciej Fedyna | 300 | 300 | 0 |
| Tomasz Tarkowski | 830 | 830 | 0 |
| Jan Zimowicz | 1,520 | 1,520 | 0 |
| **PZU Supervisory Board Members** | | | |
| Jarosław Antonik | 150 | 150 | 0 |

## PZU bonds

As at 30 June 2026, PZU held subordinated bonds (ISIN PLPZU0000037) worth PLN 2.25 billion, bearing interest at WIBOR6M + 180 bps., issued on 30 June 2017. The maturity date for these bonds is 29 July 2027, or 10 years after issue with an early redemption option 5 years after the issue date. The bonds are listed on the Catalyst ASO WSE/Bondspot.

# 7.3. Calendar of PZU's periodic reports published in 2026

**Calendar of PZU's reports published in 2026**

| | PZU | Bank Pekao | Alior Bank |
|---|---|---|---|
| 2025 Annual Report | 26 February | 19 February | 24 February |
| Quarterly Report for Q1 2026 | 14 May | 30 April | 28 April |
| Half-Yearly Report for H1 2026 | 20 August | 30 July | 4 August |
| Quarterly Report for Q3 2026 | 19 November | 29 October | 27 October |

## IR contact details

Magdalena Komaracka, CFA, Director of Management Consolidation and Investor Relations

IR website: www.pzu.pl/relacje-inwestorskie/raporty

Contact: www.pzu.pl/relacje-inwestorskie/kontakt-dla-inwestorow

# 8. Other information

**Information about significant agreements executed between shareholders**

The PZU Management Board does not have any information about agreements executed until the date of this Report on the activity of the PZU Group among shareholders as a result of which changes may transpire in the future in the percentages of shares held by its shareholders to date.

**Information about significant executed agreements**

No agreements significant to the Issuer's business were entered into in H1 2026.

**Related party transactions on terms other than an arm's length basis**

In H1 2026, neither PZU nor its subsidiaries executed any transaction with their related parties which were of material significance individually or collectively and were executed on non-arm's length conditions.

**Purchase of treasury shares in the financial year**

As at 30 June 2026, consolidated funds held 34,519 PZU shares.

PZU did not hold any treasury shares as at 30 June 2026.

**Granted and received guarantees and sureties**

In H1 2026 neither PZU nor its subsidiaries issued any sureties for loans or borrowings, or any guarantees – jointly to a single entity or its subsidiary – for which the total amount of the existing sureties or guarantees would be material.

Information on off-balance sheet items as of 30 June 2026 is included in Chapter 6.3.PZU Group's asset and liability structure

**Rules of preparation**

The Rules of preparing the interim consolidated financial statements have been described in the PZU Group's consolidated financial statements.

**Assessment of the management of financial resources, including the capacity to satisfy the assumed liabilities and specification of possible threats and actions taken or to be taken by the Issuer to counter these threats. Assessment of the performance of investment-related intentions**

The PZU Group and PZU are in very good financial standing and satisfy all the safety criteria imposed by the legal regulations and the Polish Financial Supervision Authority. PZU's "A-" rating by S&P and positive rating outlook confirm that PZU has a strong business position, with a high level of own equity, including for the performance of investment-related intentions.

**Financial forecasts**

PZU has not published any forecasts of its financial results.

**Disputes**

During 6 months ended 30 June 2026 and till the date of the abridged mid-year consolidated financial statements, PZU Group companies were no parties to any pending proceedings before courts, competent arbitration authorities or public authority authorities concerning liabilities or receivables of PZU or PZU's direct or indirect subsidiaries whose unit value would be material, except for issues described in the Condensed Interim Consolidated Financial Statements for the 6 months ended 30 June 2026.

As at 30 June 2026, the total value of disputes in all 221,549 cases (as at 31 December 2025: 217,879) pending before courts, arbitration bodies and public administration authorities in which PZU Group entities take part, was PLN 17,870 million (as at 31 December 2025: PLN 17,951 million). Of that amount, PLN 12,718 million (as at 31 December 2025: PLN 13,066 million) relates to liabilities and PLN 5,152 million (as at 31 December 2025: PLN 4,885 million) relates to receivables of PZU Group companies.

# 9. Management Board Statement on the Accuracy of the Reports

**Representation by the Parent Company's Management Board on the preparation of standalone and consolidated financial statements and the activity report**

To the best knowledge of the PZU Management Board, the PZU Group's condensed interim consolidated financial statements and PZU's condensed interim standalone financial statements for the six months ended 30 June 2026, as well as the comparative data, have been prepared in line with the prevailing accounting principles and honestly, accurately and clearly reflect the PZU Group's and the PZU's assets and financial position as well as their financial result. To the best knowledge of the PZU Management Board, the report on the activities of the PZU Group contains a true picture of the development, achievements and situation of the PZU Group, including a description of basic threats and risks.

This Report on the Activity of the PZU Group for H1 2026 has 139 consecutively numbered pages.

Signatures of PZU Management Board Members

Bogdan Benczak – President of the Management Board

Maciej Fedyna – Management Board Member

Elżbieta Häuser-Schöneich – Management Board Member

Kazimierz Karolczak – Management Board Member

Tomasz Tarkowski – Management Board Member

Jan Zimowicz – Management Board Member

Warsaw, Wednesday, August 19, 2026

# 10. Appendices



# 10.1. Glossary of terms

**insurance agent** – commercial undertaking conducting agency activity pursuant to an agreement executed with an insurance undertaking. The activity of agents focuses on acquiring customers, entering into insurance contracts, participating in the administration and performance of insurance agreements and organizing and supervising agency activity

**assurbanking** – distribution of banking products by insurance companies

**bancassurance** – distribution of insurance products by banks

**BEL** – value of the best estimate liability under insurance contracts, Best Estimate Liability – the amount required to ensure payment of services and benefits to insureds according to best estimates, i.e., when everything happens according to predictions (best estimate assumptions)

**insurance broker** – entity holding a permit to conduct brokerage activity Performs activities on behalf or in favor of an entity seeking insurance cover

**coverage units** – coverage units of insurance services used to determine contractual service margin (CSM) amortization schemes

**cross-selling** – sales strategy for selling an insurance product in combination with a complementary insurance product or an insurer's partner's product, e.g. a bank's product. Bancassurance products such as credit insurance may serve as an example

**CSM** – contractual service margin, a component of the carrying amount of the asset or liability for a group of insurance contracts representing the unearned profit the entity will recognize as it provides insurance contract services. Changes in actuarial assumptions recognized over time are passed through the CSM

**P/BV (Price to Book Value)** – indicator specifying the ratio of the market price to the book value per share

**P/E (Price to Earnings)** – indicator specifying the ratio of the company's market price (per share) to earnings per share

**DPS (Dividend Per Share)** – market multiple specifying the dividend per share

**DY (Dividend Yield)** – market multiple specifying the ratio of the dividend per share to the market share price

**EPS (Earnings Per Share)** – market multiple specifying earnings per share

**GMM –** General Measurement Model, the default model of IFRS 17, in which insurance liabilities are calculated as the sum of discounted estimated future cash flows (BEL), non-financial risk adjustments and CSM

**IDD** – Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (Insurance Distribution Directive)

**IPO (Initial Public Offering)** – public offering of specific securities performed for the first time. One of the most important elements of an initial public offering is the preparation of a prospectus and the proceeding before the institution supervising admission to be traded publicly

**Civil Code** – Act of 23 April 1964 entitled Civil Code

**Commercial Company Code** – Act of 15 September 2000 entitled Commercial Company Code

**initial recognition (IR)** – the date of first recognition of an insurance contract

**nondistinct investment component (NDIC)** – represents the portion of the benefit payable to the insured that will always be paid to the insured regardless of whether an insured event occurs

**PAA** – Premium Allocation Approach, a simplified approach, where the measurement of the liability for remaining insurance cover is analogous with the unearned premiums mechanism according to IFRS 4 (without a separate presentation of risk adjustment for non-financial risk or contractual service margin), whereas liabilities for paid claims are measured in the same manner as for the general measurement model. The PAA method is applied to short-term contracts that meet the relevant eligibility criteria at initial recognition

**ECSs** – Employee Capital Schemes defined by the provisions of the Act of 4 October 2018 on Employee Capital Schemes

**PRIIP** – Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing Regulation (EU) No. 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products

**gross insurance revenue** – this is the remuneration expected to be received by the entity in exchange for insurance services provided during the period. In the GMM or VFA model, it includes the contractual service margin solution (CSM) in the amount of the contract profit attributable to the period, the release of the adjustment for non-financial risks during the period, the compensation, benefits and expenses expected during the period and the portion of the premium associated with the recovery of acquisition costs and the PAA simplified model includes the amortization of liabilities for remaining coverage

**Insurance Finance Income or Expenses (IFIE)** – the effect of time value of money and financial risks and their changes recognized partly in the profit and loss account and partly in other comprehensive income

**gross written premium** – the amounts of gross written premiums (net of the reinsurer's share) due by virtue of the insurance contracts executed in the reporting period, notwithstanding the term of liability stemming from these agreements

**net earned premium** – the gross written premium in a given period giving consideration to the settlement of revenues (premiums) over time through movement in the provisions for unearned premiums and the reinsurers' share

**adjustment for non-financial risk (RA)** – compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfills insurance contracts

**reinsurance** – transfer to some other insurance undertaking – the reinsurer – of all or part of the insured risk or class of risks along with the pertinent portion of the premiums. As a result of reinsurance, a secondary split of risks transpires to minimize the risks to the insurance market

**outward reinsurance** – reinsurance activity whereby the insurer (assignor) transfers a portion of the concluded insurance to a reinsurer or reinsurers in the form of a reinsurance agreement

**inward reinsurance** – reinsurance activity whereby a reinsurer or reinsurers accept a portion of insurance or a class of insurance transferred by a cedent

**technical provisions (PSR)** – provisions that should ensure full coverage of current and future liabilities that may result from executed insurance contracts. The following, in particular, are included in technical and insurance provisions: provision for unearned premiums, provision for life insurance, provision for outstanding claims and benefits, provision for unexpired risks, provision for investment risk borne by policyholders and provision for bonuses and discounts for insureds

**RODO** – Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC

**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 (Capital Requirements Regulation)

**Regulation on Current and Periodic Information** – Finance Minister's Regulation of 29 March 2018 on Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent (Journal of Laws of 2018, item 757)

**credit scoring** – method for assessing the credibility of an entity (usually a natural person or a business) applying for a bank loan. The result of credit scoring is ordinarily presented in the form of a score – the higher the number of points, the greater the credibility of a prospective borrower

**sell-side** – part of the financial sector involved in creating, promoting and selling equities, bonds, foreign currencies and other financial instruments; it includes investment bankers who act as intermediaries between securities issuers and investors as well as market makers who provide liquidity on the market. Sell-side analysts release research reports with investment recommendations and daily comments for the buy side, i.e. for asset managers

**Locked-in interest rates** – interest rates at initial recognition

**spread** – the difference between the purchase and sale price of a financial instrument

**risk-free rate** – rate of return on financial instruments with zero risk. In PZU the risk-free rate is based on the yield curves for treasuries and it is the basis for determining transfer prices in settlements between operating segments

**sum insured** – amount in cash for which an insured object is insured. In non-life insurance the sum insured ordinarily constitutes the upper limit of the insurer's liability

**Transition** – date of transition to valuation in accordance with IFRS 17 standard, i.e. 1 January 2022

**Total Shareholder Return (TSR)** – measure specifying the total rate of return obtained by shareholders by virtue of holding shares in a given company during an annual period. This measure expresses the sum total of profit stemming from the movement in the share price of a given company and the dividends paid during the time when an investor holds its shares in relation to its share value at the beginning of a given year. It is expressed as a percentage on an annualized basis

**Type J insurance** – traditional individual life insurance providing protection with profit sharing

**Unit-linked –** Unit-linked insurance fund, a separate fund consisting of assets constituting a provision consisting of insurance premiums invested in the manner specified in the insurance agreement, a constituent part of unit-linked life insurance also referred to as an investment policy

**UoA (Unit of Account)** – a unit of account, the lowest level at which valuation under IFRS 17 is conducted, only at this level compensation of profit and loss of insurance contracts is allowed

**Act on Statutory Auditors** – Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (Journal of Laws of 2017, Item 1089, as amended)

**UOKiK** – Office of Competition and Consumer Protection, the Polish anti-trust authority, acting to ensure the development of competition, protect businesses exposed to monopolistic practices and protect consumer interests, www.uokik.gov.pl

**Insurance Activity Act** – Act of 11 September 2015 on Insurance and Reinsurance Activity (Journal of Laws of 2015, item 1844), with most regulations in force as of 1 January 2016. This Act introduced Solvency II requirements to the Polish legal system

**release of non-financial risk adjustment (RA) presented in profit or loss** – compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risks as the entity fulfills insurance contracts

**release of the contractual service margin (CSM)** – contractual service margin release presented in profit or loss – contractual service margin (CSM) is released in the current period based on the proportion of the total insurance service provided in the period

**UX (User Experience)** – area related to the experiences of users of the respective tool (or, more broadly, of a process, or interacting with the brand in general). It is associated directly with web usability, which is an empirical field of knowledge dealing with the design and testing of tools (in this case: online tools) in consideration of the needs and preferences of target users. In the context of websites, it involves broadly construed usefulness and effectiveness in attaining specific goals

**VFA** – Variable Fee Approach, method based on the building block approach, applied for contracts with direct participating features, where changes in economic assumptions passes through CSM over the life of contract, method applied e.g. for Unit-Linked contracts

**WIBOR6M** – reference interest rate for a loan for 6 months on the Polish interbank market

**Solvency II** – solvency system for European insurance undertakings taking the risk profile into account. These requirements have been in force since 1 January 2016

**prudent person principle** – principle expressed in article 129 of the Solvency II Directive of the European Parliament and of the Council on the Taking-up and Pursuit of the Business of Insurance and Reinsurance that imposes on insurance undertakings and reinsurance undertakings the requirement of investing assets in the policyholders' best interest, properly matching investments to liabilities and duly incorporating the various types of financial risk, such as liquidity risk and concentration risk

**liability (or asset) for insurance contracts** – replaces in IFRS 17 the existing technical provisions and other balance sheet contributions related to the valuation of insurance contracts. It consists of the Liability for Remaining Coverage and Liability for Incurred Claims)

# 10.2. Alternative Performance Measures

Selected Alternative Performance Measures (APM) within the meaning of European Securities and Markets Authority Guidelines (ESMA) no. 2015/1415 are presented below.

The profitability and operational efficiency indicators presented herein, constituting standard measures applied generally in financial analysis, provide, in the opinion of the Management Board, significant additional information about the PZU Group's financial performance. Their usefulness was analyzed in terms of information, delivered to the investors, regarding the Group's financial standing and financial performance.

**aROE** – adjusted return on equity, calculated on a capital basis excluding cumulative other comprehensive income relating to insurance and reinsurance financial income and expenses.

**Assets of external customers of TFI PZU and PTE PZU (PLN billion)** – assets of external customers accumulated in the PZU "Złota Jesień" Open-End Pension Fund and the PZU Voluntary Pension Fund as well as all assets accumulated and managed by TFI PZU, other than those constituting own funds of PZU Group companies. Compared to the values reported before 2021, PPE products sold past PZU Życie as UFK and managed by TFI PZU as asset management were also included. An increase in this indicator means that the inflows of assets into the funds are greater than the outflows from the funds and/or that the funds generated positive rates of return on assets under management.

**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; a decrease in the value of this indicator signifies an improvement in efficiency (Combined Operating Ratio).

**Net interest margin (NIM)** – the difference between a bank's net interest income earned on income-generating assets and interest expenses incurred on liabilities. It is the ratio of a bank's earnings generated on interest to average assets net of matured interest on at-risk receivables; an increase in the value of this indicator signifies an improvement in efficiency.

**Operating margin in life insurance** – profitability of life insurance segments, calculated as the ratio of the profit or loss on operating activities to the net income on insurance activities; the higher the ratio, the better the efficiency.

**Operating margin in group and individually continued insurance** – profitability of the segment of group and individually continued insurance, calculated as the ratio of profit/loss on operating activity to net insurance revenues; an increase in the value of this indicator signifies an improvement in efficiency.

**Revenue of the Health Pillar / Area** – gross written premium from health insurance (property and life insurance) and revenue from medical care subscription, occupational medicine, services under a contract with the National health Fund and fee-for-service products carried out in medical centers of PZU Zdrowie (in branches and subsidiaries of PZU Zdrowie), excluding intragroup transactions.

**Number of contracts of the Health Pillar / Area** – the number of contracts of customers of health products of the PZU Group (PZU Życie, PZU, PZU Zdrowie, TUW PZUW, LINK4), i.e., the number of contracts of customers having: group or individual health insurance, subscription for medical services or occupational medicine services. For group contracts, the customer is either the insured or the beneficiary.

**ROA (Return on Assets)** – return on assets, calculated as the ratio of the annual net profit to the arithmetic mean of total assets at the beginning and end of the reporting period; an increase in the value of this indicator signifies an improvement in efficiency, i.e. a greater ability of the assets to generate profits.

**ROE (Return on Equity) attributable to equity holders of the parent** – return on equity calculated as the ratio of the annual net profit attributable to owners of the parent company to the arithmetic mean of consolidated equity minus minority interest at the beginning and end of the reporting period; an increase in the value of this indicator signifies an improvement in efficiency and the ability to multiply funds entrusted by the owners.

**ROE (Return on Equity) from core business attributable to equity holders of the parent** – return on equity calculated as the ratio of the annual net profit attributable to owners of the parent company, excluding the banking sector's contribution to the result, to the arithmetic mean of consolidated equity minus minority interest, own capital attributable to banking sector entities and the goodwill of Bank Pekao at the beginning and end of the reporting period; an increase in the value of this indicator signifies an improvement in efficiency and the ability to multiply funds entrusted by the owners.

**Consolidated ROE (Return on Equity)** – return on equity calculated as the ratio of the annual net profit to the arithmetic mean of consolidated equity at the beginning and end of the reporting period; an increase in the value of this indicator signifies an improvement in efficiency and the ability to multiply funds entrusted by the owners.

**Administrative expense ratio** – the quotient of net administrative expenses and to net insurance revenues; the ratio determines the percentage of administrative expenses to net insurance revenues and a decrease in the value of the ratio indicates an improvement in efficiency.

**Cost/Income ratio (banking sector)** – the quotient of the PZU Group's non-insurance operating expenses excluding tax on other financial institutions and total operating income, which includes: interest income calculated using the effective interest rate and equalized, other net investment income, result on discontinued recognition of financial instruments and investments not measured at fair value through profit or loss, net change in fair value of assets and liabilities measured at fair value, interest expenses, as well as result on commissions and fees and other operating income and expenses; a decrease in the value of the ratio indicates an improvement in efficiency;

**PZU Group's solvency ratio** – the level of coverage of the solvency capital requirement with the PZU Group's own funds within the meaning of 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), as amended and supplemented with related documents; an increase in the value of this indicator signifies an increase in the capital surplus.

These Financial Statements contain forward-looking statements concerning the strategic operations. Such forward-looking statements are exposed to both known and unknown types of risks, involve uncertainties and are subject to other significant factors which may cause that the actual results, operations, or achievements of PZU Group considerably differ from future results, operations, or achievements expressed or implied in the forwards-looking statements. The statements are based on a number of assumptions concerning the current and future business strategy of PZU Group and the external environment in which the Group will operate in the future. PZU expressly waives any and all obligations or commitments concerning distribution of any updates or adjustments to any of the assumptions contained in these Management Board's report on the activity of the PZU Group and PZU, which shall aim to reflect the changes in PZU expectations or changes in events, conditions, or circumstances on which a given assumption has been made, unless provisions of the law provided otherwise. PZU stipulates that the forwardlooking statements do not constitute a guarantee as to the future results and the company's actual financial standing, business strategy, management plans and objectives concerning the future operations may considerably differ from those presented or implied in such statements contained in these Management Board's report on the activity of the PZU Group and PZU. Moreover, even if the PZU Group's financial standing, business strategy, management plans and objectives concerning the future operations comply with the forward-looking statements contained in these Management Board's report on the activity of the PZU Group and PZU, such results or events may not be treated as a guideline as to the results or events in the subsequent periods.

PZU does not undertake to publish any updates, changes, or adjustments to information, data or statements contained in these Management Board's report on the activity of the PZU Group and PZU if the strategic operations or plans of PZU shall change, or in the case of facts or events that shall affect such operations or plans of PZU, unless such an obligation to inform resulted from applicable provisions of the law.

PZU Group is not liable for the effects of decisions made following the reading of the Management Board's report on the activity of the PZU Group and PZU.

At the same time, these Management Board's report on the activity of the PZU Group and PZU may not be treated as a part of a call or an offer to purchase securities or make an investment. The Management Board's report on the activity of the PZU Group and PZU does not constitute also an offer or a call to effect any other transactions concerning securities.