



PZU Group Overview

Potential and growth

May 2023



PZU Group offers a wide range of products and services...

Non-life insurance

- Motor insurance (MTPL, MOD)
- Home insurance
- Corporate & SME insurance
- Agricultural insurance
- Financial insurance
- Travel insurance

Life insurance

- Group and individually continued protection products
- Individual life insurance

Savings & Investments

- Participation units
- Pension products: employment pension products - PPE, individual pension accounts - IKE, individual pension security accounts - IKZE, and employee capital schemes - PPK)

Health care

- Health insurance
- Medicine insurance
- Health care services: general health care and packages of related services

Banking products

- Current and savings accounts
- Term deposits
- Credits and loans



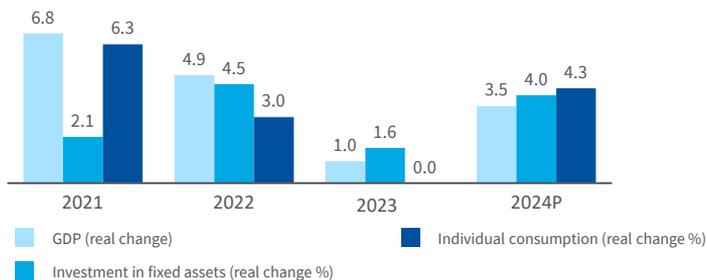
... being the largest financial conglomerate in Central and Eastern Europe ...

Market share in Poland



... with growth potential in key areas of operations

Poland's GDP in 2020-2024*



*March 2023 forecast.

Source: GUS/Biuro Analiz Makroekonomicznych PZU

Loans per capita (2021, EUR) in relation to the growth rate of the banking market(2014-2021, EUR)



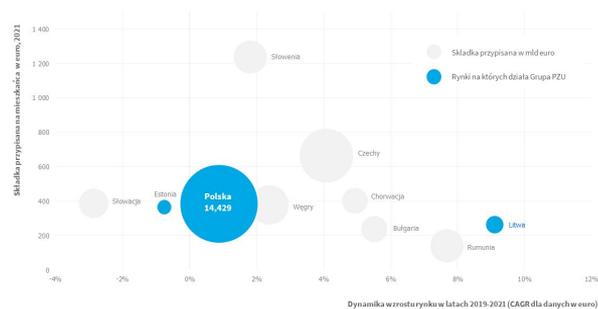
Source: Own calculations based on Eurostat and European Central Bank figures

Penetration of insurance in relation to GDP per capita in Europe (2021, EUR)



Source: Own calculations based on Eurostat and Swiss Re Institute

Gross written premium per capita (2021, EUR) in relation to the insurance market growth rate (2018-2021)



Source: Swiss Re, sigma 4/2022; World insurance: inflation risks front and center; Eurostat; www.osp.stat.gov.lt; www.fktk.lv; www.andmed.stat.ee

Driven by the principles of sustainable development ...

- Emissions reduction²: 25.5%
- Electricity from RES (81%)
- Compensation of 17,508 Mg of CO2 through purchase of CERs, UN Carbon Offset Platform (compensation for 2021)

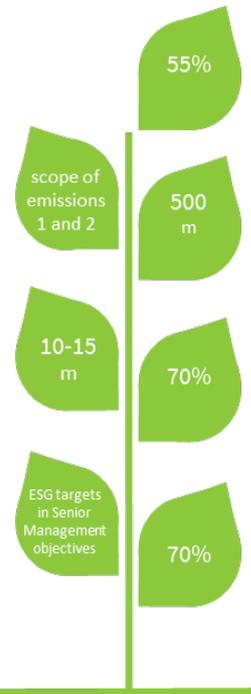
- **Over 12.2 million** recipients of social activities in the area of safety and sustainable lifestyle

- ESG targets **were included** in the strategic objectives and **forwarded** to the managers for implementation

Achieving climate neutrality by reducing emissions, purchasing green energy and compensating CO2 emissions¹

Number of recipients of social activities in the area of safety and sustainable lifestyle during the year

Giving consideration to **ESG in the Company's strategic objectives** and implementing them by the senior management (WKK)



ESG assessment of **55% of the biggest corporate insurance** clients from sectors sensitive to ESG risks

Increase of the current exposure to investments supporting climate and energy transition by **500 m PLN** in 2021–2024

Percentage of employees covered by the **#dobrostan (#well-being) program**

Percentage of **key purchase processes** which accounted for **ESG criteria**

- **20% of largest corporate insurance clients** sensitive to the ESG risk assessed against ESG factors.

- **PLN 716.7 m** - an increase in the involvement of PZU and TFI PZU in investments supporting the climate-energy transition (from 2021)

- **39% of employees** use the #DobryStan offering

- Including ESG criteria into **46% of key procurement processes**

We monitor our progress on the road to sustainability. Among other things, PZU's actions were recognized in the **16th edition of the Responsible Companies Ranking**, where we **received 94 points out of 100**, thanks to which we took 3rd place in the general and industry classification.

The ratings achieved in ESG ratings are also a measurable result



¹ Climate neutrality of PZU SA and PZU Życie SA in the scope 1 and scope 2 emissions area; ² PZU SA and PZU Życie SA, location-based method.



... provides stability and security ...



¹ Data as at 30 September 2022. Does not take into account new rules included in KNF circular letter to insurance companies dated 16 April 2021

The PZU Group wants to be a supplier of comprehensive solutions that will help clients lead a healthy life and sustainable business.

The Group's strategic ambition is to develop ecosystems that will provide end-to-end solutions for both institutional and individual clients. It will create new opportunities to build long-lasting customer relationships through, among other things, new interactions with customers in different areas of their lives. Key elements that contribute to building a sustainable technological advantage in integrated customer service will be further digitalization, use of artificial intelligence (AI), Big Data and advanced analytics, as well as mobility and omnichannel approach. Technological transformation will be supported by the use of cloud computing.

...being a lifetime partner for its clients



Consistently implemented strategy ...

Financial metrics of the strategy until 2024

4.3 PLN bn PZU Group net prof¹



15.5 % Adjusted return on equity (aROE)²



≥ 200 % Solvency II ratio



>28 PLN bn Gross insurance revenue³



1.7 PLN bn Health Pillar Revenue



1.0 PLN bn Banks' contribution to PZU Group's net results



60 PLN bn Assets under management

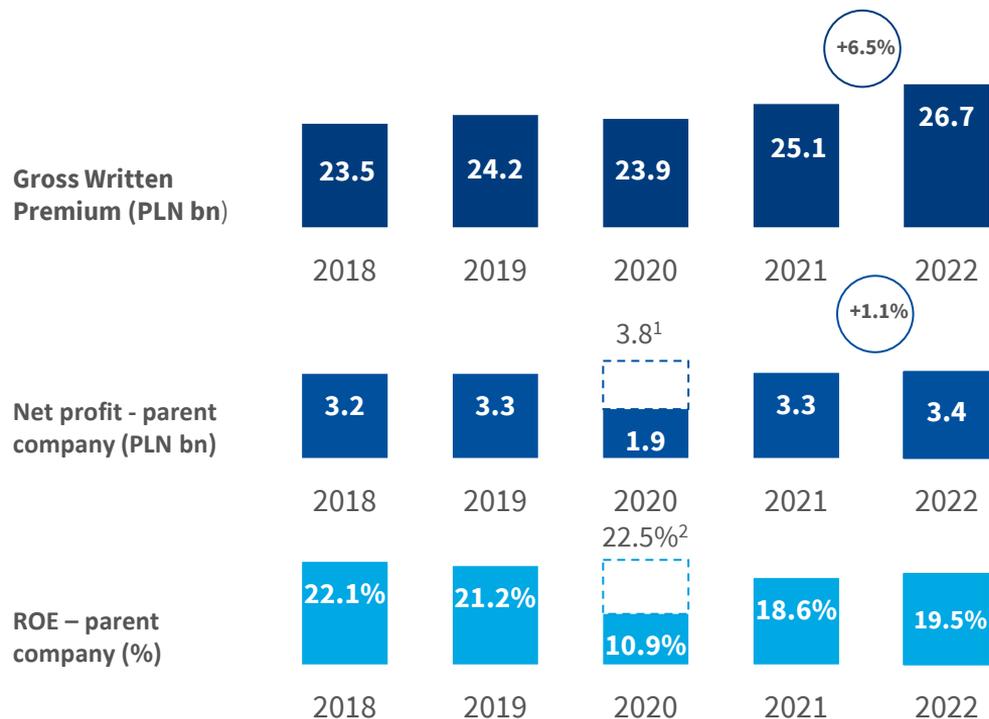


¹ Net profit attributable to the equity holders of the parent company

² Calculated based on equity excluding other comprehensive income from insurance business (being the impact of changes in the macroeconomic environment on the PZU Group's capital), which provides greater stability to the indicator

³ Written premium (GWP) is replaced by a new measure – insurance revenue. Written premium will not be reported directly in the profit and loss account. GWP will remain a monitored financial measure

... allow to achieve attractive financial results ...

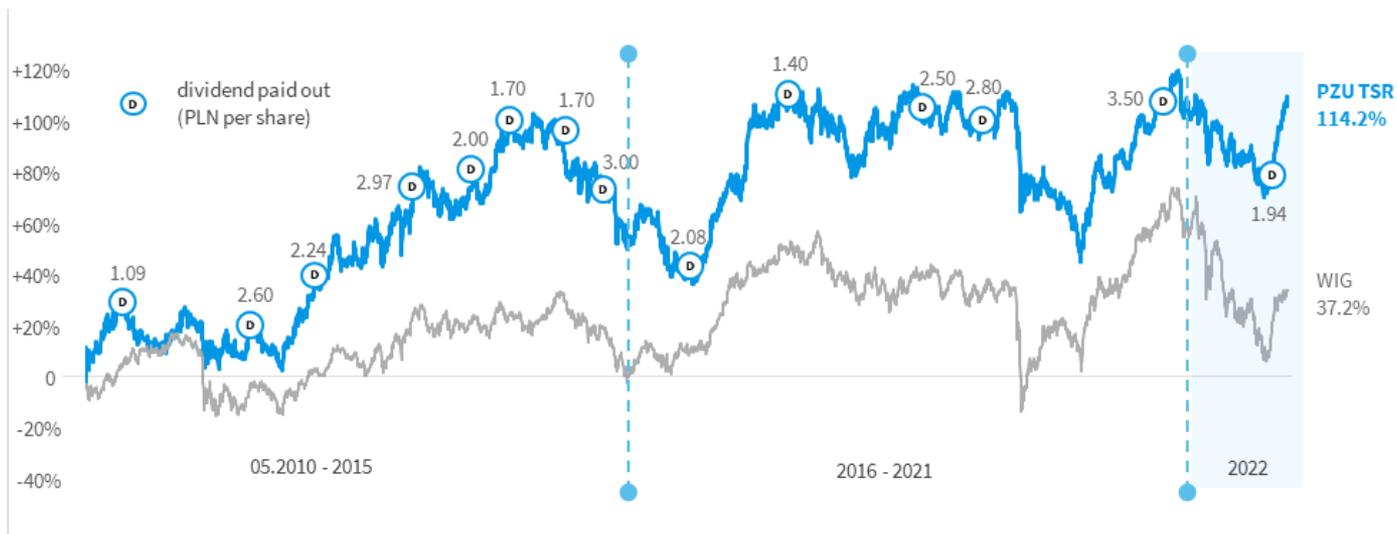


¹ PLN 3.8 bn - net profit attributable to the parent company (comparable) adjusted by the impact of COVID-19 on the group's results; PLN 1.9 bn reported net profit attributable to the parent company

² ROE attributable to the parent company: 10.9% - reported / 17.9% - adjusted by the impact of the impairment loss on goodwill arising from the acquisition of banks, impairment loss on assets arising from the acquisition of Alior Bank - in total PLN 1,343 million / 22.5% - adjusted by the impact of COVID-19 on the group's results and for a dividend of 80% of the PZU Group's consolidated net profit, which was not paid in 2020 in the form of a dividend and increased equity

... delivering above-average returns to shareholders

Dividend distributions and PZU's total shareholder return (TSR) (05.2010-2022)



PZU's total return since the IPO until 31 December 2022 **totalled 114%** vs. the growth in the **WIG Index of 37%**

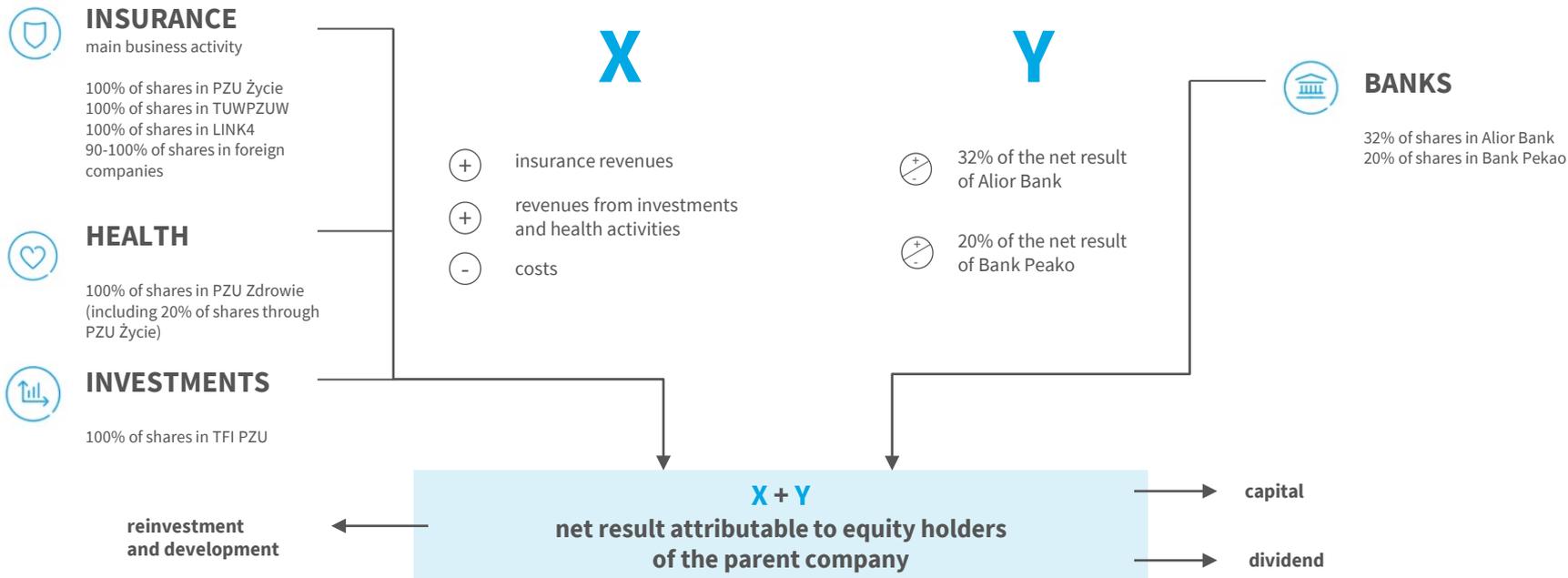


Appendices

- Business model
- Digital transformation
- Shareholder structure
- Financial highlights by segments & KPIs
- Capital position & profit distribution
- History
- Awards & distinctions

A diversified business model ...

PZU – parent company operating in non-life insurance (listed on the Warsaw Stock Exchange)



... with insurance operations contributing most to the operating result ...

75.4%

INSURANCE

investment and
pension products



20.3%

BANKING



4.4%

INSURANCE



-0.1%

INSURANCE



POLAND

ESTONIA

LATVIA

LITHUANIA

UKRAINE

Percentage share in the operating result (adjusted for PZU's shares in banks in 2022)

... and operations conducted in an ethical and responsible manner...

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

A- with a stable outlook
AAA capital strength rating
S&P Global Ratings

PZU / Super Ethical Company
Puls Biznesu 2018-2021

PZU Życie / Super Ethical Company
Puls Biznesu 2021



- 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

- Artificial intelligence and machine learning¹
- Continuation of the process of digitalizing insurance, banking, investment and health products and services
- Advanced analytics
- Process optimization

Innovation Lab
Corporate Innovation Awards

Minute for skin, Agro Lab²
The Efma-Accenture Innovation In Insurance Award 2022

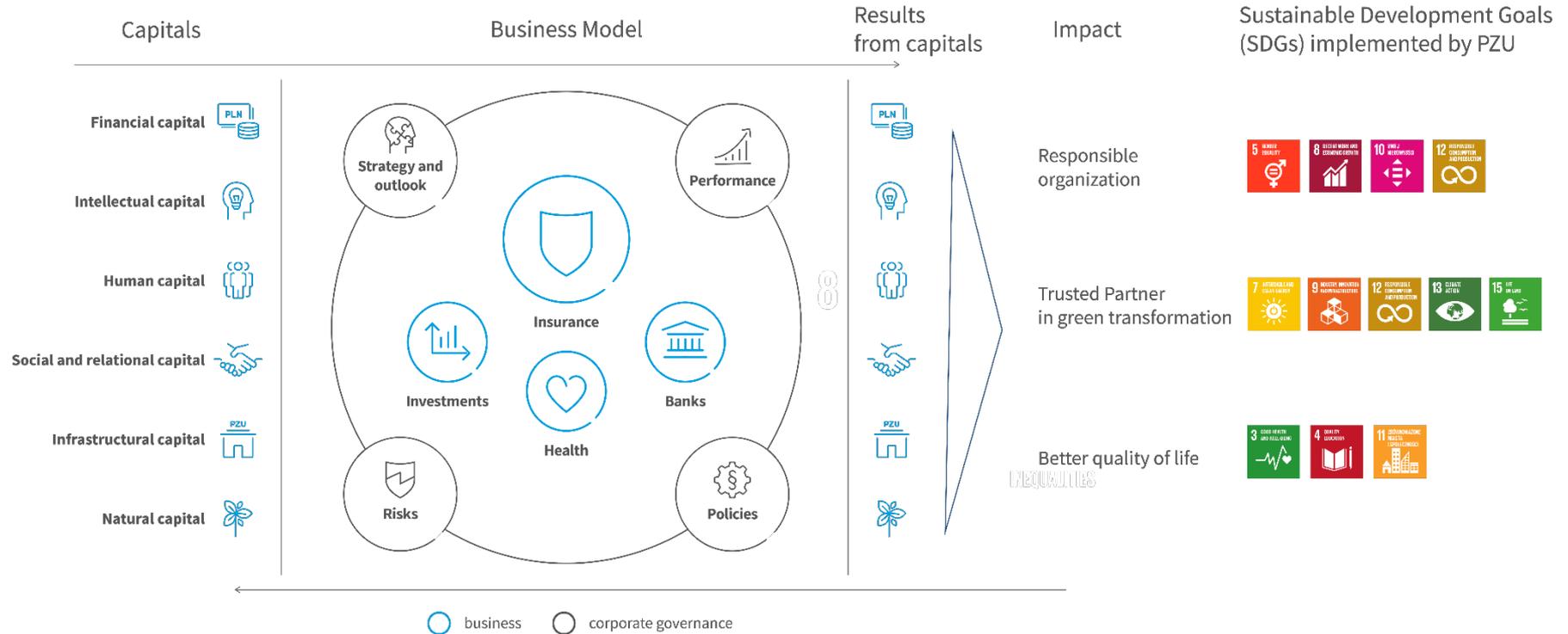
PZU
Employer Branding Excellence Awards 2022

- 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

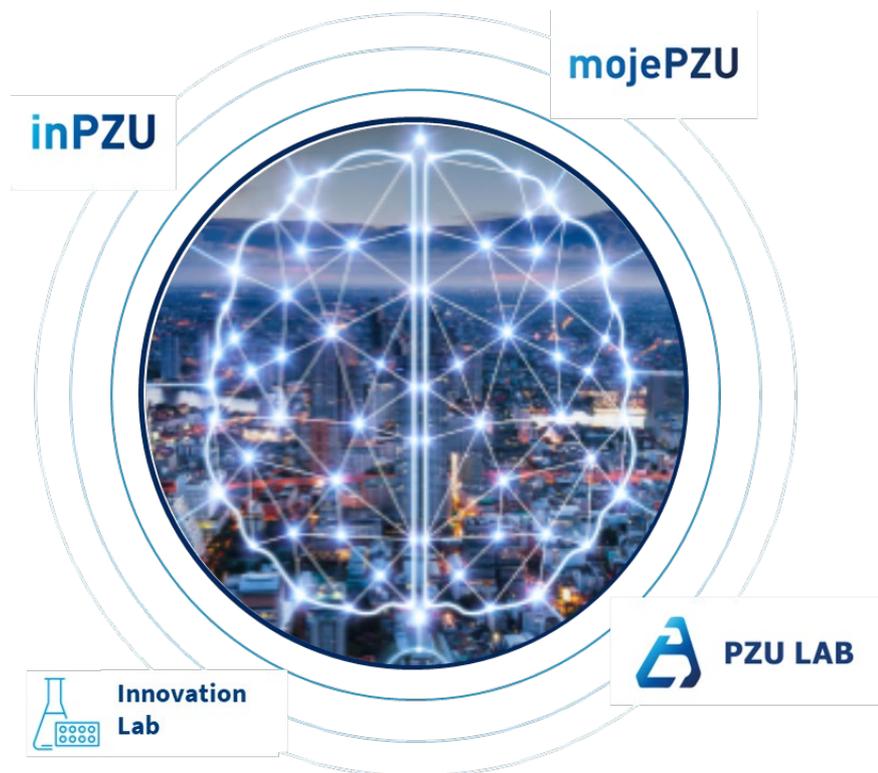
¹ Machine learning is a technology assuming that the program utilizes algorithms to “learn” on the basis of large data sets whereby it is capable of executing tasks without having to be designed directly by a human

² Minute for Skin - is a skin cancer prevention project using artificial intelligence (AI), Agro Lab - is a tool using satellites and AI in handling agricultural damage.

... build value for the stakeholders of the PZU Group



Using new technologies in all operating areas...



Digitalization and streamlining processes



We continue to implement solutions for clients that are simple, intuitive and universal.

As consumer trends are evolving, mobile solutions will play an ever more important role in interactions with clients.

Utilization AI, Big Data¹ and advanced analytics



We will continue to focus on the utilization of opportunities offered by new technologies, including AI, Big Data and solutions supporting advanced analytics. Implementation of new technologies should lead to improved operating efficiency and profitability of business, among others through automation and streamlining of decision-making processes.

New channel approach (mobility and multi-channel)



We will use new digital distribution channels as an addition to traditional channels.

Cloud computing²



We plan to implement cloud computing solutions, a technology which offers significant support for technology transformation and new opportunities to support business operations, such as greater efficiency of the infrastructure.

Cybersecurity

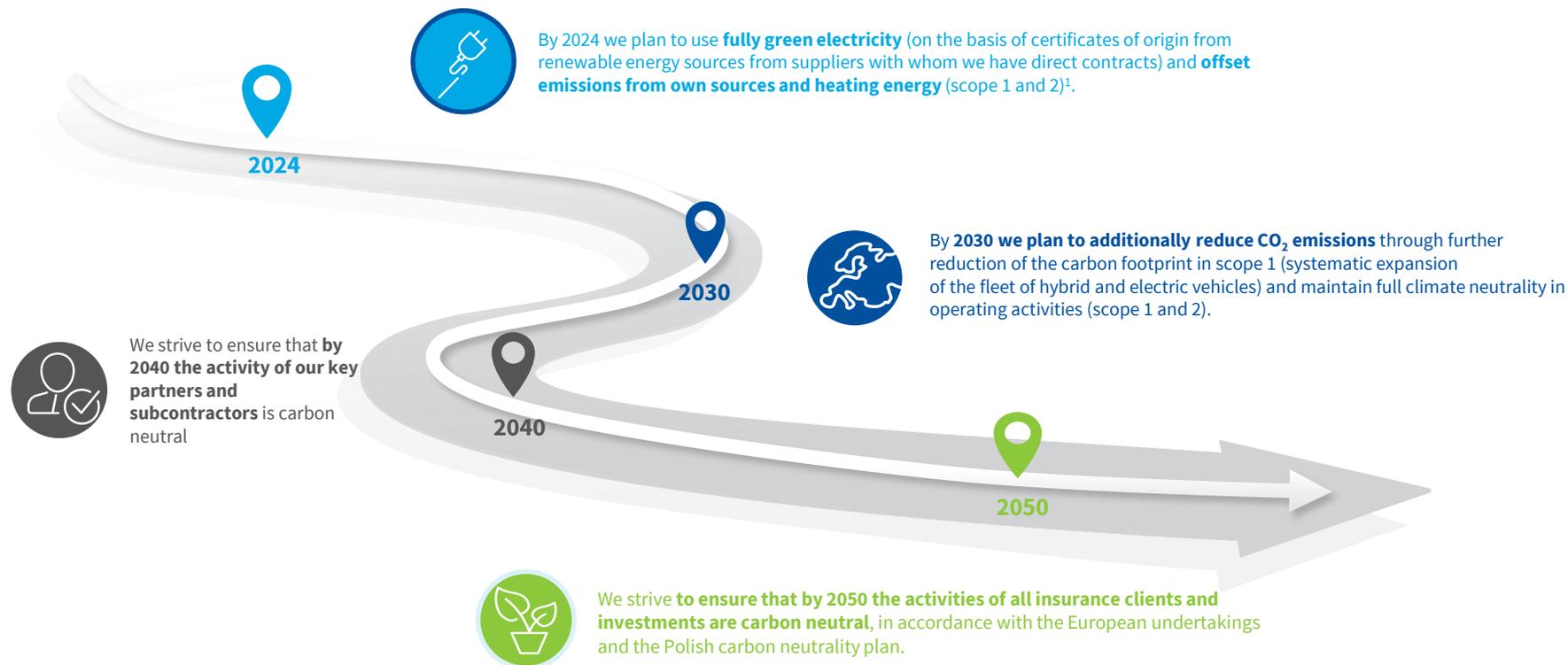


We ensure and continuously improve security of our IT networks; we will introduce tools for estimating cybersecurity risk in the financial sector. We offer assistance and protection in case of cybernetic incidents and breaches of data of our business clients.

¹ Big data is a term that depicts diverse, volatile, high-volume data sets and, usually, all the analysis and systematization procedures on such data, as well as the technologies used to store them

² Cloud computing is a technology, in which users take advantage of the processing capacity available over the Internet rather than investing in, among others, servers, database service tools or software

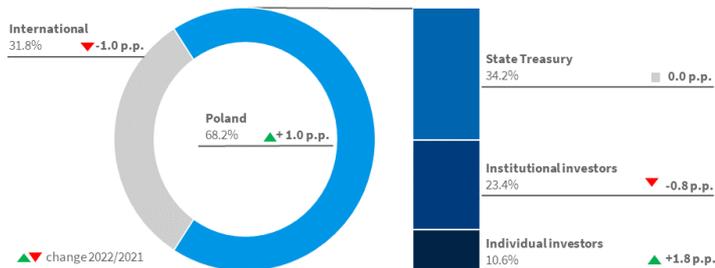
... PZU Group is an active participant in the green energy transformation



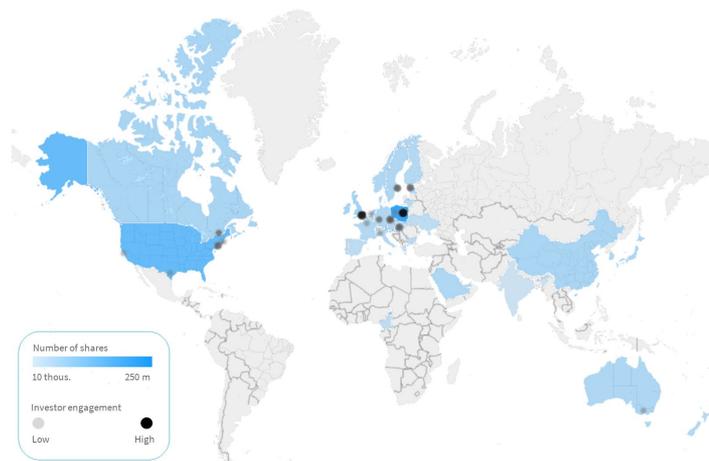
¹The definition of scope 1 and 2 is available on the page with indicator definitions
Comments regarding emission scopes refer to the classification specified in the GHG Protocol



The State Treasury of the Republic of Poland is PZU's main shareholder ...



Shareholders holding large blocks of PZU shares include the State Treasury of Poland (34.2%) and NN OFE and NN DFE (5.7%)



Locations of the head offices of institutional investors participating in meetings with PZU's representatives (marked on the map as "interested investors")

According to a survey carried out at the end of 2022, PZU's shareholder structure was stable in terms of the breakdown of stakes and geographies. The largest stakes, as in previous years, were held by investors from Europe, with Polish investors dominating.

As at the end of 2022, the stake of open-end pension funds (OFE) and mutual fund management companies (TFI) in PZU's shareholder structure was 16.7% (down 0.8 p.p. y/y) and 3.6% (down 0.5 p.p. y/y), respectively.

The percentage of retail investors in PZU's shareholder structure as at the end of 2022 increased by 1.8 p.p. y/y to 10.6%. This means that at the end of 2022, this group of investors was holding almost 92 millions of shares with the total value of over PLN 3.2 billion (per price of the last 2022 session – PLN 35.4). This high growth rate was recorded in a difficult, declining market. From the perspective of the main market of WSE, the stake of investors in 2022 continued its downward trend.

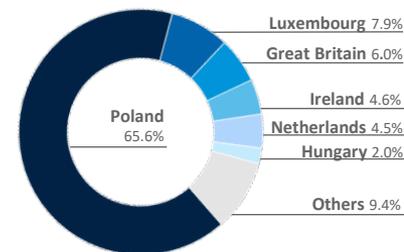
... however, PZU's shares are held by investors from all over the world

Europe

Institutional investors excl. the Polish State Treasury (with 295.2 m shares, or a 34.2% equity stake)

307.6 m shares (**35.6%** of equity)

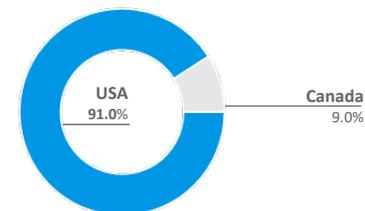
▼ -2.2 p.p. y/y



North America

126.1 m of shares (**14.6%** of equity)

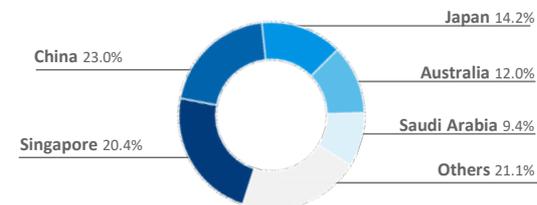
▲ +1.4 p.p. y/y



Asia, Australia, Africa

42.8 m of shares (**5.0%** of equity)

▼ -0.9 p.p. y/y



▲▼ change 2022/2021



Profitable growth in insurance ...

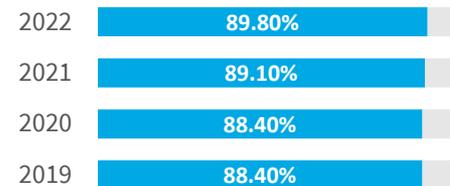


Non-life insurance in Poland

Gross Written Premium (bn PLN)



Profitability (COR)



Life insurance in Poland

Gross Written Premium (bn PLN)



Profitability (operating margin in group insurance)

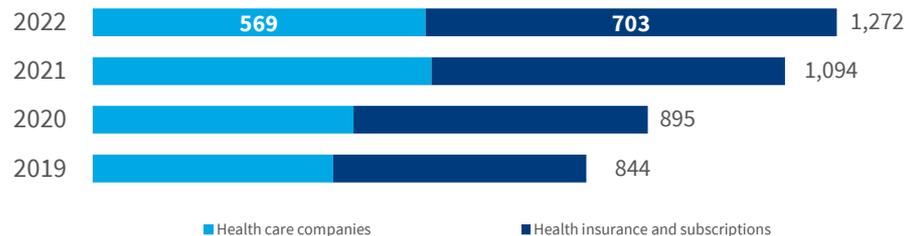




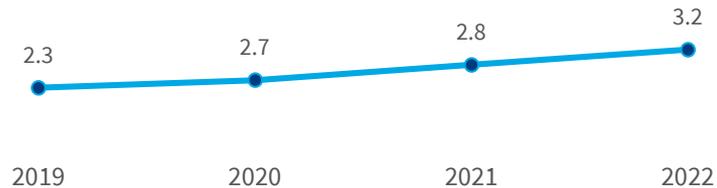
... dynamic development of health business ...



PZU Zdrowie revenue (m PLN)



Number of agreements (million)

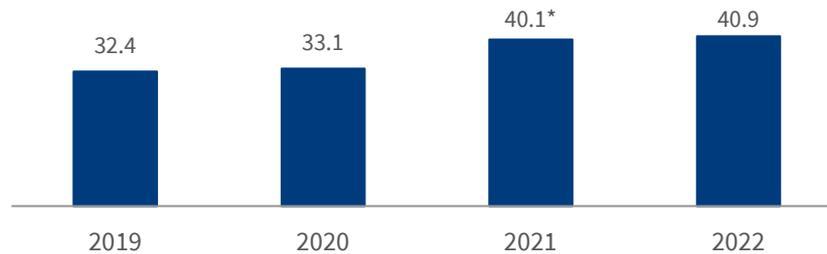




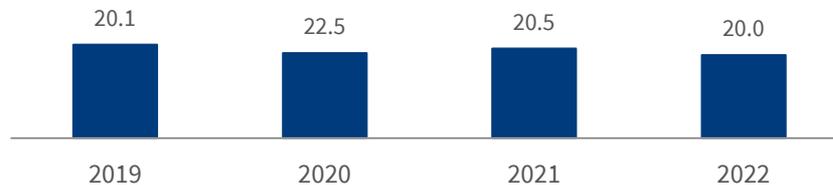
... wide offer of savings & investment products ...



Third Party Assets of TFI and OFE - PZU clients (bn PLN)



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



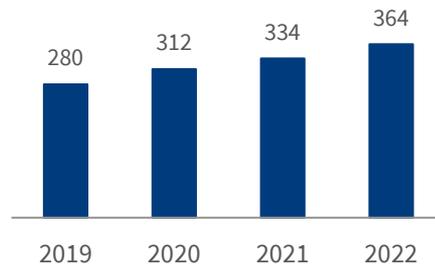
* Adjusted data



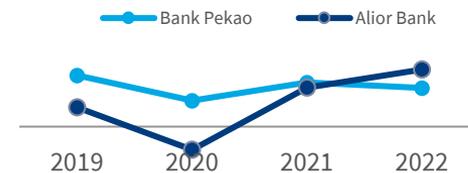
... and potential in banking ...



Banking assets in the PZU Group (bn PLN)



ROE (return on equity)¹



Contribution of banking to the net profit of the parent (m PLN)²



■ Net profit of the PZU Group (excluding banks)

■ Net profit/ loss of banks (Bank Pekao and Alior Bank) attributed to PZU

¹ based on reports and presentations of Bank Pekao and Alior Bank

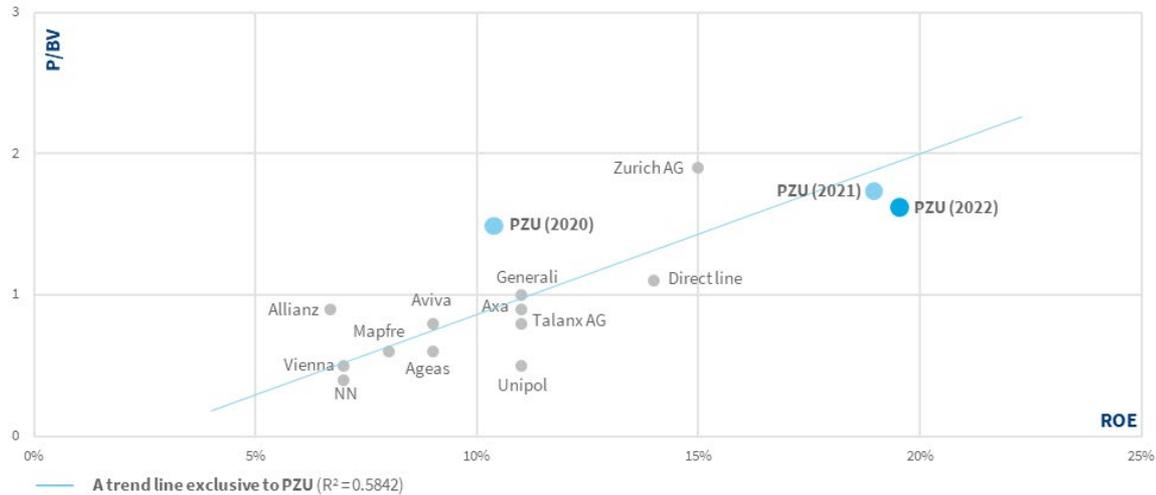
² excluding consolidation exclusions



The PZU Group's strategy assumes achieving the net profit attributable to the equity holders of the parent company of PLN 4.3 billion and a return on equity (aROE) of 15.5% in 2024

... allow to achieve above-average results ...

PZU valuation versus European insurers (2022)

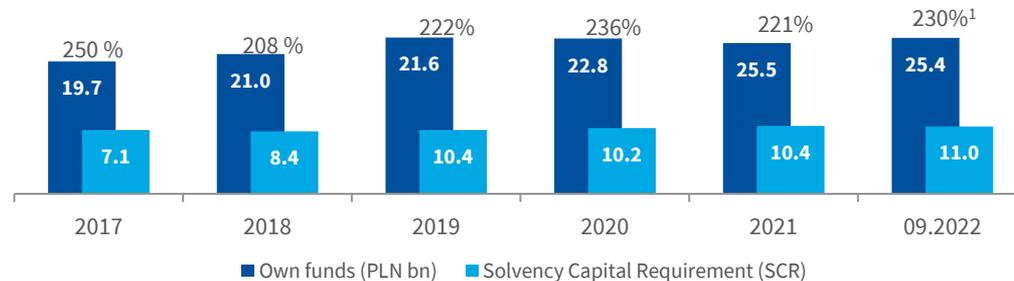


Source: PZU share price as at end year (2020, 2021, 2022) – reported figures; other companies – 2022 annual forecasts (research reports)

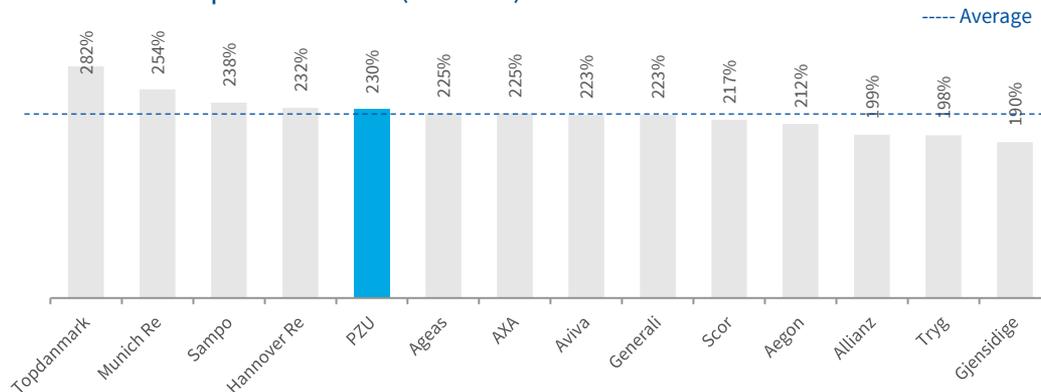


... coupled with its strong capital position ...

Solvency II ratio for PZU Group...



... versus European insurers (09.2022)



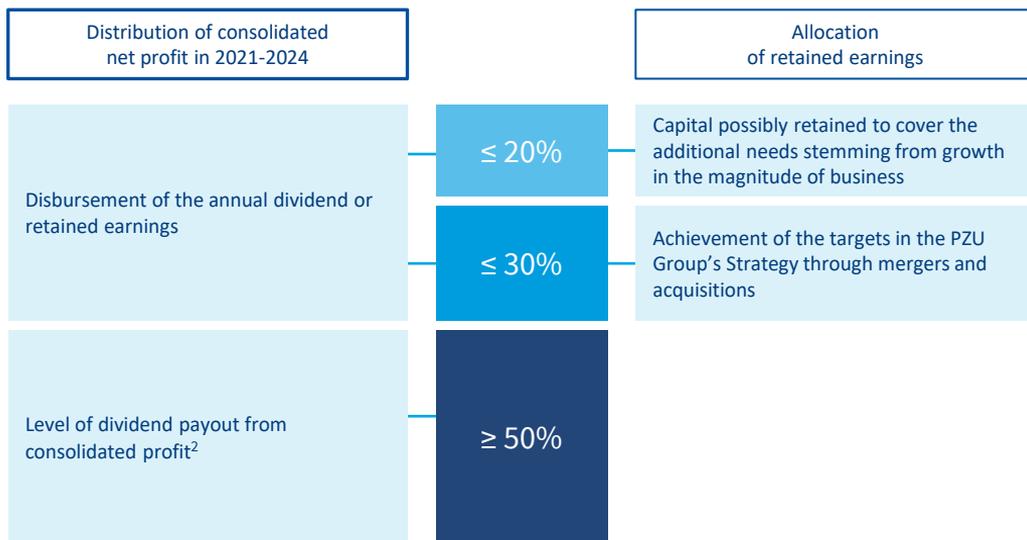
A - /Stable/

Financial strength rating and credit rating awarded to PZU by S&P Global Ratings

¹ Calculation in accordance with current methodology. Does not take into account the new rules contained in the KNF circular letter to insurance companies dated 16 April 2021

... and consistently pursued the capital and dividend policy ...

Dividend policy for 2021-2024



Principal assumptions



We will continue to be a **dividend company** while generating an above average return on equity.



Every year we will pay a dividend of 50 to 100 percent of the PZU Group's¹ consolidated annual earnings.



We will **maintain our solvency ratios at a level no lower than 200%** for the PZU Group, PZU and PZU Życie (according to Solvency II).



We will **maintain our financial leverage ratio²** at a level no higher than 25%.



We will procure **funds for growth and acquisitions** in the coming years.



We will **maintain the financial conglomerate's surplus own funds above the requirements** for solvency.

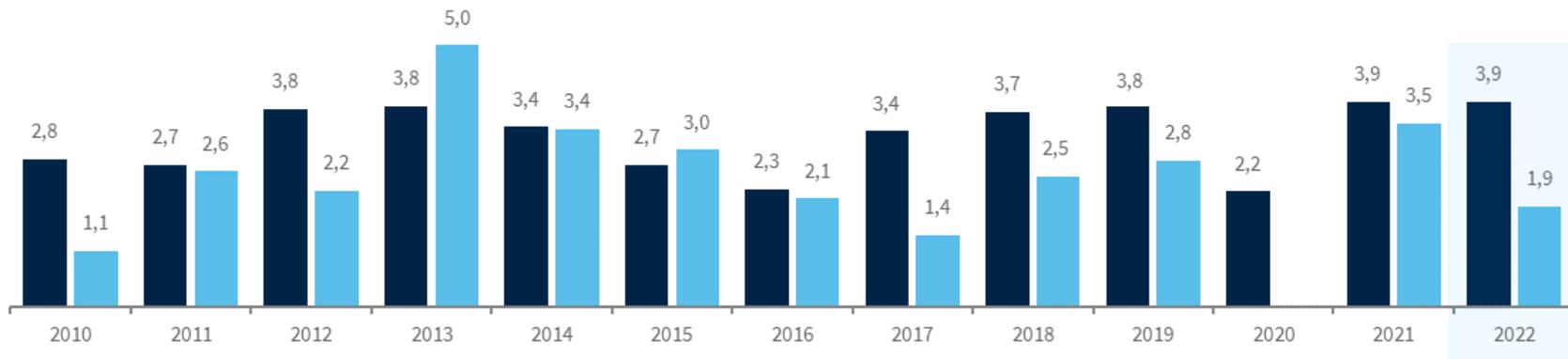
¹ PZU's net profit attributable to the parent company

² Financial leverage ratio – quotient of debt to the PZU Group's sum total of debt and equity attributed to the equity holders of the parent company minus goodwill and intangible assets attributed to the equity holders of the parent company. Ratio calculated on the basis of the categories disclosed in the PZU Group's consolidated financial statements net of the banking sector

... generated an attractive dividend stream for our shareholders

PZU's earnings and dividend per share in 2010-2022

■ Earnings per share (EPS) attributable to the parent company for a given year (PLN) ■ Dividend per share (in PLN) as at the date of establishing dividend right by the General Meeting



History of the development of the PZU Group

1803

establishment of the first insurance company on Polish soil



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

1927

1991



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



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

1998

1999



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



Rebranding

2012



PZU's debut on the Warsaw Stock Exchange (WSE)

2010



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

2005

2002



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



ZDROWIE

2014

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

2015



Agreement to acquire shares in **Alior Bank**

Establishment of **Towarzystwo Ubezpieczeni Wzajemnych Polski Zakład Ubezpieczeni Wzajemnych** (TUW PZUW)

2017

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



2022

One of the most profitable and safest insurance and bank groups in Europe in terms of equity

Selected awards and prizes for PZU in 2022



PZU: Poland's best insurer ranked "Institution of the Year 2022"



PZU and PZU Życie remain among the Super Ethical Companies



PZU and PZU Życie: winners of the competition "Friendly Insurance Company 2022" Gazeta Bankowa



PZU: The Best Annual Report 2021 "The Best of the Best" (fourth time)



PZU: Silver and bronze in the international competition International Customer Experience Awards



PZU: Gold and silver statuettes in "The EfmA-Accenture Innovation In Insurance Awards 2022," for the „Minute for Skin” and "AgroLab” projects, respectively



PZU: EMEA finalist in The Digital Insurer international competition for its AI (Artificial Intelligence in Claims Handling) Assistant project



PZU: WPROST Innovator 2022 For the „Minute for Skin” prevention program



PZU: Certificate "HR Highest Quality 2022" awarded by the Polish Human Resources Management Association (PSZK)



PZU: Emblem and special award Friendly Workplace



PZU: Honorable mention for the online campaign - "For Professionals. For You" in the Employer Branding Excellence Awards 2022



PZU: First place among insurers on the Polish market and seventh place among brands of all industries in the Digital Friendly Brand Index report



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