



PZU Group's financial results

in 2023 and 4Q23

Warsaw, 21 March 2024





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1. Main achievements of the PZU Group

2023 results above strategic ambitions



2023

Revenues

insurance revenue

PLN 26.9 bn (+8.6% y/y)

2023

Profitability

net profit¹**PLN 5.8 bn** (+52.5% y/y)

3Q23

Capital position

Solvency II ratio

230% (n.c.)

2023

Dividend

dividend paid per share

PLN 2.40 (over PLN 2 bn)

1. Attributable to equity holders of the parent company.



Rapidly growing revenue and premiums

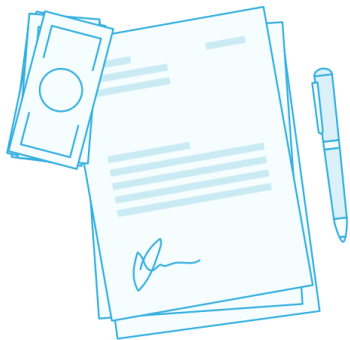
2023

Insurance revenue

PLN 16.1 bn (+11.4% y/y)
non-life insurance Poland

PLN 8.1 bn (+1.3% y/y)
life insurance Poland

PLN 2.7 bn (+16.3% y/y)
foreign operations



2023

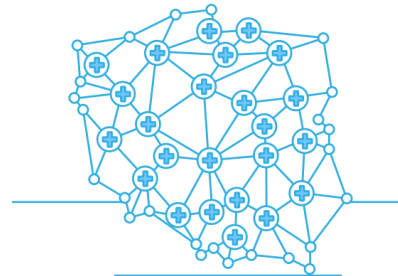
Health Pillar revenue

PLN 1.6 bn (+25.9% y/y)

including:

+22.5 % y/y
own facilities

+28.6% y/y
insurance and subscriptions



2023

Net sales of TFI PZU investment funds

PLN 3.0 bn

+37.6% y/y
increase in assets under
management of external customers
(from PLN 19.2 bn to PLN 26.4 bn)

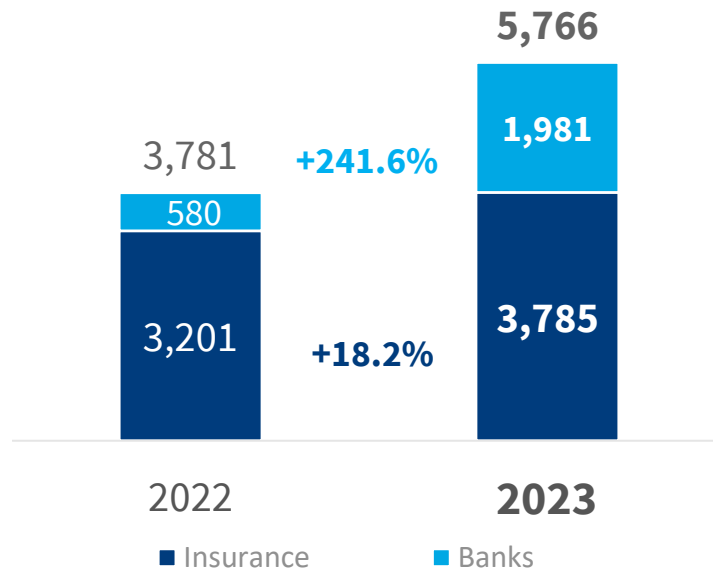




Record net profit

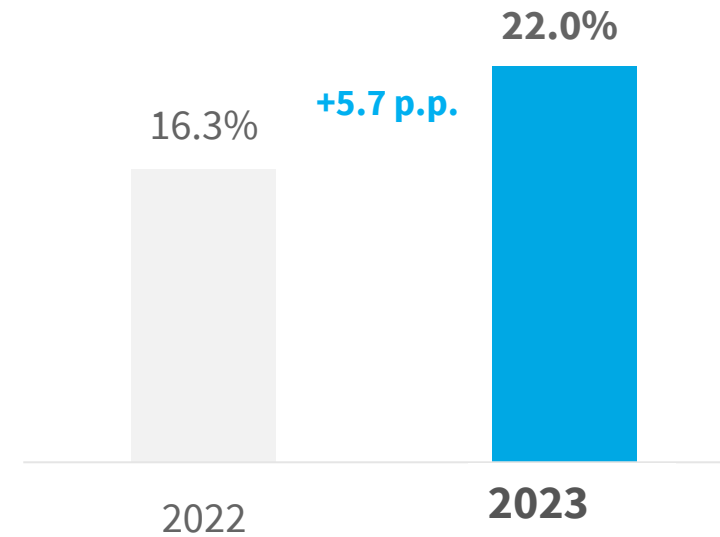
2023

Net profit (PLN m)



2023

aROE³



PLN 4.0 bn

Insurance service result
(vs. PLN 3.7 bn in 2022)

PLN 2,539 m

Result on investment portfolio
(vs. PLN 2,266 m in 2022)

85.3%

COR¹

21.9%

Margin²

1. Non-life insurance in PZU Group (Poland)

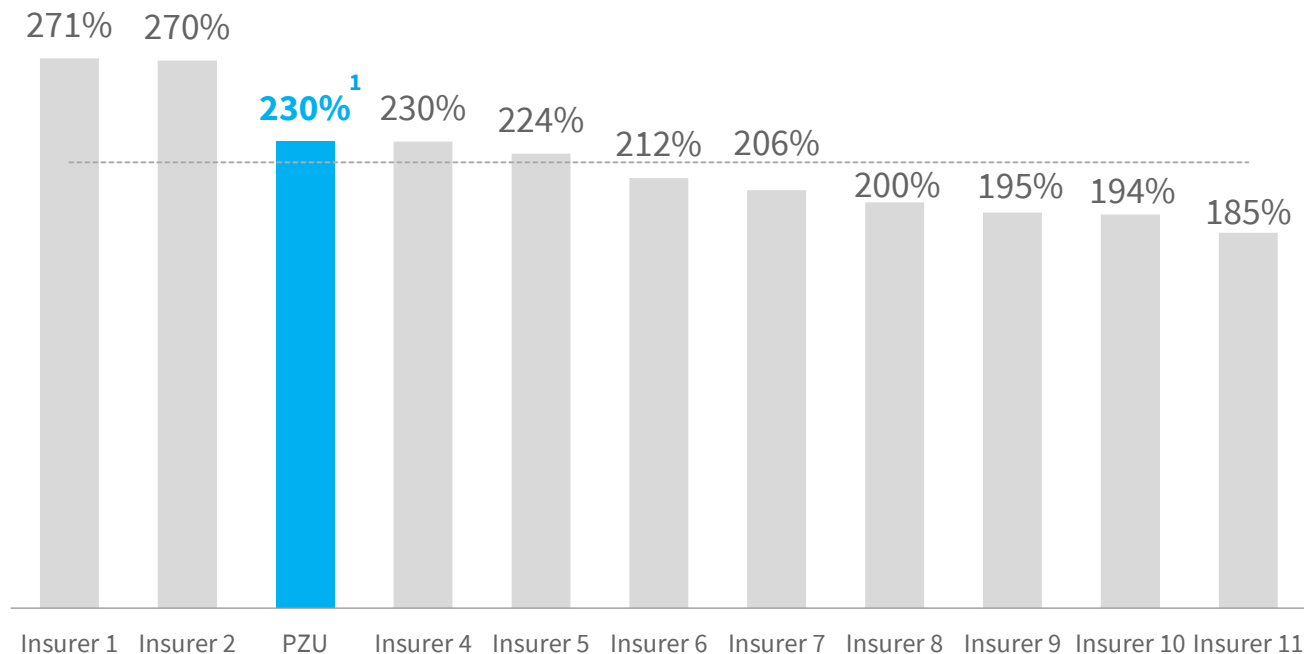
2. Margin for group and individually continued insurance segment

3. aROE, attributable to owners of the parent company, return on equity excluding the cumulative effect of change in discount rates for valuation of insurance liabilities



High level of security of operations

The Solvency II ratio for the PZU Group compared to the average for European insurers (%)



S&P Global Ratings at **A- with a stable outlook** confirmed by the agency on 1 March 2024

A-
STABILNA

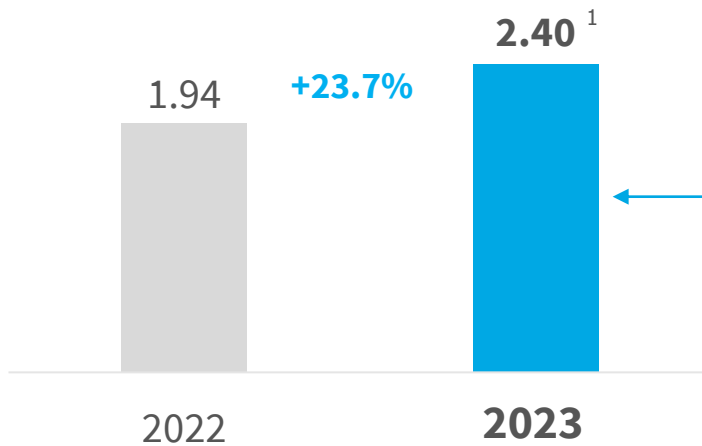
S&P Global
Ratings

1. As at 30 September 2023, the calculation according to the existing methodology, i.e., own funds are adjusted by dividends calculated on the basis of the interim result. It does not take into account the new rules included in the KNF's circular letter to insurance companies dated 16 April 2021, according to which, starting from 1Q21, a new element in the calculation of company and group solvency in interim periods is an adjustment for the entire amount of dividends expected for the year.



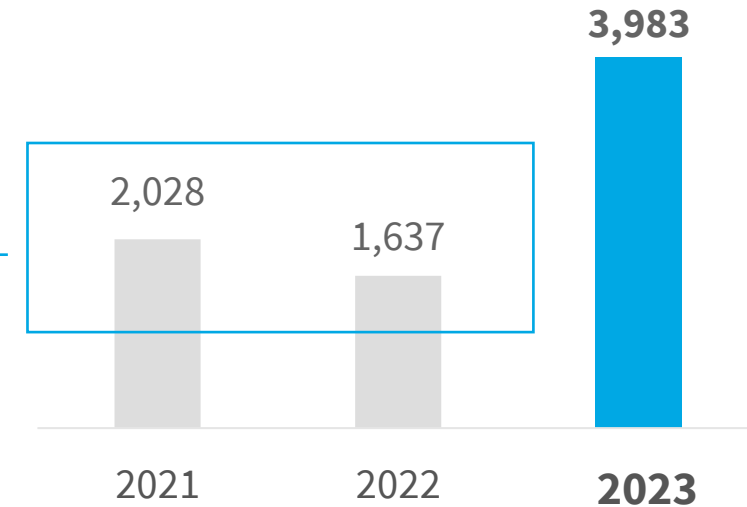
Growing dividend potential

Dividend paid per share (PLN)



Dividend of PLN 2.40 per share¹, translates into a dividend yield of 5%²

PZU's standalone result (in PLN m)



Increase in PZU's standalone result to nearly PLN 4 bn (69% of consolidated result)

1. Dividend paid out from PZU SA's profit; on 7 June 2023, the Ordinary Shareholder Meeting of PZU adopted a resolution on distribution of PZU's net profit, in which it decided to distribute the profit generated in 2022 increased by the amount transferred from the supplementary capital created from the profit generated in 2021. The amount of PLN 2.1 bn was designated for the dividend payment. The dividend record date was set for 7 September 2023 and the dividend payout date was set for 28 September 2023.
2. Based on share price as of 28 September 2023

We are consistently meeting strategic goals to strengthen long-term relations with customers

One of the goals of the PZU Group's Strategy for 2021–2024 is to strengthen long-term relations with customers and ensure a high rate of satisfaction



PZU has created and presented the next edition of its Customer Experience 2023 report titled “Epoch of new experiences”



PZU Group has been steadily building awareness of the importance of Customer Experience and consistently improving processes to best meet the needs of its customers. As a responsible industry leader, we want to deliver more than just insurance – we share knowledge, encourage action, inspire.



The report is a comprehensive analysis of the changes taking place in the sphere of customer experience building. In the publication, we look at the trends and technologies that are currently having the greatest impact on the customer experience and share our vision for the era of new customer relationships.

63%

of customers buy products or use services offered in a personalized way



NPS indicator
for 4Q23

+ 6.7 p.p.

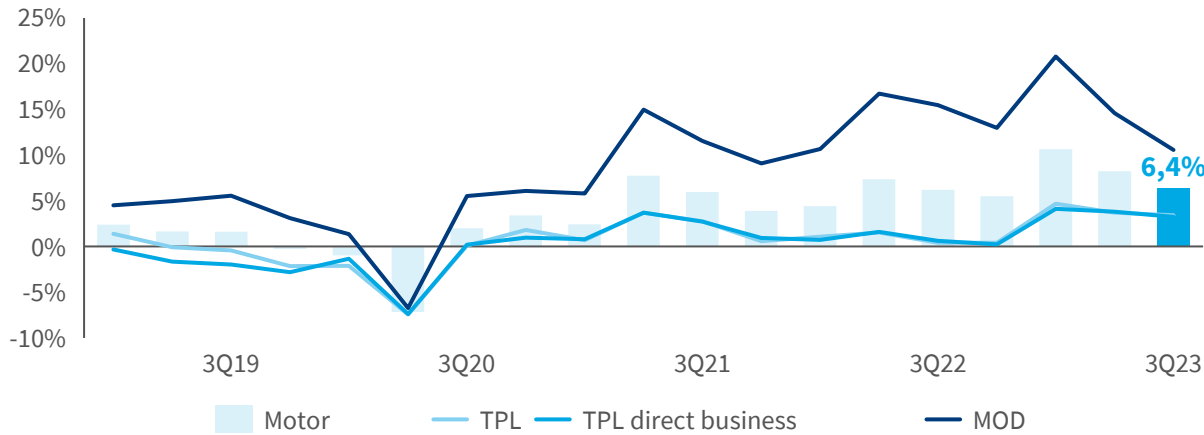
above the market



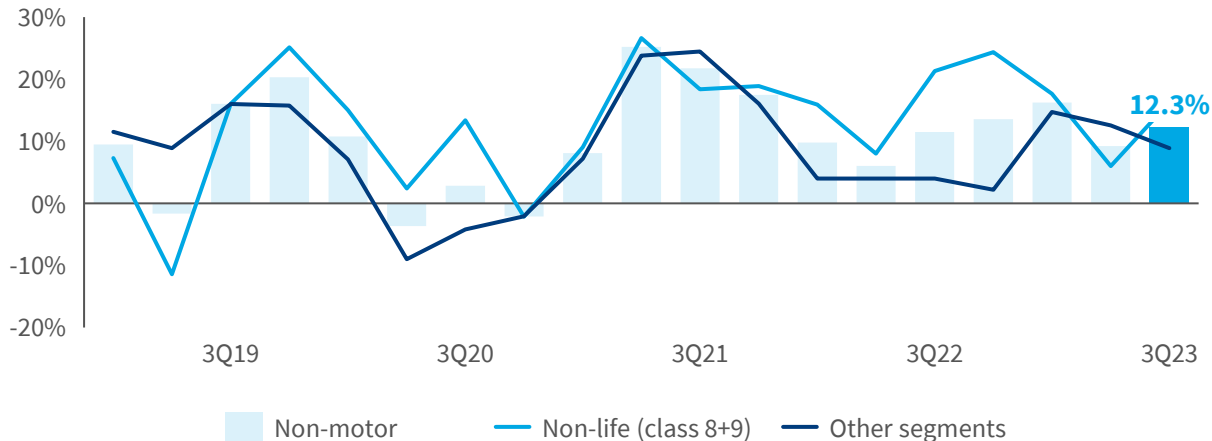
2. Business development

Trends in the non-life insurance market in Poland

Motor insurance market dynamics¹, y/y

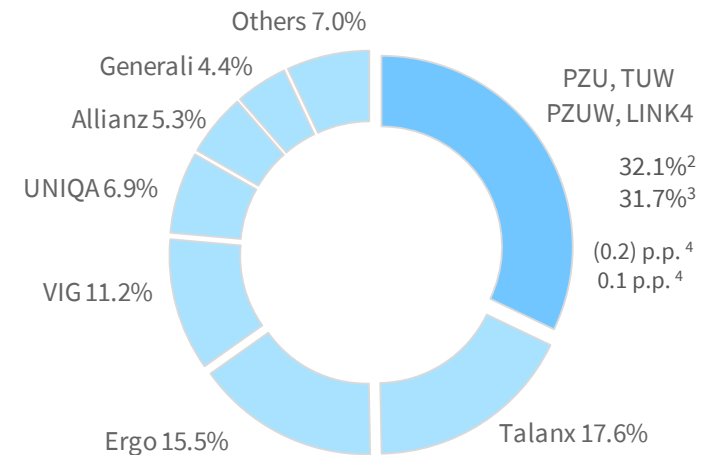


Non-motor insurance market dynamics¹, y/y



- **High, but declining compared to 2Q23, motor insurance market dynamics in 3Q23 (gross written premium +6.4% y/y).** As in the previous quarter, growth mainly in MOD insurance (+10.6% y/y) and to a lesser extent TPL insurance +3.4% y/y (+3.2% from direct business). TPL insurance premiums from direct business are rising due to an increase in average prices (+2.4% y/y)¹ accompanied by a slight increase in the number of TPL policies (+0.8% y/y)
- **Continued growth in non-motor insurance (+12.3% y/y).** Non-life insurance (+16.3% y/y), general TPL insurance (+14.0% y/y) and accident insurance (+11.4% y/y) were the biggest contributors to growth in value terms
- **PZU Group's market share in non-life insurance (direct business) after 3Q23 was 31,7%**
- **High share of PZU Group's technical result in the technical result of the market at 48.9%¹**

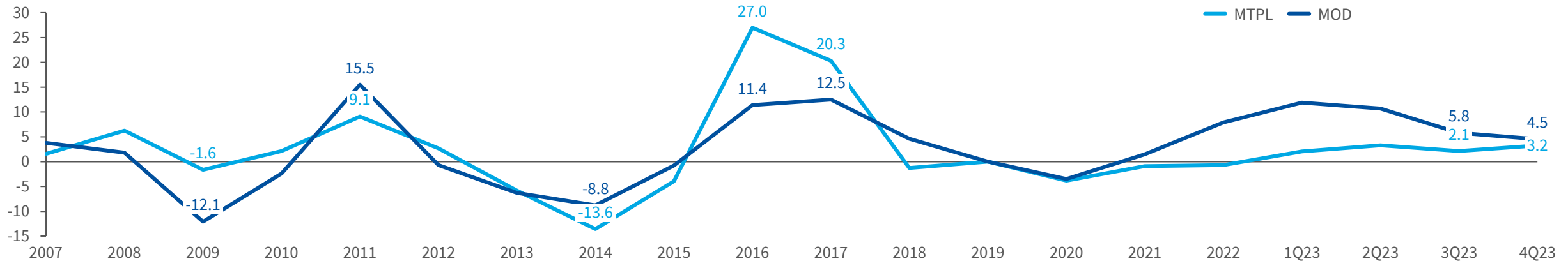
Market shares after 3Q23²



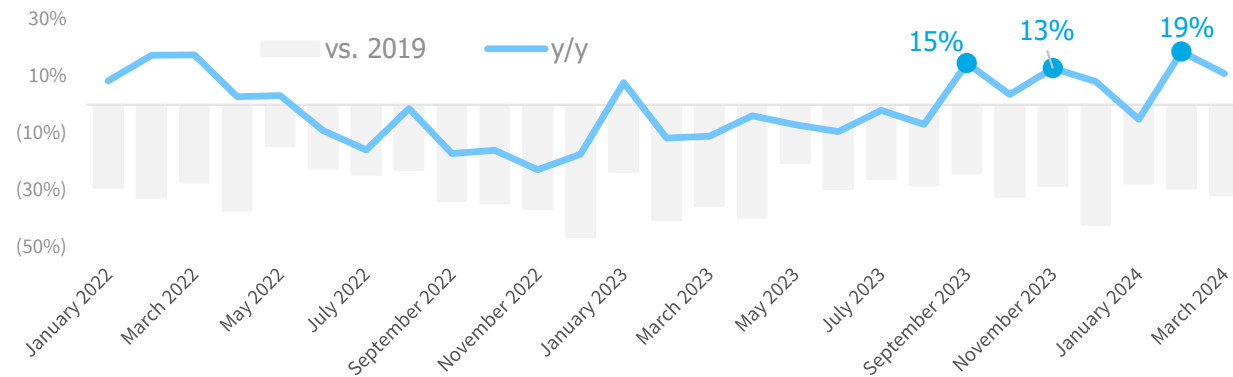
1. According to the KNF's report after 3Q 23
 2. According to the KNF's report after 3Q 23; i.e., market and market share including PZU's inward reinsurance to LINK4 and TUV PZUW
 3. PZU Group's market share in non-life insurance on direct business after 3Q 23
 4. Change in share y/y, respectively: including PZU's inward reinsurance to LINK4 and TUV PZUW and from direct business

Motor insurance market in Poland – change in average price and frequency of claims

Change in the average market price of MTPL and MOD insurance¹



Change in number of traffic accidents y/y and compared to 2019²



- **The claims frequency, which remains ca. 30% lower than before the pandemic,** may result from a permanent change in the working model (popularization of hybrid solutions) and changes in the tariff of fines and penalty points translating into greater caution among drivers.
- **Another quarter with a continuation of increases in the average price of MTPL insurance, initiated in 1Q23, however, still not as high as the dynamics of the average claim**
- **The last months of 2023 and early 2024 saw an increase in traffic accidents³ with a decrease in fatalities, which could mark the beginning of a new trend.**

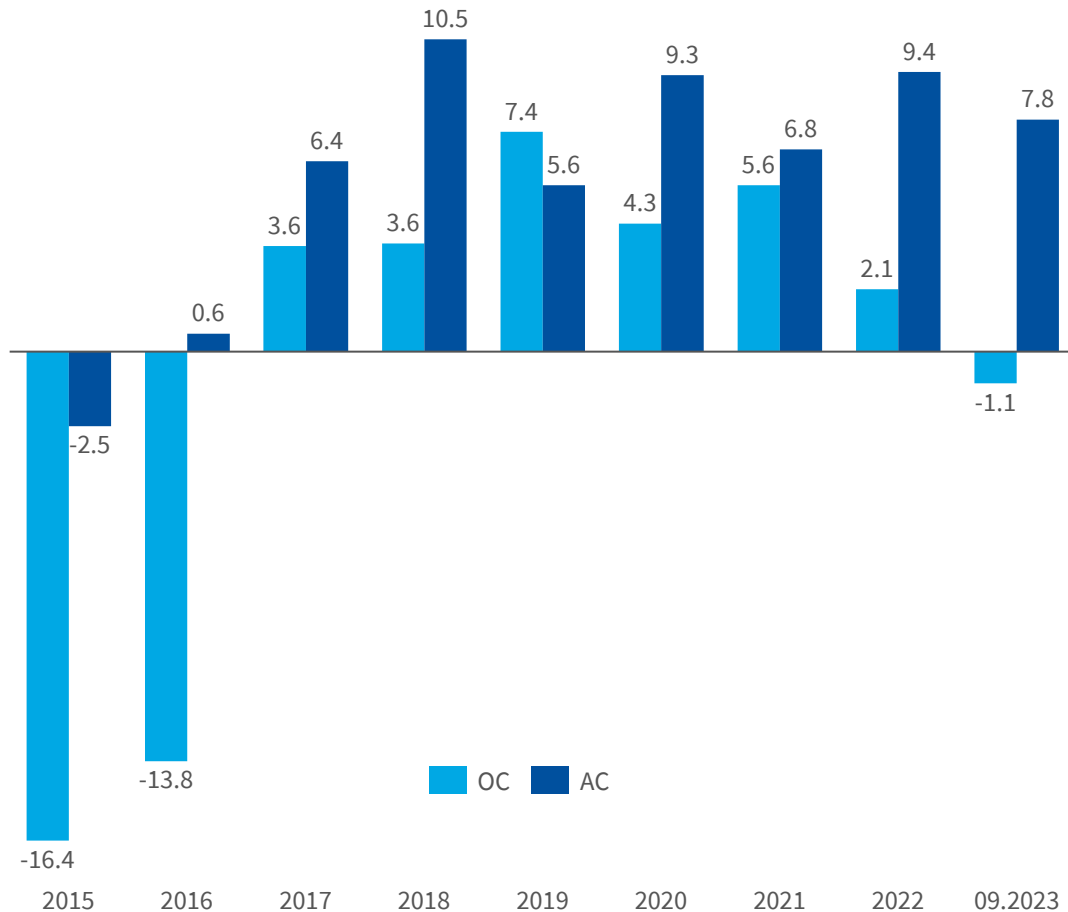
1. Own compilation based on KNF and PIU data

2. Own compilation based on data from police, March based on data for first 17 days

3. Preliminary compilation by Unilink, among others, based on Statistics Poland's and police data

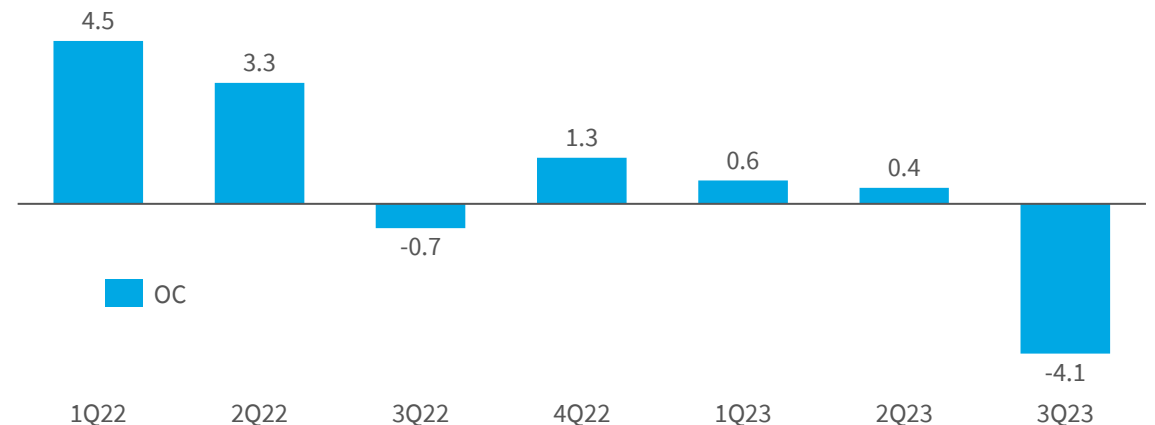
Motor insurance market in Poland – profitability

Profitability of MTPL and MOD market, ytd %¹



- Q1-Q3 2023 saw the first technical loss on an MTPL since 2016
- The MTPL result has been gradually deteriorating for several quarters
- MOD profitability remains at decent level

Profitability of MTPL market, quarterly, %¹

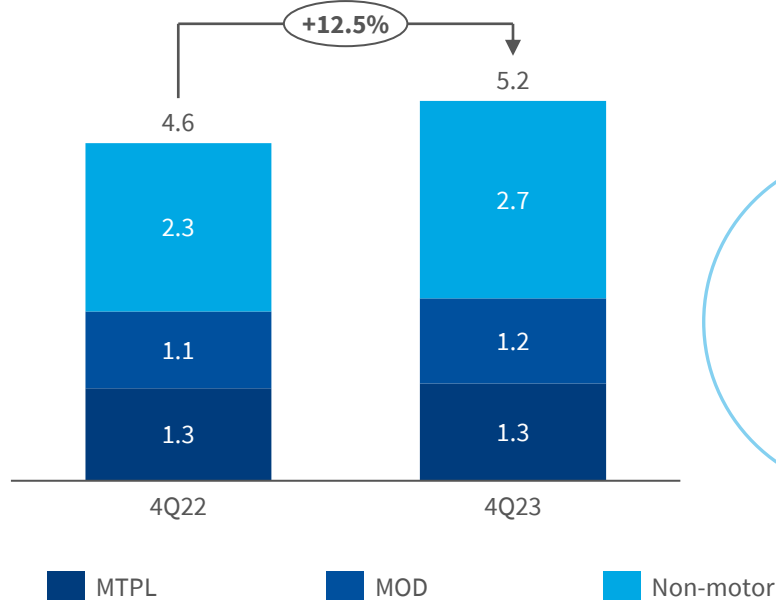


¹ Source: The Quarterly Bulletin of the Polish Financial Supervision Authority (www.knf.gov.pl), Rynek ubezpieczeń [Insurance market] 3/2023; Profitability: Technical Result / Net Earned Premium

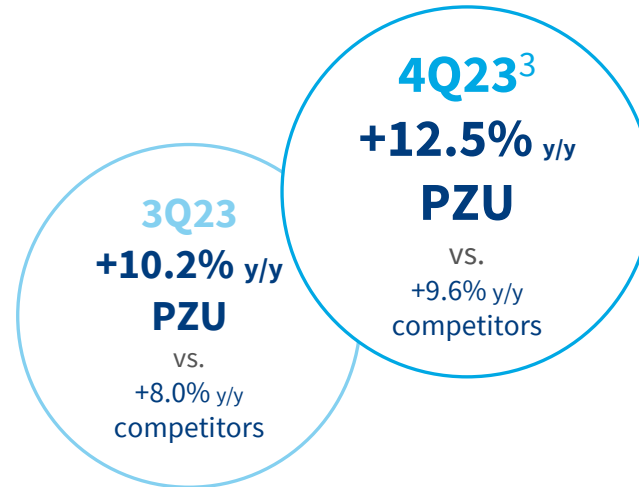
PZU Group – non-life insurance in Poland

PZU Group gross written premiums¹ in 4Q 2023

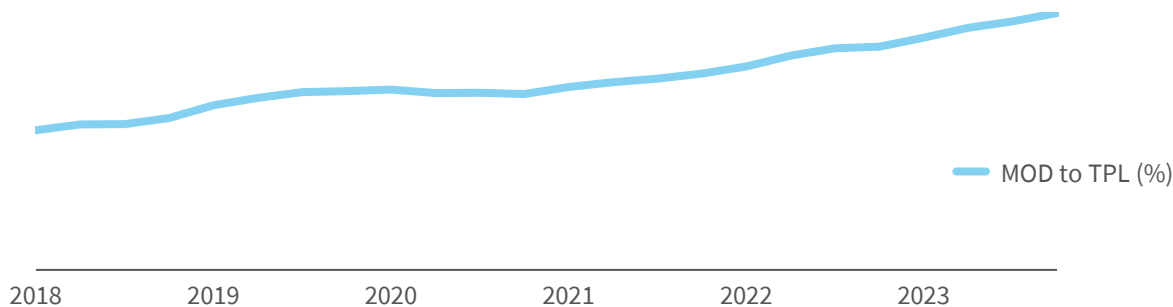
value (PLN bn) and dynamics y/y



PZU's dynamics y/y vs. competition³



Ratio of MOD to TPL policies (%)²



- **Second consecutive quarter of PZU Group premium growth above competitors³**, especially in non-motor insurance³, that have higher contribution contributes higher to the results and lower cyclicity than motor products
- Growth in written premiums as a good sign for insurance revenue dynamics in coming quarters
- **Non-motor insurance as the main driver of growth (+17.5% y/y)**, growth seen especially in insurance against fire and other damage to property, as well as other TPL insurance policies. In addition, the conclusion of several contracts with high unit values
- **Higher motor insurance sales (+7.6% y/y)**, in particular thanks to **MOD insurance** – increase in written premiums by 10.5% y/y **resulting from an increase in average premiums** (as a consequence of the increase in sums insured in line with the rising value of vehicles)
- **Lower growth in premiums from motor insurance against competitors³ – MOD insurance portfolio growing in volume** supported by higher supply of new cars

1. Gross written premium – external

2. PZU, based on active policies, standardized ratio

3. 4Q23/4Q22 based on estimates

PZU – Product and service initiatives: non-life insurance

Changes in PZU Auto (PZU Car) package

- PZU Auto Opony (PZU Car Tires) – addition of a “Super +” option with a new tire purchase limit of up to PLN 2,500
- PZU Pomoc w Drodze (PZU Help on the Road):
 - coverage extended to include an option for towing abroad in case of accident or breakdown up to 1,600 km
 - medium option of towing abroad with a limit of up to 500 km
 - higher number of days of rental of a replacement vehicle and an upgrade to E class
 - coverage of new vehicles: campers and ambulances
 - extended offer for motorcycles: replacement vehicle and optional higher towing limit
- PZU Auto Szyba (PZU Car Windshield):
 - possibility to replace the windshield with the original one
 - larger sum insured (PLN 5–20 thousand)
 - the scope has been expanded to include calibration of the ADAS driver assistance system.
- Introduction of Auto Serwis (Car Service) option in assistance insurance in PZU Auto package (1Q24)

Changes in PZU Gospodarstwo Rolne (PZU Farm), PZU Firma (PZU Company) and PZU Dom (PZU Home)

- PZU Gospodarstwo Rolne: addition of private TPL insurance for customers purchasing TPL insurance for farmers
- PZU Dom and PZU Firma extended to give discount for flood protection, in PZU Firma possibility to receive discount for fire protection

4Q 23



PZU – Product and service initiatives: non-motor insurance for corporate customers

New product: environmental liability insurance

Voluntary insurance for manufacturers of heavy industry, chemical industry, energy and gas suppliers, transportation and logistics companies, and companies in the water and sewage, construction industry, among others.

The insurance cover protects, among other things, liability for environmental damage including land, liability for damage to protected species and habitats, costs of remedial action to repair or replace in an equivalent manner the natural components or their functions.

Amendments to the GTCI* of TPL insurance of medical entities operating a hospital and TPL insurance of medical entities other than those operating a hospital

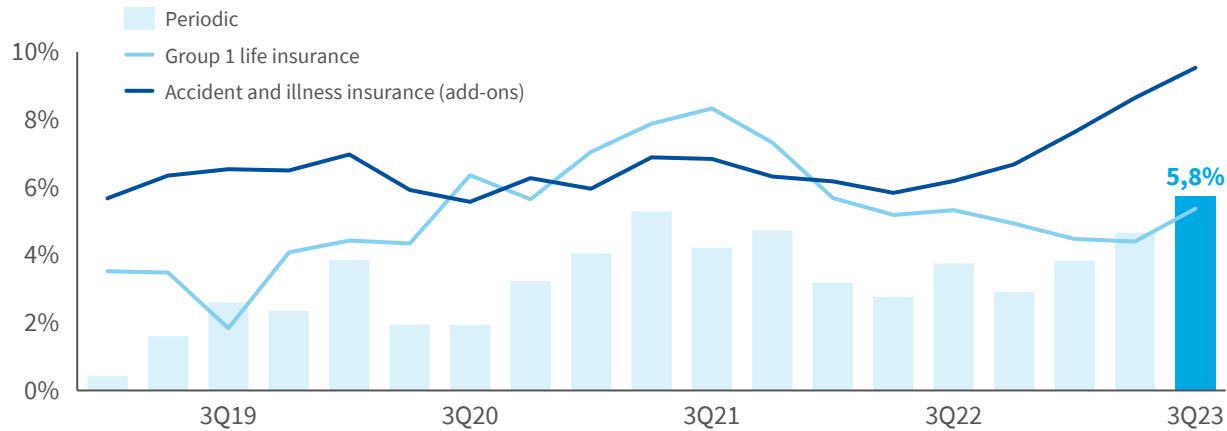
- Broader basic scope of GTCI.
- New insurance coverages, e.g., liability for the improper use of medicinal products, the impact of harmful radiation, the improper safeguarding of hazardous substances and medicinal products.
- Modification of the Insurer's exclusion of liability.
- A new tariff model that better aligns premiums with the characteristics / risk type of a given customer.

* GTCI - general terms and conditions of insurance

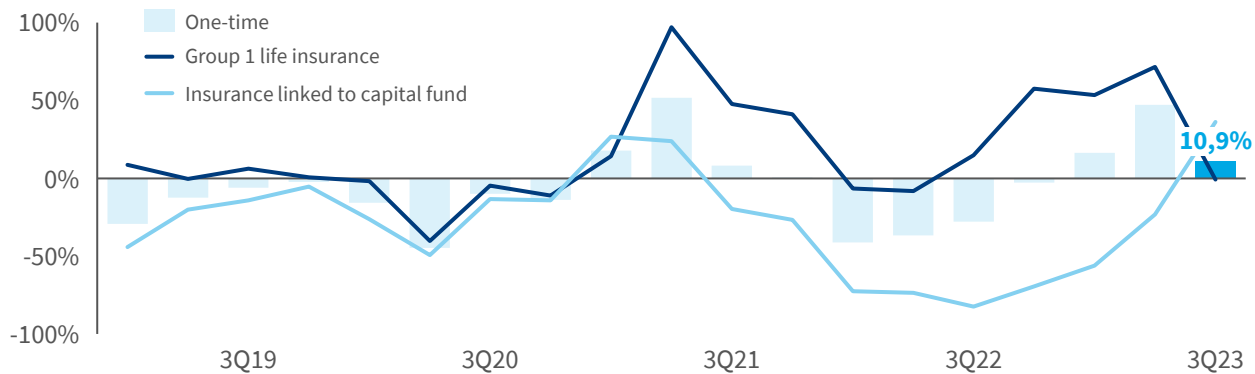


Life insurance market in Poland

Insurance market with periodic premiums dynamics¹, y/y

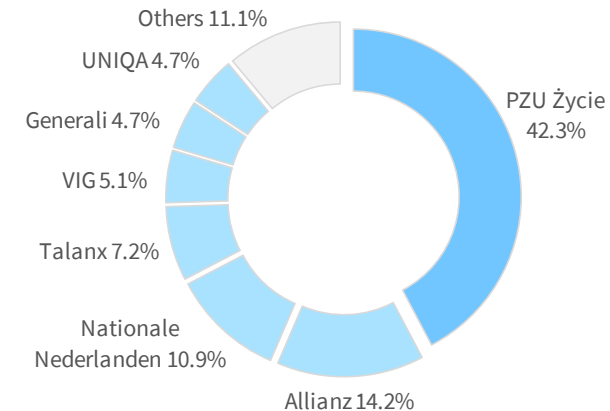


Insurance market with single premiums dynamics¹, y/y



- **Periodic premium insurance market (85% of the market) grew in 3Q with a growth rate of 5.8% y/y** – biggest impact by value: Group V insurance – **accident and illness insurance (+PLN 173.2 m, +9.5% y/y)** and **Group I life insurance (+PLN 101.3 m, +5.4% y/y)**; negative unit-linked dynamics persisted (-PLN 9.1 m, -1.1% y/y)
- **Growth in insurance with single premiums (15% of the market) +10.9% y/y.** Biggest impact by value of Group V insurance – **accident and illness (+PLN 61.1 m, +80.1% y/y)**, with a decrease in **Group I life insurance (-PLN 4.8 m, -0.8% y/y)**
- **PZU Group's growing share in the single-premium insurance market (27.5% after the first 9 months of 2023 against 17.7% after the first 9 months of 2022)** – impact of the introduction of a new individual life and endowment insurance with guaranteed sums insured in the second half of 2022; product offered in PZU branches and in cooperation with PZU Group banks
- PZU Group's stable share of the periodically paid insurance market in the first 3 quarters at the level of **42.3%**.

Market shares in periodic premium² after 3Q23

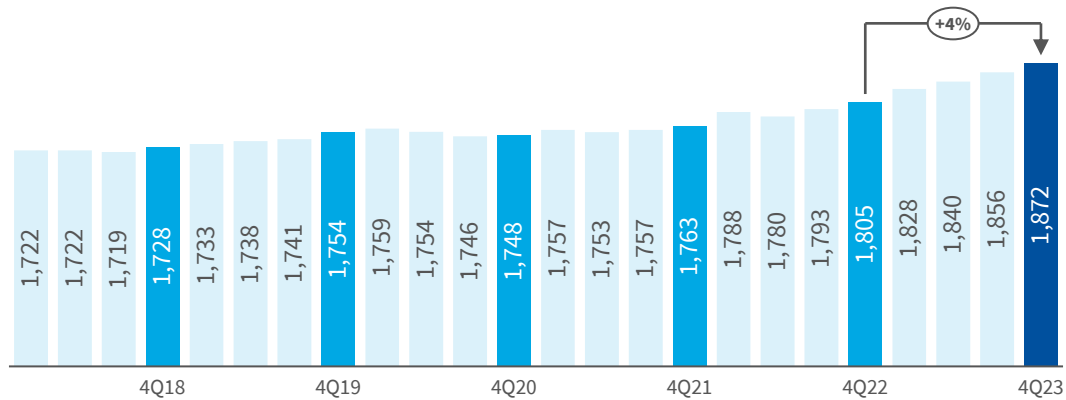


1. According to the KNF's report after 3Q 23

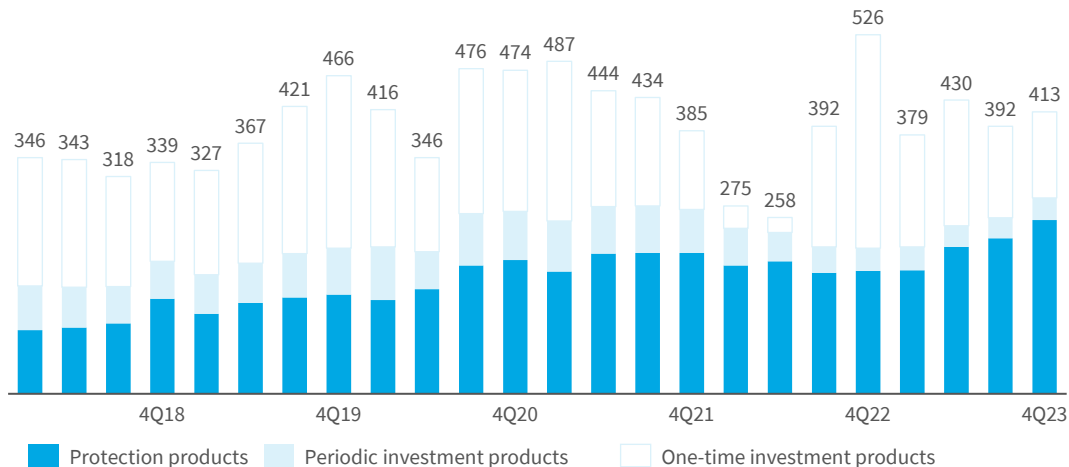
2. PZU Group's share of gross written premiums from insurance premiums paid periodically as reported by the KNF after 3Q 23

PZU Życie – life insurance

PZU Życie gross written premiums from group insurance and IC (PLN m)



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



Group and individually continued insurance

- Development of **health insurance portfolio**, as a consequence of acquiring new entities while increasing average premiums (impact of cyclical portfolio tariff-setting in response to the rising cost of medical services)
- Higher sales of **type P group insurance with riders**
- Higher levels of premiums from EPSs and **riders to continued insurance**

Individual insurance

- Portfolio development and sales growth of individual protection insurance, mainly type J
- **Growth since 3Q in premiums from bank protection products**, mainly insurance offered in cooperation with **with Alior Bank** to mortgages and loans
- **Recovery in sales of individual investment banking products**, mainly **Multi kapitał** offered in cooperation with Alior bank, and **Świat Inwestycji Premium** offered in cooperation with Bank Pekao
- **Maintaining high sales, individual life and endowment insurance introduced in the second half of 2022** with a guaranteed sum insured: **Bezpieczny Zysk** available at **PZU branches**, offered in cooperation with PZU Group banks – PZU **Pewny Profit** and PZU **Bezpieczne Jutro** and since 2Q23 in partnership with VeloBank - PZU **Stabilne Jutro** (lower premium level in 4Q23 vs. 4Q22 mainly in the Pewny Profit product in cooperation with Pekao)
- Lower written premium from individual investment insurance in own channels as a result of significantly lower sales of IKE and withdrawal of the Cel na Przyszłość product from the offer (impact of KNF's product interventions)

PZU Życie – Product initiatives: life insurance

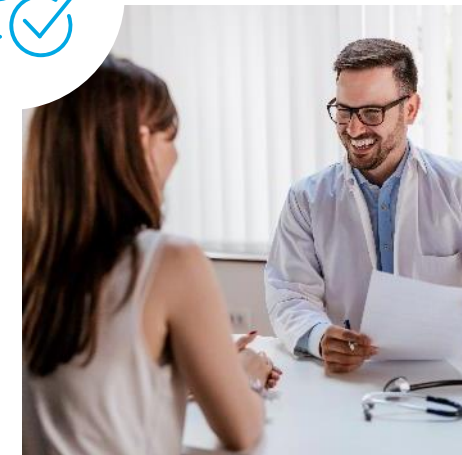
PZU Life and Health Package

new individual **protection life insurance**, with defined scopes and levels of coverage with premiums within a given package:

- **Flexible coverage** – tailored to the needs of customers in different age groups
- Broad offer and **competitive range of risks**
- Possibility to extend coverage **to include medical care**
- **Lifetime coverage** in selected packages



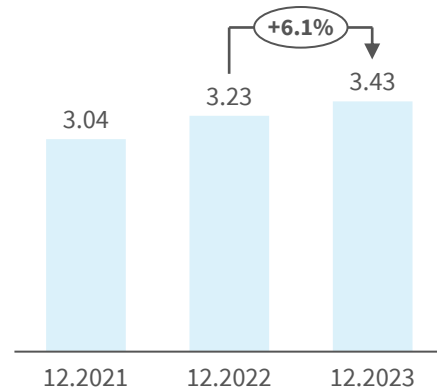
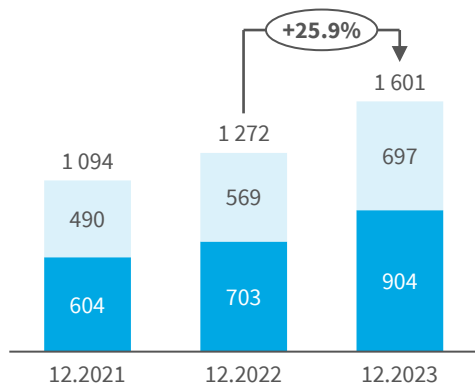
1Q24



Development of the scale of operations of the health pillar

Revenue (PLN m)

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



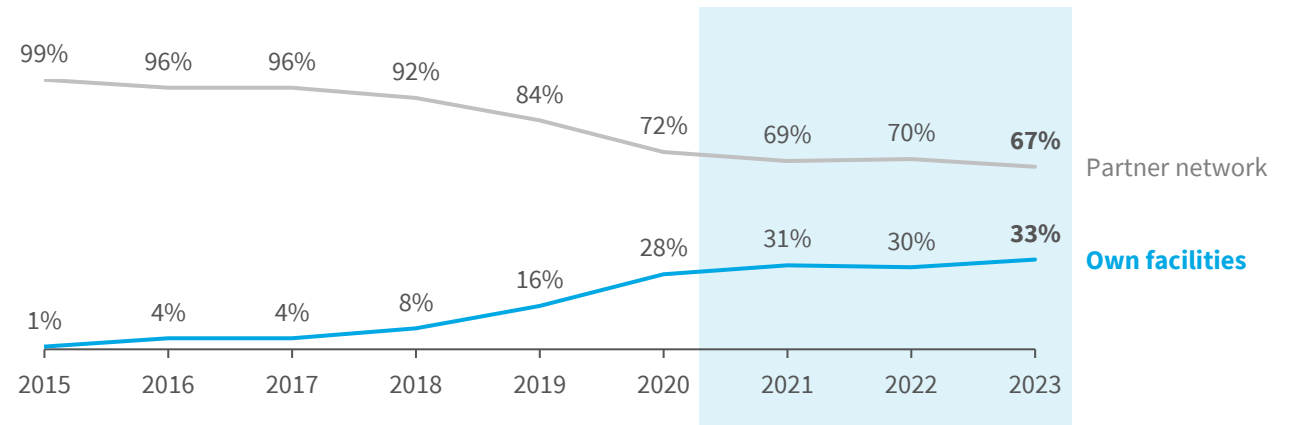
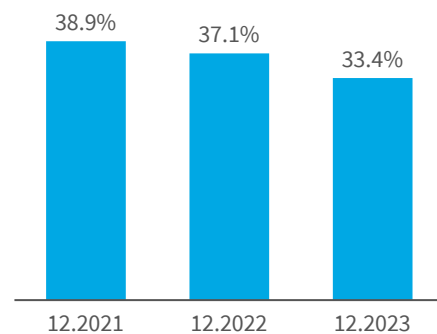
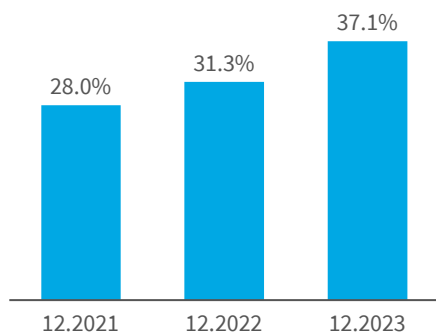
Medical facilities*
Insurance/subscriptions

- **High revenue growth (mainly in terms of outpatient contracts and additions to continued insurance)**, reflecting high medical services inflation (significantly higher than general inflation)
- **Increase in the number of health product contracts in 4Q 23**, among others, thanks to the sale of more health add-ons to protection products (allowing access to specialists, outpatient rehabilitation, selected tests and treatments, among others)
- Maintaining a high level of portfolio renewability – despite high medical inflation

Appointments arranged online through myPZU

Number of telemedicine consultations (to total consultations)

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



* Data of facilities presented for the period from the beginning of the year regardless of the moment of acquisition

We are changing the healthcare market and developing an Ecosystem for Health

In 2023, in addition to User Experience improvements of the portal and application, we have introduced new functionalities. Using myPZU, you can conduct an initial medical interview, schedule a doctor's appointment, examination or teleconsultation, see the doctor's recommendations after the visit, and download a referral or e-prescription, and, more recently, book medicines at the pharmacy.



Shorter sales paths

We have shortened the sales paths for single visits in the process of redirecting from the e-shop to myPZU. We have also implemented a mechanism to narrow down the search results for appointments in the process of making and purchasing an appointment.



Easier access to medicines

We have provided patients with the option to book medicines using the myPZU self-service portal. The new functionality allows you to book the medicines and products you need at more than 1,500 pharmacies in 500 towns and cities nationwide. Bookings can be made after a teleconsultation or an in-person visit at selected PZU Zdrowie facilities.



Convenient payments

We have introduced modern payment methods such as BLIK, BLIK without code, Gpay, Apple Pay and fast transfers. We have also introduced a new e-Rat process, where the patient can obtain convenient financing for the purchase of PZU Zdrowie medical products.



Simplified the ordering of prescriptions when continuing treatment

The patient, as part of the continuation of treatment, can easily report the need to extend the prescription for the medicines they are using in the treatment process. The prescription will be issued to the patient by the PZU Zdrowie Telemedicine Center's physician without the need for a medical consultation.



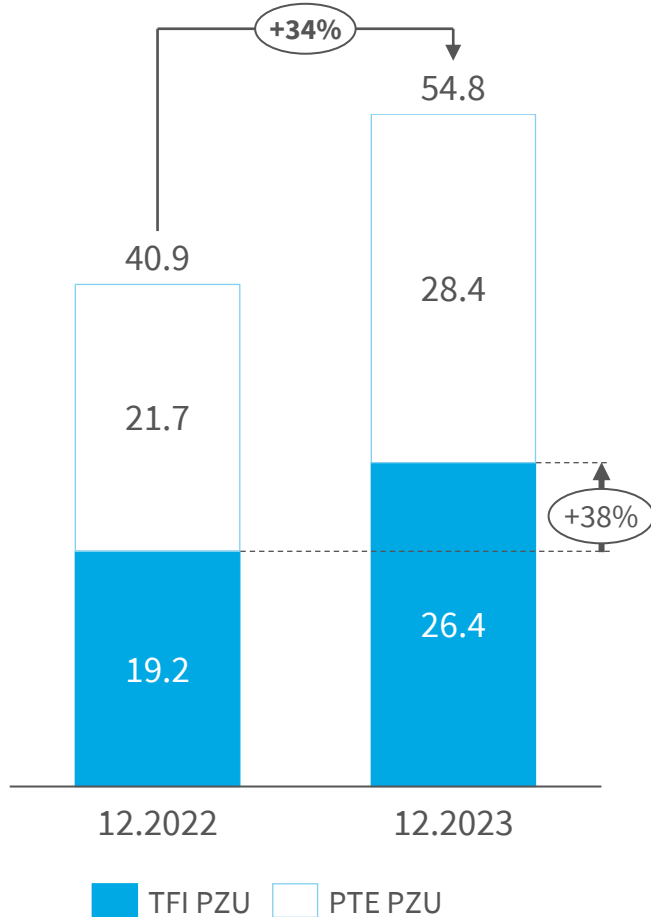
Making laboratory test appointments at PZU Zdrowie facilities

We have made it possible for customers to make direct appointments and purchase laboratory tests at PZU Zdrowie facilities. The customer can make an appointment at our facility using the My PZU application or through the hotline for a specific day and time, which will allow them to perform the tests efficiently and without waiting in line

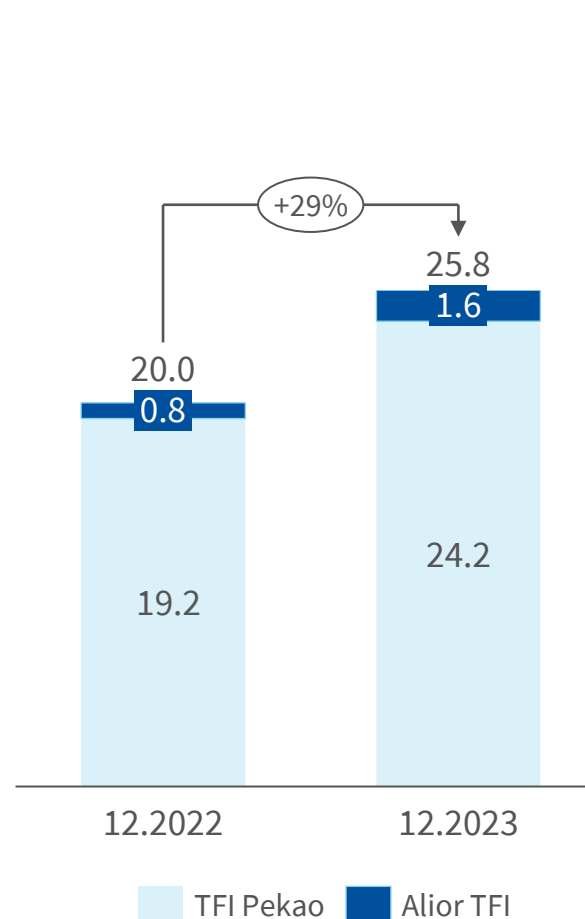


Assets under management

Assets of external clients of TFIs and PTE PZU¹
(PLN bn)



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



- TFI PZU

- Increase in assets under management of external customers in 2023 from PLN 19.2 bn to PLN 26.4 bn (+38% y/y)

- #4 in terms of net sales

after the four quarters of 2023, the net sales of TFI PZU funds amounted to **PLN +3.0 bn** (additionally, TFIs acquired **new assets** from an external customer **for a portfolio management service**)

- in all of 2023, market inflows to funds amounted to PLN 22,1 bn – **TFI PZU's share at 14%**

- **ECS assets** at the end of 2023 amounted to **PLN 4.6 bn**, an **increase of 89% y/y**

- **TFI PZU's stable second place in the ECS market** measured by the value of assets under management **with a share of 21.2%** as of the end of 2023 – double the next entity's lead

1. Assets managed by PTE PZU are not included as an objective in the PZU Group's new strategy for 2021–2024. Assets together with TFI Energia, until the end of October 2022 TFI Energia operated as a separate entity

Dynamic development of the investment pillar



High annual rates of return of funds and high rankings in Analiz.pl's comparison groups

- 53.1% inPZU Akcje Sektora Informatycznego – best in the group of foreign equity funds
- 42.9% PZU Akcji Polskich – best among retail Polish equity funds
- 22.76% Aktywny Globalny – best in the category of mixed foreign funds with stable growth
- 15.78% PZU Globalny Obligacji Korporacyjnych – best in the category of global corporate debt securities
- 12.97% PZU Sejf+ – second in the category of Polish sovereign debt securities



IKE and IKZE of TFI PZU are the best in Poland – no. 1 according to the Analizy.pl's ranking

- in the management efficiency category recognized for competitive rates of return
- in the cost category offering some of the lowest management fees in the market



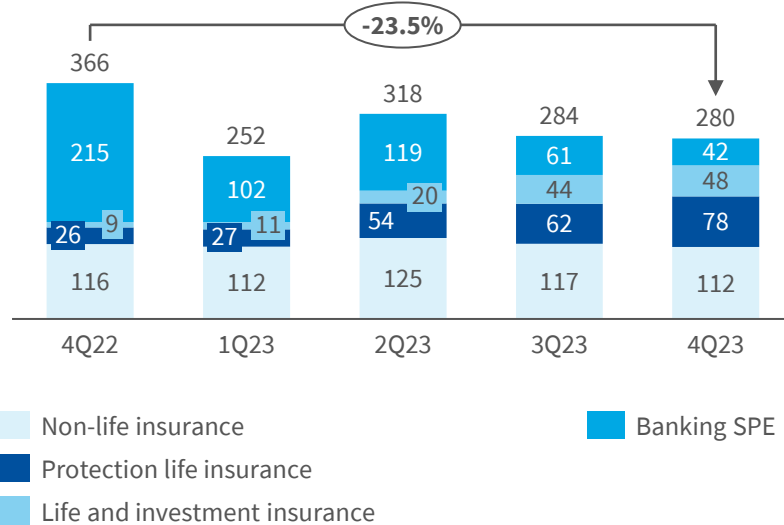
Development of a diverse product offering (4Q23)

- 6 new index strategies – expanding exposure to cybersecurity, biotechnology and space technology, among others,
- 2 new sustainability funds that promote environmental or social aspects



Product offerings in the areas of bancassurance and assurbanking ...

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



Environment:

- Sales affected by changing macroeconomic situation and dynamic conditions in financial markets
- Gradual increase in sales of investment products
- Continued robust growth in demand for mortgage loans due to strong interest in the government program “**Bezpieczny Kredyt 2%.**”

Bancassurance:

- Development of insurance product offerings at Banks
- Gradual **increase in sales of insurance products linked to loans and mortgage loans**
- Work is underway to implement CPI-linked products in the amended **Recommendation U**
- Continued **high level of sales of products with a guaranteed rate of return for the customer**, taking advantage of the potential of high interest rates

Assurbanking:

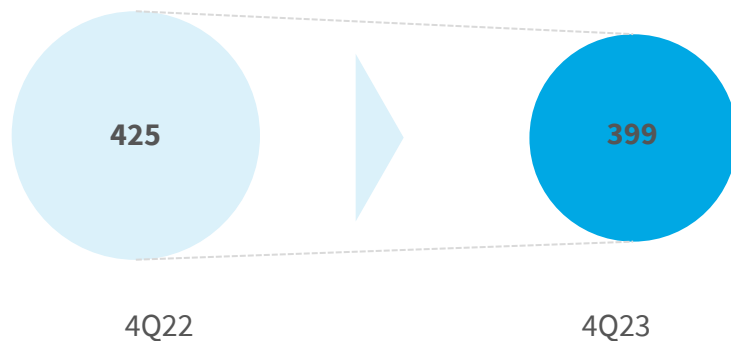
Sales of banking products in the PZU network

- Sales of accounts (ROR) for individual and corporate clients of Bank Pekao SA is currently offered **in 222 PZU branches**
- The “Auto z Kontem” special offer – joint RoR sales offer of Bank Pekao with PZU’s motor TPL insurance has been extended until the end of May 2024
- **Total clients’ loans and deposits acquired by PZU for the bank at the end of December 2023 – PLN 1.85 bn**

Cash Portal

- Making the offer available on moje.pzu.pl.

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



... adapted to the current market situation

PZU Group products are present in all major product lines of Group banks

- Cooperation with Banks allows for the consistent expansion of the sales of insurance products linked to banking products, including insurance for loans and credits (ADD, unemployment and real estate insurance)
- Implementation and continued development of sales of stand-alone products (motor and travel insurance)
- Group travel insurance for Pekao Visa Infinite credit card holders and users was launched for sale in November 2023. Travel insurance is addressed to Bank Pekao's clients and those who hold and use the prestigious Pekao Visa Infinite credit cards.
- Bank clients have multi-channel access to PZU products
- Work is underway to implement CPI-linked products in line the amended Recommendation U

SPE products – Pewny Profit at Bank Pekao, Bezpieczne Jutro at Alior Bank and Stabilne Jutro at VeloBank

- PZU Życie products with guaranteed rate of return in the bancassurance channel, making use of the potential generated by high interest rates
- Available for sale from August 2022 at Bank Pekao and Alior Bank and from May 2023 at VeloBank
- Period of insurance: 24 months or 36 months, plus a 12-month period available at VeloBank
- Possibility to pay the premium once – in advance for the whole insurance period
- Minimum premium of 25,000 at Bank Pekao, 30,000 at Alior Bank and 10,000 at VeloBank
- Maximum premium of PLN 2 m (for all insurance contracts of a given client)

PLN 444.5 m of written premium from SPE products in 2023



Indywidualne ubezpieczenie na życie i dożycie **Pewny Profit**

[SPRAWDŹ](#)

PZU
Bank Pekao



Bezpieczne Jutro

Gwarancja sumy ubezpieczenia w całym okresie ubezpieczenia i ochrona ubezpieczeniowa w przypadku Twojej śmierci.

[Znajdź oddział](#)



PZU **VELO**
BANK

Zyskaj wsparcie finansowe dla siebie i rodziny

INDYWIDUALNE UBEZPIECZENIE NA ŻYCIE I DOŻYCIE STABILNE JUTRO



3. Financial results

PZU Group results under IFRS 17*

m PLN	22Q4	23Q4	Change y/y
PZU GROUP EXCL. ALIOR BANK AND BANK PEKAO¹			
Gross insurance revenue	6,389	6,909	8.1%
Net insurance revenue	6,087	6,509	6.9%
Insurance service expenses (net)	(5,388)	(5,563)	3.2%
Net insurance claims and benefits ²	(3,784)	(3,761)	(0.6%)
Administrative expenses	(540)	(648)	20.0%
Acquisition expenses	(1,025)	(1,137)	10.9%
Loss component amortization	266	253	(4.9%)
Recognition of the loss component	(305)	(270)	(11.5%)
Insurance service result	699	946	35.3%
Net financial revenue	286	266	(7.0%)
Insurance and outward reinsurance finance income or expenses	(516)	(552)	7.0%
Result from investment activities - allocated to insurance segments	802	818	2.0%
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	906	1,091	20.4%
BANKS: ALIOR AND PEKAO			
Net profit (loss) attributable to equity holders of the parent company	297	540	81.8%
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	1,203	1,631	35.6%
MAIN FINANCIAL RATIOS (%)			
aROE ³	21.2	23.4	2.2 p.p.
Claims ratio (with net loss component)	62.8	58.0	(4.8) p.p.
Administrative expense ratio	8.9	10.0	1.1 p.p.
Acquisition expense ratio	16.8	17.5	0.7 p.p.
Combined ratio ⁴	95.3	86.6	(8.7) p.p.
Margin ⁵	25.9	21.8	(4.1) p.p.

1. PZU Group, excluding Bank Pekao and Alior Bank data
2. Excluding the investment component (mainly applies to unit-linked products)
3. aROE – adjusted return on equity, calculated on a capital basis excluding cumulative other comprehensive income relating to insurance and reinsurance financial income and expenses. Net result and equity attributable to owners of the parent company, annual return
4. Only for non-life insurance in PZU Group in Poland
5. Margin for group and individually continued insurance segment in Poland

*PZU Group restated financial data for prior periods in the 2023 interim reports due to:

- the shaping of interpretations of the IFRS 17 standard and the development of consistent approaches among insurers and advisors

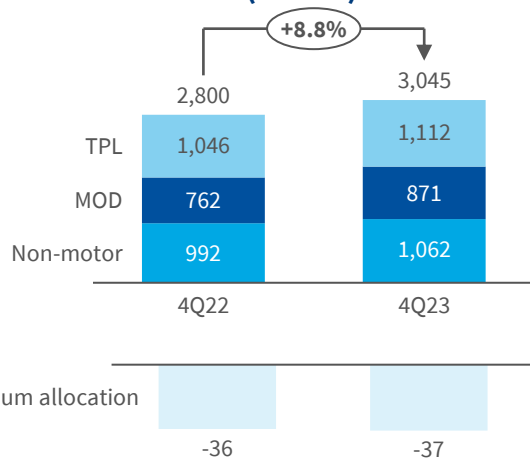
- the ability to obtain historical data for unit-linked products, which at the same time resulted in a change in the accounting principle of calculation for the transition date. Changed measurement method from fair value approach to modified retrospective approach (MRA)

- addressing the auditor's comments after the first full audit

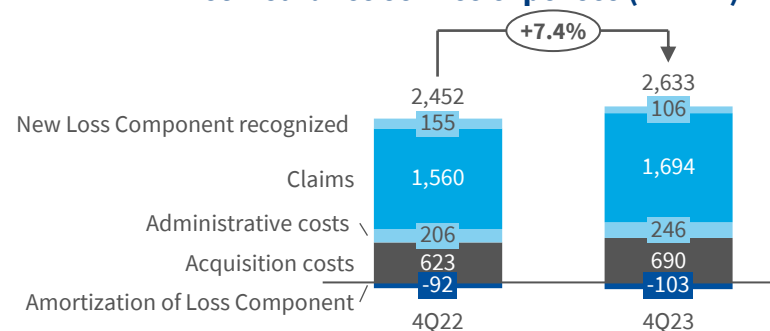
The restatement also applied to all comparative periods, so effectively the financial figures from 1Q22 were changed.

Non-life insurance under IFRS 17 – mass insurance segment

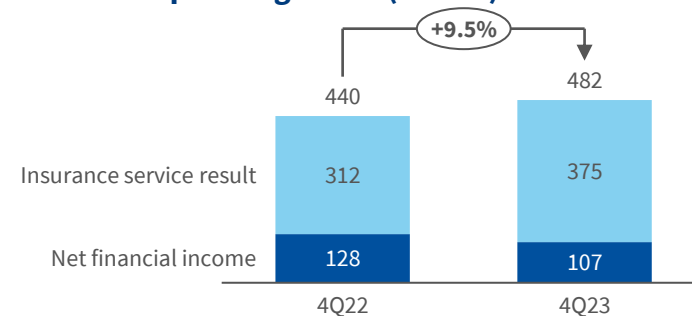
Insurance revenue (PLN m)



Net insurance service expenses (PLN m)



Operating result (PLN m)



COR 4Q22

88.7%

96.4%

74.4%

COR 4Q23

87.5%

94.2%

74.9%

Insurance revenue growth as a result of:

- increase in liability amortization (LRC) for portfolios:
 - MOD insurance 14.2% – impact of increase in average premiums resulting from increasing value of vehicles and higher number of contracts
 - MTPL insurance 6.1%
 - non-motor insurance 5.7% – development of the PZU Dom and PZU Firma insurance portfolios for SMEs.
- a higher level of premium to cover acquisition costs as a consequence – an increase in scale in external channels with a growing share of non-motor insurance products.

An increase in the net insurance service expenses (+7.4% y/y) as a result of:

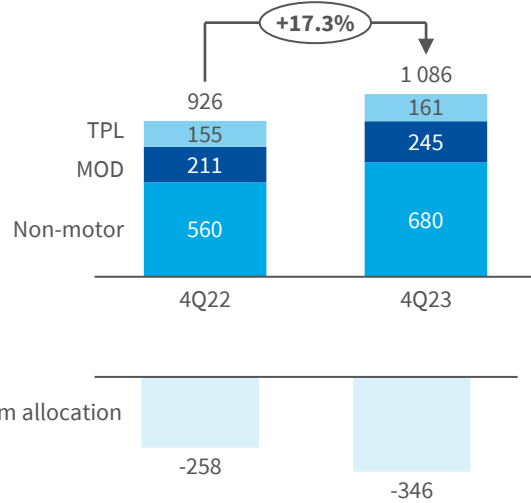
- higher y/y motor damage claims – scale development
- higher operating expenses:
 - acquisition – influence of growing share of multiagency and dealer channel in portfolio
 - administrative – mainly sales support costs, personnel costs and real estate costs
- lower, new component – improvement in both product lines (motor and non-motor).

The increase in the insurance service result as a result of:

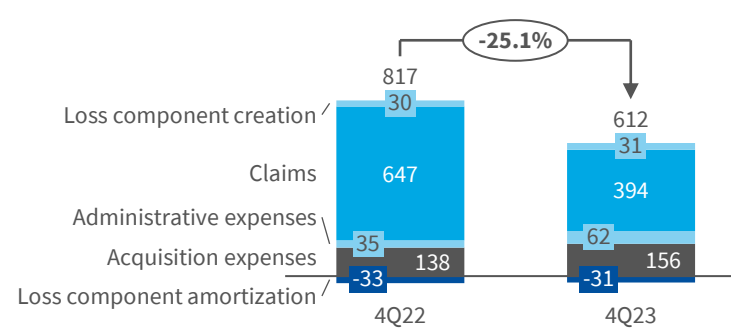
- improvement in last year's motor insurance (+PLN 50 m y/y), with a positive impact of the change in the value of the loss component on the result
 - growing contribution of non-motor insurance to operating result
- Lower level of excess of investment result over net financing costs, mainly as a consequence of changes in the level of interest rates:
- decrease (PLN 14 m y/y) of the investment income – valuation adjustment of corporate and treasury foreign debt portfolio
 - higher net financial expenses (PLN 7 m y/y) correlated with portfolio growth.

Non-life insurance under IFRS 17 – corporate insurance segment

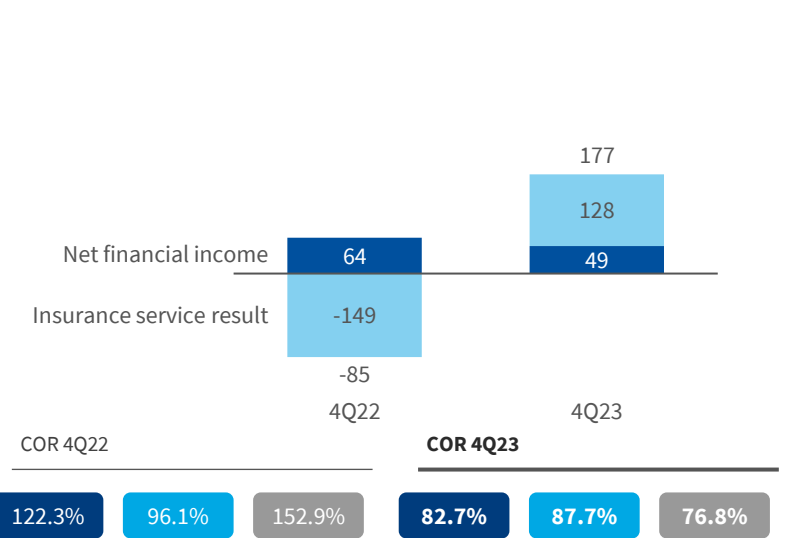
Insurance revenue (PLN m)



Net insurance service expenses (PLN m)



Operating result (PLN m)



Insurance revenue growth is a product of:

- increase in liability amortization (LRC) for portfolios:
 - MOD insurance 14.5% – impact of increase in average premiums resulting from increasing value of vehicles and higher number of contracts
 - MTPL insurance 5.5%
 - non-motor insurance 22.5% – development of the insurance portfolio acquired in 2022 (large unitary contracts with oil companies) and new sales (conclusion of large contracts from the power generation industry)
- a higher y/y level of premiums allocated to cover acquisition expenses as a consequence of growing sales and a simultaneous increase in commission expenses

A decrease in the net insurance service expenses (-25.1% y/y) is a product of:

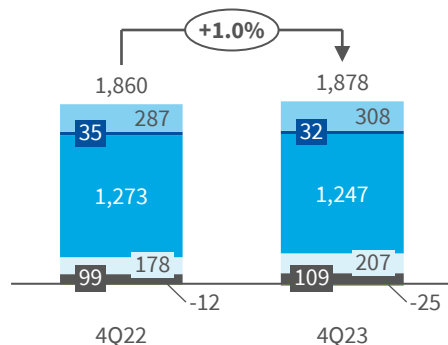
- lower claims as a result of:
 - significant improvement in non-motor insurance (in the same period of 2022, two large claims)
 - deterioration in motor insurance
- higher acquisition and administrative expenses – primarily personnel costs, real estate costs (indexation of rental and utilities prices) and technology expenses.

Higher insurance service result is a product of an increase in both motor insurance and non-motor insurance.

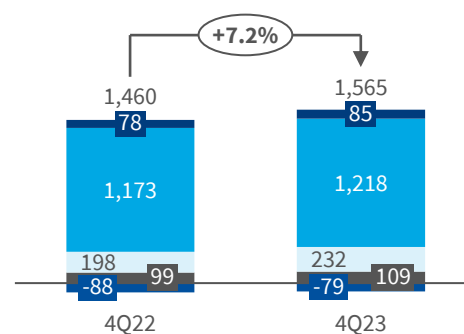
- Lower level of excess of investment result over net financing costs, mainly as a consequence of changes in the level of interest rates:
- decrease in the investment result (PLN 7 m y/y) as a consequence of adjustment on corporate and treasury foreign debt portfolio
 - higher net financial expenses (PLN 8 m y/y) correlated with portfolio growth.

Life insurance under IFRS 17 – group and individually continued insurance

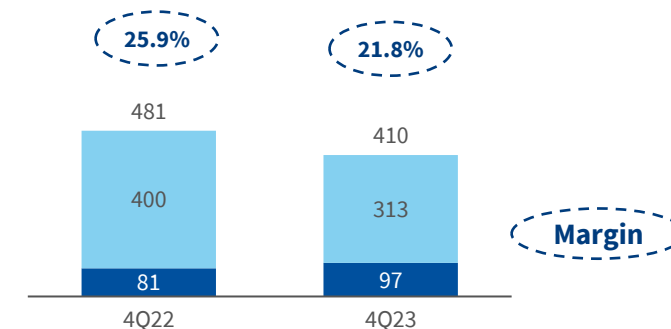
Insurance revenue (PLN m)



Insurance service expenses (PLN m)



Operating result (PLN m)



- CSM release
- Release of risk adjustment for non-financial risks
- Expected claims and benefits
- Expected costs
- Premiums associated with acquisition expenses
- Other
- Loss component recognized
- Amortization of loss component
- Claims and benefits incl. loss component
- Administrative expenses attributable to insurance activities
- Amortization of acquisition costs

Higher insurance revenue as a product of:

- a lower level of premiums to cover expected claims and benefits – return to lower mortality rates, and also the high utilization of health insurance benefits
- higher level of revenue to cover rising acquisition expenses (portfolio development and changes in the remuneration system) and administrative expenses
- CSM growth (including RA) – improved actuarial assumptions in terms of cancellations and mortality
- and a simultaneous slight increase in mismatch of premium flows

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

- higher claims and benefits – the effect of high utilization of health insurance benefits
- higher administrative expenses – mainly personnel, IT and property maintenance expenses
- an increase in the loss component as a result of higher assumed utilization of health benefits

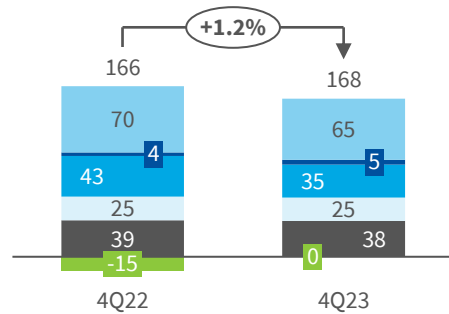
The decline in operating profit is a cumulative effect of:

- lower insurance service result (PLN -87 m y/y)
- the increase in the level of net financial income as a product of:
 - higher investment result (PLN 22 m y/y) – higher profitability of debt instruments and equity instruments result
 - higher net financial expenses (PLN 6 m y/y) correlated with portfolio growth

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

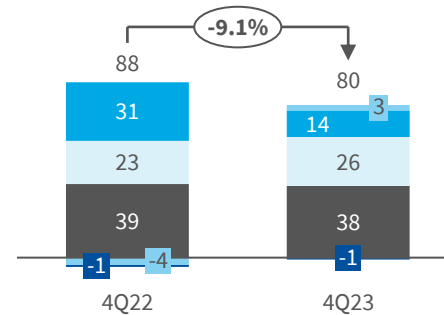
Life insurance under IFRS 17 – individual protection insurance

Insurance revenue (PLN m)



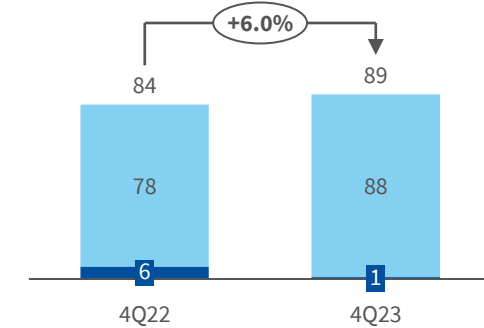
- CSM release
- Release of adjustment for non-financial risk
- Expected claims and benefits
- Expected cost
- Premiums associated with acquisition expenses
- Other

Insurance service expenses (PLN m)



- Loss component recognized
- Loss component amortization
- Claims and benefits
- Administrative expenses attributable to insurance activities
- Acquisition expenses amortization

Operating result (PLN m)



- Insurance service result
- Net financial income

A decrease in revenue resulting from:

- lower premiums to cover expected claims and benefits – a return to lower pre-pandemic mortality rates
- lower contractual service margin allocated to 4Q23 due to the positive effect of the change in assumptions (mainly regarding unit costs and claims ratio) on future profit in 4Q22, no similar effect in 4Q23
- increase in other income (PLN +15 m y/y) – in 2022, the negative effect of a high level of cancellations of bancassurance contracts (the effect of an increase in the expenses of loans granted)

The decrease in costs in this segment was driven by:

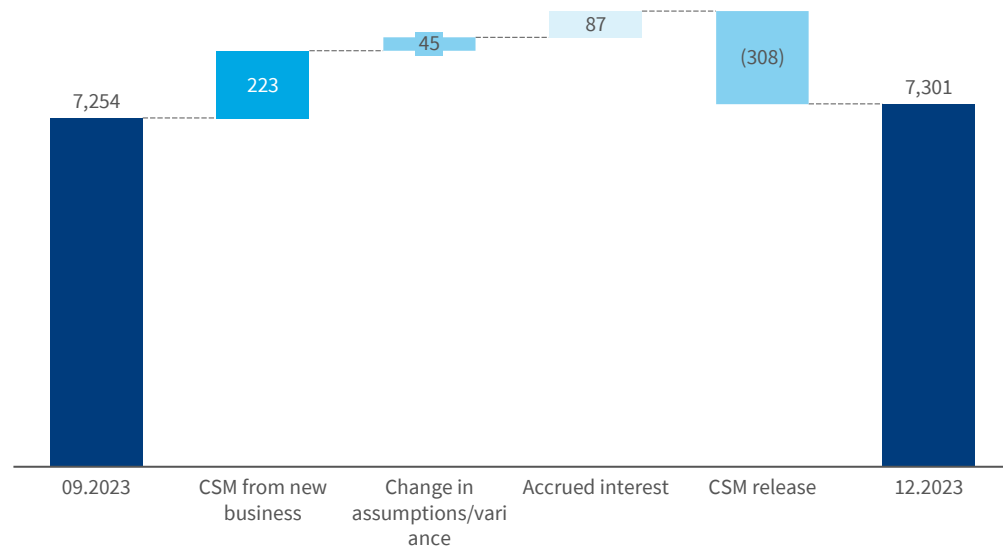
- lower realization of claims and benefits mainly due to the release of additional surcharges for uncertainty in the loss provision
- creation of a loss component for annuity products due to an increase in unit service costs
- higher administrative expenses as a result of higher personnel, IT and real estate maintenance expenses;

The increase in operating profit is a cumulative effect of:

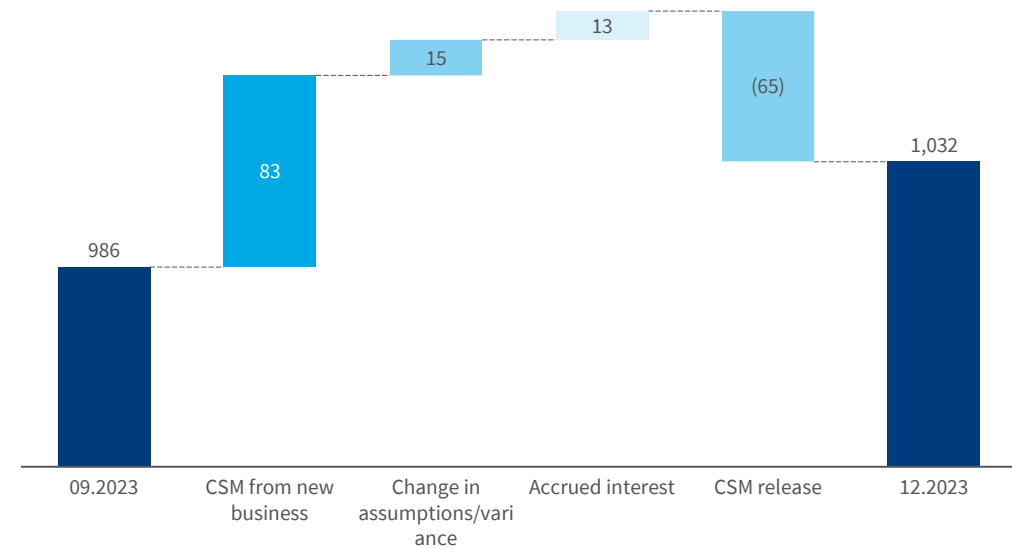
- higher insurance service result (+ PLN 10 m y/y);
- lower net financial income as a result of:
 - higher financial expenses in line with the increase in liabilities, with a stable investment result y/y

Life insurance in Poland under IFRS 17 – evolution of contractual service margin

Group and individually continued insurance – CSM (PLN m)



Individual protection insurance – CSM (PLN m)



The change in CSM contractual service margin (value of future profits) between balance sheet dates is due to:

- additional CSM from the sale of new business in the amount of PLN 223 m
- revision of assumptions for valuation of liabilities and variances in the development of the policyholder portfolio, positive impact (PLN +45 m) resulting mainly from the upsale of riders in individually continued insurance
- CSM increase by the change in the time value of money – accrued interest
- CSM release of PLN 308 m – profit attributable to the current period

The change in CSM contractual service margin (value of future profits) between balance sheet dates is due to:

- additional CSM from the sale of new business in the amount of PLN 83 m
- update of unit cost assumptions for valuation of liabilities and variances in the development of the policyholder portfolio (PLN 15 m)
- CSM increase by the change in the time value of money – accrued interest
- CSM release in the amount of PLN 65 m – profit attributable to the current period

Profitability by operating activities segments under IFRS 17

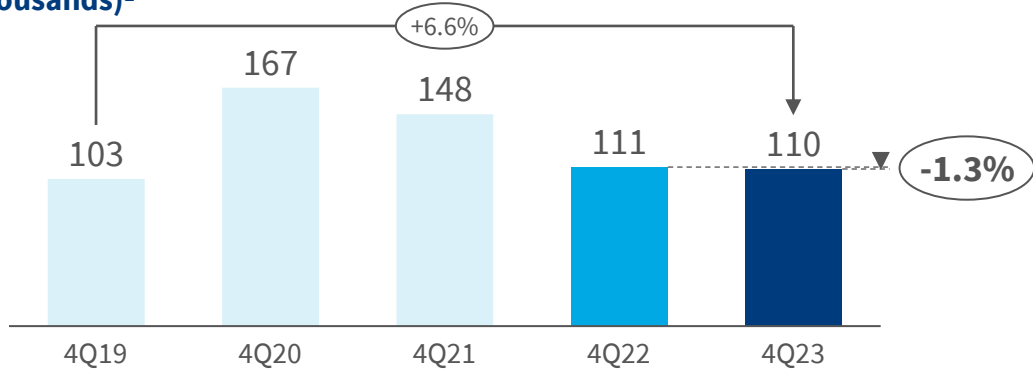
Insurance segments	Insurance revenue			Result*			Combined ratio / Margin	
	4Q22	4Q23	Change y/y	4Q22	4Q23	Change y/y	4Q22	4Q23
m PLN, IFRS17								
Total non-life insurance – Poland	3,726	4,131	10.9%	355	659	85.6%	95.3%	86.6%
Mass insurance – Poland	2,800	3,045	8.7%	440	482	9.5%	88.7%	87.5%
Motor TPL	1,049	1,114	6.2%	-57	22	x	105.4%	98.0%
MOD	762	871	14.3%	125	95	(23.9%)	83.6%	89.1%
Other products	990	1,061	7.1%	245	260	6.0%	74.6%	74.9%
Net financial revenue	x	x	x	128	107	(16.4%)	x	x
Corporate insurance – Poland	926	1,086	17.3%	-85	177	x	122.3%	82.7%
Motor TPL	155	162	4.2%	-37	5	x	123.7%	96.7%
MOD	211	245	16.2%	50	45	(9.3%)	75.8%	81.2%
Other products	560	679	21.1%	-160	74	x	152.0%	78.0%
Net financial revenue	x	x	x	64	49	(23.4%)	x	x
Total life insurance – Poland	2,042	2,066	1.2%	546	503	(7.9%)	26.7%	24.3%
Group and individually continued insurance	1,860	1,878	1.0%	481	410	(14.8%)	25.9%	21.8%
Individual insurance	166	168	1.2%	84	89	6.0%	50.6%	53.0%
Investment insurance	16	20	25.0%	-19	4	x	x	x
Total non-life insurance – Ukraine and Baltic States	597	692	15.9%	75	46	(38.7%)	89.7%	95.1%
Baltic countries	557	639	14.7%	85	55	(35.3%)	85.9%	92.8%
Ukraine	40	53	32.5%	(10)	-9	(10.0%)	138.1%	123.1%
Total life insurance – Ukraine and Baltic States	23	20	(13.0%)	11	7	(36.4%)	47.8%	35.0%
Lithuania	12	12	x	6	5	(16.7%)	50.0%	41.7%
Ukraine	11	8	(27.3%)	5	2	(60.0%)	45.5%	25.0%

* Operating result

Insurance service result

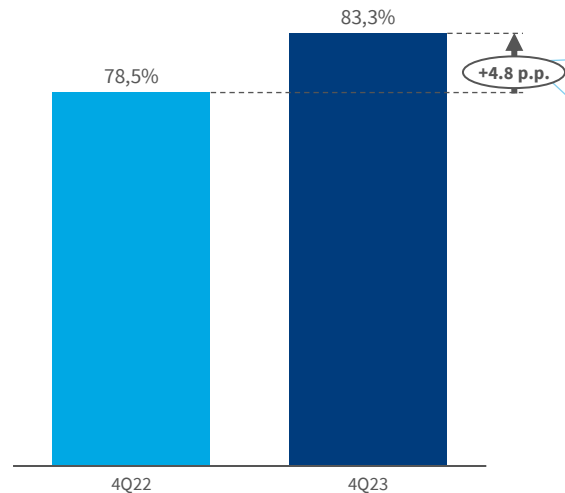
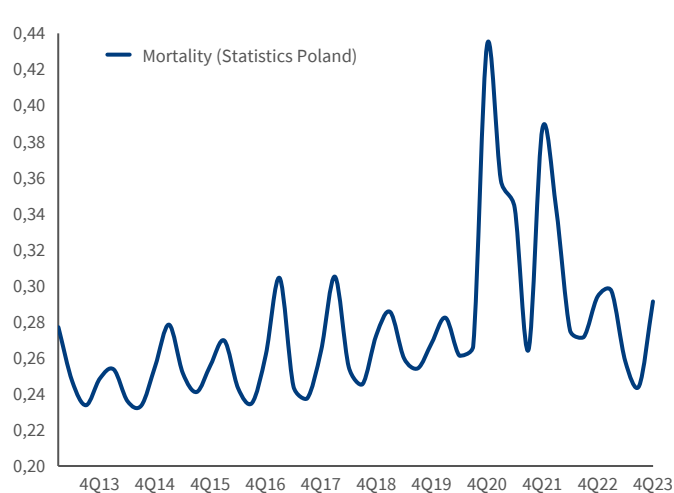
Pandemic vs. claims ratio in group insurance and IC segments in 4Q23

Number of deaths per quarter in Poland from 2019 to 2023 (in thousands)¹

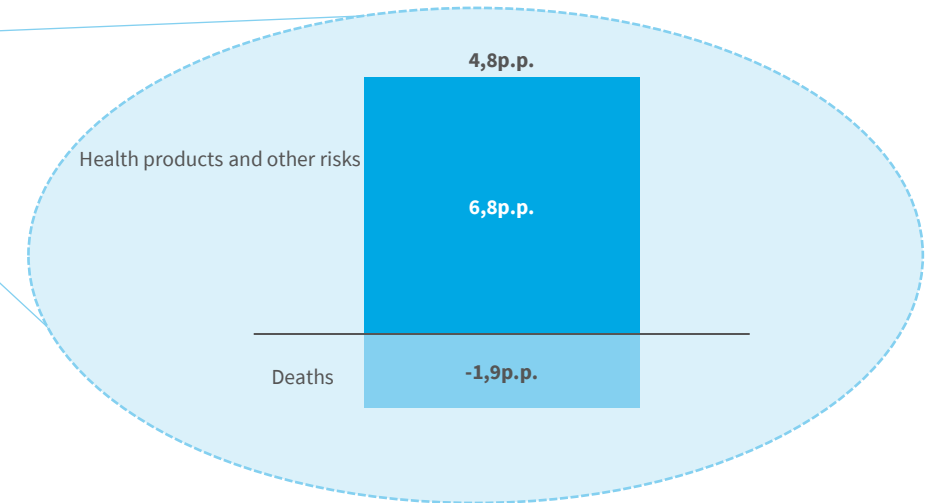


- **Number of deaths** in Poland in 4Q23 **slightly lower than a year ago** while and a simultaneous increase relative to the pre-pandemic period in 2019
- **In 4Q23, claims ratio for group and individually continued segment protection products continued at significantly higher levels compared to 4Q of the previous year**
- Higher claims ratio is the result of higher outpatient benefits (impact on claims ratio +3.6 p.p.)

Death incidence in Poland vs. claims ratio² in the group and individually continued insurance segment



Impact of individual risks on the y/y change in segment claims ratio²



1. Consistent with the Statistics Poland's data

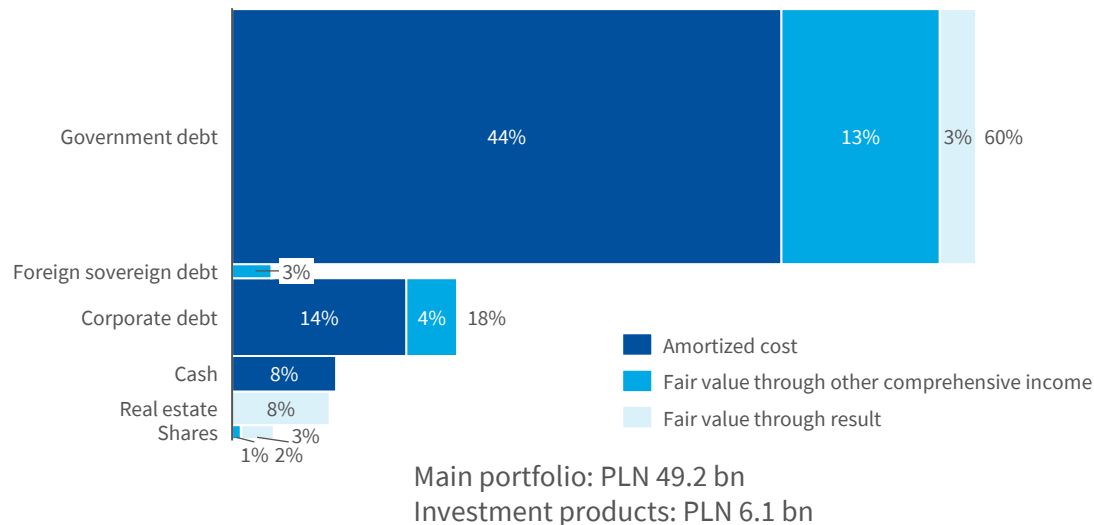
2. Claims ratio under IFRS17 – the quotient of net insurance claims and benefits and insurance revenue. It only takes into account protection products.

Investment result

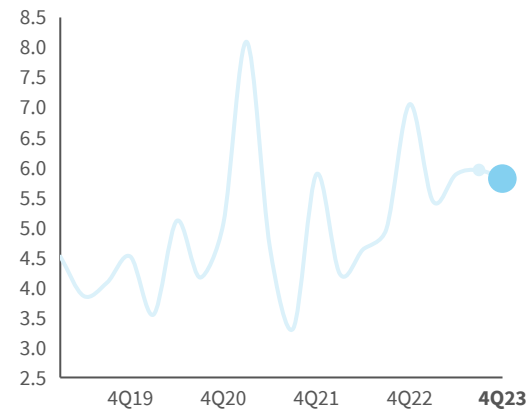
IFRS, m PLN	4Q22	4Q23	Change y/y
Investment income less interest expenses	4,259	5,473	28.5%
Investment result allocated to insurance segments in Poland ex unit-linked	465	466	0.2%
Unit-linked	313	319	1.9%
Investment result allocated to insurance segments abroad	24	33	37.5%
Surplus portfolio, TFI, PTE	274	189	(31.0%)
Banking activities	3,164	4,422	39.8%
PPA (banking)	19	44	131.6%
Total, insurance segments, investment activities and other	1,076	1,007	(6.4%)
Main portfolio	721	597	(17.3%)
Debt instruments - interest	506	537	6.0%
Debt instruments - revaluation and execution	(21)	(50)	x
Equity instruments	6	42	591.3%
Real estate	230	67	(70.6%)
Investment products	313	319	1.9%
Other	42	91	117.4%

- **Secure portfolio structure:** debt instruments account for 80% of the portfolio, government debt is 60% of the portfolio
- **Profitability of the core portfolio** with FX on liabilities **at 5.8 %** in 4Q23
- **Stable interest income y/y** in view of the better results of floating coupon instruments as well as the purchase of high-yield sovereign bonds for the portfolio
- **Improvement of the equity instruments portfolio result y/y** particularly as a result of higher result of the listed equity portfolio
- **Lower real estate portfolio** performance y/y mainly due to a lower increase in the value of appraisals as well as declining swap point income
- **Positive impact of other** in particular as a result of the temporary effect of the recognition in the third quarter of foreign exchange differences (PLN -134.4 m) on instruments hedging the real estate portfolio, the valuation of which was adjusted to the valuation of the appraisal reports at the end of the year

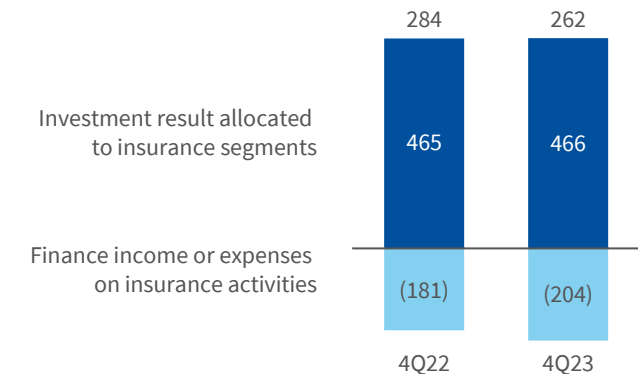
Structure of the main portfolio by asset class and methods of their valuation



Return on FX main portfolio from liabilities (%)



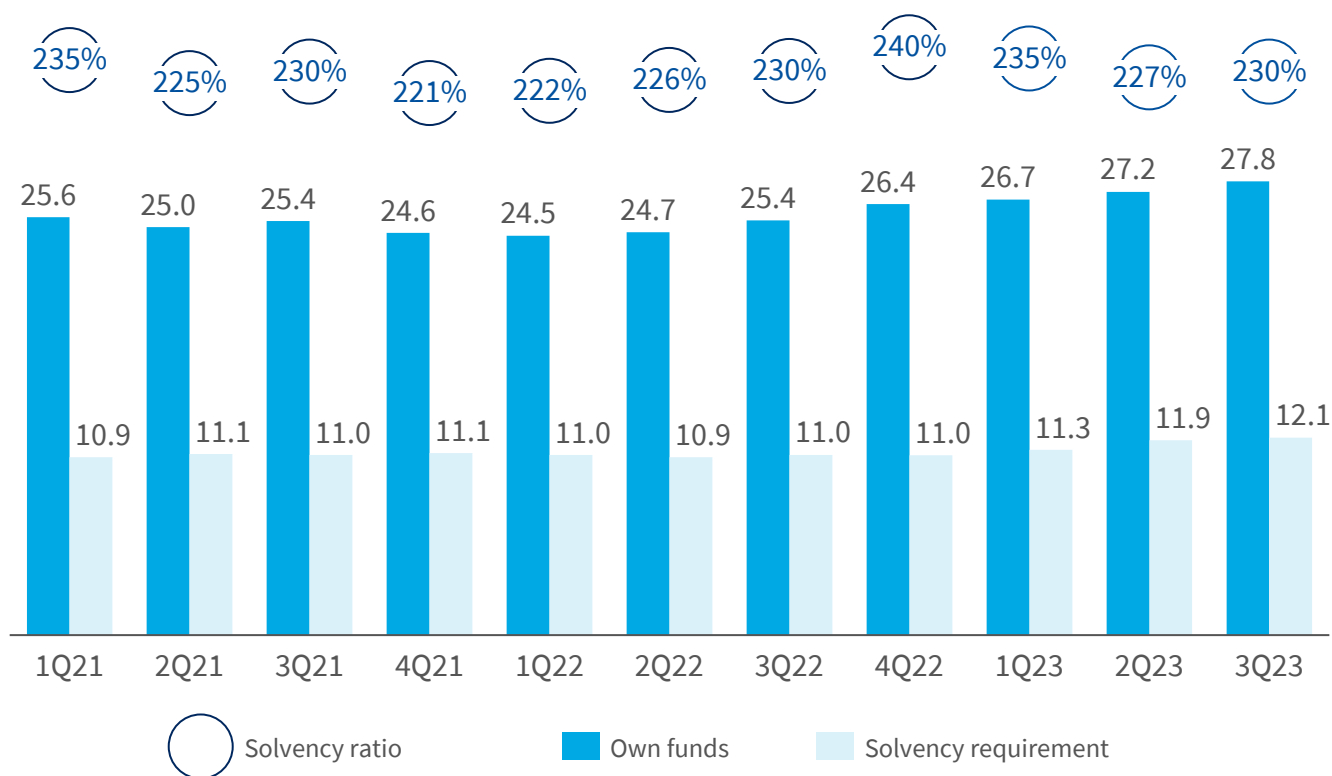
Investment result allocated to insurance segments in relation to insurance expenses and revenue* (PLN m)



* Excluding unit-linked and foreign operations

High level of solvency of the Group

Solvency II ratio¹, 30 September 2023



Solvency ratio calculated according to the formula:
Own funds / solvency requirement.

Annual data based on audited reports on solvency and financial condition (SFCR) available at <https://www.pzu.pl/relacje-inwestorskie>. Other unaudited data.

1. Quarterly data for 2021–2023 presented in accordance with the previous methodology. Infra-annual data were reduced by 80% of the PZU Group's consolidated result attributable to PZU shareholders. It does not take into account the new rules included in the KNF's circular letter to insurance companies dated 16 April 2021, according to which, starting from 1Q 21 a new element in the calculation of company and group solvency in interim periods is an adjustment for the entire amount of dividends expected for the year.
2. Before the effects of diversification

Increase in own funds in 3Q23 by PLN 0.6 bn

Main causes:

- operating flows (PLN +0.6 bn)
- investment results (PLN +0.8 bn) and bond valuation (PLN +0.1 bn)
- increase in the best estimate of provisions and reinsurance receivables (PLN -0.1 bn)
- increase in own funds of other sectors (PLN +0.5 bn)
- deduction of own funds by 80% of the group's profit attributable to shareholders of the parent company (PLN -1.2 bn)

SCR growth in 3Q23 by PLN 0.2 bn

The main drivers of the q/q decline:

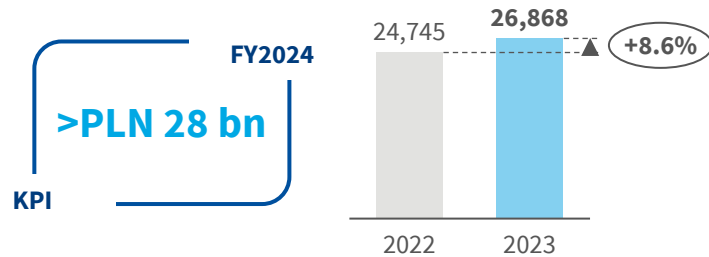
- decrease in market risk (PLN -0.1 bn²)
- increase in non-life insurance risk (PLN +0.2 bn²),
- increase in the risk of banks and investment entities (PLN +0.1 bn)



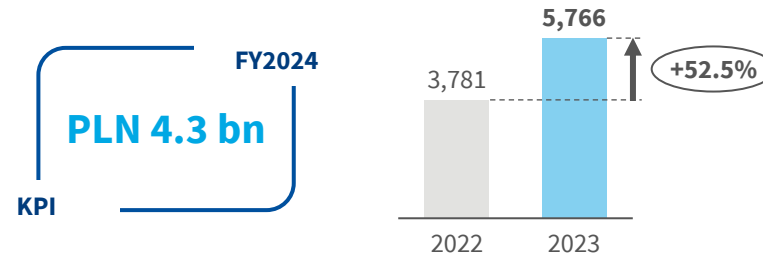
4. Strategy

Strategic goals until 2024 and their implementation in 2023

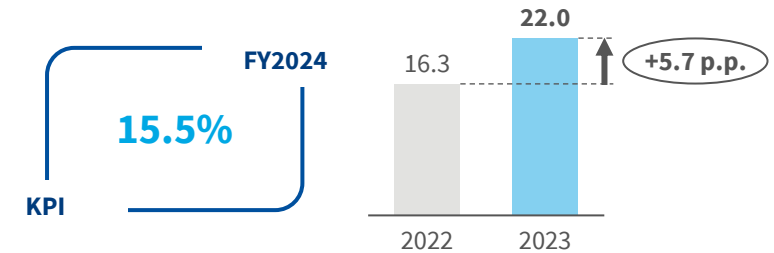
Gross insurance revenue¹ (PLN m)



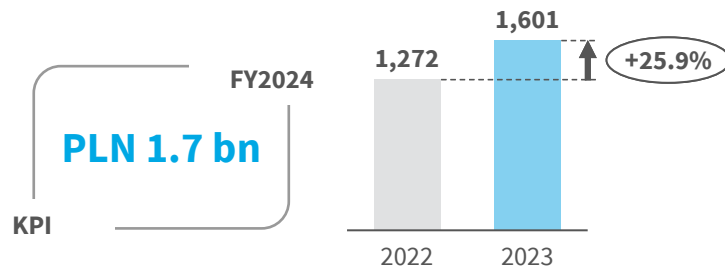
PZU Group net profit² (PLN m)



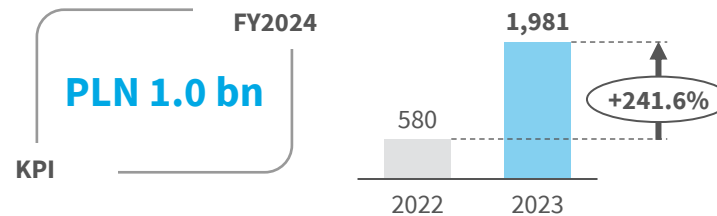
aROE³ (%)



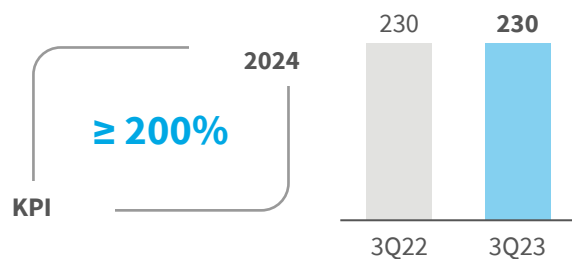
Health Pillar Revenue (PLN m)



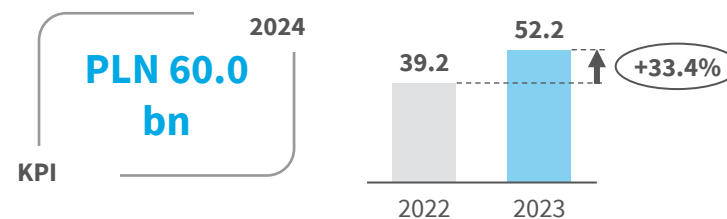
Banks' contribution to PZU Group's net results² (PLN m)



Solvency II ratio⁴ (%)



Assets under management⁵ (PLN bn)



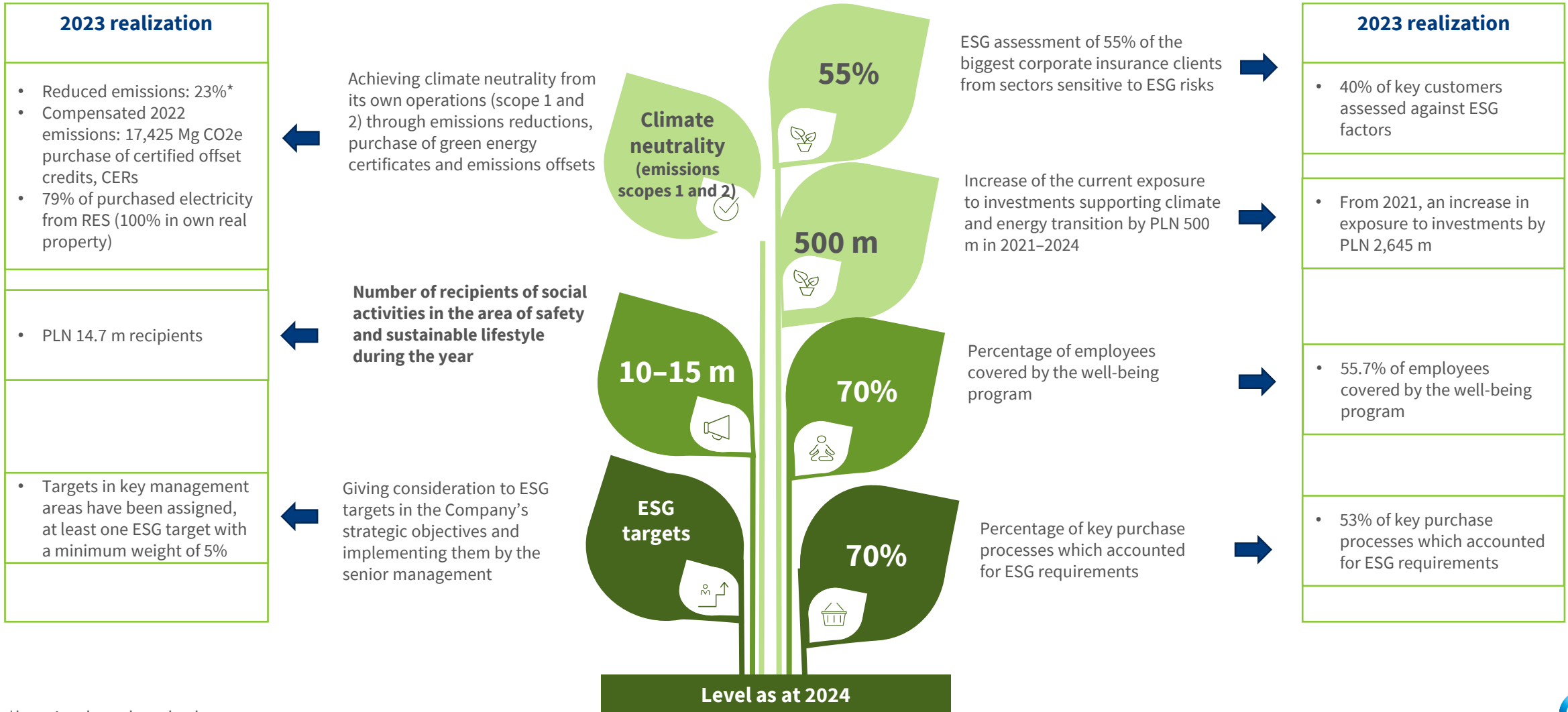
1. Gross insurance revenue of PZU Group
2. Net profit attributable to the shareholders of the parent company
3. Adjusted return on equity (aROE %). Calculated on an equity basis excluding other comprehensive income from insurance business (reflecting the impact in the macroeconomic environment on the PZU Group's capital)
4. Excluding rules included in the KNF circular letter to insurance companies dated 16.04.2021. Value in line with new rules at 238% in 3Q23
5. External client assets under management of TFI PZU, Pekao TFI and Alior TFI

27.04.2023 – Presentation “The impact of the implementation of IFRS 17 and changes in the macroeconomic environment on the indicators of the PZU Group Strategy for 2021–2024”

https://www.pzu.pl/_files/1545908

Implementation of the ESG Strategy of PZU and PZU Życie “Balanced Growth” 2021–2024

**Key performance indicators of the ESG Strategy reported on an annual basis along with other non-financial data.
As at 31 December 2023.**



*location-based method

Sustainable development



TFI PZU Academy

- TFI PZU Academy is an educational program aimed at students to educate them on investment fund and asset management, analysis of financial instruments and the functioning of financial markets. Bloomberg is a partner in the program.
- Two substantive modules – “theoretical” and “investment” – await participants.
- In the first stage of the Academy, participants will be given a comprehensive introduction to the world of professional investing. Among other things, they will learn the ins and outs of analyzing economies and financial markets, the principles of asset allocation, managing shares and bonds, and managing investment fund risk. In addition, they will receive training on the use and functionality of the Bloomberg Terminal® service – a tool essential in the daily work of fund managers.
- In the second stage of the Academy, participants will put their previously acquired knowledge into practice. Their task will be to manage the investment portfolio (and make virtual market transactions) in order to achieve the highest possible rate of return.

An educational fairy tale created in cooperation between the PZU Foundation and the Zacztyani.org Foundation

- In November, the “Useful adventure” fairy tale was released. The publication, which was created as a result of cooperation between the Zacztyani.org Foundation and the PZU Foundation, teaches children the principles of healthy eating.
- The story is designed for children aged 7–9 and aims to support them in building a healthy relationship with food and educate them on how to identify emotions. The fairy tale fits in with the idea of fairy tale therapy, using the power of stories to educate and for parents and teachers to support children's emotional and social development.
- The fairy tale is now available for free download at: <https://pozytecznaprzygoda.zacztyani.org/>. The fairy tale is accompanied by a package of educational materials for teachers, who can use them to conduct special lessons and conversations with children about mindfulness in eating. The publication includes, among other things, a scenario for fairy tale therapy, which will also help any parent in a conversation with a child.

Social campaign of TUV PZUW and PKP Intercity for health promotion

- TUV Polski Zakład Ubezpieczeń Wzajemnych and PKP Intercity have launched a social campaign to motivate people to take care of their health.
- An animated video is being shown on trains to encourage the use of the free “Health Vademecum” guide containing information on this subject
- The nearly 100-page “Health Vademecum” is available free of charge online at: tuwpzuw.pl/poradnik.
- Written in accessible language, the guide describes ailments that can be signs of serious illnesses and instructs what to do when they occur. It explains how to prepare for a physician's appointment, examination and hospital stay. It is designed to help with treatment and recovery thanks to practical information on how to take medications to make them work and what diet to follow for various conditions.

As a responsible employer, we care about the best employees' experiences



Comprehensive employee experience management (EX)

The implementation of the Employee Experience Management approach is taking employee #engagement to the next level. With this, PZU wants to increase engagement, attract and retain talent, and support the realization of business results (EX-CX).



Implementation of the #wellbeing program

#Well-being has become a permanent feature of the organization's life – it inspires healthy lifestyles and develops the mental resilience of employees and entire teams. It promotes an optimal work style, encourages to implement habits that improve efficiency and quality of functioning on a daily basis.



Inclusive work environment

PZU sees great potential in the diversity of its teams, which is why it cares about education that supports harmonious cooperation between representatives of 4 generations and develops awareness among employees on the differences between people. It promotes practices that build an atmosphere of openness and respect for our different characteristics, work styles and needs.



Emblem and Special Award for various initiatives to create a friendly work environment



The main award in the EB Innovation category for the project of Hybrid Work Best Practice Cards



Certificate of the Polish Human Resources Management Association – confirmation of the application of the latest HR solutions.

Practices implement sustainable development goals:

- Goal 3 – Good health and quality of life
- Goal 8 – Economic growth and decent work





5. Appendices

PZU Group results under IFRS 4

PZU Group, m PLN	4Q22	4Q23
Gross written premiums	7,668	8,269
Net earned premiums	6,376	6,686
Revenues from commissions and fees	866	1,008
Gross investment income	4,236	5,465
Net insurance claims and benefits	-4,497	-4,466
Acquisition expenses	-1,021	-1,172
Administrative expenses	-2,012	-2,309
Other operating income and expenses	-755	-872
Share of the FS of entities measured by the equity method	-3	4
Profit before tax	3,190	4,343
Income tax	-985	-941
Net profit	2,205	3,402
Net profit (loss) attributed to holders of non-controlling interests	971	1,795
Net profit (loss) attributable to the equity holders of the parent company	1,234	1,607

PZU Group's results under IFRS 4 by business type

m PLN	4Q22	4Q23	Change y/y
PZU GROUP EXCL. ALIOR BANK AND BANK PEKAO¹			
Gross written premium	7,668	8,269	7.8%
Net earned premium	6,376	6,686	4.9%
Net insurance claims and benefits paid	(4,497)	(4,466)	(0.7%)
Net investment result (ex banking activities)	1,053	1,000	(5.1%)
Administrative expenses	(546)	(617)	13.1%
Acquisition expenses	(1,021)	(1,172)	14.8%
Operating profit (loss)	1,209	1,320	9.2%
Net profit (loss) attributable to equity holders of the parent company	937	1,067	13.9%
BANKS: ALIOR AND PEKAO			
Net profit (loss) attributable to equity holders of the parent company	297	540	81.8%
NET RESULT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	1,234	1,607	30.2%
MAIN FINANCIAL RATIOS (%)			
ROE ²	29.9	29.9	0.0 p.p.
Combined ratio ³	91.4	89.3	(2.1) p.p.
Margin ⁴	21.7	25.8	4.1 p.p.
Administrative expense ratio of PZU, PZU Życie	8.2	9.3	1.1 p.p.
Acquisition expense ratio of PZU, PZU Życie	16.1	17.2	1.1 p.p.

1. PZU Group, excluding Bank Pekao and Alior Bank data
2. Annual ratio attributable to owners of the parent company
3. Only for non-life insurance in PZU Group in Poland
4. Margin for group and individually continued insurance segment

Profitability by operating activities segments under IFRS 4 / PAS

Insurance segments

m PLN, local GAAP	Gross written premium			Insurance result / operating result			Combined ratio / Margin	
	4Q22	4Q23	change y/y	4Q22	4Q23	change y/y	4Q22	4Q23
Total non-life insurance – Poland	4,717	5,324	12.9%	366	575	57.1%	91.4%	89.3%
Mass insurance – Poland	3,096	3,338	7.8%	427	408	(4.4%)	86.6%	90.1%
Motor TPL	1,102	1,165	5.7%	48	31	(35.5%)	96.6%	99.8%
MOD	822	912	11.0%	88	101	15.4%	87.9%	88.6%
Other products	1,172	1,261	7.6%	195	189	(3.3%)	74.6%	80.7%
Impact of allocation to the investment segment ¹	x	x	x	96	88	(9.1%)	x	x
Corporate insurance – Poland	1,621	1,987	22.6%	(61)	167	x	111.4%	86.2%
Motor TPL	189	185	(2.1%)	2	(0)	x	97.4%	99.1%
MOD	239	262	9.8%	37	33	(10.2%)	81.6%	85.4%
Other products	1,193	1,539	29.0%	(107)	69	x	138.8%	80.4%
Impact of allocation to the investment segment ¹	x	x	x	8	65	758.0%	x	x
Total life insurance – Poland	2,331	2,284	(2.0%)	448	536	19.7%	19.2%	23.5%
Group and individually continued insurance - Poland	1,805	1,872	3.7%	392	482	23.0%	21.7%	25.8%
Individual insurance – Poland	526	413	(21.5%)	56	54	(3.6%)	10.6%	13.1%
Total non-life insurance – Ukraine and Baltic States	656	710	8.2%	80	56	(30.0%)	88.9%	93.1%
Baltic countries	612	648	5.9%	76	68	(10.5%)	87.5%	90.8%
Ukraine	44	62	40.9%	4	(12)	x	111.8%	120.0%
Total life insurance – Ukraine and Baltic States	41	39	(4.9%)	12	1	(91.7%)	29.3%	2.6%
Lithuania	27	26	(3.7%)	0	0	x	x	x
Ukraine	14	13	(7.1%)	12	1	(91.7%)	85.7%	7.7%

¹ investment result allocated to segments by actual IFRS investment income from RTU assets (group allocation)

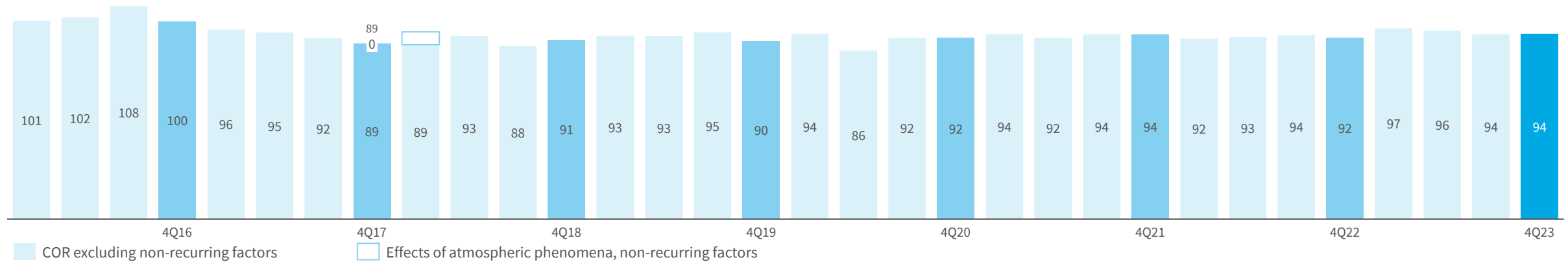
PZU Group gross written premium

Insurance segments m PLN, local GAAP	4Q22	3Q23	4Q23	Change y/y	Change q/q
External gross written premium	7,668	6,935	8,269	7.8%	19.2%
Total non-life insurance – Poland	4,640	3,907	5,223	12.6%	33.7%
Mass insurance – Poland	3,075	2,975	3,308	7.6%	11.2%
Motor TPL	1,082	1,084	1,152	6.5%	6.3%
MOD	821	822	908	10.6%	10.5%
Other products	1,172	1,069	1,248	6.5%	16.7%
Corporate insurance – Poland	1,565	932	1,915	22.4%	105.5%
Motor TPL	188	141	184	(2.1%)	30.5%
MOD	238	212	262	10.1%	23.6%
Other products	1,140	579	1,469	28.9%	153.7%
Total life insurance – Poland	2,331	2,249	2,284	(2.0%)	1.6%
Group and individually continued insurance - Poland	1,805	1,856	1,872	3.7%	0.8%
Individual insurance – Poland	526	393	413	(21.5%)	5.0%
Premium on protection products	177	215	228	28.6%	5.9%
Premium on periodic investment products	38	31	30	(20.8%)	(2.9%)
Premium on single investment products	177	184	134	(24.3%)	(27.1%)
Total non-life insurance – Ukraine and Baltic States	656	742	710	8.2%	(4.3%)
Baltic countries	612	678	648	5.9%	(4.4%)
Ukraine	44	64	62	40.9%	(3.1%)
Total life insurance – Ukraine and Baltic States	41	35	39	(4.9%)	11.4%
Lithuania	27	24	26	(3.7%)	8.3%
Ukraine	14	11	13	(7.1%)	18.2%

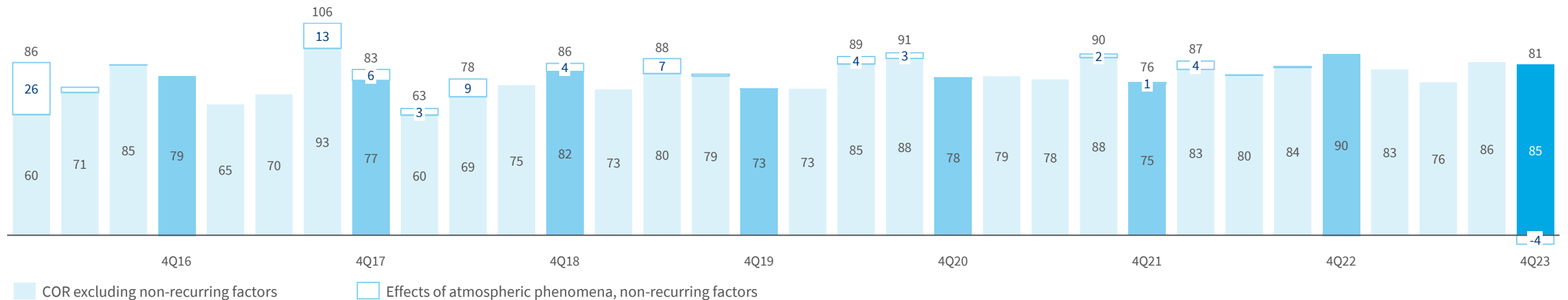


Non-life insurance under IFRS 4

Combined ratio (COR) from PZU Group motor insurance (%)

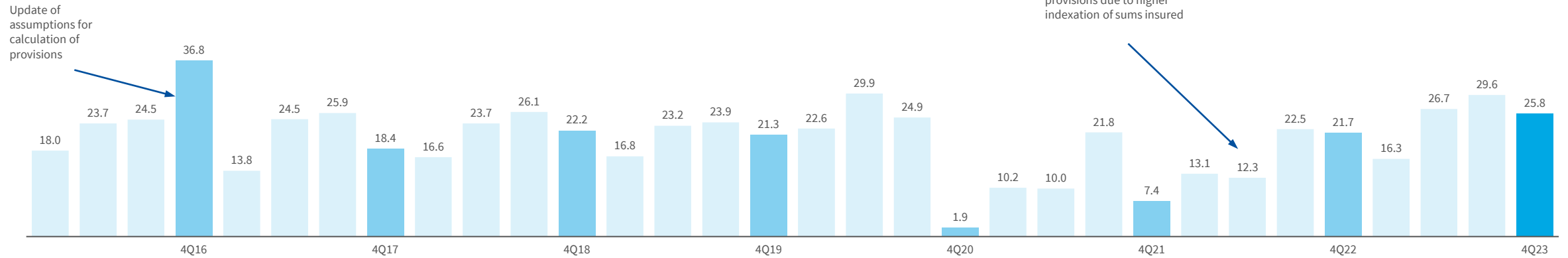


Combined ratio (COR) from PZU Group non-motor insurance (%)

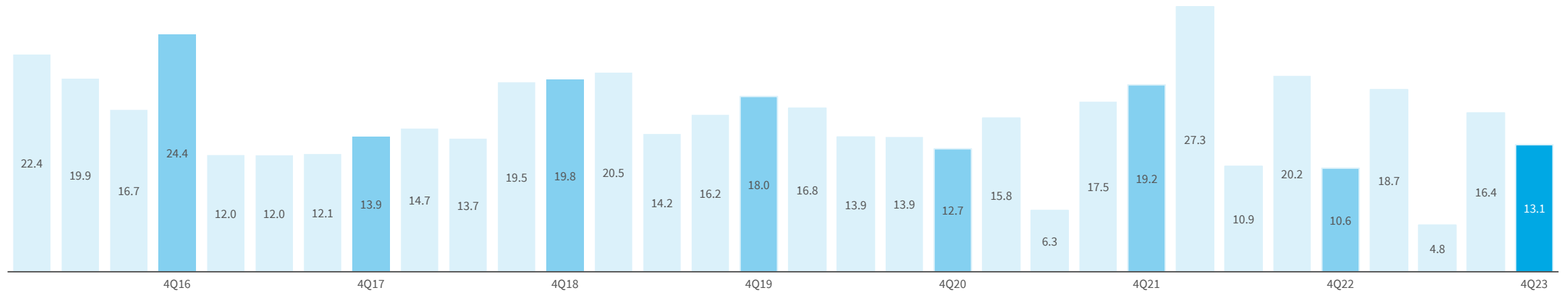


Life insurance under IFRS 4

Margin in group insurance and IC¹ (%)



Margin in individual insurance (%)

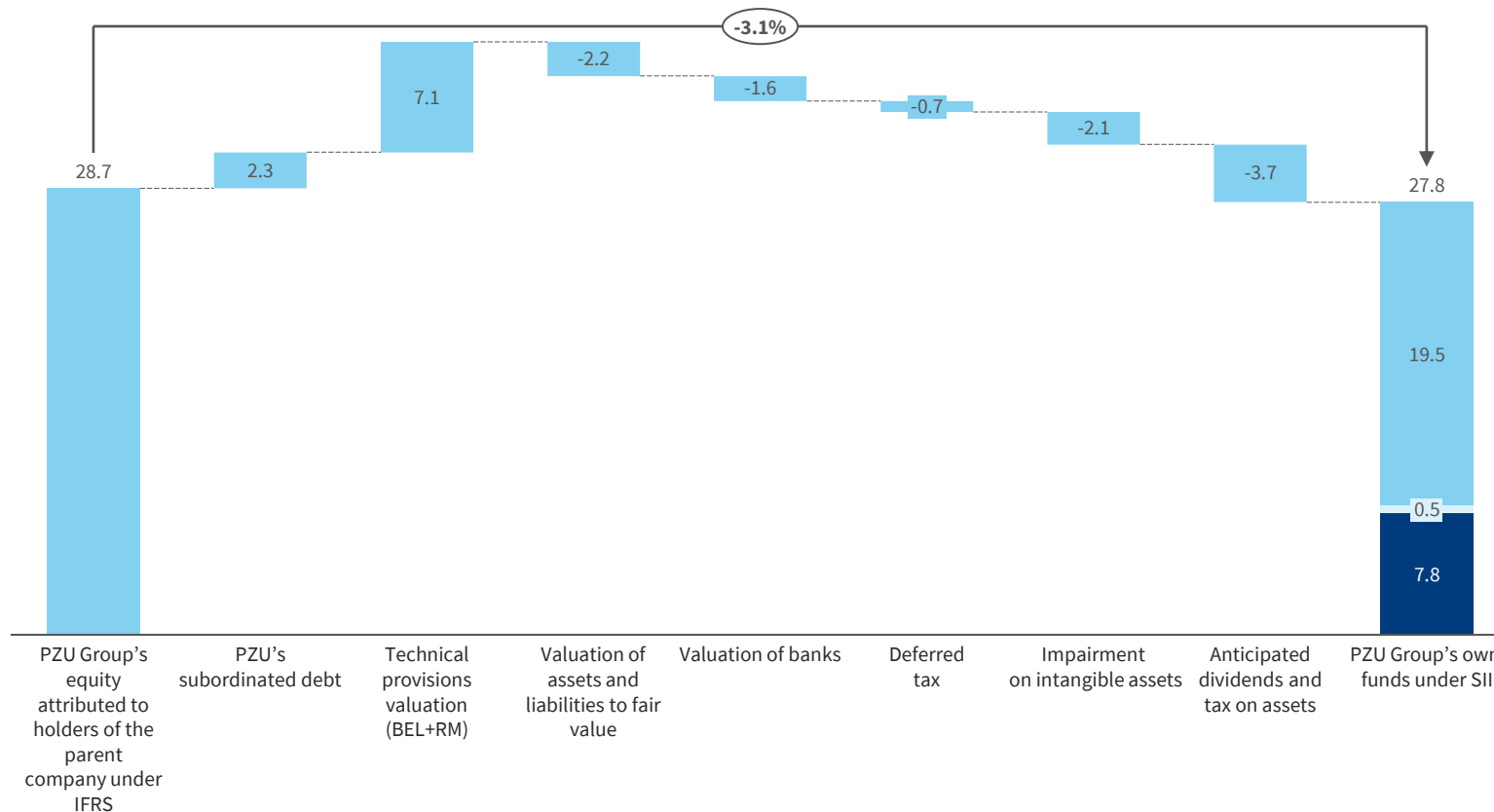


1. Margin in group insurance and IC by 4Q19, excluding the conversion effect, from 1Q20 without turning off the conversion effect
2. The provision for unexpired risks is intended to cover a possible deficit in future premiums as a result of higher mortality expectations due to the COVID-19 pandemic in future quarters

Own funds

PZU Group data in Solvency II as of 30 September 2023 (PLN bn)

Comparison of own funds and consolidated equity under IFRS



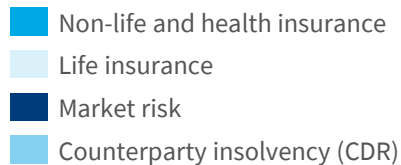
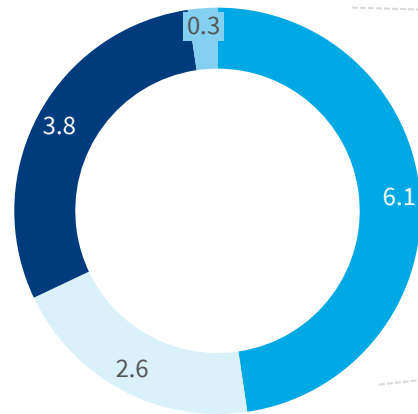
Own funds according to SII:

- contractual service margin as the main reason for differences in technical provisions valuation
- less 80% of the PZU Group's profit attributable to shareholders of the parent company
- less projections of the amount of tax on assets expected to be paid by insurance companies within 12 months after the balance sheet date

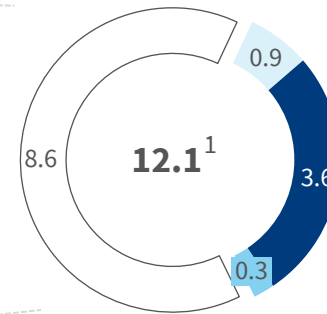
Solvency capital requirement (SCR)

PZU Group data in Solvency II as of 30 September 2023 (PLN bn)

Basic solvency capital requirement (BSCR)



Solvency capital requirement (SCR)



Increase in solvency requirement in 3Q22 23 by PLN 0.2 bn.

Main reasons for SCR changes:

- increase in risk in non-life insurance as a result of increased premium risk (+PLN 0.13 bn²) and catastrophic risk (effect of higher exposure and weakening of the zloty, +PLN 0.1 bn²)
- decrease in market risk due to:
 - decrease in equity exposure (-PLN 0.2 bn in total²) and an increase in credit spread risk (+PLN 0.07 bn²)
 - decrease in rate risk after decrease in curve and shocks (-PLN 0.08 bn²)
 - increase in currency risk following the weakening of the zloty and the conclusion of a hedging transaction not included in the calculation of the capital requirement due to the withdrawal of the counterparty rating (+PLN 0.06 bn²)
- increase in requirements of banks and investment entities (+PLN 0.07 bn²) due to higher credit exposures and increased operational risk requirement.

1. The difference between SCR and a total of: BSCR, operational risk, the requirement of the banking sector and other financial institutions is due to the tax adjustment (LAC DT).

2. Before the effects of diversification.

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Thank you



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