

# PZU GROUP | Factsheet 2020

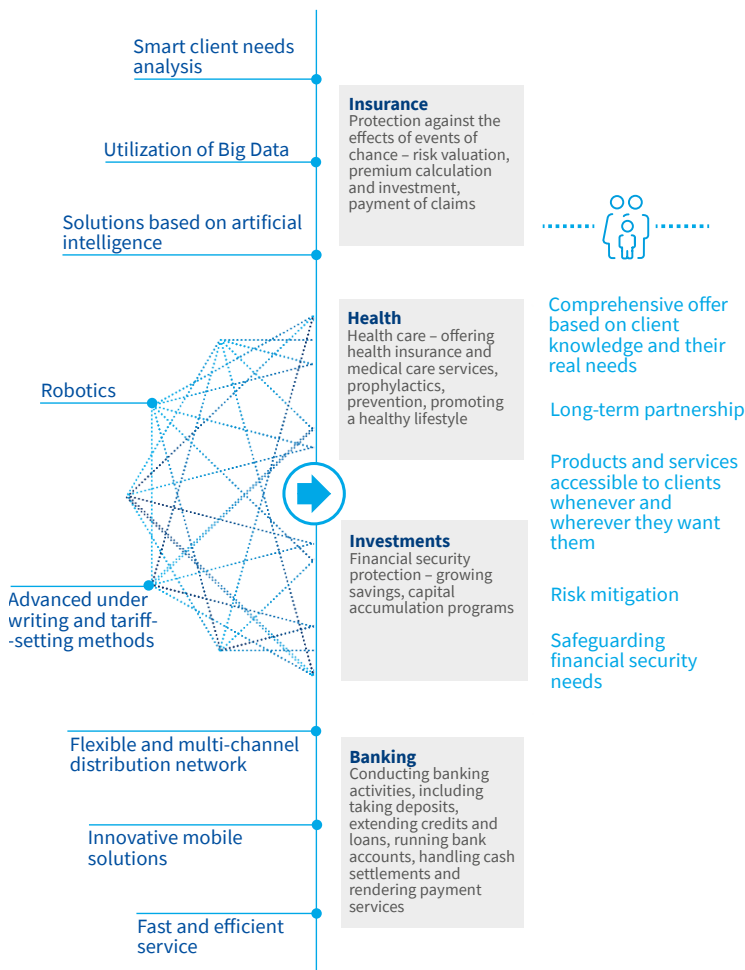


<b>#1</b>	<b>PLN 379 bn</b>	<b>40 thousand</b>	<b>22 million</b>	<b>100%</b>	<b>STRONG BALANCE SHEET</b>
largest insurance and banking group in CEE	assets	employees	clients in five countries	most recognizable brand in Poland	Solvency II ratio above average for insurance groups in Europe

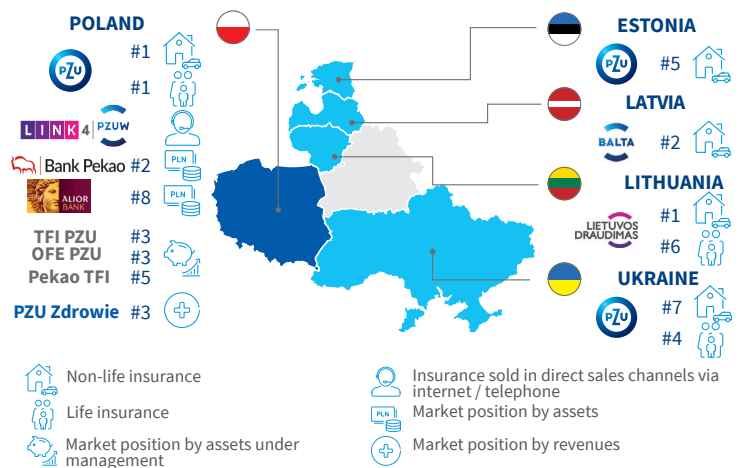
The **PZU Group** is the largest financial group in Poland and Central and Eastern Europe. PZU heads up the group with its traditions dating back to 1803. PZU's stock are listed on the Warsaw Stock Exchange (WSE) being part of the WIG20 index and WIG ESG (sustainability) index. PZU is one of the most highly valued companies and heavily traded stocks on the Polish stock exchange. At the end of December 2020, PZU's market capitalization amounted to PLN 27.9 billion. The State Treasury with a 34.19% equity stake is PZU's largest shareholder.

The PZU Group companies are active in life, non-life and health insurance as well as in investment, pension, health care and banking products. Moreover, they render assistance services to retail clients and businesses through strategic partnerships. The PZU Group business model integrates all operating areas with the client at the focal point. This makes it possible to deliver products and services that are well-matched to client needs at the appropriate time and place and respond to other client needs on a comprehensive basis. High potential, over 200 years of trust, experience, efficiency and innovation create value for the PZU Group's customers.

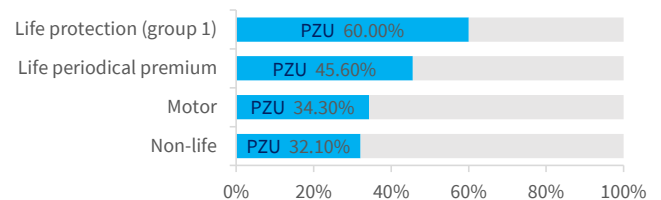
## BUSINESS MODEL



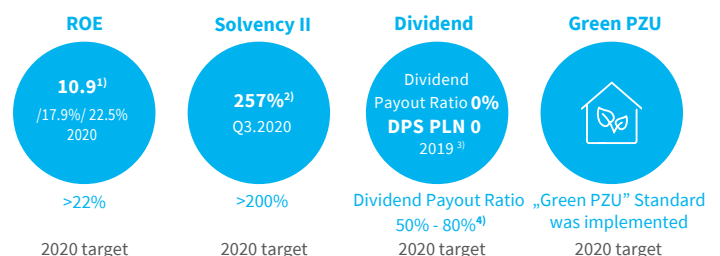
## MARKET POSITION



## MARKET SHARE in Poland (3Q 2020)



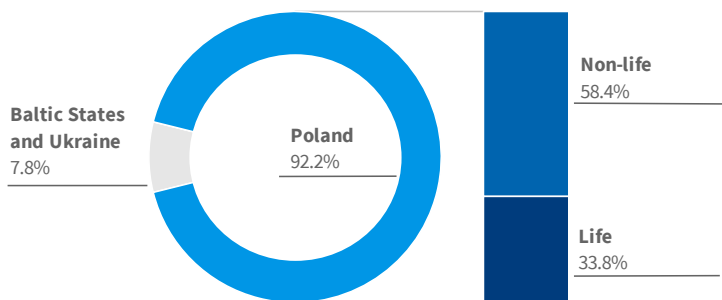
## STRATEGIC KPI's 2017-2020



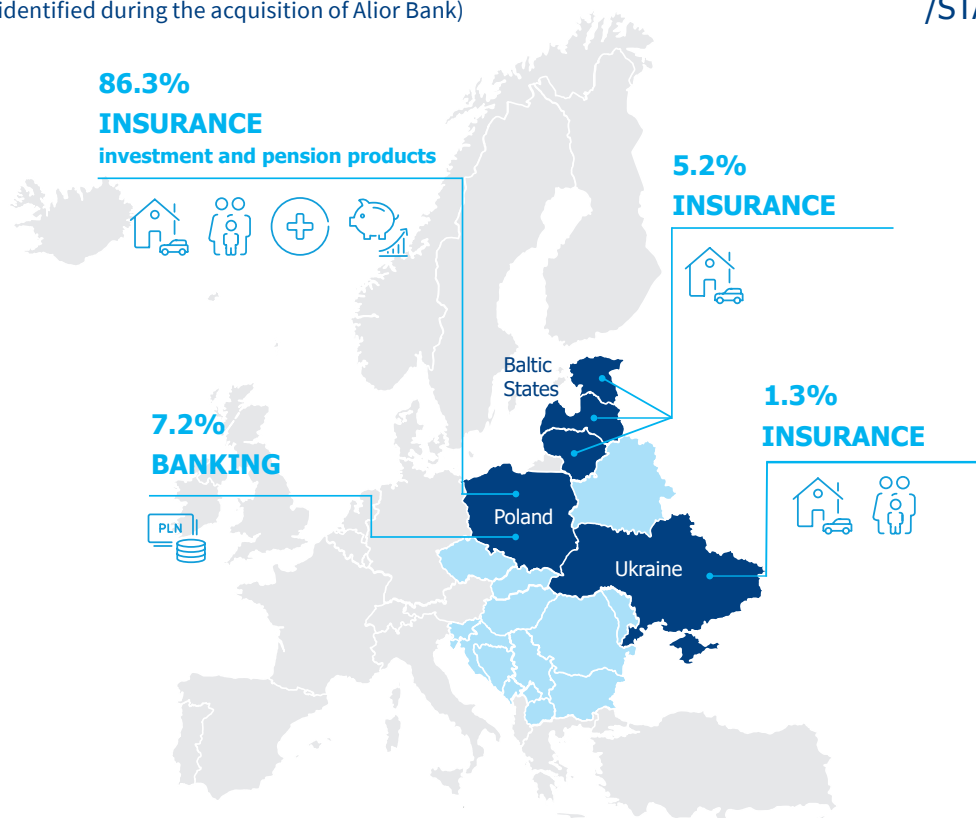
## FINANCIAL HIGHLIGHTS

PLN million	2017	2018	2019	2020
A) PZU GROUP NET OF ALIOR BANK AND BANK PEKAO				
Gross written premiums	22,847	23,470	24,191	23,866
Net result on investing activity including interest expenses	1,885	904	1,995	2,044
Net insurance claims and benefits paid	(14,941)	(14,563)	(15,695)	(15,580)
Acquisition expenses	(2,901)	(3,130)	(3,363)	(3,317)
Administrative expenses	(1,647)	(1,637)	(1,739)	(1,801)
Operating profit	3,198	3,298	3,606	3,941
Net profit attributable to equity holders of the parent company	2,502	2,559	2,780	3,106
B) Impairment attributable to equity holders of the parent company	-	-	-	(1,343) <sup>5)</sup>
C) BANKS: ALIOR BANK AND BANK PEKAO				
Net profit attributable to equity holders of the parent company	393	654	515	149
<b>(A+B+C) NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY</b>	<b>2,895</b>	<b>3,213</b>	<b>3,295</b>	<b>1,912</b>
Total assets	317,458	328,554	343,385	378,974
Equity attributable to the owners of the parent company	14,599	14,925	16,169	18,777

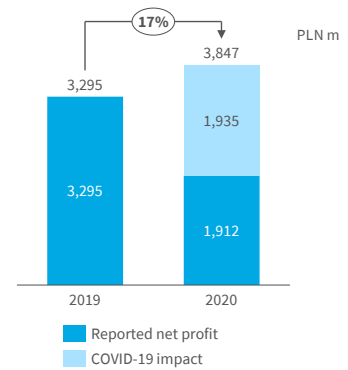
### Gross Written Premium structure (4Q 2020)



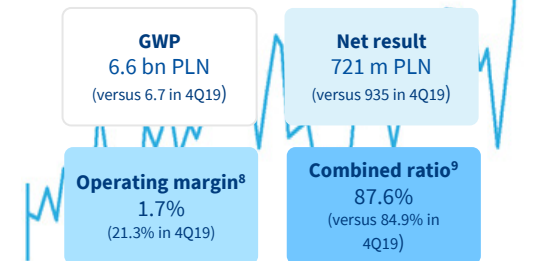
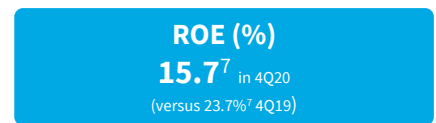
**Percentage share of business segments in the operating result** (adjusted for PZU's shares in banks in 2020, excluding the impairments on banks' goodwill and intangibles identified during the acquisition of Alior Bank)



### Impact of the COVID-19 pandemic on the PZU Group's net profit<sup>6)</sup>



### One of the highest ROE among European insurers



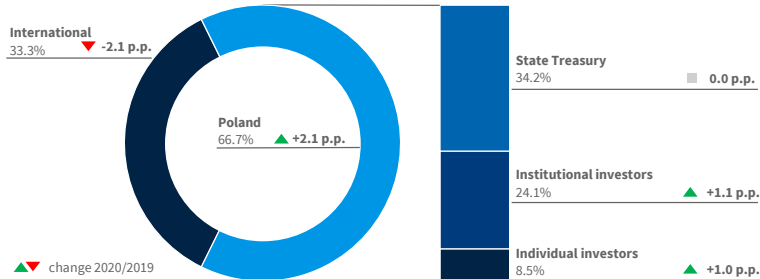
**Financial strength rating and credit rating awarded to PZU by S&P**

**A-**  
/STABLE/

## PZU's STOCK

Number of shares	863,523,000	P/E	14.6x	Average trading value per session	PLN 69.8 m
Free float (%)	65.81 %	P/BV	1.5x	Average number of trades per session	6,045
Market capitalization	PLN 27.9 bn	D/Y	0% <sup>3), 10)</sup>	Average trading volume per session	2,362,287 shares

## Shareholder structure (31 December 2020)



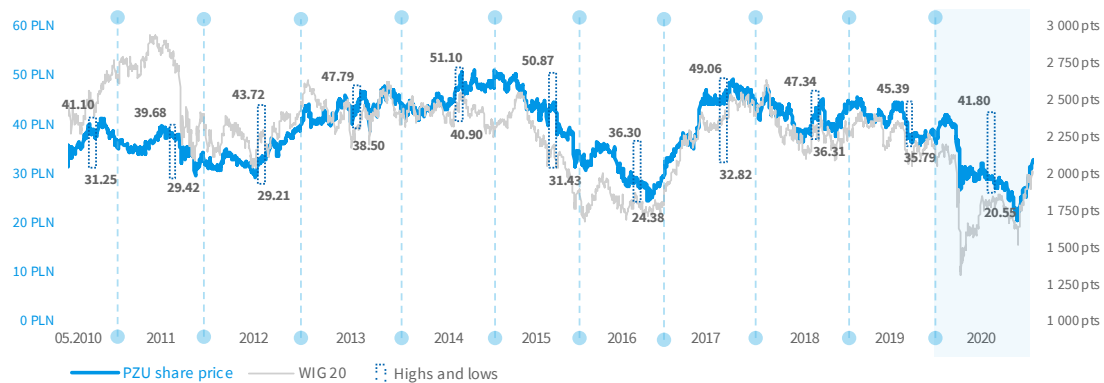
## Recommendations statistics (31 December 2020)

RECOMMENDATIONS	Count	Category
Buy, Outperform	17	Buy, Outperform
Neutral, Hold	8	Neutral, Hold
Underperform, Reduce	0	Underperform, Reduce

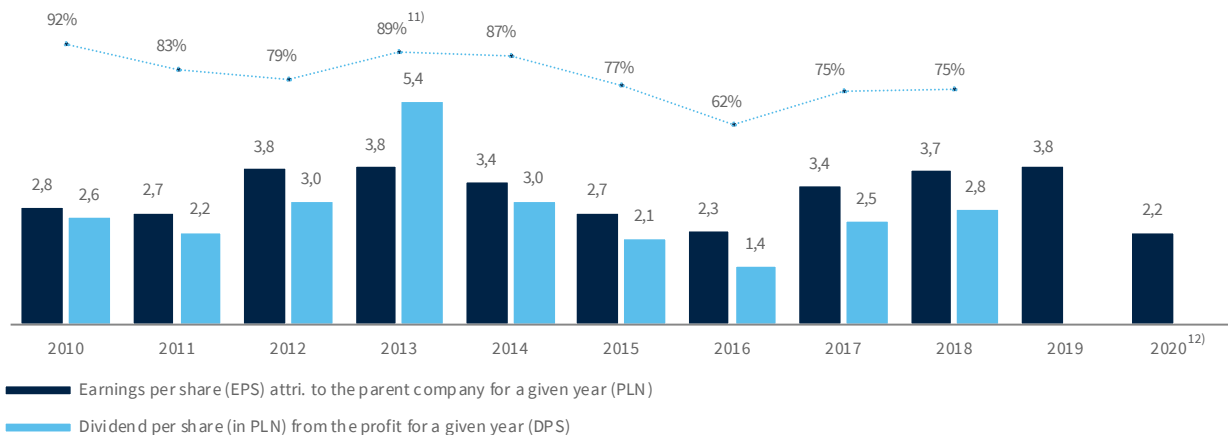
**25** (Total Recommendations)

Highest target price	PLN 39.3
Average target price	PLN 34.7
Lowest target price	PLN 26.8

## PZU's share performance - min/max share price at session closing



## PZU's earnings per share and dividend per share



### ANNOTATION:

<sup>1)</sup> ROE reported / profit and equity adjusted for the impairment loss on assets related to banks acquisitions in the amount of PLN 1,343 million / profit and equity adjusted for the impact of COVID-19; additionally, equity adjusted by PLN 2,636 million (80% of the consolidated profit for 2019, which was not paid in the form of dividend); <sup>2)</sup> Data not audited or reviewed by a statutory auditor; <sup>3)</sup> KNF (the regulatory authority) expected that in 2020 insurance companies retain the entirety of profit earned in previous years. That stance the KNF expressed on 26 March 2020 in a letter sent to insurance and reinsurance companies indicated the situation involving the epidemic announced in Poland and its possible further adverse economic consequences as well as expected adverse impact on the insurance sector; <sup>4)</sup> Dividend payout ratio and dividend per share (DPS) for the preceding 3 years were as follows: 62.5%, PLN 1.40 (2016); 74.6%, PLN 2.50 (2017); 75.3%, PLN 2.80 (2018); <sup>5)</sup> Including the impairment loss on goodwill arising from the acquisition of Alior Bank (PLN 746 million) and Bank Pekao (PLN 555 million), the impairment loss on intangibles arising from the acquisition of Alior Bank (i.e. trademark and relations with clients adjusted for the impact of deferred tax and minority interest) in the amount of PLN 42 million; <sup>6)</sup> Net profit attributable to equity holders of the parent company; <sup>7)</sup> Annualized attributable to equity holders of the parent company; <sup>8)</sup> Margin in 4Q20 for the group and individually continued insurance segment net of the conversion effect; <sup>9)</sup> Non-life insurance in the PZU Group (Poland); <sup>10)</sup> Historical dividend yield: 6.4% (2019); 5.9% (2018); 4.2% (2017); <sup>11)</sup> The payout ratio net of the dividend payout from excess capital (PLN 2 per share); <sup>12)</sup> Up to the date of preparing Report for 2020, the Management Board has not adopted a resolution concerning the proposed distribution of profit for 2020



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