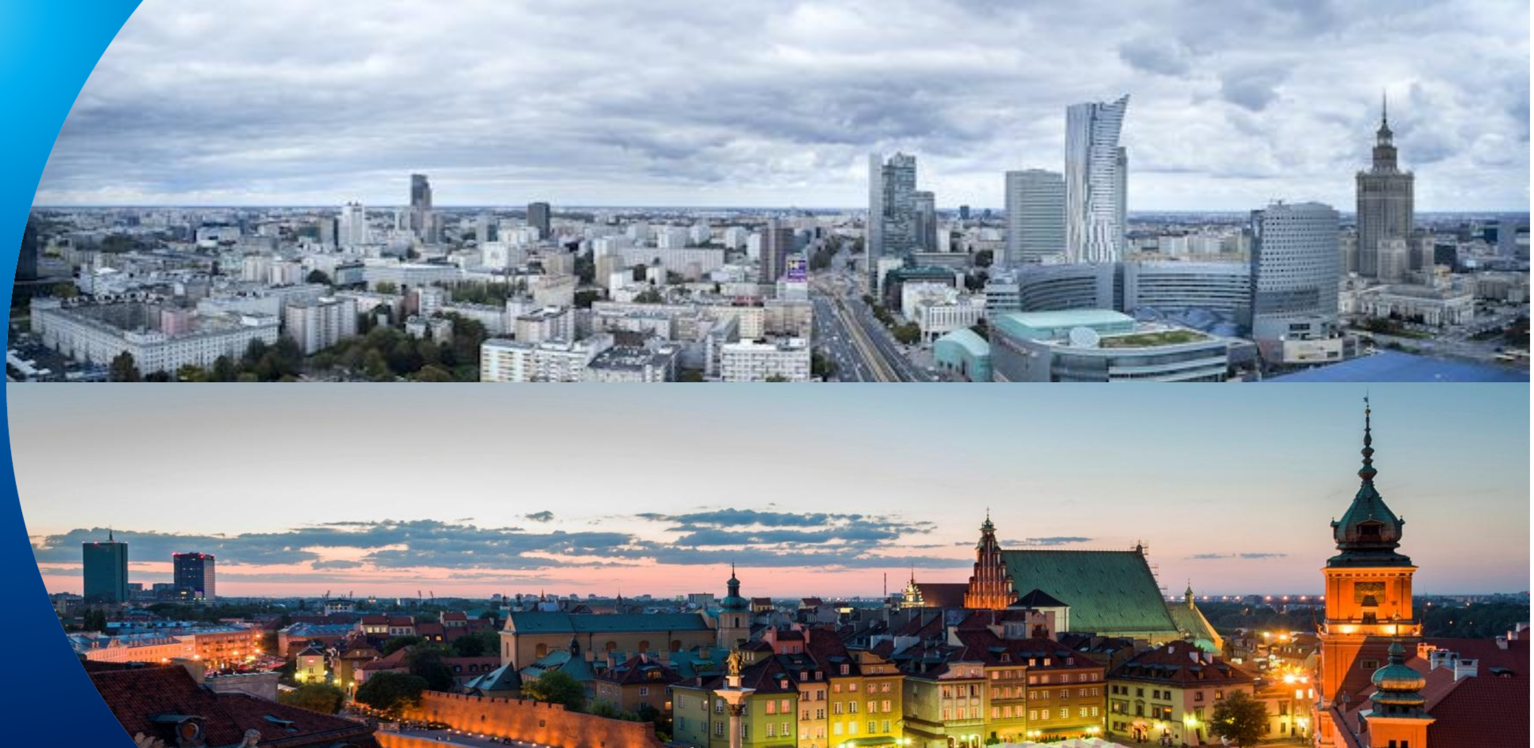
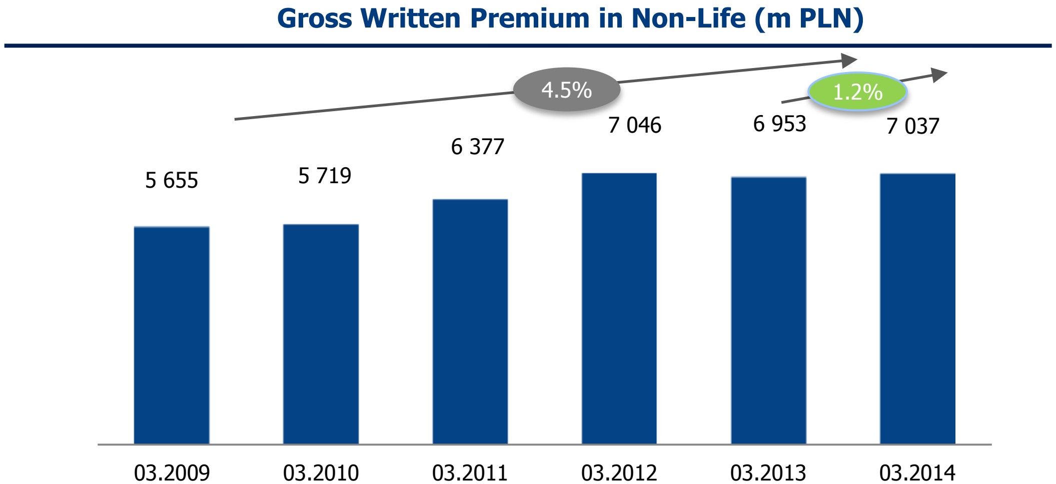


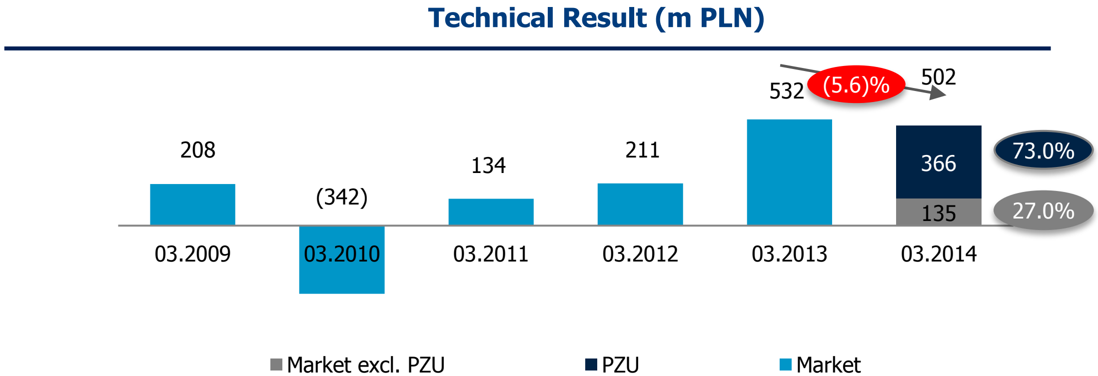
PZU Group's Financial Results in H1 2014

Warsaw, 27 August 2014

Agenda

Non-life Insurance Market in Poland





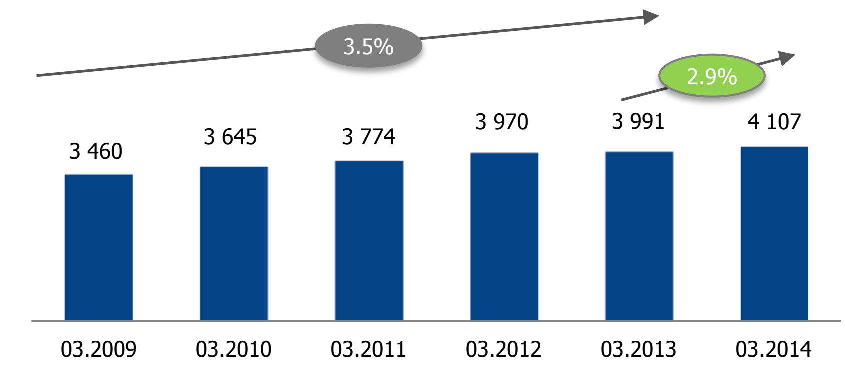
- Return to growth trend following minimal deceleration in 2013.
- PZU's non-life market share is **32.4%**.
- PZU's technical result stated as a percentage of the overall market's technical result is **73%,** compared with its market share measured by GWP of **32.4%** confirms its high level of underwriting profitability.
- PZU's restraint from participating in the price war allowed it to generate an additional technical result on motor TPL equal to **83.7 m PLN** in Q1 2014. The other insurance undertakings recorded losses in this period of **104.6 m PLN**.

xx% - Percentage change year on year

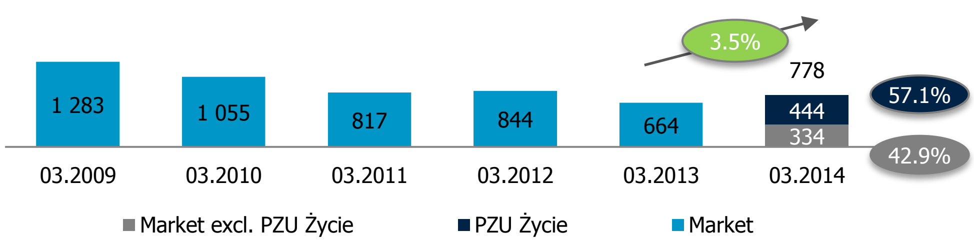
xx% - CAGR

Life Insurance in Poland

Regular Gross Written Premium (m PLN)



Technical Result Life Insurance (m PLN)



- Return to stable growth trend after minimal deceleration in 2013.
- PZU Life's percentage of the regular premium market is roughly **43%**.
- Potential adverse impact of regulatory changes on distribution in the bancassurance channel.

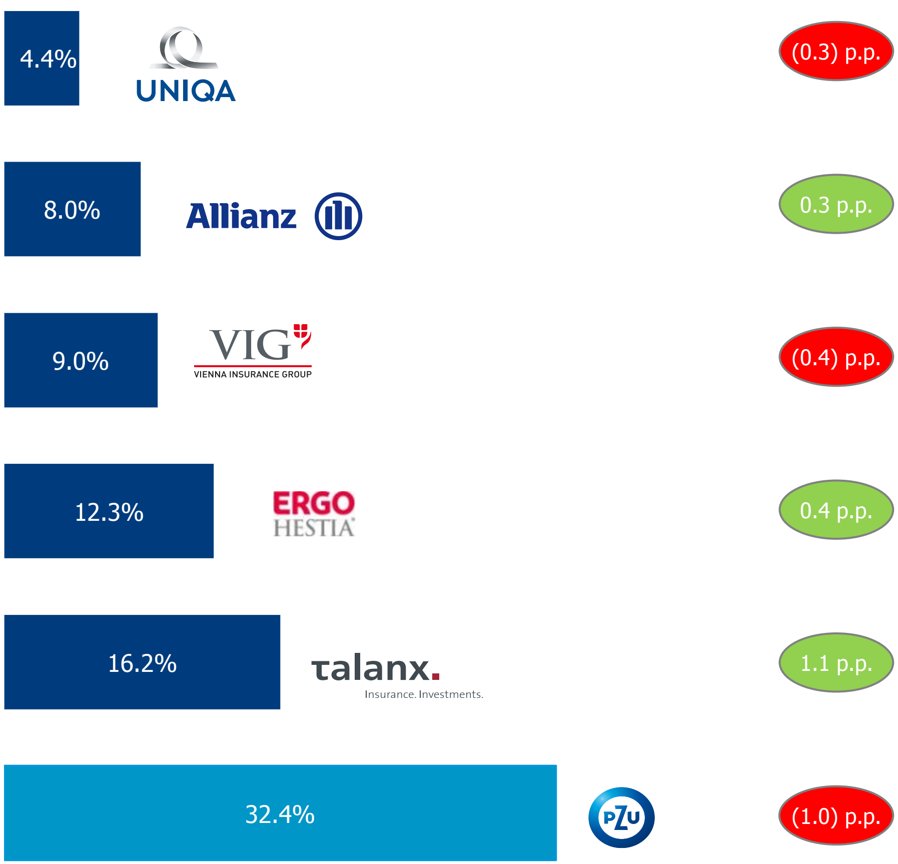
- PZU Życie's high profitability compared to the market – the margin commanded by all the other companies is **7.2%**, while PZU Życie commands a **19.5%** margin.
- The better technical result generated by the overall market in Q1 2014 is mostly due to PZU Życie's better performance - PZU Życie contributed nearly **90%** of the growth.

xx% - Percentage change year on year

xx% - CAGR

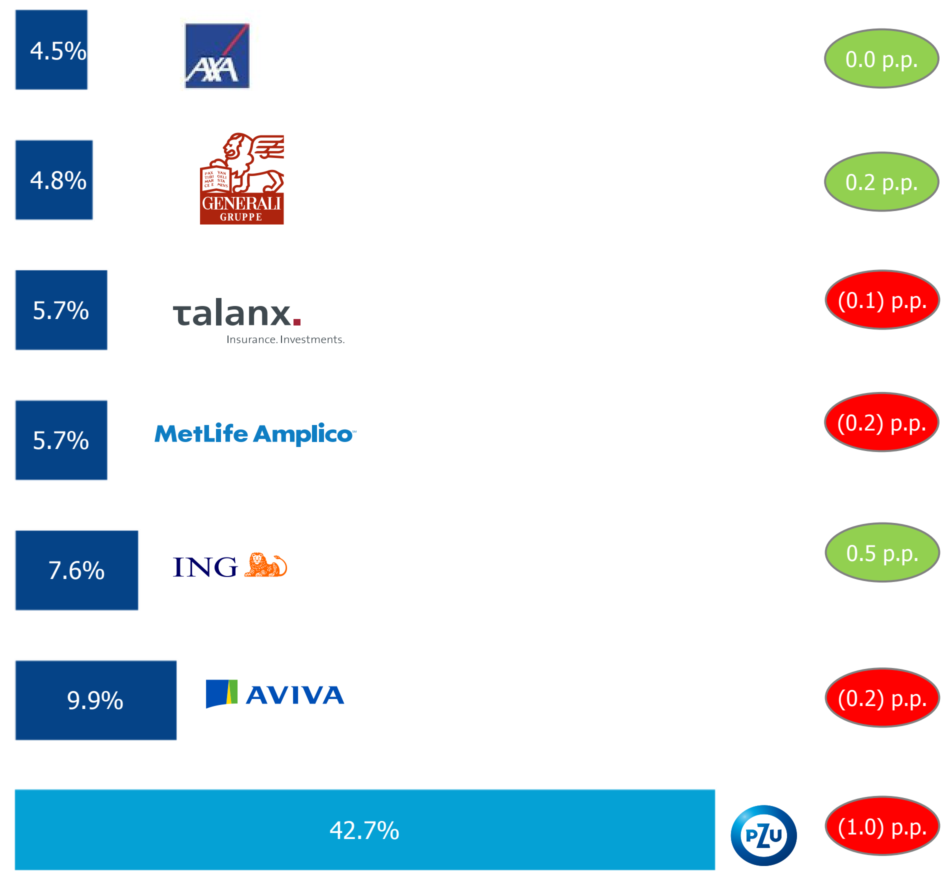
PZU Retains Leading Position in Poland

PZU's market share
Non-life Insurance



Δ Q12013 – Q1 2014

PZU Life's market share
Life insurance (regular premium)



Δ Q1 2013 – Q1 2014

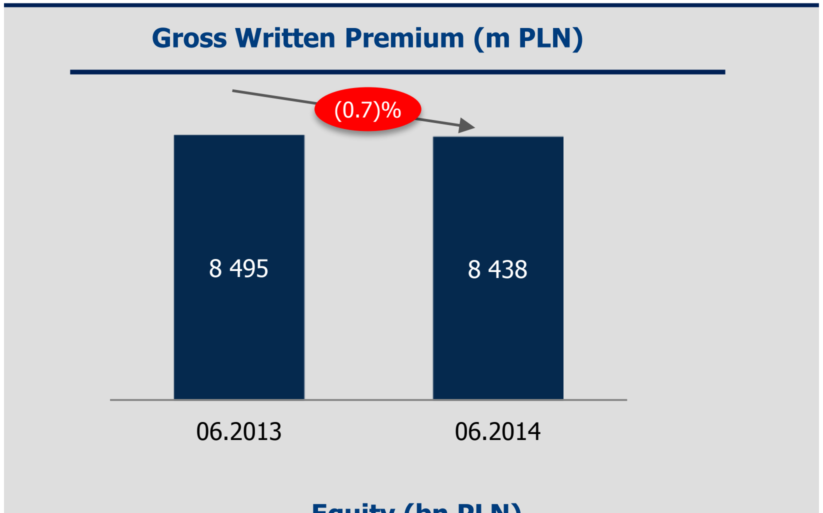
Agenda

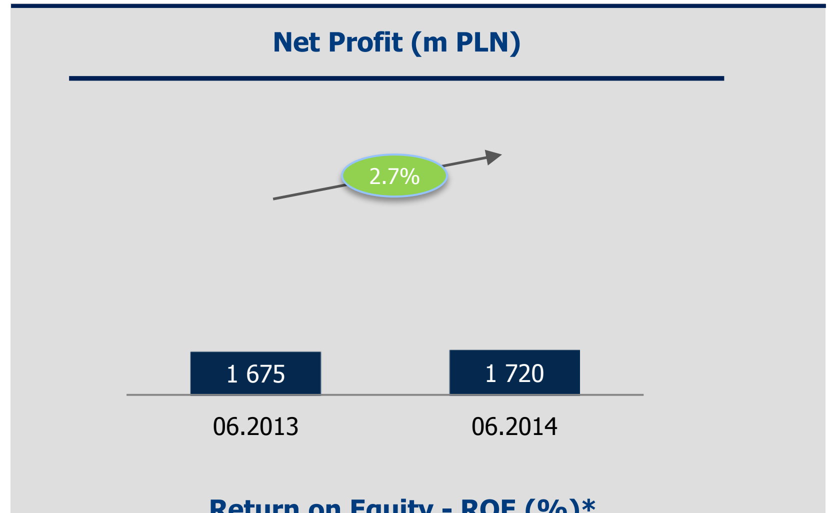
Higher Profitability and Cost Discipline Are the Product of Strategy Implementation

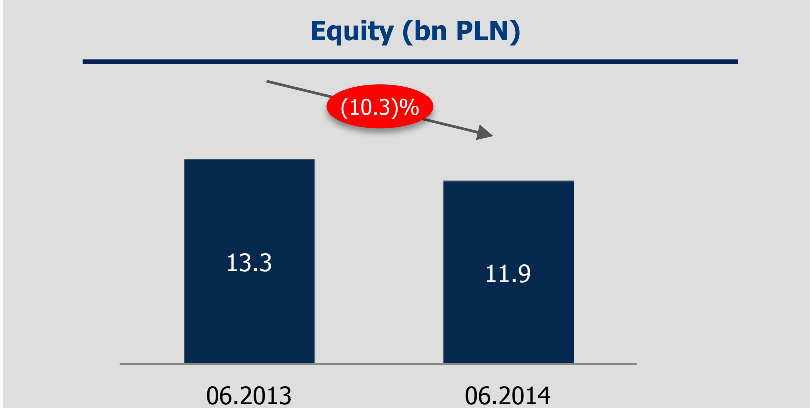
Non-Life Insurance	• **High profitability** in the mass segments (COR equal to 85.7%) and the corporate segments (COR equal to 84.1%): - claims frequency down in motor insurance (effect of favorable good conditions); - low mass claims level caused by forces of nature.
Life Insurance	• **High profitability** in the group and individually continued insurance segment net of the effect of converting long-term contracts into yearly renewable: - curtailing the loss ratio in protection insurance as an effect of the lower frequency of death-related events concerning the insured compared to H1 2013; - lower growth in the mathematical provision in individually continued insurance following product modification.
Investments	• **Higher income** in conjunction with the following factors, among others: - lower bond yield having last year's growth in mind; - WIG expansion (YTD) of 1.3% compared to last year's contraction of 5.7%. • In H1 2013 non-recurring income was recorded upon commencing consolidation in the amount of 172.7 m PLN.
Operations	• Optimizing claims handling processes and high operational efficiency; • Executing projects to implement a new philosophy of client relation management– client-centric focus and regaining a competitive edge in product management while simultaneously shortening time-to-market.
M&A	• Acquisition of leaders in the Baltic States (Lietuvos Draudimas AB, AAS Balta) and a company in Estonia (Codan Forsinkring A/S); • Planned dual-branding strategy following the acquisition of Link4.

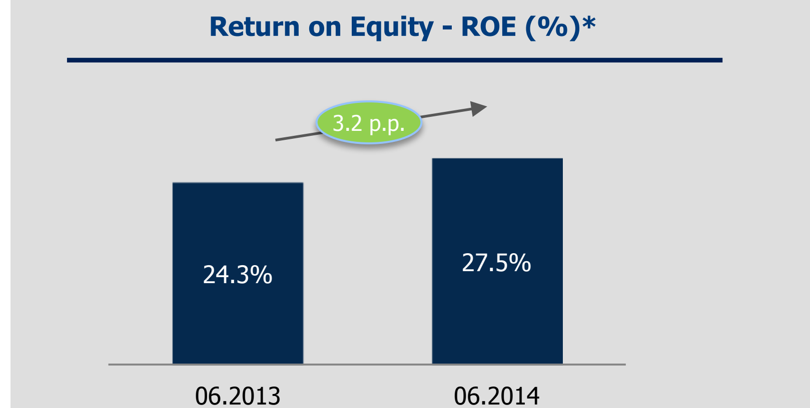
ROE 27.5%

Group's Financial Results in H1 2014







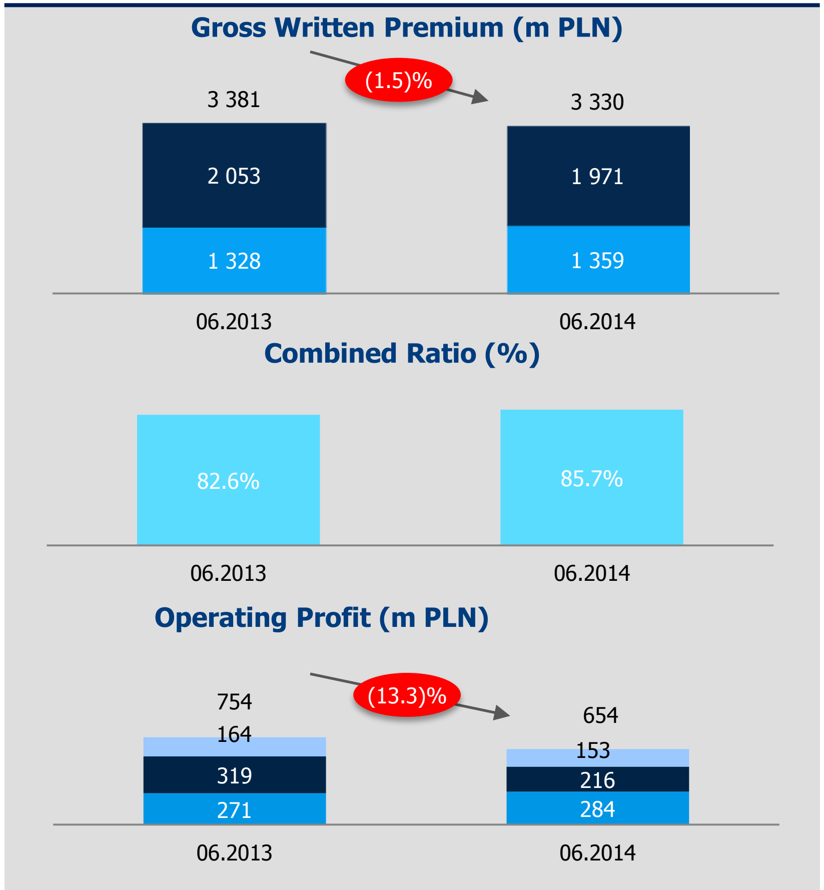


x% - Change year on year

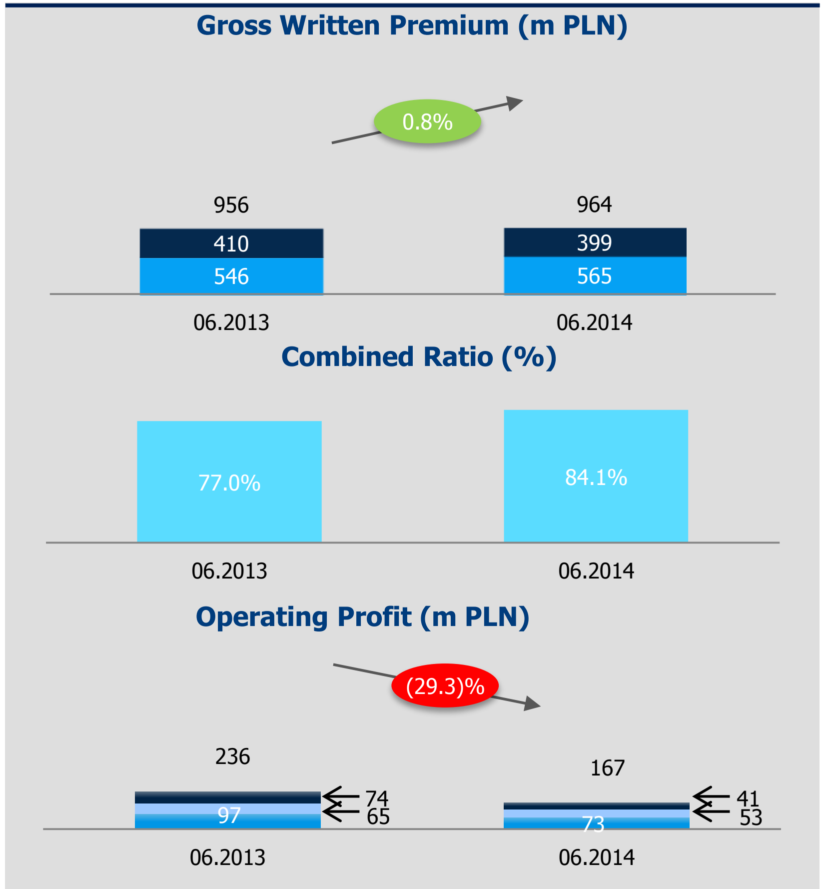
** Annualized ratio computed on the basis of equity at the beginning and end of the reporting period.*

Non-Life Insurance
Combined Ratio at a Low Level

Mass Segment



Corporate Segment



Motor insurance

Non-motor insurance

Impact exerted by investment income from the Investment Segment

Combined ratio computed on a blended basis for motor and non-motor business

Summary – Non-Life Insurance

Mass Segment

Gross written premium down:

- in motor insurance on the tail of a lower average premium (lower sums insured, higher discounts for accident-free driving) and the rate cuts introduced last year (following fierce price competition in 2013);
- in compulsory farm building insurance faced with growing market competition.

Operating profit down driven mostly by:

- lower earned premium in motor business;
- recognition of non-recurring income last year on the settlement with the Green Card reinsurer for 53.2 m PLN;
- higher underwriting expenses, including mostly:
  - acquisition expenses (change in the commission rates in motor insurance bundles) and
  - administrative expenses - higher payroll expenses and customer service training costs to maintain 2 systems in parallel – projects launched in previous years effect, that will change the relation with client philosophy.

Corporate Segment

Gross written premium y/y:

- sales of financial insurance up as a consequence of extending large-ticket insurance guarantees and renewing current long-term contracts;
- premium obtained from several strategic clients in other TPL insurance;
- lower sales of property insurance following the execution in the same period of 2013 long-term contracts for the power sector and mining industry;
- lower motor insurance sales for car fleets.

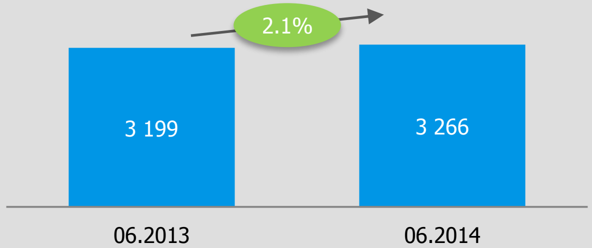
Operating profit down driven by:

- lower earned premium in motor and property insurance;
- higher loss ratio in other TPL insurance (higher annuity provision and the occurrence of several claims with a high unit value).

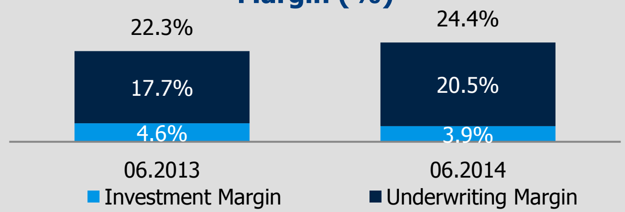
Life Insurance
Profitability Expansion

Group and Continued Insurance Segment

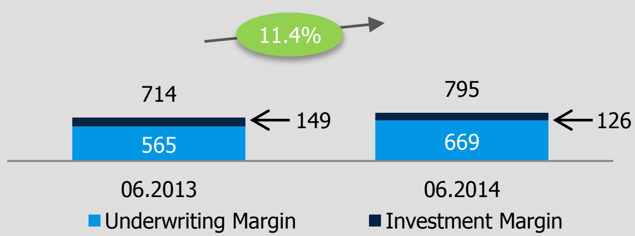
Gross Written Premium (m PLN)



Margin (%)



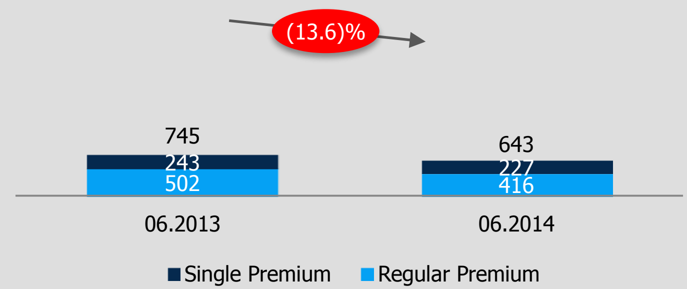
Operating Profit (m PLN)[(a)]



(a) *Operating profit net of conversion effects*

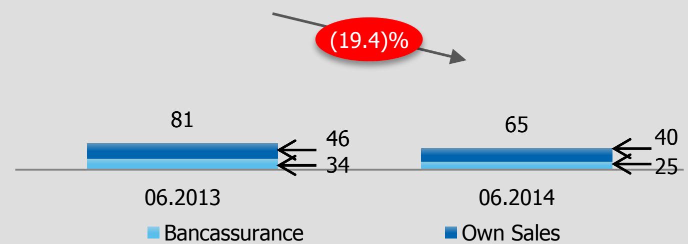
Individual Segment

Gross Written Premium (m PLN)



Margin (%)

Annual Premium Equivalent [(b)] (m PLN)



(b) *Only insurance contracts*

x% *- Change year on year*

Summary – Life Insurance

Group and Continued

Factors contributing to higher gross written premium:

- expansion of the group protection insurance portfolio and higher average premiums;
- up-selling riders and higher sums insurance in individually-continued insurance;
- development of group health insurance, including insurance for medicine and antibiotics;
- ongoing sales of group protection insurance in the bancassurance channel;
- retraction of single premium products from being sold in this segment.

Operating profit up caused by:

- curtailment of loss ratio in protection insurance following a lower frequency of death-related events of insureds / co-insureds compared to Q1 2013 (Central Statistical Office's data confirm the spike in the number of deaths in Poland in January 2013);
- rollout of a new more profitable individual continuation option.

Individual

Gross written premium down caused by:

- structured product sales in cooperation with Citi Handlowy substantially lower than last year;
- deposits on IKE product accounts down, especially compared to January 2013.

Adverse effects partially offset by higher gross written premium on other investment products and stable premium level in individual protection products.

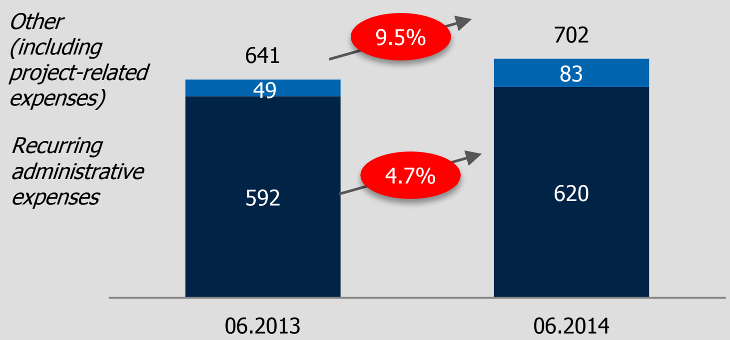
Sales channels:

- new sales down in the bancassurance channel following the volume of single premium contracts in structured products being much lower than last year;
- sales in the traditional channel lower than last year following the retraction from sales of the unit-linked product called „Plan na Życie" and the lower level of deposits on newly-acquired IKE contracts. These effects were partially offset by robust growth (topping 50%) in the annual premium equivalent on protection products – change of priorities in the sales channels.

Higher Administrative Expenses
Offshoot of executing projects in previous years

m PLN

Administrative Expenses*



Administrative Expense Ratio

Recurring Administrative Expense Ratio

ADMINISTRATIVE EXPENSES UNDER CONTROL

- the expense ratio as a percentage of premium has been driven by executing business investments requiring additional capital expenditures.

The following factors contributed to higher administrative expenses y/y:

- PTE PZU's additional contribution to the Guarantee Fund in the National Securities Depository of 20,873 thousand PLN (statutory change in the required level from 0.1% to 0.3% of OFE's net asset value);
- project-related expenses to streamline and automate service processes (chiefly implementing a non-life policy system);
- additional payroll expenses and customer service training costs to maintain 2 systems in parallel. This will enable us to change our philosophy of managing client relations – customer centric focus and regaining our competitive edge in product management while shortening time-to-market.

** Administrative expense ratio: administrative expenses / net earned premium – sum of underwriting segments in Poland.*

Recurring administrative expenses

% *Administrative expense ratio (%)**

Other (including project-related expenses)

% *Recurring administrative expense ratio (%)**

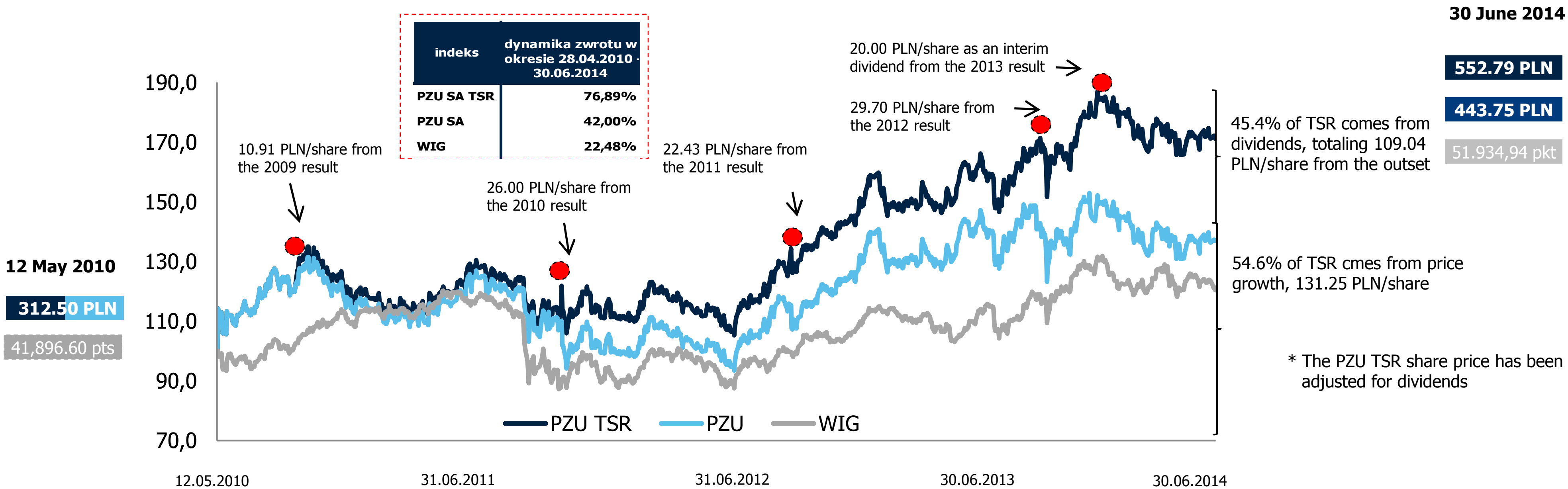
x% *- Change year on year*

Agenda

1. Polish Insurance Market after Q4 2013
2. Operating performance in H1 2014
3. Shareholder Value
4. PZU 2.0 Strategy – selected items
5. Detailed financials

TSR Management – High ROE

PZU Share Price Development Adjusted for Dividends Paid from the First Listing against the Backdrop of Selected Indices 12 May 2010=100*



- Shareholders should receive another **34 PLN per share** from the 2013 dividend.
- **8 October 2014** (17 PLN per share) and **15 January 2015** (17 PLN per share) with a dividend record date of 17 Sept. 2014.

Execution of the New Capital and Dividend Policy

Assumptions for the PZU Group's revised capital and dividend policy

Capital management:

- **maintain the PZU Group's own funds net of subordinated debt at no less than 250% of the PZU Group's solvency margin (SM);**
- **maintain assets to cover the provisions of the PZU Group's various companies, i.e. PZU and PZU Życie at no less than 110%.**

External financing

- **potential debt issue up to 3 bn PLN.**

Dividend policy

- **total planned dividend payout of surplus capital up to 3 bn PLN based on performance in 2013 – 2015.**

Objectives for 2014 - 2015	Execution
Managing the ALM mismatch in EURO √	• The PZU Group issued 5-year bonds on 3 July 2014 for **500 m EUR**
Setting the benchmark for issuing subordinated bonds √	• The margin above Mid-Swap was **85 basis points.** After incorporating the discount rate, the effective interest rate is 1.499% p.a. • **Lowest coupon in the history** of the corporate bond market in the CEE region confirms how highly the PZU Group's business model security is regarded by investors.
Subordinated bond issue	• Work underway (including talks with the Polish FSA)

Agenda

PZU's Expansion in the CEE Region

Status of the acquisition of 3 companies on the Baltic market and the direct insurance leader in Poland:

1 AAS Balta

- **21%** market share in Latvia, GWP of roughly **200 m PLN** per annum
- **Acquisition completed**

2 Lietuvos Draudimas AB

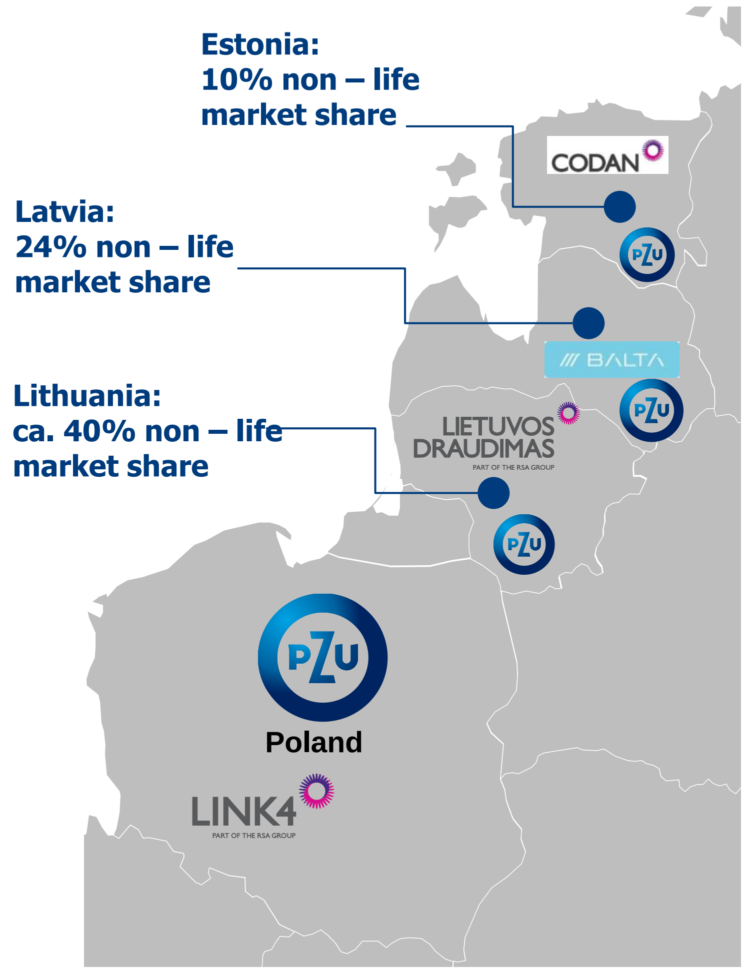
- **31%** market share in Lithuania, GWP of roughly **500 m PLN** per annum
- Conditions to be met for completion of the deal:
  - consent from the Bank of Lithuania;
  - antitrust consent from the European Commission or the Lithuanian Antitrust Authority;
  - consent from the Ukrainian Antitrust Authority.

3 Codan

- **8%** market share in Estonia, GWP of roughly **160 m PLN** per annum
- Conditions to be met for completion of the deal:
  - consent from the Ukrainian Antitrust Authority
  - consent from Danish regulatory for transfer of insurance portfolio

4 Link4

- GWP of roughly **400 m PLN** per annum
- Conditions to be met for completion of the deal:
  - consent from the Polish FSA for the deal under the Share Purchase Agreement for Link4;
  - consent from the Antitrust Authority (UOKiK);
  - consent from the Polish FSA to repay the subordinated loan;
  - consent from the Ukrainian Antitrust Authority.



PZU Zdrowie – first effects

1

Rollout of our proprietary branch network in the ambulatory segment (and in the long-run providing clients a comprehensive offering of medical benefits in managed health care).

Acquisitions in the strategic ambulatory segment:

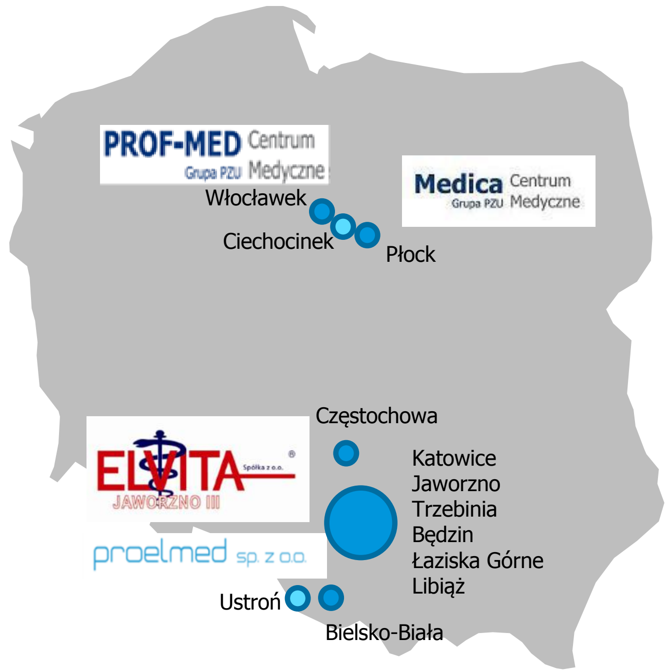
- **Centrum Medyczne Medica** from PKN Orlen, **Prof-med** from Anwil and Przedsiębiorstwa Świadczeń Zdrowotnych i Promocji zdrowia **Elvita** – Jaworzno III and **Proelmed** from Tauron Group;

Acquisitions in the strategic ambulatory segment:

- Sanatorium **Krystynka** from PKN Orlen and Sanatorium **Elektron** from Tauron Group**.**

2

Commencement of the implementation of standards for the proprietary ambulatory network and the strategic partner network in terms of customer service quality and branch visualization.



We are steadily executing projects launched to date
Everest Platform rollout

The Everest Platform has had 3 releases to date: Nov. 2013, March and July 2014. The next release is planned for February 2015

Status of implementation:

- products implemented: PZU Auto, PZU Dom Home Insurance, PZU Wojażer Traveler's insurance, PZU Accident Insurance, TPL in Private Life, General TPL, Carrier's TPL and Professional TPL;
- 5,636 front-office users (52%) connected;
- 630 thousand policies issued;
- 380 m PLN premiums gathered.

Plan for further implementation:

- Connection of the entire PZU tied sales channel (11 thousand people) by yearend;
- Ccompletion of all mass segment products implementation in 2015;
- connection with external channels (multiagents) in Q2 2015 .

PZU Offers a Revolutionary Service
Direct Claims Handling

Direct claims handling poses an opportunity to transform the MTPL market entirely:

Direct claims handling

- Relationship becomes more important in MTPL insurance
- Lower churn rate
- Higher client loyalty
- Price becomes less important in selecting insurer
- Better price models
- Streamlining claims handling processes

From the launch date of this service, roughly **7.204** claims have been filed.

Bob bought an MTPL policy from insurer X

Tom bought an MTPL policy from PZU

Bob caused an accident

Tom receives indemnification from PZU

PZU handles all the formalities

Agenda

1. Polish Insurance Market after Q4 2013
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Detailed financials

PZU Group's Financial Highlights

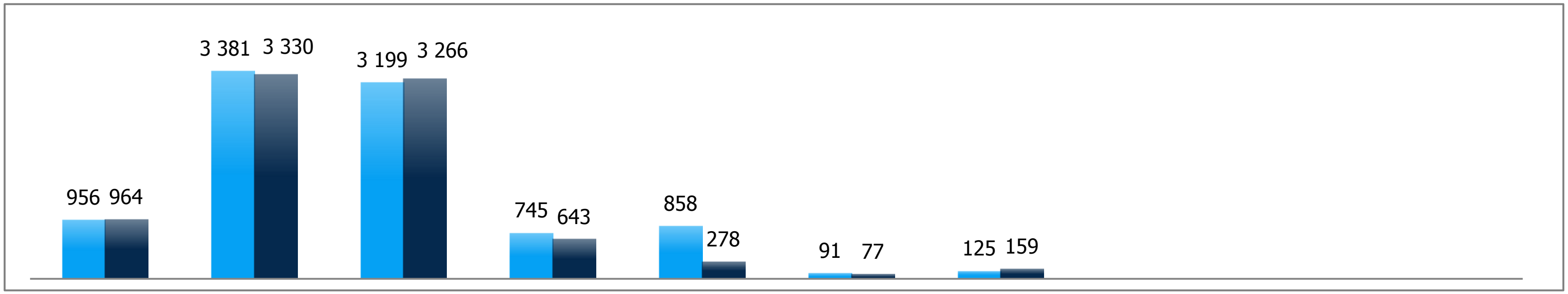
m PLN, IFRS	H1 2013	H1 2014	*Change YoY*	Q2 2014	Q1 2014	*Change Q2 2014 over Q1 2014*
Profit and Loss Statement						
Gross Written Premium	8 495	8 438	*(0.7)%*	4 084	4 354	*(6.2)%*
Premium Earned	8 177	8 033	*(1.8)%*	4 043	3 990	*1.3%*
Investment Result	969	1 358	*40.1%*	823	535	*53.8%*
Operating Profit	2 145	2 236	*4.2%*	1 224	1 012	*20.9%*
Net Profit	1 675	1 720	*2.7%*	960	760	*26.4%*
Balance Sheet						
Equity	13 289	11 917	*(10.3)%*	11 917	13 888	*(14.2)%*
Total Assets	62 602	63 822	*1.9%*	63 822	65 045	*(1.9)%*
Principal Financial Ratios						
ROE*	24.3%	27.5%	*3.2 p.p.*	29.8%	22.5%	*7.3 p.p.*
Combined Ratio**	82.3%	86.1%	*3.8 p.p.*	90.2%	81.8%	*8.4 p.p.*

** Annualized ratio computed using equity at beginning and end of reporting period*
*** Only for non-life insurance business*

Segment Results

YTD, m PLN

Gross Written Premium (according to local GAAP)

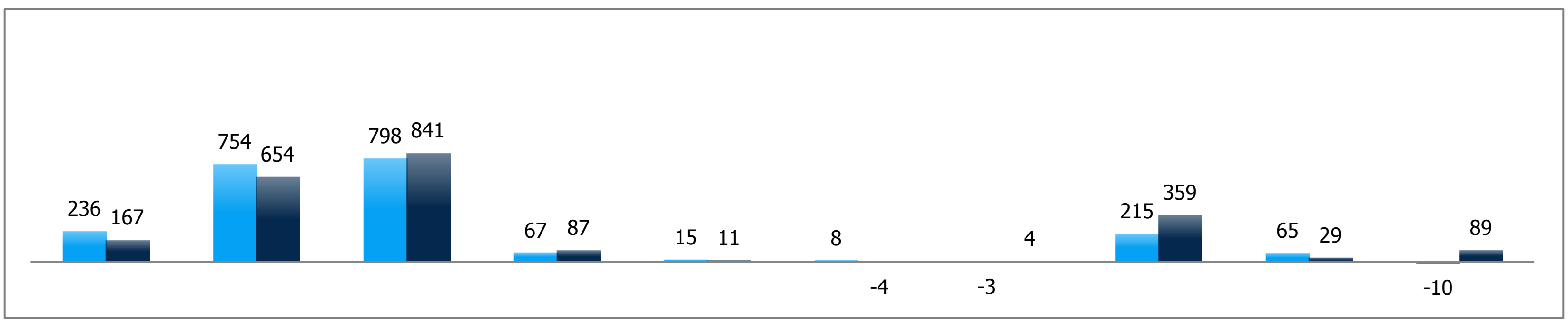


POLAND – NON-LIFE | POLAND – LIFE | INTERNATIONAL – LIFE & NON-LIFE | POLAND - OTHER

SEGMENTS

Corporate | Mass | Group & continued | Individual | Investment contracts | Ukraine | Baltic States | Investments* | Pensions | Other

Operating Result



06.2013 06.2014

** Investment income in Investment Segment – extermal operations*

Profitability by Insurance Segment

Insurance Business Segments	Gross Written Premium			Operating Profit			Combined Ratio / Operating profit ratio*	
m PLN, local GAAP	**H1 2013**	**H1 2014**	*Change YoY*	**H1 2013**	**H1 2014**	*Change YoY*	**H1 2013**	**H1 2014**
Total Non-Life - Poland	**4 337**	**4 294**	***(1.0)%***	**990**	**821**	***(17,1)%***	**81.5%**	**85.4%**
Mass Insurance - Poland	**3 381**	**3 330**	***(1.5)%***	**754**	**654**	***(13,3)%***	**82.6%**	**85.7%**
Motor TPL Insurance	1 258	1 172	*(6.8)%*	259	151	*(41.5)%*	84.7%	93.4%
Motor Own Damage	795	799	*0.5%*	60	64	*8.1%*	91.0%	91.0%
Other products	1 328	1 359	*2.4%*	271	284	*4.7%*	75.0%	75.1%
Impact of investment segment allocation	x	x	*x*	164	154	*(6.2)%*	x	x
Corporate Insurance - Poland	**956**	**964**	***0.8%***	**236**	**167**	***(29.3)%***	**77.0%**	**84.1%**
Motor TPL Insurance	178	172	*(3.4)%*	12	7	*(40.9)%*	94.3%	98.1%
Motor Own Damage	233	227	*(2.4)%*	63	34	*(45.0)%*	75.3%	85.4%
Other products	546	565	*3.6%*	97	73	*(24.9)%*	69.1%	76.0%
Impact of investment segment allocation	x	x	*x*	65	53	*(18.6)%*	x	x
Total Life - Poland	**3 944**	**3 909**	***(0.9)%***	**865**	**927**	***7.2%***	**21.9%**	**23.7%**
Group and Continued ** - Poland	**3 199**	**3 266**	***2.1%***	**714**	**795**	***11.4%***	**22.3%**	**24.4%**
Individual - Poland	**745**	**643**	***(13.6)%***	**67**	**87**	***28.8%***	**9.1%**	**13.5%**
Conversion effect	x	x	*x*	84	45	*(46.2)%*	x	x
Total Non-Life - Ukraine & Lithuania	**180**	**198**	***9.9%***	**4**	**7**	***71.5%***	**102.9%**	**102.9%**
Ukraine Non-life	**70**	**57**	***(18.2)%***	**7**	**3**	***(52.6)%***	**98.8%**	**104.2%**
Baltica Non-life	**110**	**141**	***27.8%***	**(3)**	**4**	***x***	**105.6%**	**101.2%**
Total - Life - Ukraine & Lithuania	**36**	**38**	***4.9%***	**1**	**(7)**	***x***	**2.4%**	**(17.3)%**
Ukraine Life	**21**	**20**	***(5.0)%***	**1**	**(7)**	***x***	**5.4%**	**(35.3)%**
Lithuania Life	**15**	**18**	***18.7%***	**(0)**	**0**	***x***	**(1.8)%**	**2.8%**

* *Combined ratio (calculated in relation to net earned premium) for non-life business, operating profit margin (calculated in relation to GWP) for life business.*

** *Operating profit and operating profit margin net of conversion effects.*

Normalized Operating Profit

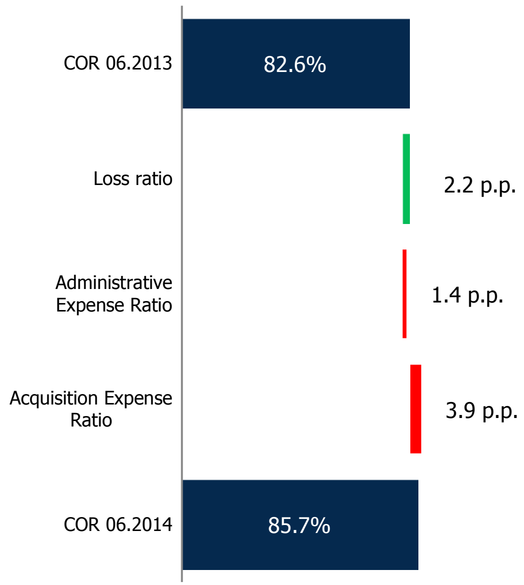
m PLN, IFRS	H1 2013	H1 2014
Operating Profit (according to financial statements)	**2 145.4**	**2 235.7**
including:		
1 Conversion effect	84.1	45.2
2 Consolidating investment funds	172.7	-
3 Result on contractual guarantees in construction contracts	(1.2)	-
4 Reinsurance agreement	53.2	-
5 Surcharge to Guarantee Fund		(20.9)

YTD, m PLN

1. Impact exerted by converting long-term contracts into yearly-renewable term contracts according to IFRS.
2. Commencing the consolidation of mutual funds – mostly real estate.
3. Result on contractual guarantees (in 2012 the PZU Group recorded large losses on this product – 114.4 m PLN).
4. Income under the settlement with the Green Card reinsurer – reversal of the adjustment to the estimate reducing the 2011 result.
5. Additional expenses for the mandatory additional contributions to the Guarantee Fund in the National Securities Depository (statutory change to the required level from 0.1% to 0.3% of an OFE’s net asset value).

Profitability of Mass Insurance Segment (Non-Life Insurance)

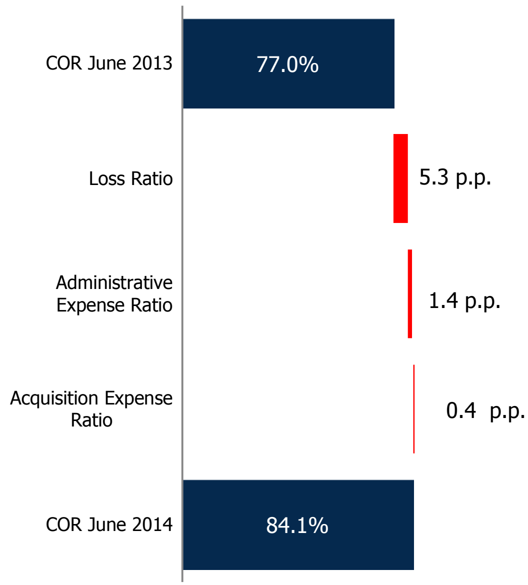
Profitability of Mass Segment
Combined Ratio (COR - %)



- Loss ratio down following:
  - lower claims in motor insurance as a result of lower claims provisions for claims in previous years and a slower rate of incremental claims growth;
  - lower level of weather-related mass claims such as torrential rain, flooding and rising groundwater levels.
- Acquisition expense ratio up following:
  - higher level of direct acquisition expenses (change of commission rates in motor insurance bundles);
  - lower reinsurance commissions upon recognizing the execution of a settlement in the same period of 2013 with the Green Card reinsurer – non-recurring impact on reinsurance commissions in H1 2013 +73.3 m PLN.
- Administrative expense ratio up primarily on account of higher payroll expenses and customer service training costs to maintain 2 systems in parallel – projects launched in previous years effect, that will change the relation with client philosophy.

Profitability of Corporate Insurance Segment (Non-Life Insurance)

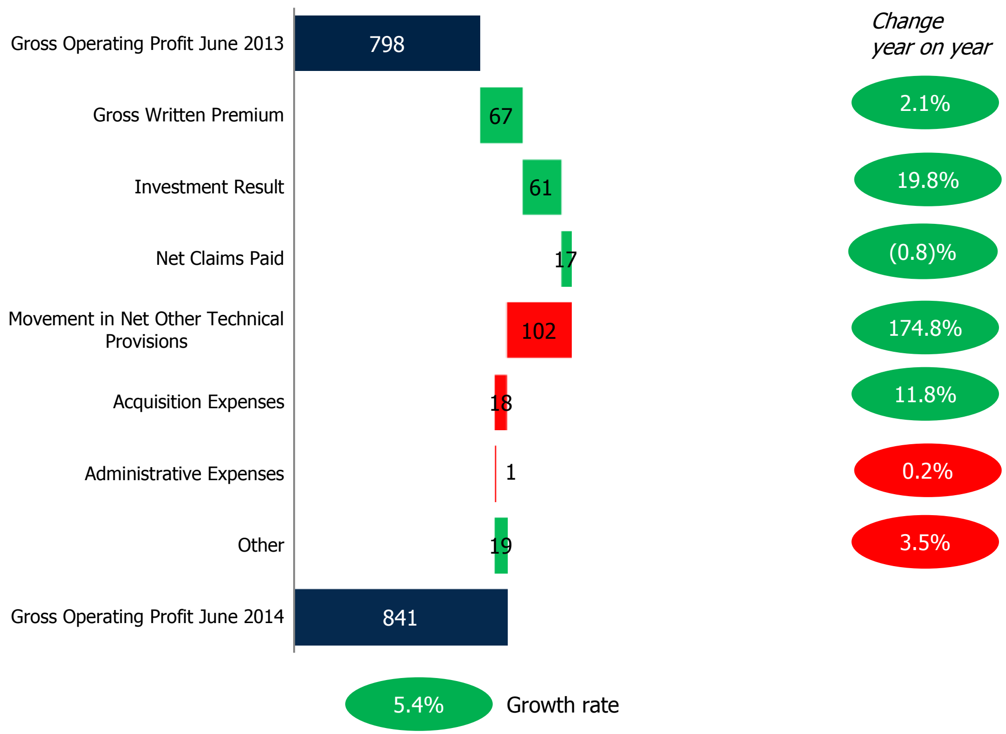
Profitability of Corporate Segment Combined Ratio (COR - %)



- Loss ratio up following:
  - lower earned premium in motor business coupled with claims paid at last year's level;
  - higher claims paid in other TPL insurance as a result of the higher annuity provision and the occurrence of several claims with a high unit value.
- Higher administrative expense ratio following higher costs of project-related initiatives to streamline and automate service processes.
- Higher acquisition expense ratio following the lower growth rate in direct acquisition expenses compared to the growth rate in earned premium.

Group and Continued Insurance (Life Insurance)

Major Components of Operating Profit in the Group and Continued Segment (m PLN)



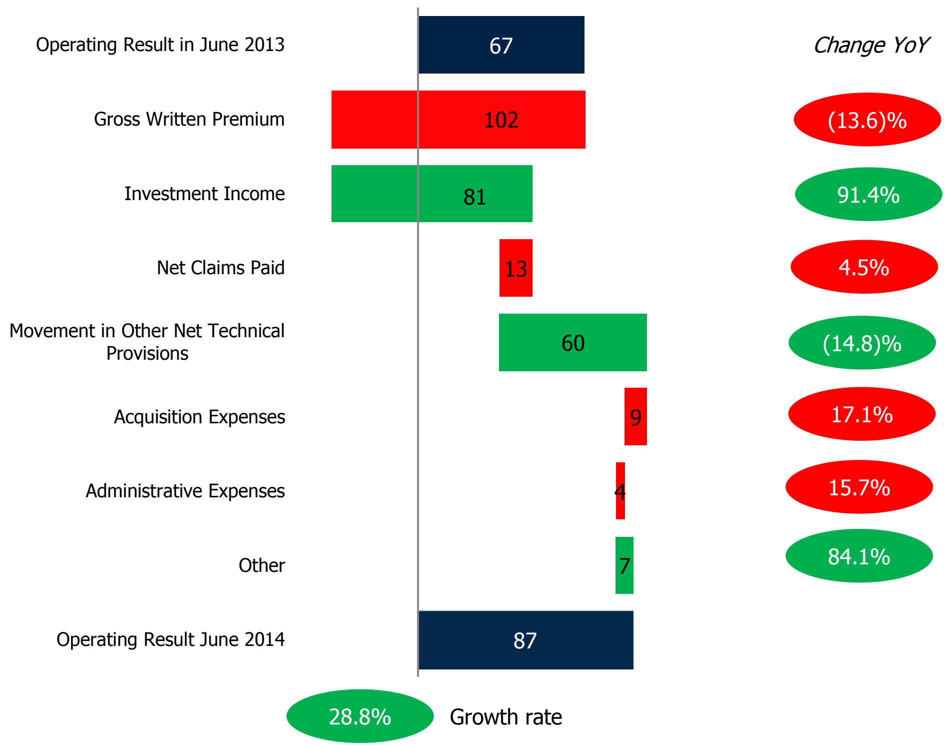
* Net claims paid including movement in claims provisions

** Mathematical and other provisions, including the conversion effect

- GWP up 2.1% y/y, primarily driven by incremental growth in the risk portfolio in protection and health insurance (including riders to continued business) and the higher average premium.
- Investment income up, mostly in unit-linked products.
- Net claims paid down following a decline in the frequency of death-related events compared to Q1 2013 (confirmed by the Central Statistical Office's data on the spike in the number of deaths in Poland in January 2013) in protection insurance.
- Higher incremental growth y/y in mathematical provisions following higher mathematical provisions in unit-linked products caused by better investment performance and the lower extent of conversion y/y in group type P insurance partially offset by lower growth in the mathematical provision in individually continued insurance;
- Higher acquisition expenses in group protection insurance (including bancassurance) caused by expansion of the contract portfolio and high new policy sales.

Individual Insurance Segment (Life Insurance)

Major Components of Operating Profit in the Individual Segment (m PLN)



* Net claims paid including movement in claims provisions

** Mathematical and other provisions

- GWP down 13.6% y/y, primarily driven by lower sales of investment products in the *bancassurance* channel.
- Higher investment result primarily on investment products.
- Higher net benefits driven by higher payouts on reaching endowment age in structured products in the bancassurance and proprietary channels (more product tranches maturing) and higher surrenders in bank unit-linked products (portfolio growth year to year).
- Lower incremental growth in mathematical provisions following the curtailment of sales of bank structured products and the higher level of payments as policies reach the endowment age.
- Higher y/y acquisition expenses driven by higher commission percentage on assets in unit-linked products in the bancassurance channel and a higher agency commission cost as an offshoot of high new sales of protection products after curtailing the sales of investment products in proprietary channels (policy change).
- Administrative expenses up following ramping up of efforts to work on the individual insurance portfolio and to raise marketing expenditures.
- Segment's operating result up following better performance generated on investment products.

Investments
Suppressed Bond Yields

Investment Composition, December 2013*

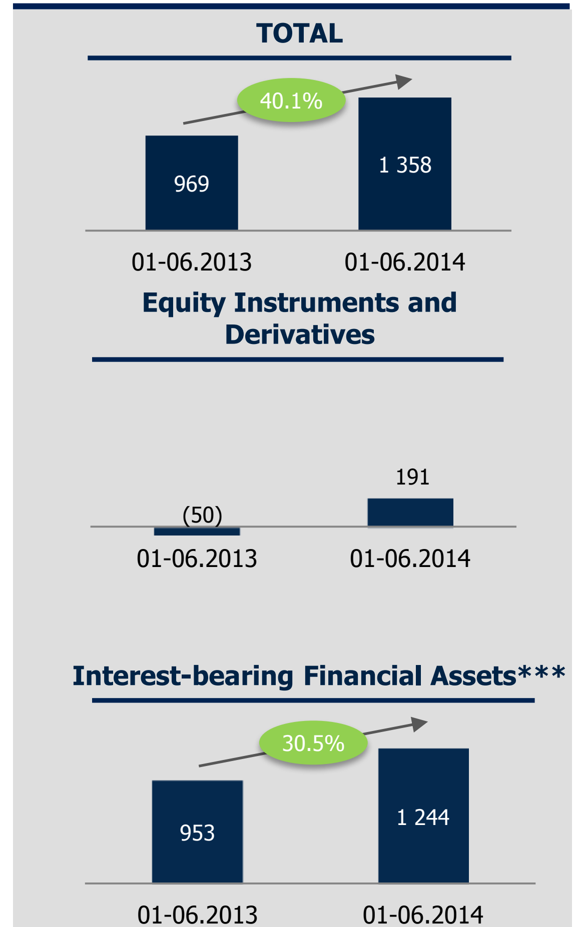
Investment Composition, June 2014*

Total: 51.2 bn PLN

Total: 52.3 bn PLN

Investment income was decisively higher than last year's investment income primarily on account of lower t-bond yields compared to the growth in the middle and the long-end of the yield curve last year and the WIG Index growth compared to the decline in first half of 2013.

Investment Income m PLN



* *The investment portfolio contains financial assets (including investment contracts), investment properties and financial liabilities (negative valuation of derivatives and repo transaction obligations).*

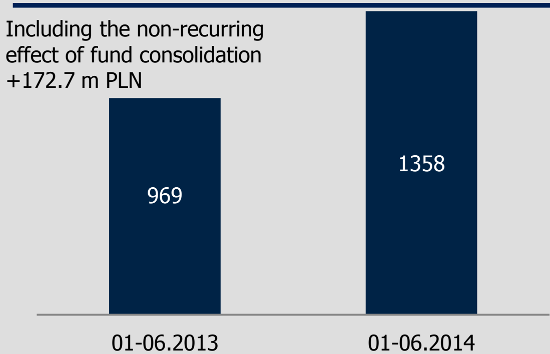
** *Related chiefly to client funds under unit-linked products.*

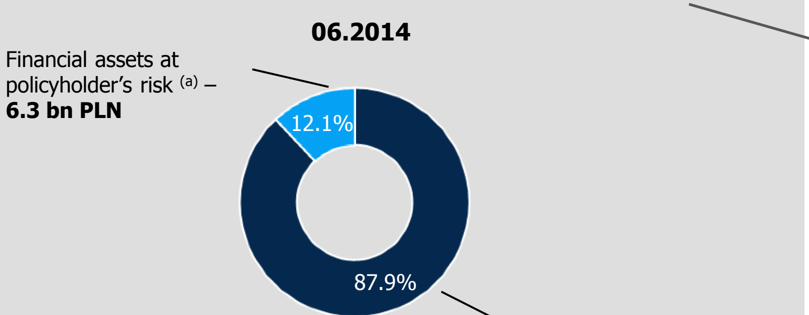
*** *Income on interest-bearing financial assets includes the result on bonds, loans, repo, reverse repo and deposits.*

Investments
Equity Price Growth

Net quarterly data

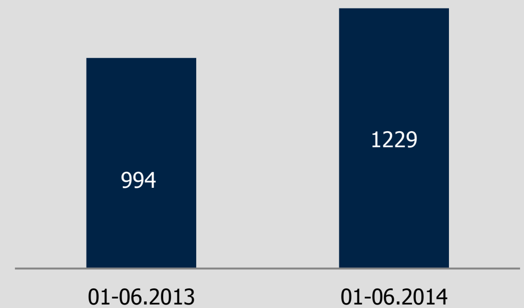
Net Investment Result (total, m PLN)



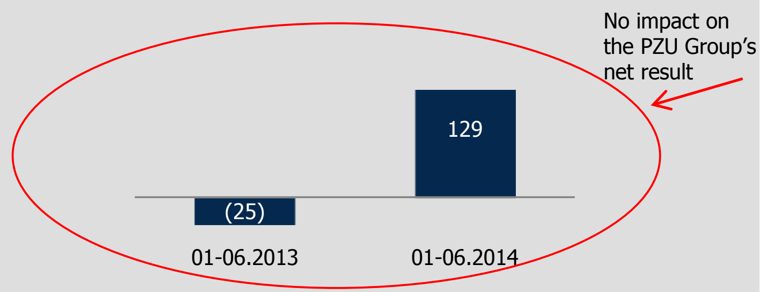


Total: 52.3 bn PLN

Investment Income in the PZU Group's Main Portfolio (m PLN)



Investment Income at the Policyholder's Risk[a] (m PLN)

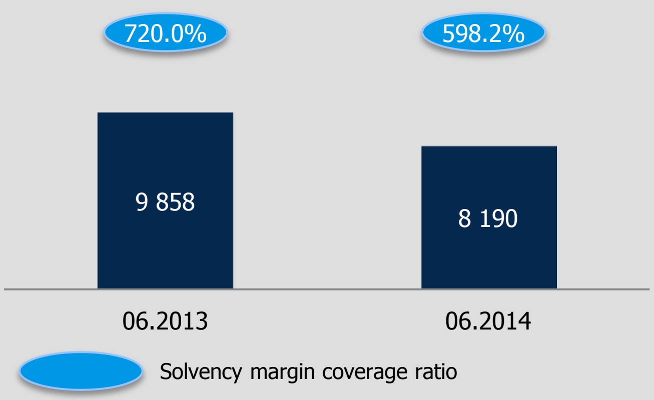


(a) Products at policyholder's risk: unit-linked products, structured products and products with a capital gains tax exemption

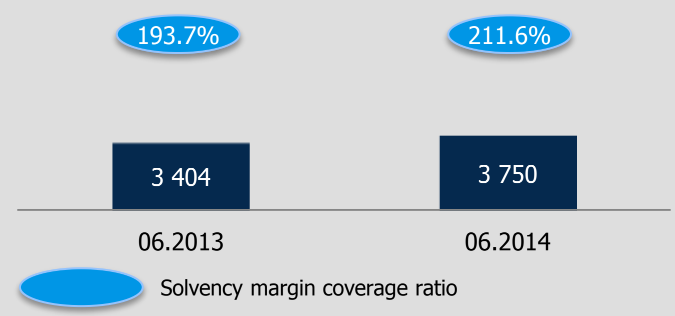
Robust Capitalization and High Solvency Ratios

YTD

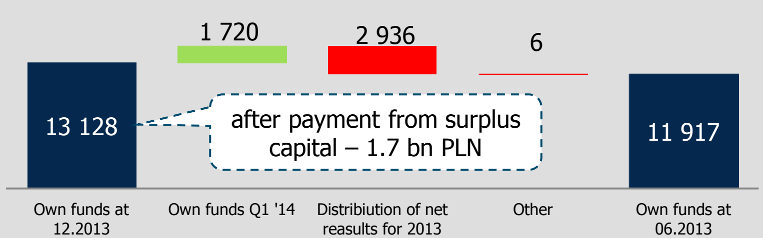
PZU's Own Funds and Solvency Coverage Margin Ratio (m PLN, PAS)



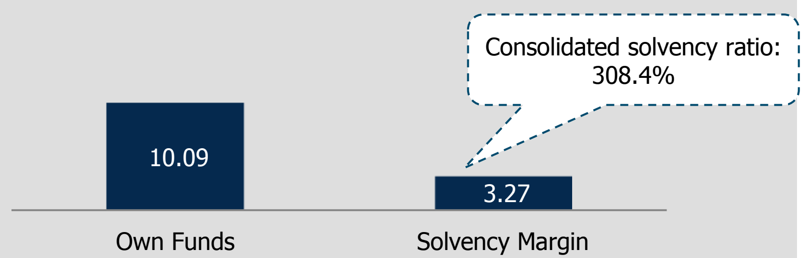
PZU Życie's Own Funds and Solvency Coverage Margin Ratio (m PLN, PAS)



PZU Group's Equity (m PLN, IFRS)



PZU Group's Own Funds in Q2 2014 (bn PLN, IFRS)



Questions and Answers

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