

# Factsheet H1 2016



**~16** millions of customers in Poland

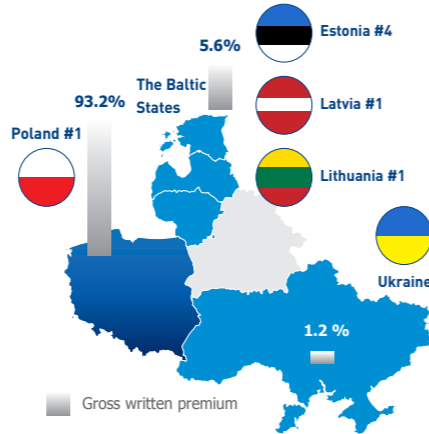
**over 9.0 thousand** tied agents

**87%** spontaneous brand recognition

**3.2 thousand** multiagencies

**A-** The highest possible rating for company in Poland

**413** branches



## Protection of property and against third party property damage



MTPL and MOD Insurance  
Other non-life Insurance (Home, Commercial)  
Financial Insurance

## Accident cover



Accident Insurance  
Assistance services

## Security of the future of the family



Group and individually continued protection products  
Individual life policies

## Savings for retirement



Pillar II of the pension system: open-ended pension Funds  
Pillar III of the pension system (EPP, IKE, IKZE)

## Health care



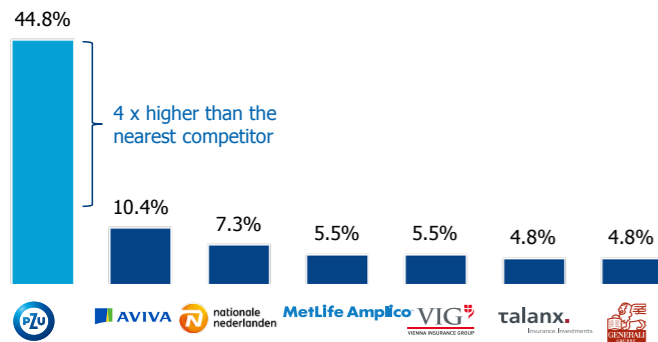
Health insurance  
Medicine insurance  
Healthcare services

## Asset management

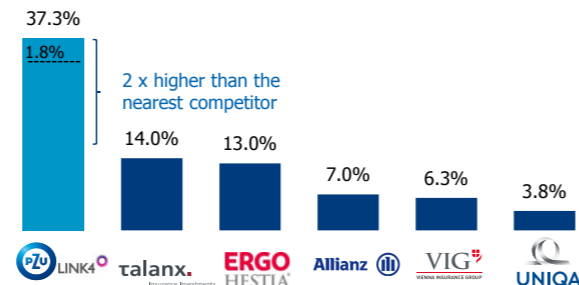


Managing of assets for PZU and third party Customers  
Participation units in investment Funds  
Structured products

## Life insurance (premium on regular business)\*



## Non-life insurance\*



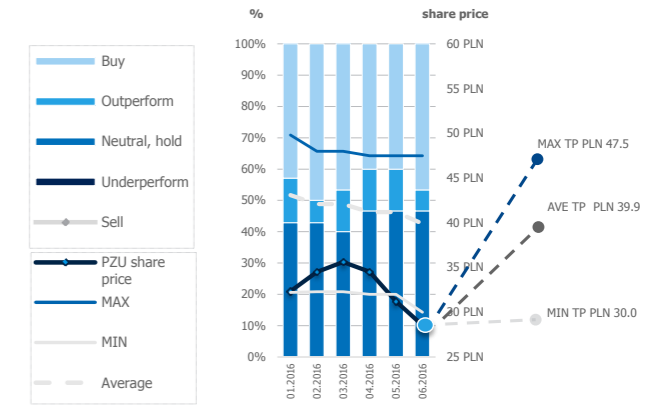
\* Market data as at the end of Q1, 2016

- 44.8%** - share in the periodical premium (leader in the life market in Poland)
- 37.3%** market share (leader in the non-life insurance market in Poland)
- Number one in the non-life insurance market in Lithuania **28.7%** and Latvia **25.9%**
- 10.6%** market share in mutual funds measured by net assets value
- 12.9%** share in the open-end pension fund market by net asset value (third position in the market)

## RATE OF RETURN PZU VS. WIG

Rate of return	PZU	WIG
<b>H1 2016</b>		
1m	(8.6)%	(2.4)%
3m	(19.8)%	(8.7)%
6m	(16.1)%	(3.7)%
12m	(34.0)%	(16.1)%
24m	(35.7)%	(13.8)%
36m	(30.3)%	0.0%

## RECOMMENDATIONS



**PZU**  
**(34.0)% y/y**  
(19.8)% q/q

**WIG20**  
**(24.5)% y/y**  
(12.4)% q/q

**WIG Banki**  
**(23.1)% y/y**  
(12.5)% q/q

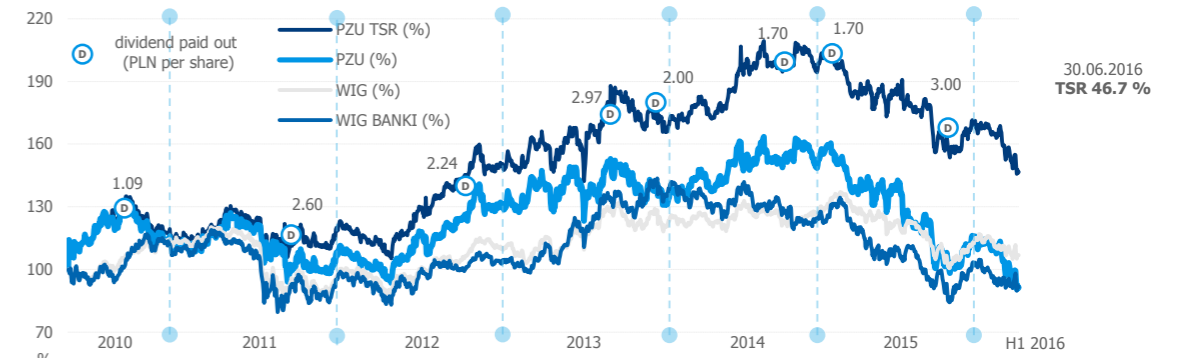
**WIG-DIV**  
**(21.9)% y/y**  
(11.0)% q/q

**WIG**  
**(16.1)% y/y**  
(8.7)% q/q

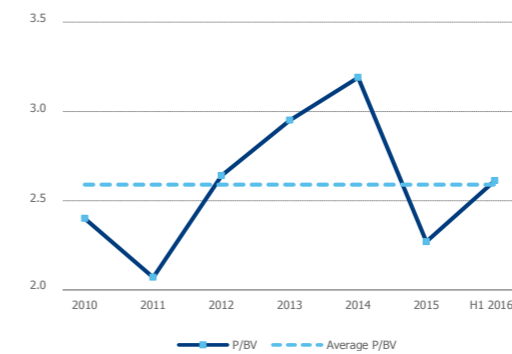
**RESPECT**  
**(23.3)% y/y**  
(11.0)% q/q

**WIG20 TR**  
**(22.2)% y/y**  
(11.3)% q/q

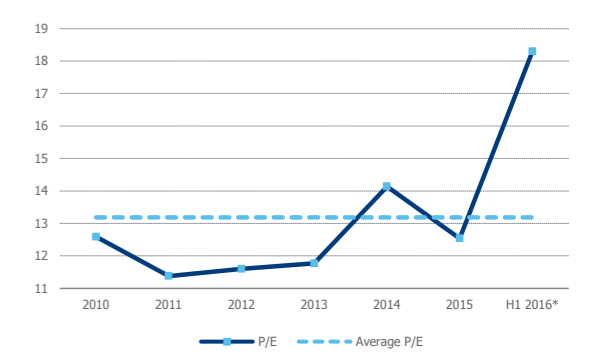
## EVOLUTION OF PZU'S SHARE PRICE COMPARED TO SELECTED INDICES



## P/BV RATIO (2010 - H1 2016)

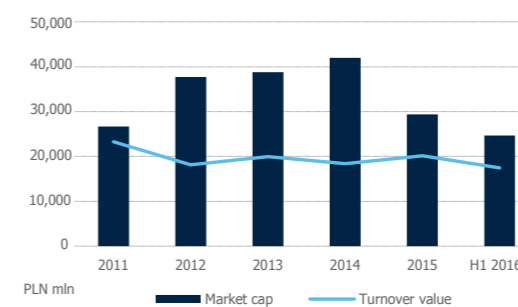


## P/E RATIO (2010 - H1 2016)

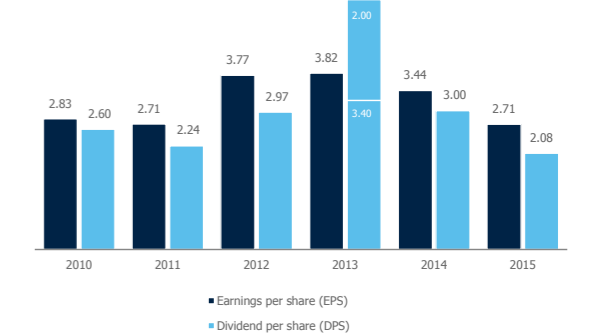


\* annualized data

## MARKET CAP



## EPS/DPS



H1, 2016 / H1, 2015

\* annualized data

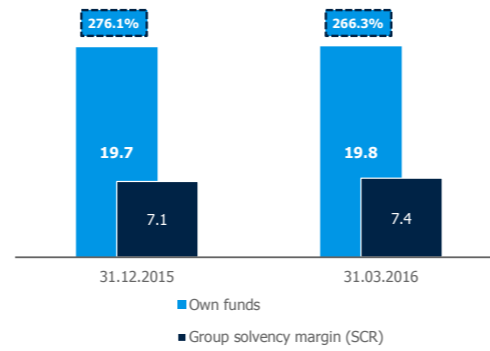
## FINANCIAL DATA

Consolidated financial data highlights

	PLN mln, IFRS	H1 2015*	H1 2016	Change y/y	Q1 2016*	Q2 2016	Change Q2 2016 over Q1 2016
Profit and Loss Statement	Gross Written Premium	9,126	9,862	8.1%	4,801	5,061	5.4%
	Premium Earned	8,744	8,985	2.8%	4,317	4,668	8.1%
	Net Investment Result	1,086	1,456	34.1%	983	473	(51.8)%
	Interest Expenses	(62)	(397)	x	(200)	(197)	x
	Operating Profit	1,619	1,050	(35.2)%	717	333	(53.5)%
	Net Profit	1,322	790	(40.2)%	560	230	(58.9)%
	Parent Company Net Profit	1,322	660	(50.1)%	493	166	(66.3)%
Balance Sheet	Parent Company Equity	11,852	11,771	(0.7)%	13,401	11,771	(12.2)%
	Total Assets	66,056	112,945	71.0%	108,284	112,945	4.3%
Principal Financial Ratios	ROE**	21.1%	10.7%	(10.4) p.p.	15.0%	5.3%	(9.7) p.p.
	COR ***	91.3%	93.4%	2.1 p.p.	95.5%	91.5%	(4.0) p.p.

\* Restated data  
 \*\*Ratio computed using equity at the beginning and end of the reporting period. Computed for the parent company.  
 \*\*\* Only for non-life insurance.

## Solvency under Solvency II (in PLN billion)



## MANAGEMENT



H1 2016

## BUSINESS STRATEGY FOR 2016-2020

Key targets pinpointed in the Strategy:

- Focus on the high profitability of insurance activity coupled with simultaneous growth in selected market segments
- Reduce fixed costs by PLN 400 million within 3 years
- Effectively pursue growth initiatives in Health and Investments
- Build a large and profitable banking group
- Create one of the most innovative insurance groups in Europe

## Operating performance of the main segments

PLN mln, local GAAP		H1 2015	H1 2016	Change y/y
<b>Non-life insurance - Poland</b>				
Gross written premium	mass insurance	3,646	4,305	18.1%
	corporate insurance	804	1,030	28.2%
Operating profit	mass insurance	470	307	(34.8)%
	corporate insurance	138	202	46.3%
COR	mass insurance	90.8%	95.4%	4.6 p.p.
	corporate insurance	87.9%	82.5%	(5.4) p.p.
<b>Life insurance - Poland</b>				
Gross written premium	group and continued	3,338	3,390	1.6%
	individual insurance	680	538	(20.9)%
Operating result	group and continued	680	708	4.1%
	individual insurance	86	113	31.2%
Operating profit ratio	group and continued	20.4%	20.9%	0.5 p.p.
	individual insurance	12.7%	21.0%	8.3 p.p.
<b>Pension insurance - Poland</b>				
Income		57	56	(1.7)%
Operating result		39	41	5.1%
<b>Baltic States and Ukraine</b>				
Gross written premium	non-life insurance	648	650	0.3%
	life insurance	35	41	18.5%
Operating result	non-life insurance	19	32	64.1%
	life insurance	0	3	x
COR	non-life insurance	98.9%	96.1%	(2.8) p.p.
	life insurance	1.0%	6.1%	5.1 p.p.

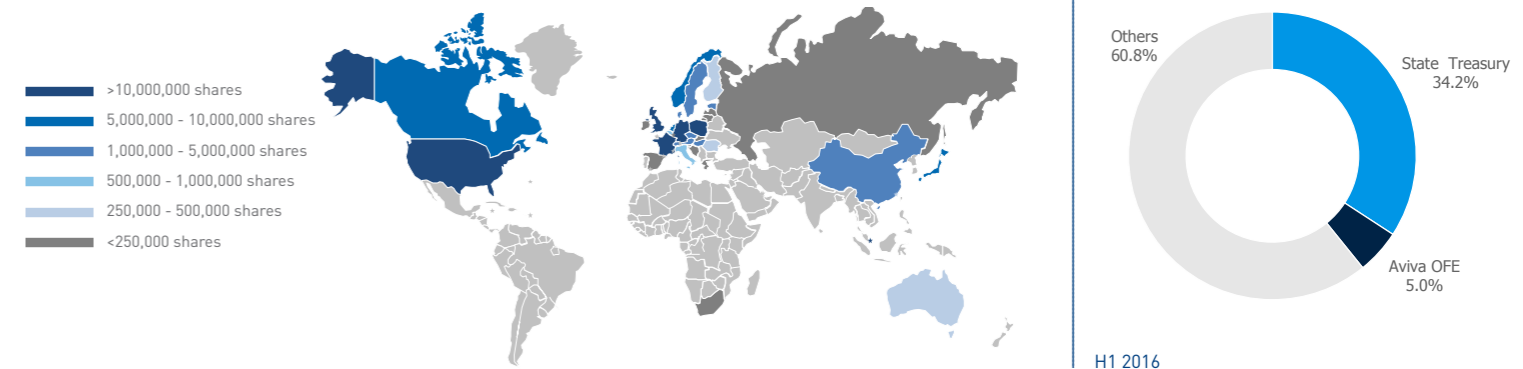
PLN 9.9 bn  
gross written premium  
(H1 2016)  
+8.1% y/y

PLN 790 mln  
consolidated net profit  
(H1 2016)  
(40.2)% y/y

10.7%  
Return on Equity (ROE)  
(10.4) p.p. y/y

A-  
/Watch Neg  
higher than rating of  
Poland  
- for debt in foreign  
currency

## SHAREHOLDER STRUCTURE



## CSR (2015)



2015

## IR CONTACT



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## CALENDAR

- 7 January 2016 – Extraordinary Shareholders' Meeting
- 15 March 2016 – Annual Report 2015
- 12 May 2016 – Report for Q1 2016
- 3-5 June – 20. Wall Street Conference for individual investors
- 24 August 2016 – Report for H1 2016 and PZU Strategy for 2016 -2020
- 30 September 2016 – Ex-dividend date for 2015
- 21 October 2016 – Dividend payout date (PLN 2.08 per share)
- 10 November 2016 – Report for Q3 2016

H1 2016

<http://www.pzu.pl/ir>