

Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna

Consolidated half-year financial statements for 2016



Consolidated half-year financial statements of the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for 2016

1. Selected financial data including:
 - Selected consolidated financial data of the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with IFRS);
 - Selected separate financial data of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with PAS);
 - Selected separate financial data of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (in accordance with PAS).
2. Management's Report of PZU Capital Group for the First Half of 2016.
3. Condensed interim consolidated financial statements of the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the period of 6 months ended 30 June 2016 (in accordance with IFRS).
4. Independent auditors report on review of the condensed interim consolidated financial statements of the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the period from 1 January 2016 to 30 June 2016.
5. Condensed interim separate financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the period of 6 months ended 30 June 2016 (in accordance with PAS).
6. Independent auditor report on review of the condensed interim separate financial statements of Powszechny Zakład Ubezpieczeń Spółka Akcyjna for the period from 1 January 2016 to 30 June 2016.

Selected financial data

The below foreign exchange rates have been applied to calculate financial data of subsidiaries and present selected financial data:

Currency	1 January – 30 June 2016	1 January – 30 June 2015	30 June 2016	31 December 2015
EUR	4.3805	4.1341	4.4255	4.2615
Ukrainian hryvnia	0.1535	0.1729	0.1603	0.1622

The financial data of foreign entities are converted into PLN:

- assets and liabilities – at the average exchange rates published by the National Bank of Poland effective at the end of the reporting period;
- statement of profit and losses items and other comprehensive income items – at the arithmetic mean of the exchange rates published by the National Bank of Poland at the last day of each month of the reporting period.

1. Selected consolidated financial data of the Capital Group of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with IFRS)

Data from consolidated statement of profit and losses	PLN thousand 1 January - 30 June 2016	PLN thousand 1 January - 30 June 2015	EUR thousand 1 January - 30 June 2016	EUR thousand 1 January - 30 June 2015
Gross written premiums	9,861,987	9,126,450	2,251,338	2,207,603
Net earned premiums	8,985,418	8,743,913	2,051,231	2,115,071
Revenue from commissions and fees	391,002	103,196	89,260	24,962
Net investment income	1,456,074	1,085,973	332,399	262,687
Net claims and benefits	(6,164,436)	(6,006,361)	(1,407,245)	(1,452,882)
Gross profit	1,048,920	1,618,954	239,452	391,610
Net profit attributable to equity holders of the parent entity	659,540	1,321,593	150,563	319,681
Net profit (loss) attributable to non-controlling interest	130,304	(66)	29,746	(16)
Basic and diluted weighted average number of ordinary shares in issue	863,473,794	863,519,490 ¹⁾	863,473,794	863,519,490 ¹⁾
Basic and diluted profit per ordinary share (in PLN/EUR)	0.76	1.53 ¹⁾	0.17	0.37 ¹⁾

¹⁾ Comparatives were restated, taking into consideration the new number of shares, after the split of PZU shares.

Data from consolidated statement of financial position	PLN thousand 30 June 2016	PLN thousand 31 December 2015	EUR thousand 30 June 2016	EUR thousand 31 December 2015
Assets	112,945,227	105,397,237	25,521,461	24,732,427
Share capital	86,352	86,352	19,512	20,263
Equity and reserves attributable to the equity holders of the parent entity	11,771,199	12,923,719	2,659,857	3,032,669
Non-controlling interests	3,829,453	2,194,068	865,315	514,858
Total Equity	15,600,652	15,117,787	3,525,173	3,547,527
Basic and diluted weighted average number of ordinary shares in issue	863,473,794	863,523,000	863,473,794	863,523,000
Book value per ordinary share (in PLN/EUR)	13.63	14.97	3.08	3.51

Data from consolidated statement of cash flows	PLN thousand 1 January - 30 June 2016	PLN thousand 1 January - 30 June 2015	EUR thousand 1 January - 30 June 2016	EUR thousand 1 January - 30 June 2015
Cash flows from operating activities	2,116,631	992,611	483,194	240,103
Cash flows from investment activities	(2,129,942)	2,086,164	(486,233)	504,623
Cash flows from financing activities	(730,872)	(2,807,331)	(166,847)	(679,067)
Total net cash flows	(744,183)	271,444	(169,885)	65,660

2. Selected separate financial data of Powszechny Zakład Ubezpieczeń Spółka Akcyjna (in accordance with PAS)

Data from balance sheet	PLN thousand 30 June 2016	PLN thousand 31 December 2015	EUR thousand 30 June 2016	EUR thousand 31 December 2015
Assets	37,843,120	36,358,361	8,551,151	8,531,822
Share capital	86,352	86,352	19,512	20,263
Total equity	11,139,505	12,378,733	2,517,118	2,904,783
Basic and diluted weighted average number of ordinary shares in issue	863,523,000	863,523,000	863,523,000	863,523,000
Book value per ordinary share (in PLN/EUR)	12.90	14.34	2.91	3.37

Data from technical account in non-life insurance and general income statement	PLN thousand 1 January - 30 June 2016	PLN thousand 1 January - 30 June 2015	EUR thousand 1 January - 30 June 2016	EUR thousand 1 January - 30 June 2015
Gross written premiums	5,257,564	4,242,092	1,200,220	1,026,122
Technical result in non-life insurance	262,239	493,856	59,865	119,459
Net investment result ²⁾	1,146,830	1,095,120	261,803	264,899
Profit/(loss) before tax	990,336	1,404,401	226,078	339,711
Basic and diluted weighted average number of ordinary shares in issue	863,523,000	863,523,000 ¹⁾	863,523,000	863,523,000 ¹⁾
Basic and diluted profit per ordinary share (in PLN/EUR)	1.15	1.63 ¹⁾	0.26	0.39 ¹⁾

¹⁾ Comparatives were restated, taking into consideration the new number of shares, after the split of PZU shares.

²⁾ Item "Share in net profit (loss) of subsidiaries measured using the equity method" was included.

3. Selected separate financial data of Powszechny Zakład Ubezpieczeń na Życie Spółka Akcyjna (in accordance with PAS)

Data from balance sheet	PLN thousand 30 June 2016	PLN thousand 31 December 2015	EUR thousand 30 June 2016	EUR thousand 31 December 2015
Assets	28,413,353	27,956,769	6,420,371	6,560,312
Total equity	3,965,075	4,253,553	895,961	998,135

Data from technical account in life insurance and general income statement	PLN thousand 1 January - 30 June 2016	PLN thousand 1 January - 30 June 2015	EUR thousand 1 January - 30 June 2016	EUR thousand 1 January - 30 June 2015
Gross written premiums	3,988,576	4,092,342	910,530	989,899
Technical result in life insurance	744,003	804,798	169,844	194,673
Net investment result	270,209	707,165	61,685	171,057
Profit/(loss) before tax	550,001	856,211	125,557	207,109