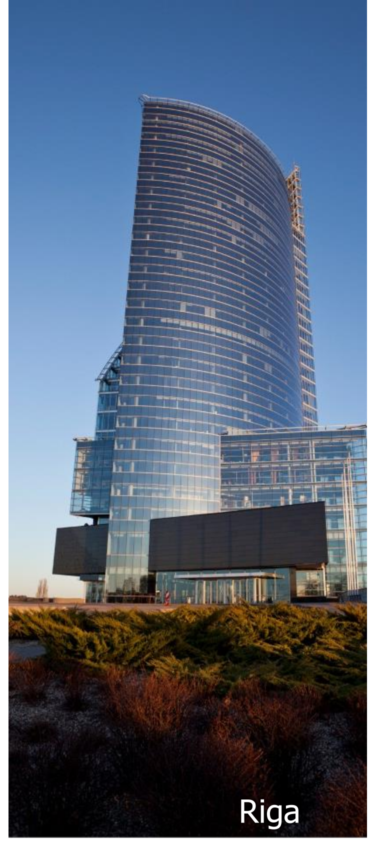
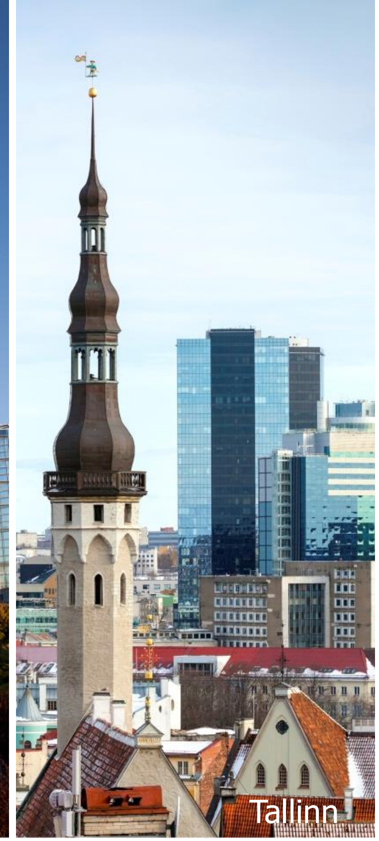
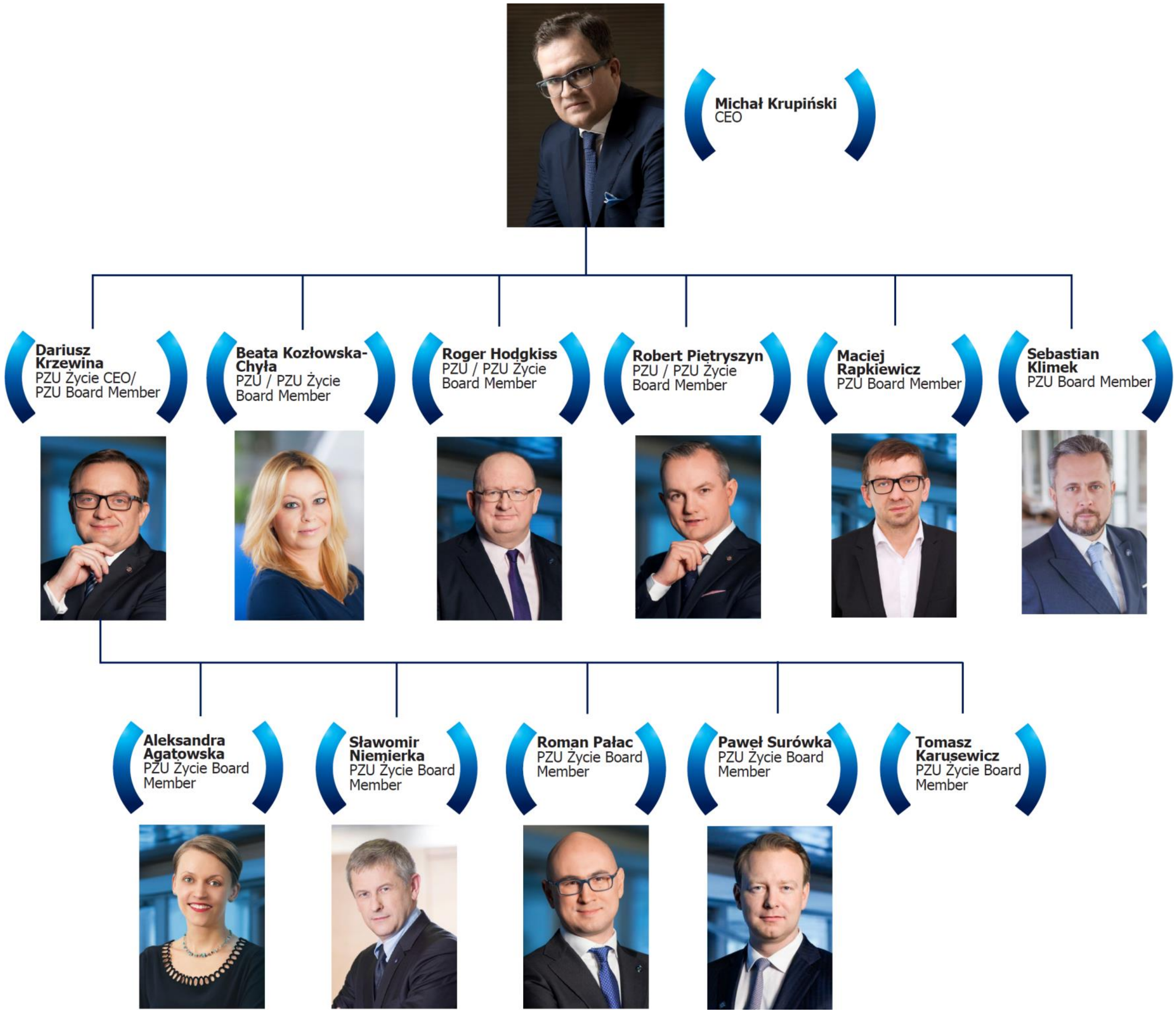




PZU Group's financial results for Q1 2016

Warsaw, 12 May 2016


Michał Krupiński
CEO
Dariusz Krzewina
PZU Życie CEO/
PZU Board Member
Beata Kozłowska-Chyła
PZU / PZU Życie
Board Member
Roger Hodgkiss
PZU / PZU Życie
Board Member
Robert Pietryszyn
PZU / PZU Życie
Board Member
Maciej Rapkiewicz
PZU Board Member
Sebastian Klimek
PZU Board Member
Aleksandra Agatowska
PZU Życie Board
Member
Sławomir Niemierka
PZU Życie Board
Member
Roman Pałac
PZU Życie Board
Member
Paweł Surówka
PZU Życie Board
Member
Tomasz Karusewicz
PZU Życie Board
Member

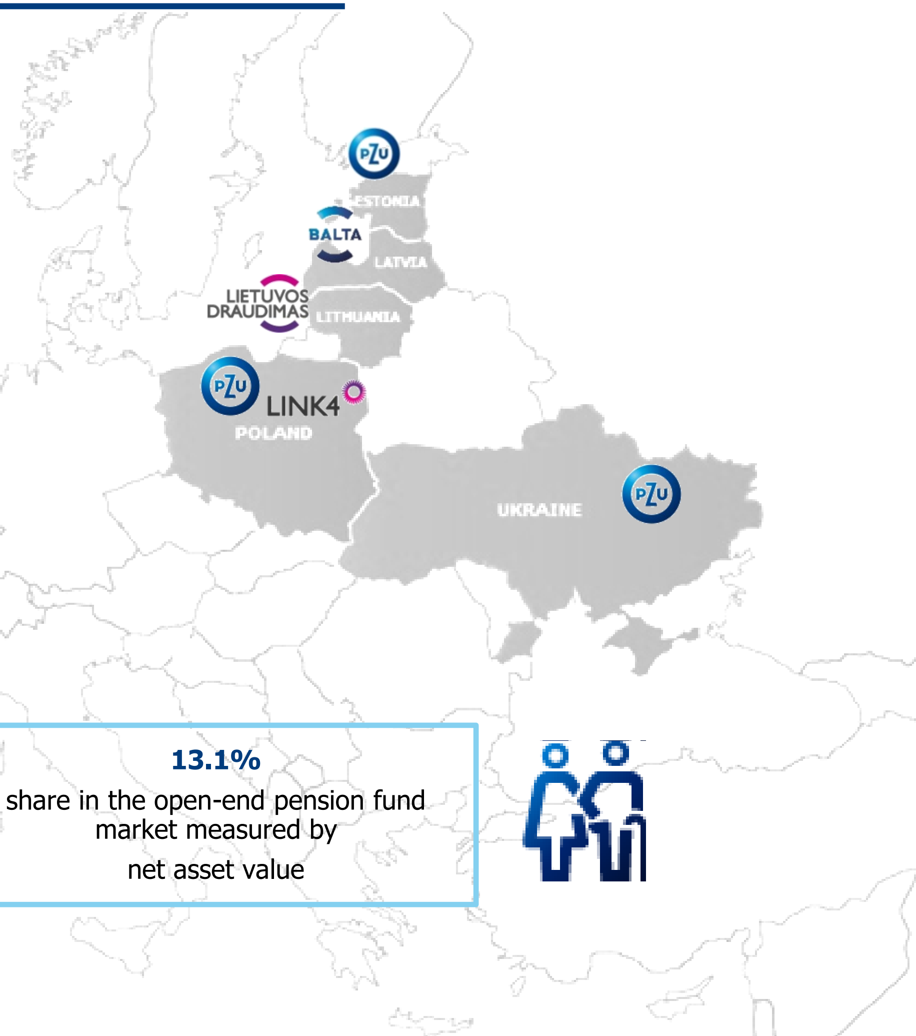
What makes us stand out

~16 million
clients in Poland, including **~12 million** clients of group and individually continued life insurance

1st place
in **Poland** in terms of gross written premium in **non-life insurance** and **life insurance**

1st place
in **Lithuania** and **Latvia** in terms of gross written premium in non-life insurance

11.1%
investment fund market share by net asset value



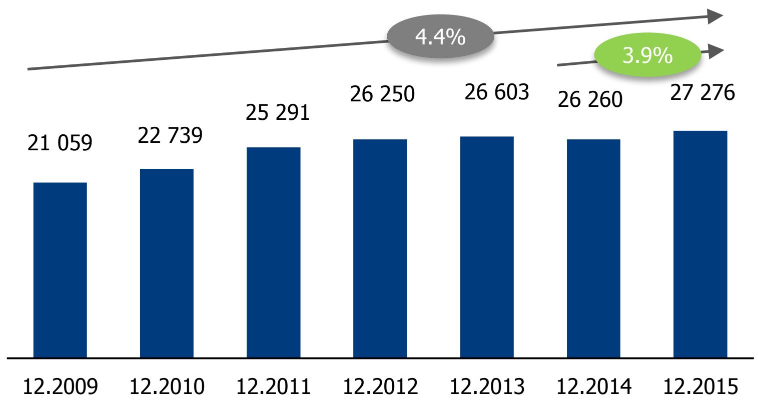
13.1%
share in the open-end pension fund market measured by
net asset value

Agenda

1. Insurance market in Poland, the Baltic States and Ukraine
2. Summary of the PZU Group's financial results for Q1 2016
3. Operating results for Q1 2016
4. Detailed financial data
5. Preliminary SII data as at 31 December 2015

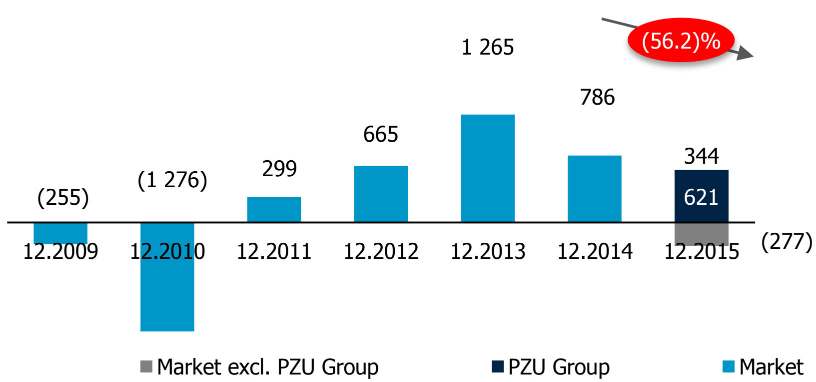
Non-life insurance market in Poland

Gross written premium (m PLN)



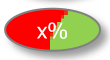
- Reversion to growth trend after slight deceleration in 2014.
- PZU Group's strong market position in motor own damage insurance with a market share of **40.7%**(1) and motor TPL with a market share of **37.7%**(1).
- PZU Group's market share in non-life insurance in 2015 is **34.3%**(1) (of which PZU has **32.5%**(1) and Link4 has **1.8%**).

Technical result (m PLN)



- PZU Group's technical result stated as a percentage of the market's technical result is **180.3%**(1), which with a **34.3%**(1) market share measured by gross written premium confirms the high profitability of its insurance business.

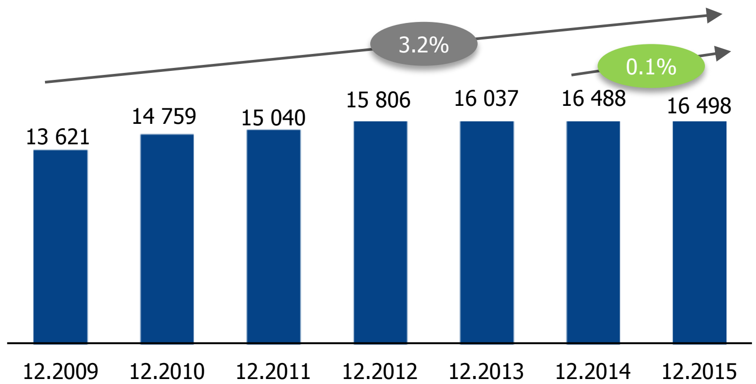
- CAGR



- Change year-on-year

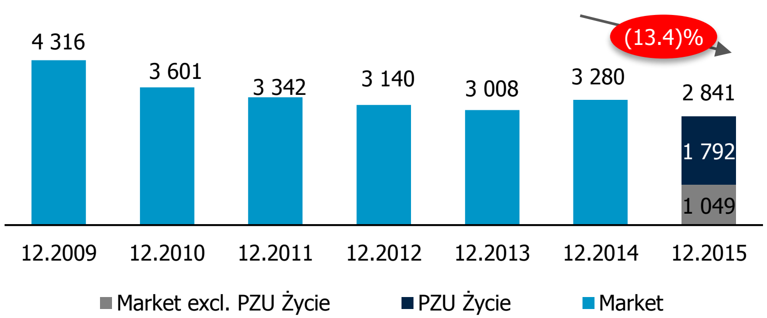
Life insurance market in Poland

Regular gross written premium (m PLN)



- PZU Życie's regular premium market share stable at **43.9%** at the end of Q4 2015.
- Only slight growth y/y in regular gross written premium on the life insurance market - growth rate y/y of **0.1%**, with PZU Życie reporting **2.7%** while the other insurance undertakings in total reported **-1.9%.**
- The life insurance market net of PZU is selling y/y more unit-linked products in individual form while at the same time curtailing the sales of products from I insurance class (life insurance).

Technical result (m PLN)



- High profitability of PZU Życie's technical result versus the overall market – the margin commanded by PZU Życie – **22.2%** as opposed to other insurers – **5.4%**.
- The decline in the overall market's technical result in the four quarters of 2015 was chiefly the effect of the lower investment result, higher administrative expenses and deterioration of performance in insurance class III in connection with new regulatory solutions.

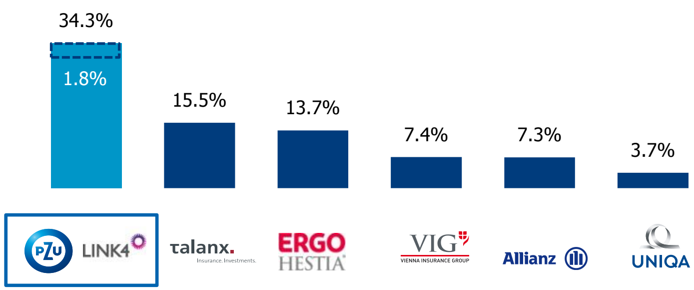
xx% - CAGR

x% - Change year-on-year

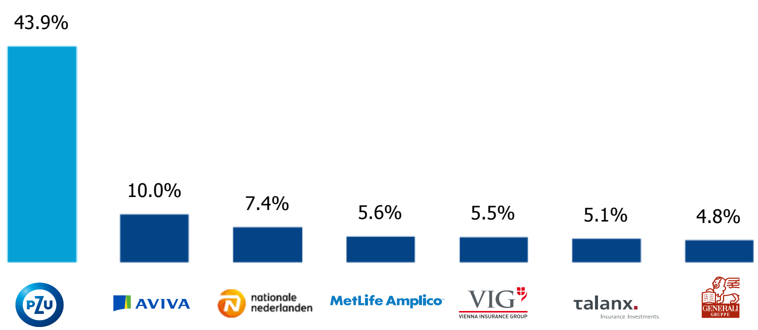
Insurance leader in Poland and the CEE region

PZU in Poland

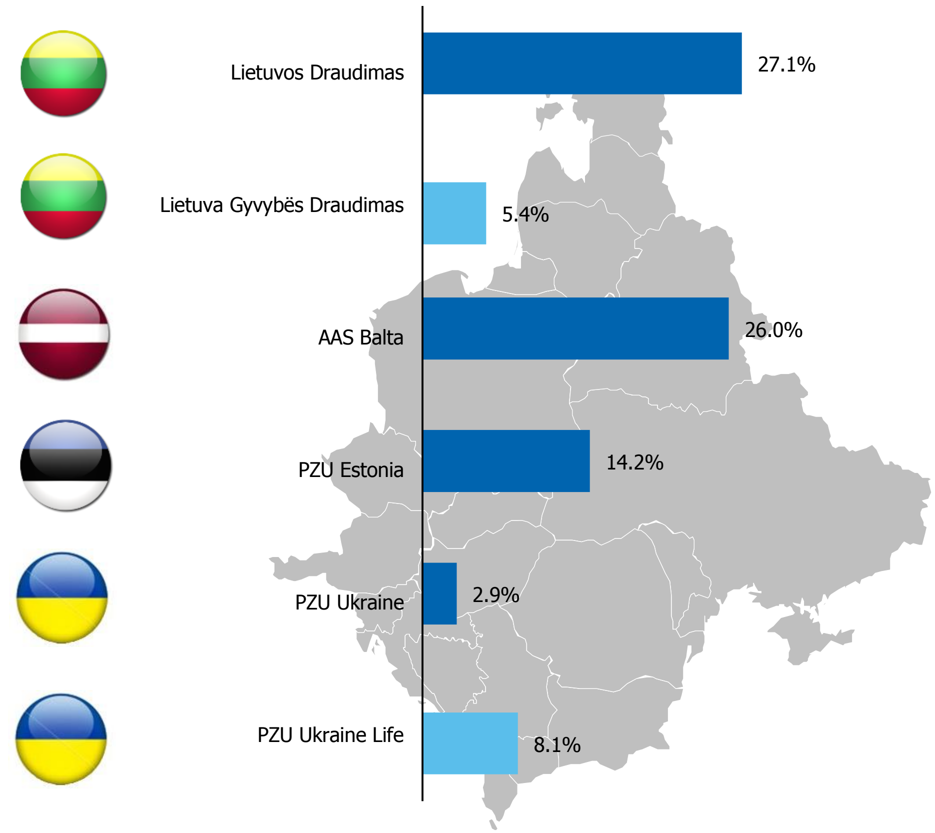
non-life insurance



life insurance (regular premium)



PZU in the CEE region[2]

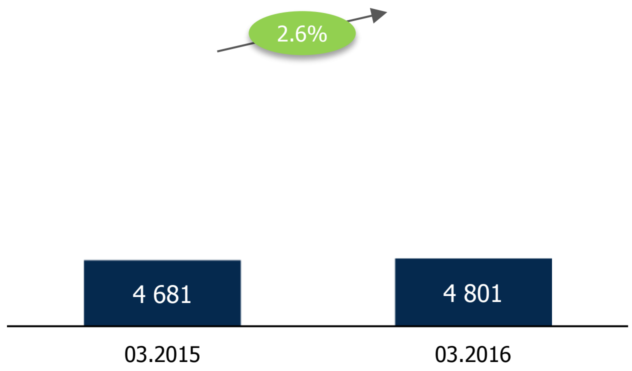


Agenda

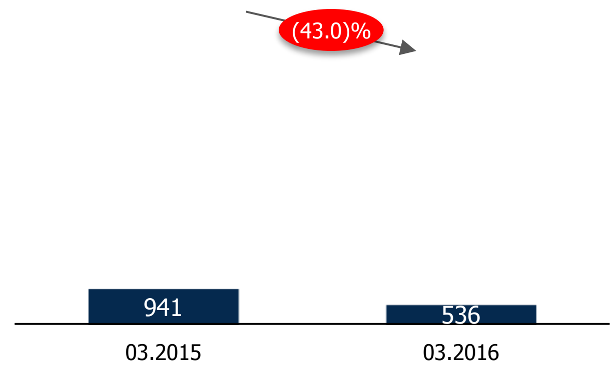
1. Insurance market in Poland, the Baltic States and Ukraine
2. Summary of the PZU Group's financial results for Q1 2016
3. Operating results for Q1 2016
4. Detailed financial data
5. Preliminary SII data as at 31 December 2015

Net profit affected by growth in claims in agricultural insurance and the falling valuation of equity instruments

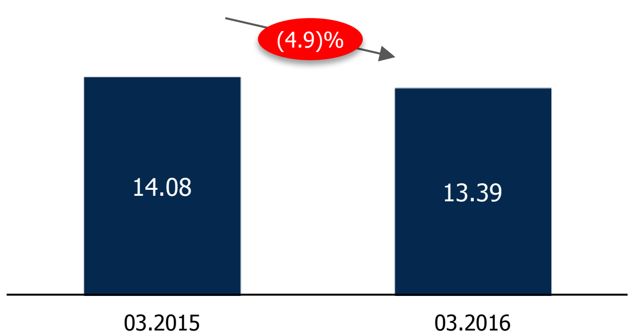
Gross written premium (m PLN)



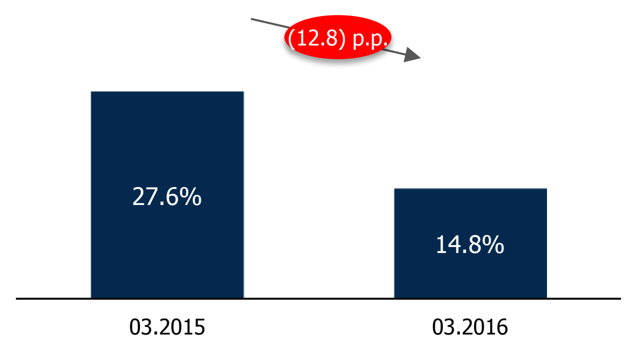
Net profit (m PLN)



Equity – parent company (bn PLN)



Return on equity (ROE) – consolidated (%) (3)

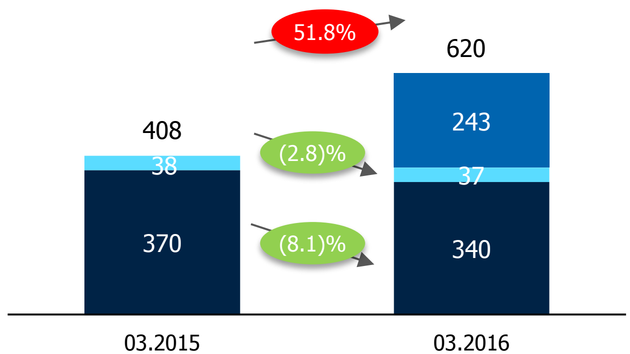


x% - Change year-on-year

Lower administrative expenses in the insurance business in Poland as a result of cost discipline

m PLN

PZU Group's administrative expenses



- The increase in the PZU Group's administrative expenses y/y largely ensued from commencing the consolidation of Alior Bank.
- At the same time, a positive effect (decline by 7.5%) was recorded in comparison to last year in the insurance activity segments in Poland in connection with maintaining high cost discipline.

Activity to date

Impact exerted by the newly-acquired insurance companies

Bank

Administrative expense ratio in the insurance business

- Administrative expense ratio calculated using the equation: *administrative expenses / net earned premium*

Polish insurance companies

International insurance companies

x% - Change year-on-year

Agenda

1. Insurance market in Poland, the Baltic States and Ukraine
2. Summary of the PZU Group's financial results for Q1 2016
3. Operating results for Q1 2016
4. Detailed financial data
5. Preliminary SII data as at 31 December 2015

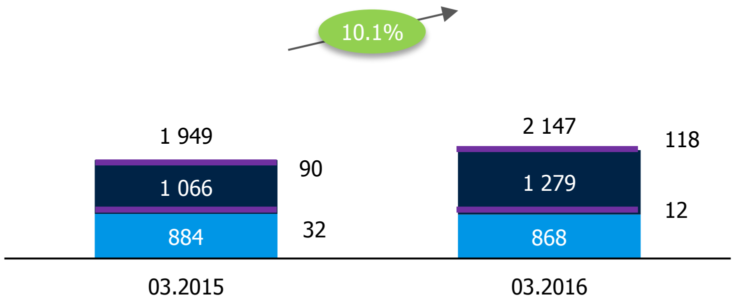
Drivers of the Group's performance

Segment	Drivers
Non-life insurance	• **Contraction of profitability due to the following:** - significantly higher level of claims and benefits y/y in the agricultural insurance portfolio as a consequence of the adverse effects of ground frost; - y/y growth in the loss ratio of the motor insurance portfolio – the lingering repercussions of fierce price competition in recent years (effect bleeding over from 2015).
Life insurance	• **Maintenance of profitability** - significant y/y growth in profitability in the group and individually continued insurance group – loss ratio down in protection insurance (result of lower incidence of death-related events confirmed by GUS statistics), cost savings and measures related to individual continuation to enhance the current profitability of this business.
International companies	• Maintenance of profitability in the LD and Balta companies - despite fierce price competition on the Lithuanian and Latvian markets. • Increase of the loss ratio in Estonia in motor and property insurance alike. • Significant growth rate of sales in Ukraine – chiefly as a consequence of signing a contract with a new corporate client.
Bank segment	• Alior Bank's **purchase** of a spun off portion of **Bank BPH** (net of the CHF mortgage loan portfolio) - post-merger Alior Bank to be no. 9 in Poland measured by assets. • Contribution to PZU Group's consolidated result **80 m PLN** in Q1 2016.
Investments	• **Net result on investing activity (net of Alior Bank) fell following**: - decline in result on equity instruments caused in particular by the lower market valuation of companies in the portfolio of equities held for the long-term; - FX differences on appraisals recognized with the FX rate of the half-year valuation, i.e. as at the end of the previous year, while valuing hedging instruments at the FX rate of the reporting day.

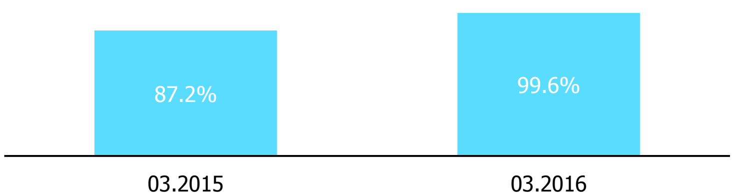
Non-life insurance
Positive growth rate in sales of motor insurance

Mass segment

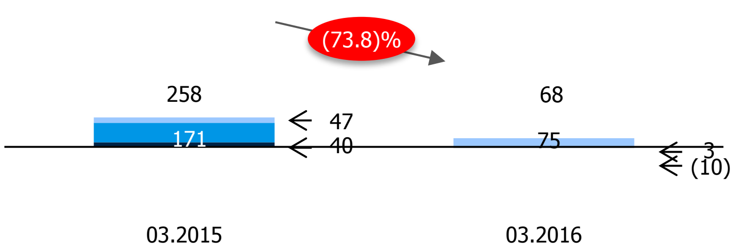
Gross written premium (m PLN)



Combined ratio (%)

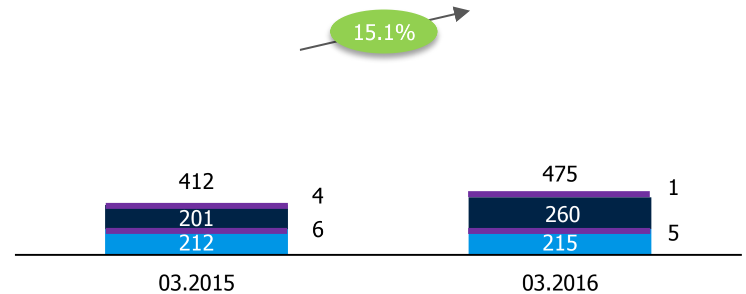


Operating profit (m PLN)



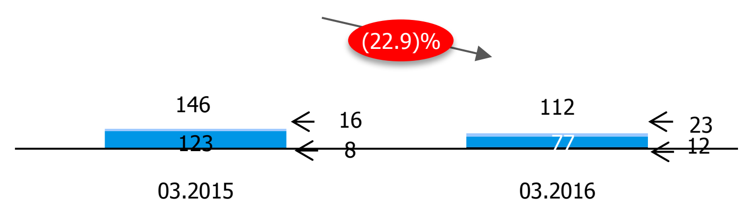
Corporate segment

Gross written premium (m PLN)



Combined ratio (%)

Operating profit (m PLN)



Motor insurance
Link4
Non-motor insurance
Impact of allocated investment income from the segment Investments
Combined ratio calculated jointly for motor and non-motor insurance

x% - Change year-on-year

Recap – non-life insurance

Mass segment

Higher gross written premium y/y as a function of the following:

- higher motor insurance sales (higher average premium due to the hikes being introduced gradually);
- lower premium on fire and other property insurance, including insurance for buildings on farms (result of fierce market competition) partially offset by the rising premium in the PZU DOM residential insurance.

Operating profit down mostly following:

- level of claims and benefits up in agricultural insurance, including insurance for subsidized crops as the outcome of numerous losses caused by the forces of nature (adverse consequences of ground frost) and in motor TPL insurance (result of average claim value inflation and the higher growth rate in the number of reported claims).
- higher insurance activity expenses as the outcome of the following:
  - acquisition expense up ensuing from higher commissions (including rising sales through distribution channels charging commissions);
  - administrative expenses down – lower level of costs in project activity and current activity concerning among others training, marketing and real estate expenses.

Corporate segment

Higher gross written premium y/y as a function of the following:

- rising sales of motor insurance offered to lease companies and in fleet insurance (chiefly motor own damage insurance) as a consequence of the higher average premium and the number of insurance products as well as the growth in the premium income on financial insurance - extending a guarantee with a high unit value to Alior Bank for a period of two years (no impact on consolidated result);
- lower sales of fire and other property insurance – acquisition of a long-term contract with the mining sector in the corresponding period of 2015.

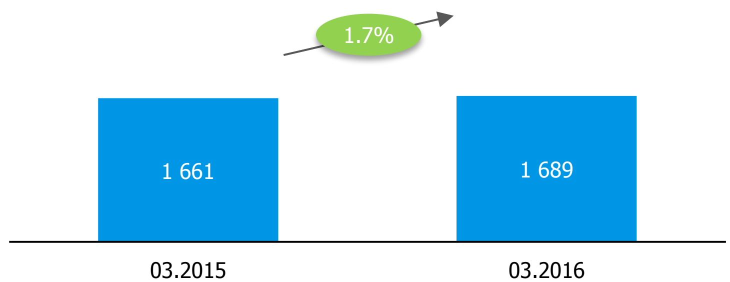
Operating profit down following:

- rising claims and benefits in motor own damage insurance (higher average payout and the higher number of reported claims) and in general third party liability insurance (lower level of provisions for claims for losses from previous years in the corresponding period of 2015). Effect partially offset by the decline in the level of claims and benefits in the insurance group for hull insurance in marine and inland navigation ships and insurance for guarantees;
- higher insurance activity expenses as the outcome of the following:
  - acquisition expenses up - result of higher direct acquisition expenses (also due to climbing sales);
  - administrative expenses down - lower costs in project activity and current activity concerning among others training, marketing and real estate expenses.

Life insurance
High operating profit margin

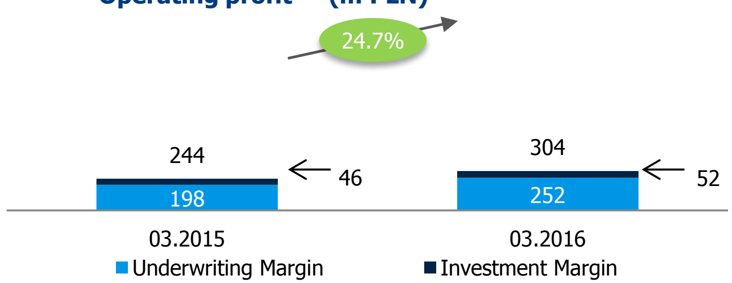
Group and continued insurance segment

Gross written premium (m PLN)



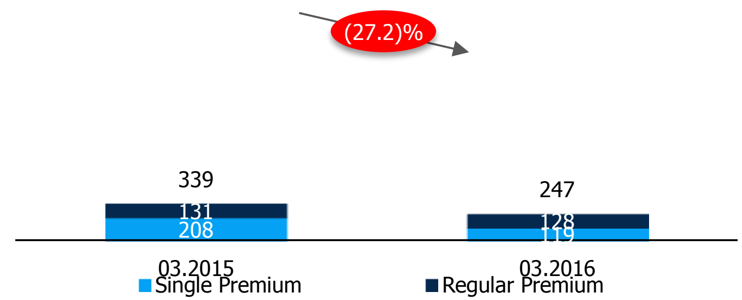
Margin (%) (4)

Operating profit (4) (m PLN)

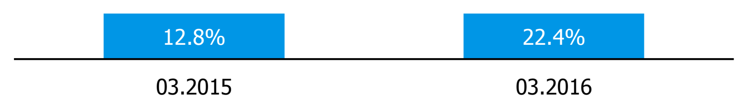


Individual insurance segment

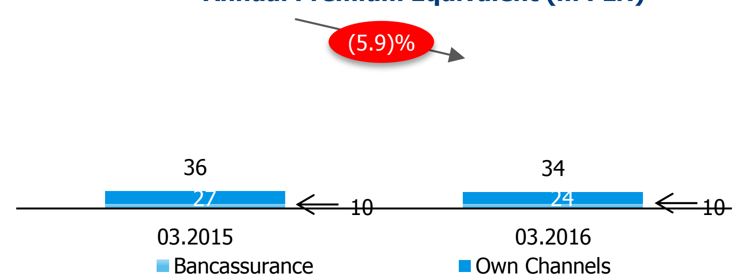
Gross written premium (m PLN)



Margin (%)



Annual Premium Equivalent (m PLN)



x% - Change year-on-year

Recap – life insurance

Group and continued insurance segment

Drivers of higher gross written premium:

- rising number of insureds in group protection products and rising average premiums; at the same time, coverage using riders has also expanded;
- dynamic growth in group health insurance (new clients in outpatient insurance and sales of different options of the medicine product);
- upholding the policy of up-selling riders while concurrently indexing premiums in the underlying main contracts in individually continued products.

Operating profit up driven by:

- protection portfolio loss ratio down due to the lower mortality rate (confirmed by statistics published by the Central Statistics Office [GUS] on a similar effect in the entire population);
- shifts in the mix of people enrolling in the individual continuation portfolio contributing to lower growth in the mathematical provisions;
- lower operating expenses resulting from curtailing expenses in project activity and current activity, among others, training and real estate expenses.

Individual insurance segment

Gross written premium down driven by the following:

- lower payments to unit-linked insurance accounts offered jointly with Bank Millennium;
- lower value of subscriptions for structured products in own channel compared to the record-breaking Q1 of the previous year;
- lower though still very high average contributions to IKE individual retirement accounts.

In turn, the following factors produced a positive outcome:

- high sales of individual protection products, especially in PZU Group Branches;
- launching a new unit-linked product at the end of 2015 called *Cel na Przyszłość* (*Goal for the Future*).

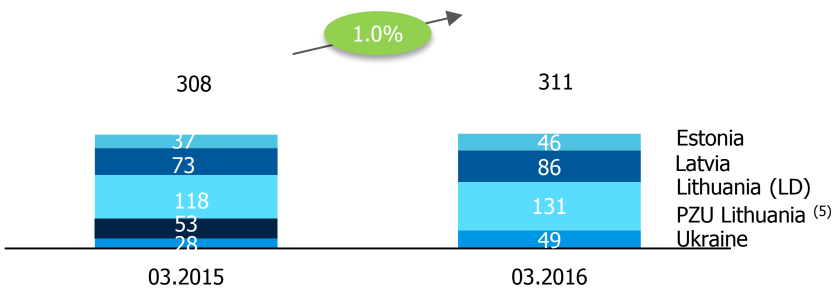
Sales channels:

- slight growth in new sales in the bancassurance channel as an effect of converting protection products from group to individual form accompanied by lower unit-linked sales;
- decline in the traditional channel due to lower contributions to the IKE individual retirement accounts and lower sales of the structured product (record-breaking subscriptions early last year) partially offset by the launch of the new unit-linked product called *Cel na Przyszłość* (*Goal for the Future*) at the end of last year.

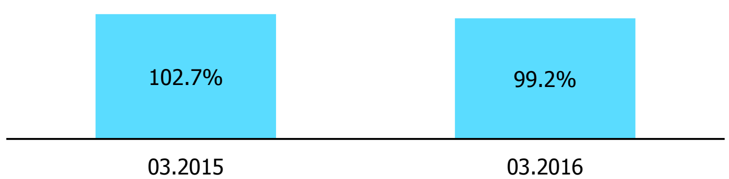
International business
Higher result driven by lower insurance activity expenses in the Baltic States

Non-life insurance

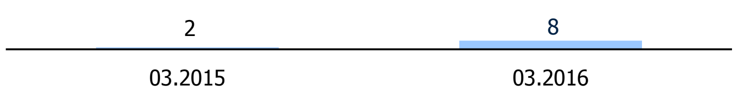
Gross written premium (m PLN)



Combined ratio (%)

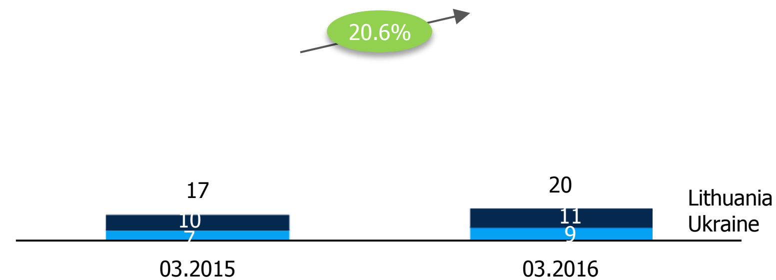


Operating result (m PLN)

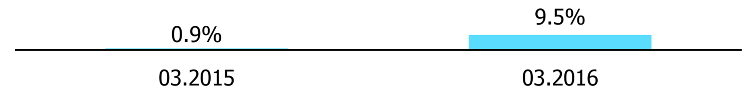


Life insurance

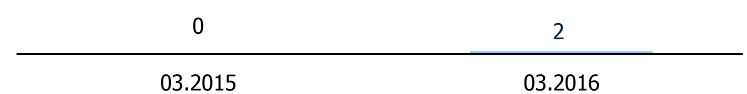
Gross written premium (m PLN)



Margin (%)



Operating result (m PLN)



x% - Change year-on-year

Recap – international business

Gross written premium

Non-life insurance

- Slight increase in gross written premium on account of PZU Lithuania's share of premium income last year (the divestment of PZU Lithuania transpired on 30 September 2015). At the same time, rapid growth in the other companies:
  - Lithuanian market leader Lietuvos Draudimas: 131 m PLN (last year: 118 m PLN);
  - Latvian market leader AAS Balta: 86 m PLN (last year: 73 m PLN);
  - Estonian branch of PZU Insurance: 46 m PLN (last year: 37 m PLN).
- Gross written premium up 74.3% in Ukraine (97.6% in the functional currency). Higher gross written premium chiefly as a result of signing a contract with a new corporate partner.

Life insurance

- Premium in Ukraine rose 25.4% chiefly due to sales through the agency channel;
- Sales in Lithuania up by 17.2% in individual and group insurance.

Operating results

Non-life insurance

- Combined ratio decline:
  - loss ratio (64.0%) – up 2.9 p.p. due to higher loss ratios in Ukraine and Estonia;
  - administrative expense ratio down (12.4% versus 13.9% in Q1 2015) - PZU Lithuania's impact last year;
  - decline in the acquisition expense ratio (taking into account bonuses and profit sharing) – drop by 4.9 p.p. in Ukraine (impact exerted by reinsurance treaties) and the Baltic States (PZU Lithuania's impact in Q1 2015).
- Operating result up (by 6 m PLN) in non-life business thanks to the positive results generated by companies in Lithuania and Latvia and improved results in Ukraine.

Life insurance

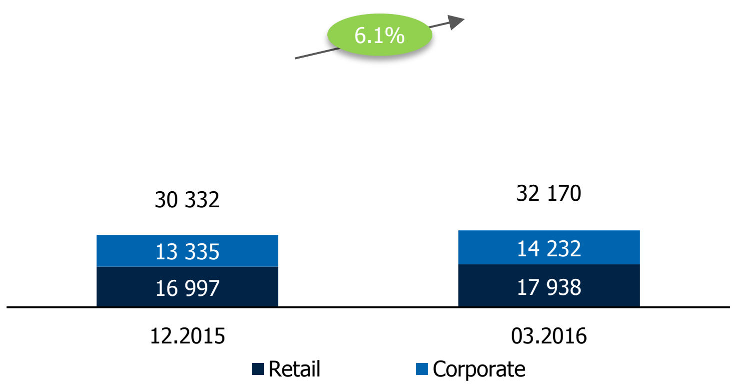
- Higher operating result (up 2 m PLN) in life insurance mainly thanks to the higher margin in Ukraine.

Alior Bank
Positive growth rate in loan receivables

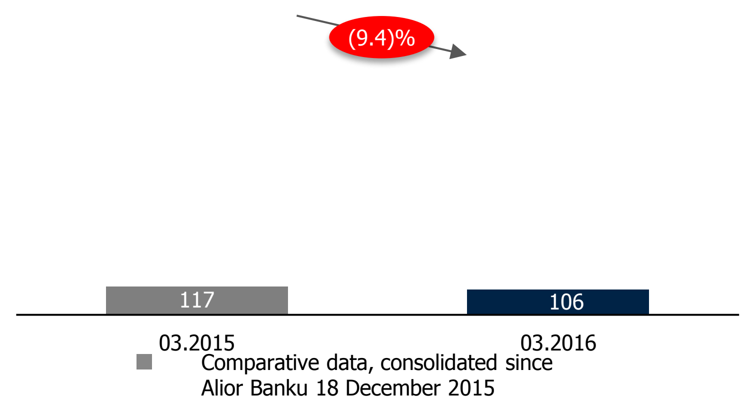
Portfolio composition

Bank segment

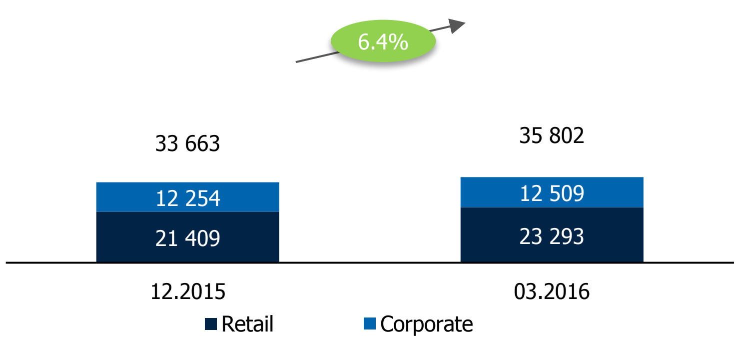
Credit portfolio by segment (m PLN)



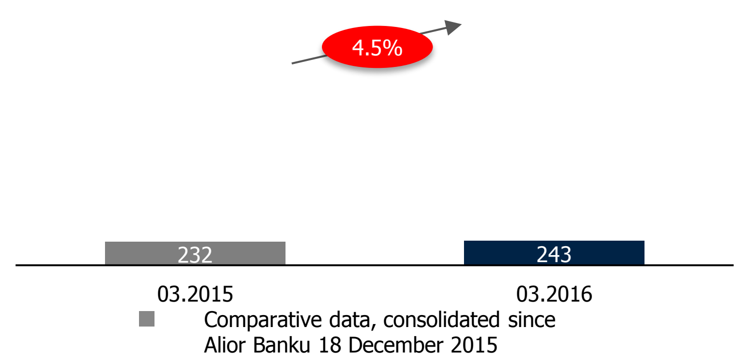
Operating profit (m PLN)



Deposit portfolio by segment (m PLN)



Administrative expenses (m PLN)



x% - Change year-on-year

Agenda

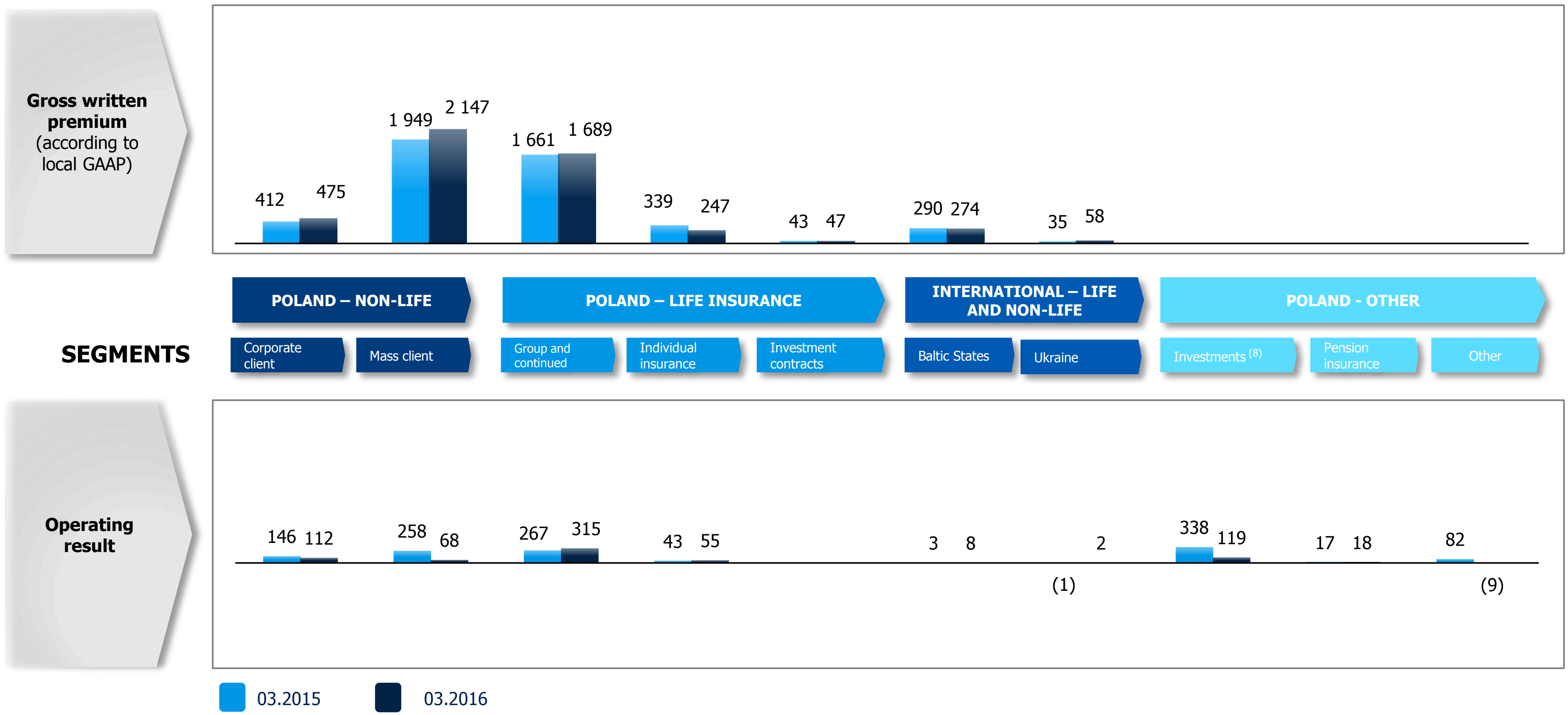
1. Insurance market in Poland, the Baltic States and Ukraine
2. Summary of the PZU Group's financial results for Q1 2016
3. Operating results for Q1 2016
4. Detailed financial data
5. Preliminary SII data as at 31 December 2015

Key financial highlights

m PLN, IFRS	Q1 2015	Q1 2016	*Change YoY*	Q4 2015	*Change Q1 2016 over Q4 2015*
Profit and Loss Statement					
Gross Written Premium	4 681	4 801	*2.6%*	4 898	*(2.0)%*
Premium Earned	4 307	4 317	*0.2%*	4 267	*1.2%*
Net investment Result	1 024	1 031	*0.7%*	329	*213.3%*
Interest Expenses	(35)	(274)	*x*	(32)	*x*
Operating Profit	1 154	688	*(40.4)%*	660	*4.3%*
Net Profit	941	536	*(43.0)%*	510	*5.2%*
Balance Sheet					
Equity	14 084	15 705	*11.5%*	15 179	*3.5%*
Total Assets	71 742	108 295	*51.0%*	105 429	*2.7%*
Principal Financial Ratios					
ROE[(6)]	27.6%	14.8%	*(12.8) p.p.*	16.1%	*(1.3) p.p.*
Combined Ratio[(7)]	85.5%	95.5%	*10.0 p.p.*	92.7%	*2.8 p.p*

Operating segment results

m PLN



Profitability by insurance activity segment

Insurance Business Segments	Gross Written Premium			Operating Profit			Combined Ratio / Operating profit ratio[9]	
m PLN, local GAAP	Q1 2015	Q1 2016	*Change YoY*	Q1 2015	Q1 2016	*Change YoY*	Q1 2015	Q1 2016
Total Non-Life - Poland	**2 362**	**2 622**	***11.0%***	**404**	**180**	***(55.5)%***	**83.2%**	**95.1%**
Mass Insurance - Poland	**1 949**	**2 147**	***10.1%***	**258**	**68**	***(73.8)%***	**87.2%**	**99.6%**
Motor TPL Insurance	630	772	*22.6%*	37	(55)	*x*	98.5%	111.3%
Motor Own Damage	436	507	*16.2%*	4	45	*x*	98.9%	89.3%
Other products	884	868	*(1.8)%*	171	3	*(98.3)%*	68.6%	95.6%
Impact of investment segment allocation	x	x	*x*	47	75	*57.4%*	x	x
Corporate Insurance - Poland	**412**	**475**	***15.1%***	**146**	**112**	***(22.9)%***	**64.4%**	**73.4%**
Motor TPL Insurance	82	103	*26.0%*	(9)	(10)	*x*	112.6%	112.9%
Motor Own Damage	119	157	*31.9%*	17	23	*34.7%*	85.1%	82.5%
Other products	212	215	*1.5%*	123	77	*(36.9)%*	22.1%	43.7%
Impact of investment segment allocation	x	x	*x*	16	23	*46.5%*	x	x
Total Life - Poland	**2 000**	**1 935**	***(3.2)%***	**311**	**370**	***19.2%***	**15.5%**	**19.1%**
Group and Continued [10] - Poland	**1 661**	**1 689**	***1.7%***	**244**	**304**	***24.7%***	**14.7%**	**18.0%**
Individual - Poland	**339**	**247**	***(27.2)%***	**43**	**55**	***27.3%***	**12.8%**	**22.4%**
Conversion effect	x	x	*x*	23	11	*(53.3)%*	x	x
Total Non-Life - Ukraine & Baltica	**308**	**311**	***1.0%***	**2**	**8**	***363.3%***	**102.7%**	**99.2%**
Baltic states Non-life	**280**	**262**	***(6.3)%***	**3**	**8**	***206.0%***	**102.3%**	**98,2%**
Ukraine Non-life	**28**	**49**	***74.3%***	**(1)**	**0**	***x***	**109.1%**	**115.8%**
Total - Life - Ukraine & Baltica	**17**	**20**	***20.6%***	**0**	**2**	***x***	**0.9%**	**9.5%**
Lithuania Life	**10**	**11**	***17.2%***	**0**	**(0)**	***x***	**5.1%**	**(1.0)%**
Ukraine Life	**7**	**9**	***25.4%***	**(0)**	**2**	***x***	**(4.8)%**	**23.0%**

Normalized operating profit

Year to date, m PLN

Operating profit (according to the financial statements)

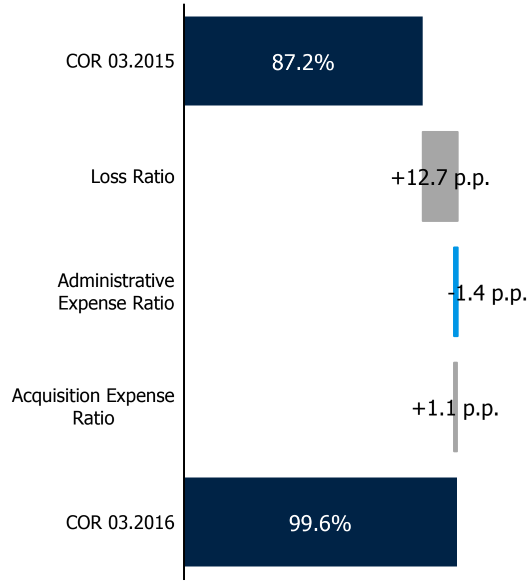
m PLN, IFRS	03.2015	03.2016
Operating Profit	**1 154.0**	**688.2**
including:		
1 Conversion effect (IFRS)	23.4	11.0
2 Agricultural Insurance	-	(213.8)

1 Impact exerted by conversion of long-term policies into yearly renewable term agreements in type P group insurance.

2 Claims in agricultural insurance higher than the average for the last 3 years.

Profitability of the mass insurance segment
(non-life insurance)

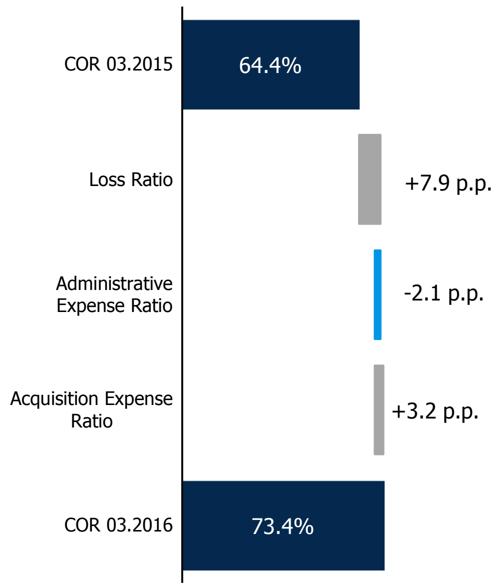
Segment profitability
Mass insurance



- Change in the loss ratio driven by the following:
  - higher loss ratio in agricultural insurance, chiefly insurance for subsidized crops as an effect of the occurrence of numerous losses caused by the forces of nature (the claims for the adverse consequences of ground frost were PLN 213.8 million higher than the average for the last 3 years);
  - level of claims and benefits up in motor TPL insurance as a result of average claim value inflation and the higher growth rate in the number of reported claims coupled with an increase in the unexpired risk provision.
- The change in the administrative expense ratio related to lower costs in project activity and current activity concerning among others training, marketing and real estate expenses.
- Growth in the acquisition expense ratio as a consequence of the following:
  - higher direct acquisition expenses (higher share of multi-agent and agent channel);
  - higher commissions on inward reinsurance (eliminated at the consolidated level).

Profitability of the corporate insurance segment
(non-life insurance)

Segment profitability
Corporate insurance



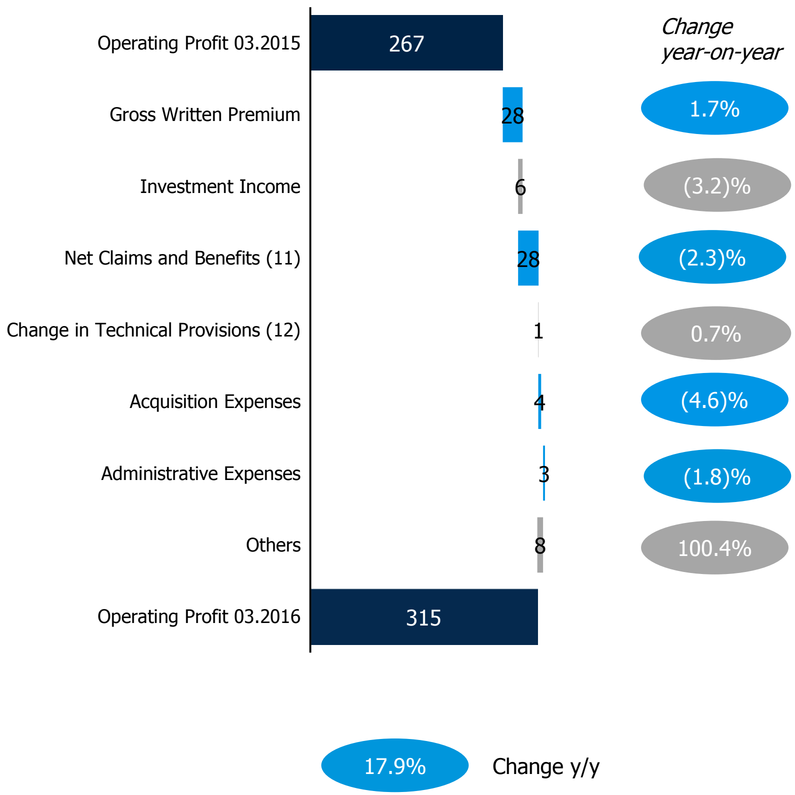
- Change in the loss ratio driven by the following:
  - higher claims and benefits in the general third party liability insurance group (lower level of provisions for claims for losses from previous years in the corresponding period of 2015);
  - lower loss ratio in motor insurance as a function of significantly higher earned premium (average price hike and more insurance policies) and growth in claims and benefits (higher average payout).
- The change in the administrative expense ratio related to lower costs in project activity and current activity concerning among others training, marketing and real estate expenses.
- increse in acquisition expense ratio, mainly as a result of higher direct acquisition expenses (also due to climbing sales).

Additionally, starting from Q1 2016, the corporate insurance segment will include the mutual insurance company TUW PZUW. The company is at its initial stage of business; its gross written premium in Q1 2016 was PLN 2.3 million. This company is covered by PZU's reinsurance program while all the transactions between PZU and this mutual insurance company are eliminated in the segment.

Group and continued insurance segment
(life insurance)

m PLN

Main components of operating profit in the group and continued insurance segment

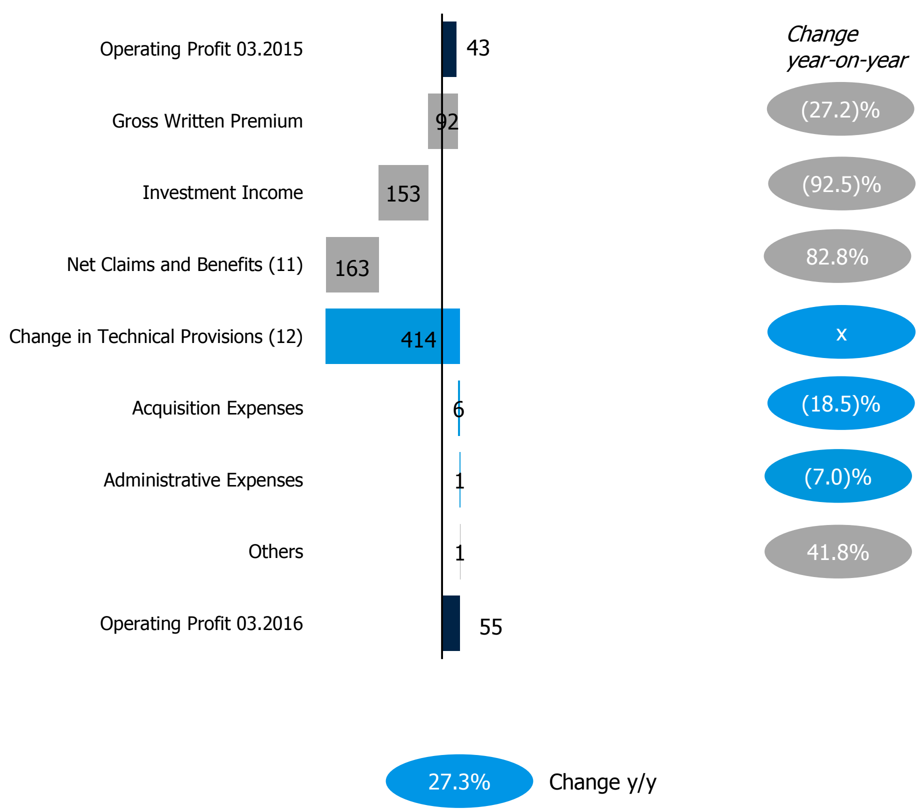


- Gross written premium up by 1.7% y/y mostly due to incremental growth in the portfolio of risks in protection and health insurance (including riders to continued insurance) and the higher average premium.
- Decline in investment income principally ensuing from lower income in unit-linked products.
- The drop of net insurance claims and benefits was the outcome of the decrease in the incidence of deaths in protection products compared to last year (confirmed by statistics published by the Central Statistics Office [GUS] for the entire population - higher mortality in early 2015), the lower level of transfer payments in the PPE employee pension schemes and the lower endowment payouts in short-term endowment products in the bancassurance channel (most tranches with these types of agreements have already matured).
- The movement in net other technical provisions at a similar level as in the comparable period of last year. The differences resulted from the lower level of provisions in individually continued products due to the higher percentage among persons entering the product portfolio post modification facilitating lower initial technical provisions. Moreover, the slower pace of converting long-term policies into yearly-renewable term agreements in Type P group insurance affected the quantum of provisions.
- The factors driving the limitation in the level of acquisition expenses was the lower volume y/y of new groups acquired for protection products, only partially offset by the rapid expansion in the portfolio of health contracts.
- Lower administrative expenses resulted from curtailing expenses in project activity and current activity, among others, training and real estate expenses.
- The year on year decline in the result in the line item other revenues and expenses followed from the charge to the Prevention Fund being made earlier than last year (PAS expense - eliminated when consolidating the result).

Individual insurance segment
(life insurance)

m PLN

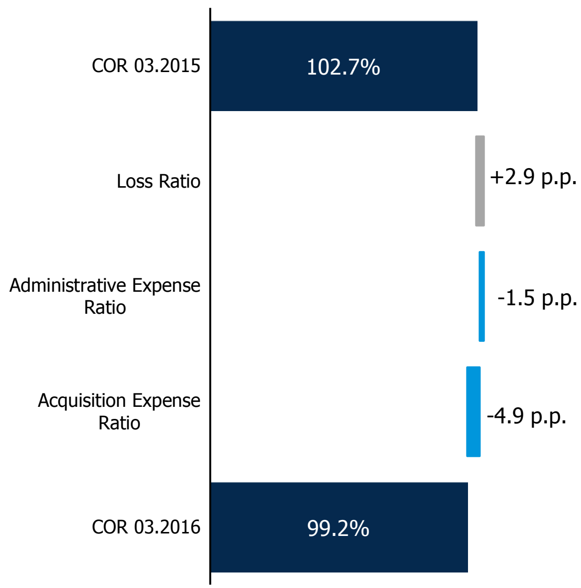
Main components of operating profit in the individual insurance segment



- Decline y/y in gross written premium by 92 m PLN chiefly as a result of lower payments to unit-linked insurance accounts offered jointly with Bank Millennium.
- Decrease in investment income chiefly on account of the losses recorded in investment products – the outcome of falling rates of return generated by funds in unit-linked products in the bancassurance channel.
- The rising numbers and average value of surrenders in the unit-linked portfolio in the bancassurance channel contributed to higher net claims and benefits compared to last year, aided additionally by the higher level of people reaching the endowment age in structured products (maturing of subsequent tranches) and in long-term protection products.
- This difference in the movement in other technical provisions was related chiefly to the negative investment result generated this year in the portfolio of bank unit-linked products (positive result last year) and at the same time to the lower level of sales and the higher level of surrenders in this portfolio, i.e. it offset the factors described above.
- The significant decline in acquisition expenses ensued above all from lower sales of unit-linked insurance in the bancassurance channel and to a lesser extent from the modification to the compensation system for the agency network and the lower sales of new protection products in this channel y/y.
- The segment's operating result rose in comparison to last year mainly due to the higher percentage of protection products in the segment's revenues as they command much higher margins and additionally the significant decline in acquisition expenses (also on protection products).

Profitability of international companies
(non-life insurance)

Profitability of international companies

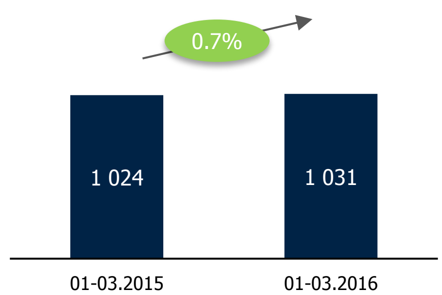


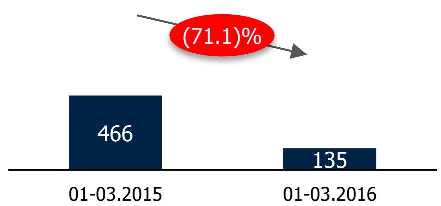
- Higher loss ratio y/y due to the higher loss ratio in Ukraine and Estonia.
- Lower administrative expense ratio mostly ensuing from PZU Lithuania's contribution in the corresponding period of the previous year.
- Decline in the acquisition expense ratio (taking into account bonuses and profit sharing) due to the drop in this ratio in Ukraine (impact exerted by new reinsurance treaties) and the Baltic States (PZU Lithuania's adverse impact in Q1 2015).

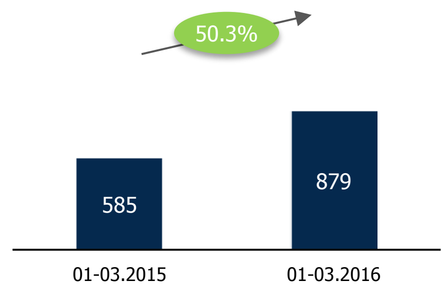
Investments
Poorer performance on equity instruments

m PLN

Net investment result	Equity instruments and derivatives [13]	Interest-bearing financial assets [13]







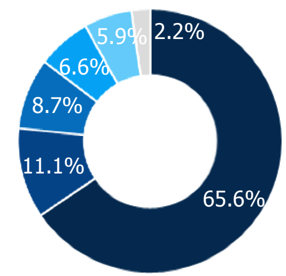
- The slightly higher net investment result was chiefly due to the growth in the result recorded on interest bearing financial assets and derivatives, among others, as a result of starting to consolidate Alior Bank.
- Net of Alior Bank's consolidated assets, the result generated in Q1 2016 was lower than in the comparable period of 2015 chiefly due to the following:
  - lower result on equity instruments caused in particular by the lower market valuation of companies in the portfolio of equities held for the long-term;
  - FX differences on appraisals recognized with the FX rate of the half-year valuation, i.e. as at the end of the previous year, while valuing hedging instruments at the FX rate of the reporting day.

Interest expenses

- The net investment result does not include interest expenses whose level in Q1 2016 was 274.3 m PLN and was higher than in the corresponding period of the previous year by 238.9 m PLN, in particular in connection with commencing the consolidation of Alior Bank and issuing own debt securities amounting to 350.0 m EUR in October 2015.

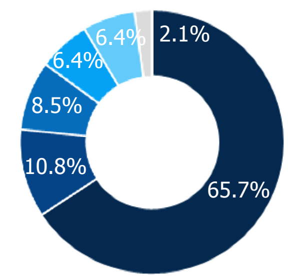
03.2016 investment composition [14]

Total: 56.4 bn PLN



12.2015 investment composition [14]

Total: 55.4 bn PLN

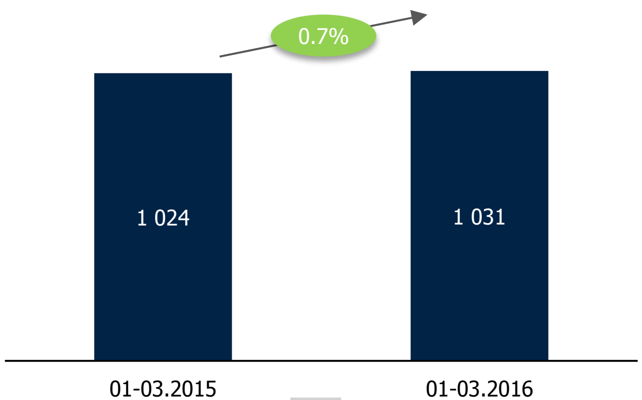


- Debt market instruments - treasury
- Debt market instruments - non-treasury
- Money market instruments
- Equity instruments - listed
- Equity instruments - unlisted
- Investment property

Investments
Poorer performance of unit-linked products

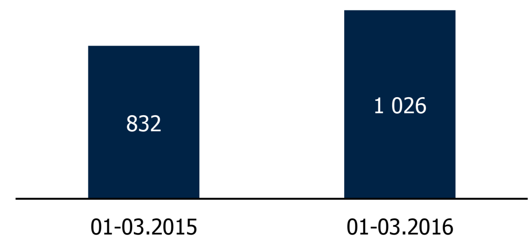
m PLN

Net investment result

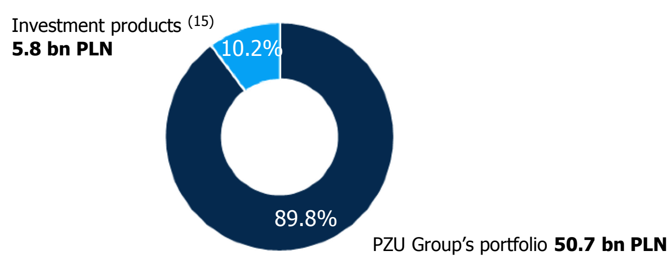


1

Net investment result on PZU Group's portfolio



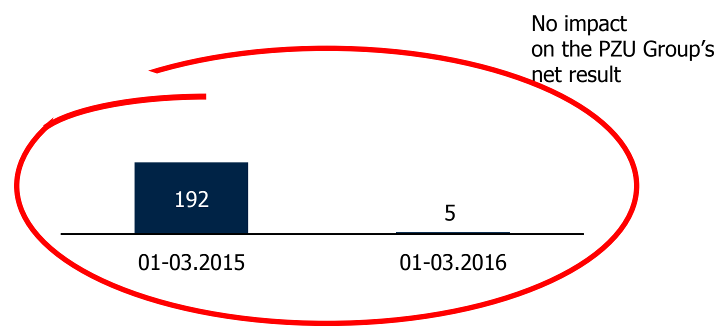
Investment composition 03.2016



Total: 56.4 bn PLN

2

Net investment result in investment products (15)



Agenda

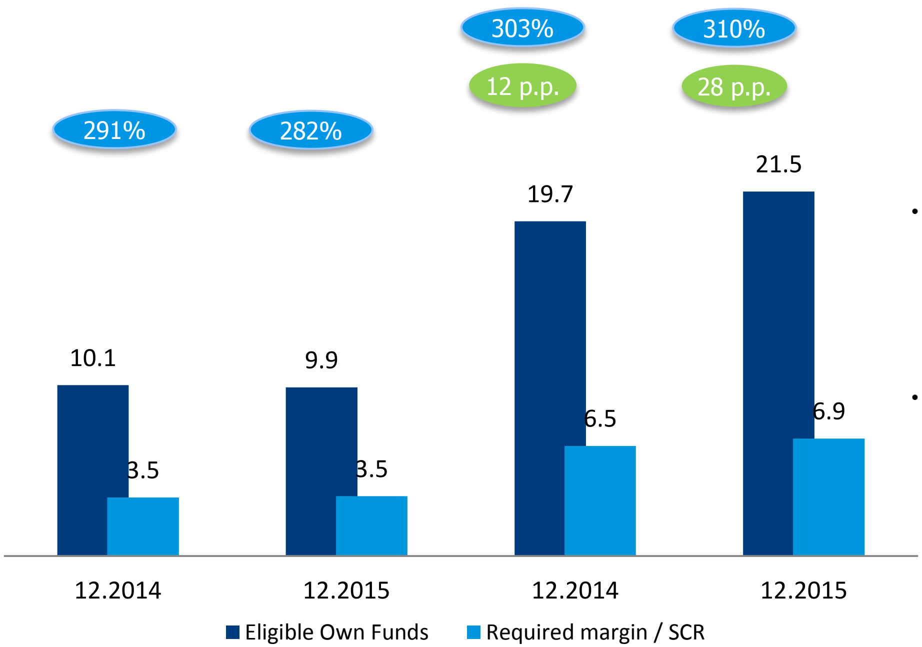
1. Insurance market in Poland, the Baltic States and Ukraine in 2015
2. Recap of the PZU Group's financial results for 2015
3. Operating results for 2015
4. Detailed financial data
5. Preliminary SII data as at 31 December 2015

Group solvency ratio as at 31 December 2015

Solvency I versus Solvency II

bn PLN, unaudited data

Solvency I **Solvency II**



- In 2015 Solvency II own funds rose by 1.8 bn PLN, i.e. by 9%.

  Own funds at the end of 2014 were decreased by 2,6 bn PLN of the dividend paid from PZU's result in 2015. Own funds as at the end of 2015 do not include such adjustment.

  PZU Group's own funds are of exteremely high quality. Over 99% of own funds was claissified as Tier 1.

- In comparison with the end of 2014 the solvency capiital requirement under Solvency II was higher by 0.4 bn PLN, i.e. 7%.

  The chief cause of the change to SCR was the inclusion of PZU's share of Alior Bank's capital requirement (+0.6 bn PLN). The bank's requirement incorporated in PZU Group's solvency was determined according to bank regulations.

- Solvency II data are preliminary and may be changed by the time of reporting them to the Polish regulatory authority, KNF, by 1 July 2016. In particular, it is expected that own funds will be adjusted by the amount of the dividend to be paid out from 2015 net profit.

- SCR own funds solvency margin coverage ratio

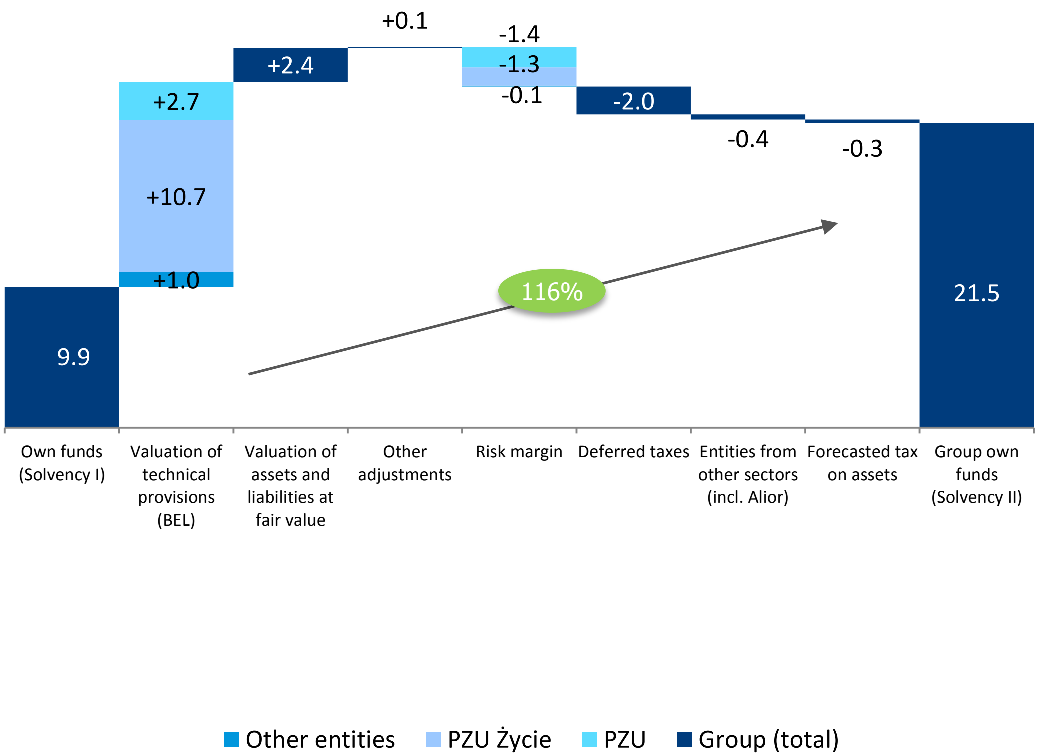
x% - Percentage change WII to WI

Solvency II

Own funds to cover the Group's solvency capital requirement

bn PLN, unaudited data

Comparison of own funds under Solvency I and Solvency II rules



On 31 December 2015 the previous provisions were still in force (Solvency I regulations, "S1"). On 1 January 2016 the previous method of determining own funds was subject to material changes under Solvency II regulations ("SII"):

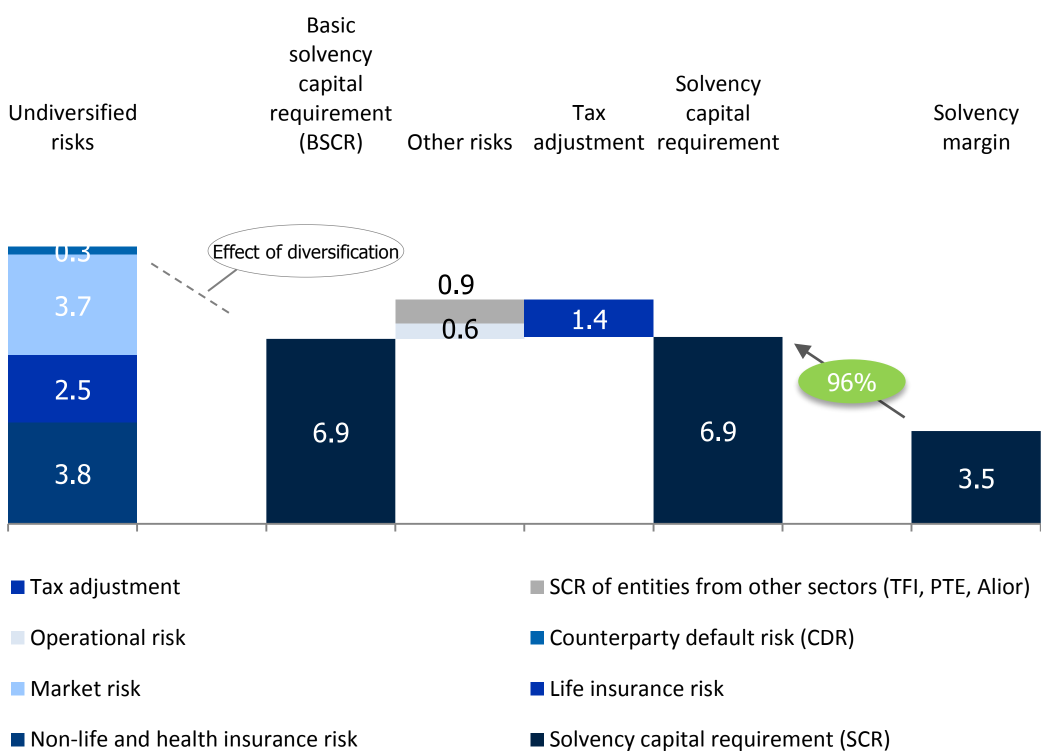
- according to the previous regulations own funds were determined on the basis of PZU's standalone equity calculated according to Polish Accounting Standards (PAS), adjusted, among others by the excess capital of subsidiary insurance undertakings.
- according to the SII regulations:
  - shares in entities from other financial sectors (TFI, PTE and starting from 12.2015 Alior Bank) are valued at the Group's share in regulatory capital of the entities, asssessed in compliance with the sector regulations;
  - other assets are measured at fair value [16].
- according to the SII regulations technical provisions are measured at the best estimate of discounted cash flow adjusted for the risk margin.
- deferred tax is assessed on the temporary differences between the measurement of assets and liabilities according to SII and PAS.
- own funds according to SII are reduced by:
  - the amount of anticipated dividends[17];
  - projections of tax on assets expected to be paid by insurance undertakings within the 12 months after the balance sheet date (according to the letter from the Polish FSA).

x% - Percentage change WII to WI

Group's capital requirement by risk category
Solvency I versus Solvency II on 31 December 2015

bn PLN, unaudited data

Solvency II **Solvency I**



The Solvency Capital Requirement (SCR) is calculated using the standard formula it takes into account the following risks among others: actuarial, market, counterparty insolvency and operating risks. In calculating SCR the PZU Group does not utilize transitional measures that "soften" the repercussions of switching to the new regime for a number of european peers.

The risks are not fully correlated whereby a diversification effect transpires that reduces the PZU Group's capital requirement by roughly 30% [18].

The tax adjustment is calculated under the assumption that if a risk materializes in full whose metric is SCR, then the insurance undertaking could avail itself of the tax shield. It contributes to reducing the solvency requirement by roughly 19% [18].

The requirements of the financial entities (TFI, PTE and Alior Bank starting from Dec. 2015) are depicted according to the rules for a given sector and are not adjusted for diversification.

x% - Percentage change SII to SI

Footnotes

The data presented may not add up due to rounding.

Footnotes according to their sequence:

(1) According to the Polish FSA's Q4 2015 report; the market and market shares including PZU's inward reinsurance from Link4;

(2) Market shares for Ukraine and Latvia for 2015, for Lithuania and Estonia for Jan-Mar. 2016;

(3) Annualized ratio computed on the basis of equity at the beginning and end of the reporting period;

(4) Margin and operating profit net of the conversion effect;

(5) PZU Lithuania net of the branches in Latvia and Estonia;

(6) Ratio computed on the basis of equity at the beginning and end of the reporting period. Computed for the parent company;

(7) Only for non-life insurance;

(8) Investment income in the Investments segment – external operations;

(9) Combined ratio (computed on net earned premium) presented for non-life insurance, operating profit margin (computed on gross written premium) presented for life insurance;

(10) Operating profit and operating profit margin net of the conversion effect;

(11) Net claims and benefits and movement in claims provisions;

(12) Mathematic and other provisions, including the conversion effect;

(13) The graphs depict selected classes of investments that contributed to a large degree to the net investment result;

(14) The investment portfolio includes financial assets (including investment products net of loan receivables from clients), investment properties, the negative measurement of derivatives and liabilities for buy back transactions. Derivatives linked to interest rates, foreign currencies and equity prices, respectively are presented in the categories: Debt market instruments - treasury, money market instruments and listed and unlisted equity instruments;

(15) Unit-linked and structured products as well as deposits packaged as insurance policies;

(16) Intangible assets and deferred acquisition expenses form an exception; their value for SII's purposes is equal to 0;

(17) The adjustment is recognized on the date when the Management Board makes its recommendation on the distribution of the result;

(18) Sums of BSCR and other risks.

Questions and answers

Contact data:

Piotr Wiśniewski – IRO
Tel.: (+48 22) 582 26 23
ir@pzu.pl
www.pzu.pl/ir

PZU
Al. Jana Pawła II 24
00-133 Warsaw, Poland
www.pzu.pl
https://twitter.com/GrupaPZU

Disclaimer

This Presentation has been prepared by PZU SA ("PZU") and is purely informational in nature. Its purpose is to present selected data concerning the PZU Group ("PZU Group"), including its growth prospects.

The PZU Group is not liable for the consequences of decisions made after reading this Presentation.

At the same time, this Presentation cannot be treated as part of an invitation or an offer to acquire securities or to make an investment. Nor does it constitute an offer or an invitation to execute other securities-related transactions.