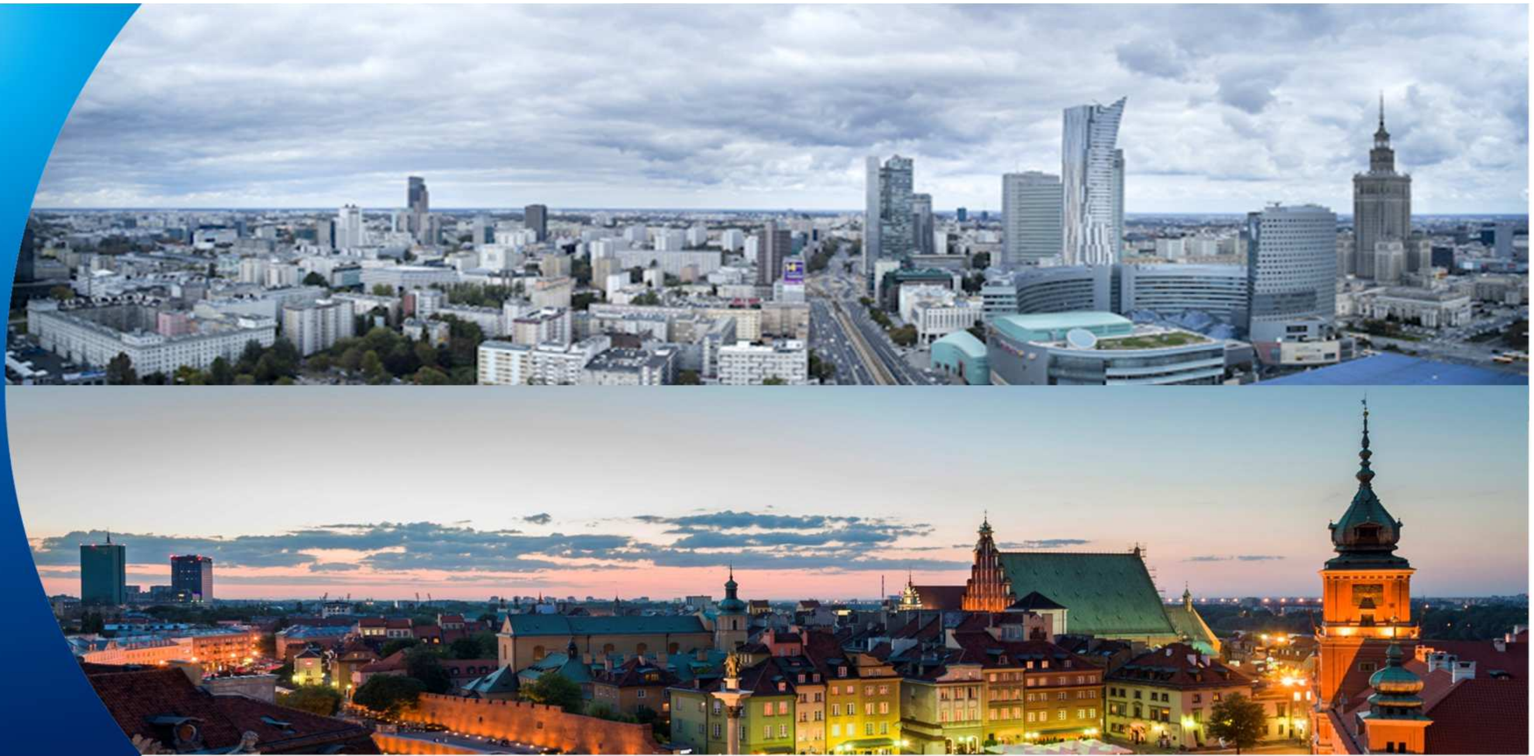


PZU Group's financial results in the first three quarters of 2014

Warsaw, 13 November 2014

Agenda

1 Polish insurance market in the first two quarters of 2014

2. Operating results in the first three quarters of 2014

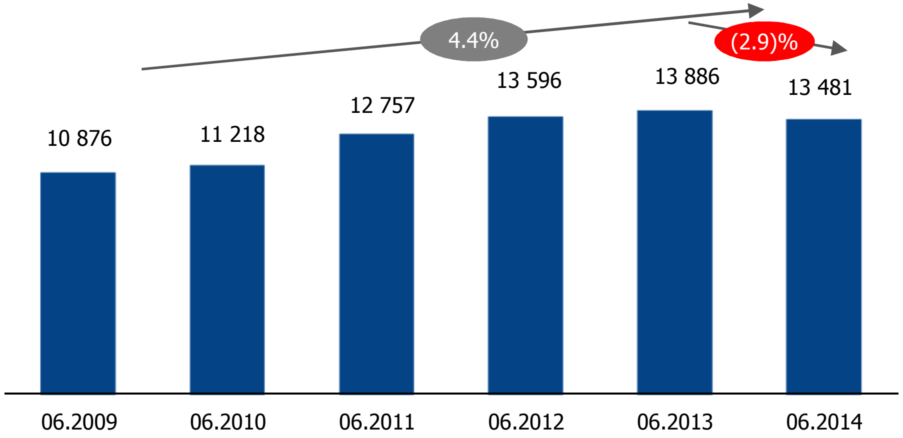
3. Shareholder value

4. PZU 2.0 Strategy – selected elements

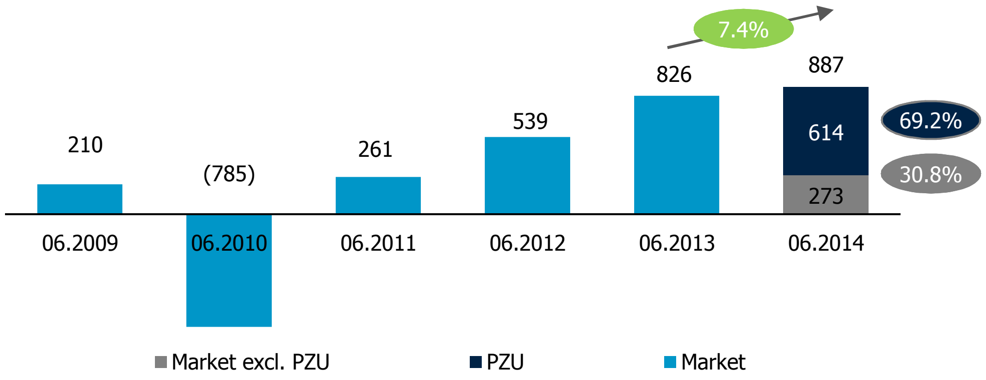
5. Detailed financial data

Non-life insurance market in Poland

Gross written premium non-life insurance (m PLN)



Technical result (m PLN)



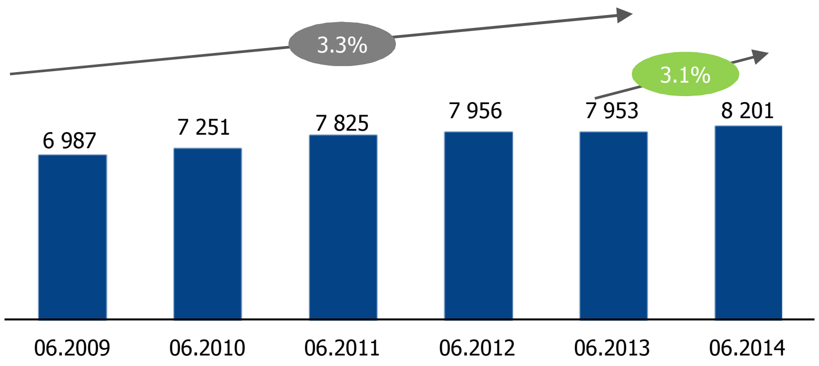
- Sales down following an upward trend lasting until 2013.
- PZU's non-life insurance market share at the level of **31.9%** at the end of Q2.
- PZU's technical result stated as a percentage of the market's technical result was **69.2%**, which, with a gross written premium market share of **31.9%**, confirms the high level of underwriting profitability.
- Despite falling prices on the Motor TPL market, PZU generated a **positive** technical result of **158 m PLN** in H1 2014. Other insurance undertakings recorded total **losses** of **-188 m PLN** in this period.

xx% - percentage change year-on-year

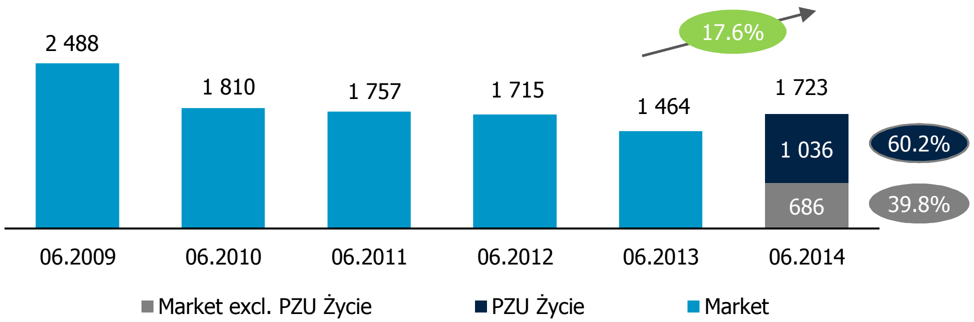
xx% - CAGR

Life insurance market in Poland

Regular gross written premium (m PLN)



Technical life insurance result (m PLN)



xx% - percentage change year-on-year

xx% - CAGR

- Return to lasting upward trend after slight deceleration in 2013.
- PZU Życie's regular premium market share at a stable **42.8%** at the end of H1 2014.
- Potential adverse impact of regulatory amendments on distribution in the bancassurance channel.
- PZU Życie's high technical result profitability compared to the market - margin generated by PZU Życie - **24.8%**, while the margin generated by other companies was **6.8%**.
- The overall market's higher technical result in H1 2014 was generated chiefly thanks to PZU Życie's higher results - PZU Życie's contribution was nearly **73%**.

PZU continues to be the insurance leader in Poland

Market share non-life insurance

		Δ Q2 2014 – Q2 2013
UNIQA	4.2%	(0.2) p.p.
Allianz	8.0%	0.3 p.p.
VIG (Vienna Insurance Group)	9.1%	0.1 p.p.
ERGO HESTIA	12.8%	(0.9) pp
talanx. Insurance. Investments.	16.3%	0.4 p.p.
PZU	31.9% (0.6 p.p.)	
Link4	1.5% (0.2 p.p.)	
PZU + Link4		0.8 p.p.

Capital Groups:
Allianz - *Alllianz, Euler Hermes*
Ergo Hestia - *Ergo Hestia, MTU*
Talanx - *Warta, Europa (*merger of Warta and HDI in December 2013)*
VIG - *Compensa, Benefia, Interrisk, (merger of Interrisk and PZM since 31 July 2012)*

Market share life insurance (regular premium)

		Δ Q2 2014 – Q2 2013
AXA	4.4%	(0.1) p.p.
GENERALI GRUPPE	4.8%	0.0 p.p.
talanx. Insurance. Investments.	5.6%	0.2 p.p.
MetLife Amplico	5.7%	(0.2) p.p.
ING	7.7%	0.5 p.p.
AVIVA	9.7%	(0.4) p.p.
PZU	42.8%	(0.8) p.p.

Capital Groups:
Talanx - *Warta, Europa, Open Life (*merger of Warta and HDI in December 2013)*
VIG - *Compensa, Benefia, Polisa Życie*
Aviva - *Aviva TUnŻ, BZ WBK-Aviva TUnŻ*

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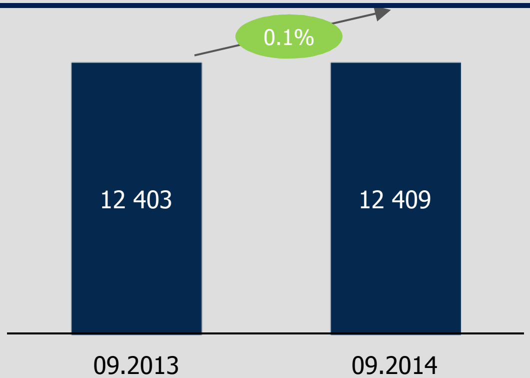
High profitability and cost discipline are the outcome of strategy implementation

Non-life insurance	• **Persistently high profitability** despite higher provisions for claims from previous years: - claims frequency down in motor insurance; - level of claims paid down in household insurance and property under SME insurance for fire and other calamities; - visible fierce price competition leading to lower portfolio profitability.
Life insurance	• **High profitability** in the group and individually continued segment net of the effect of converting long-term contracts into yearly-renewable term insurance: - lower claims ratio in protection business following the decline in the frequency of death-related events compared to 2013.
Investments	• **Higher income** driven chiefly by: - falling interest rates as opposed to last year's growth in the middle and far end of the income curve; - higher valuation of derivatives.
Operations	• Optimization of claims handling processes and high operational efficiency; • Pursuing projects to implement our new philosophy of managing customer relations - a client-centered focus while regaining our competitive edge in product management and simultaneously shortening time-to-market.
M&A	• Completion of the transaction to acquire the leaders in the Baltic States (Lietuvos Draudimas AB, AAS Balta) and a company in Estonia (Codan Forsinkring A/S) and kickoff of the integration process; • Planned dual brand strategy following Link4 acquisition.

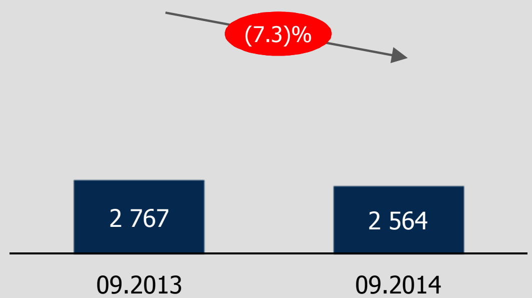
ROE 26.4%

Review of the Group's financial results in the first three quarters of 2014

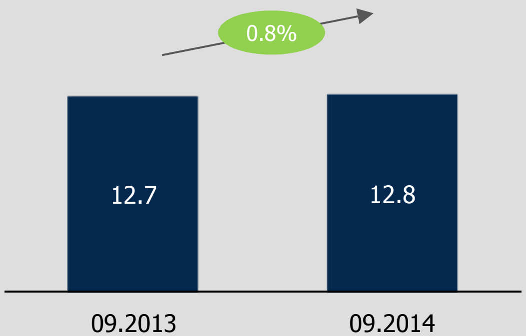
Gross written premium (m PLN)



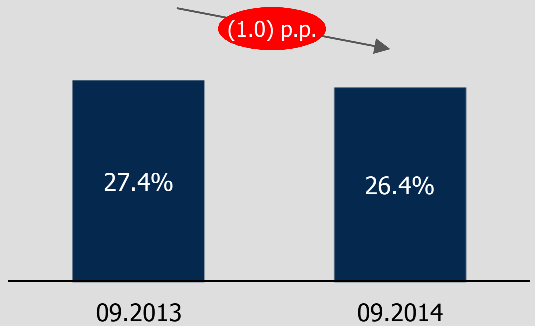
Net profit (m PLN)



Equity (bn PLN)



Return on equity ROE (%)*

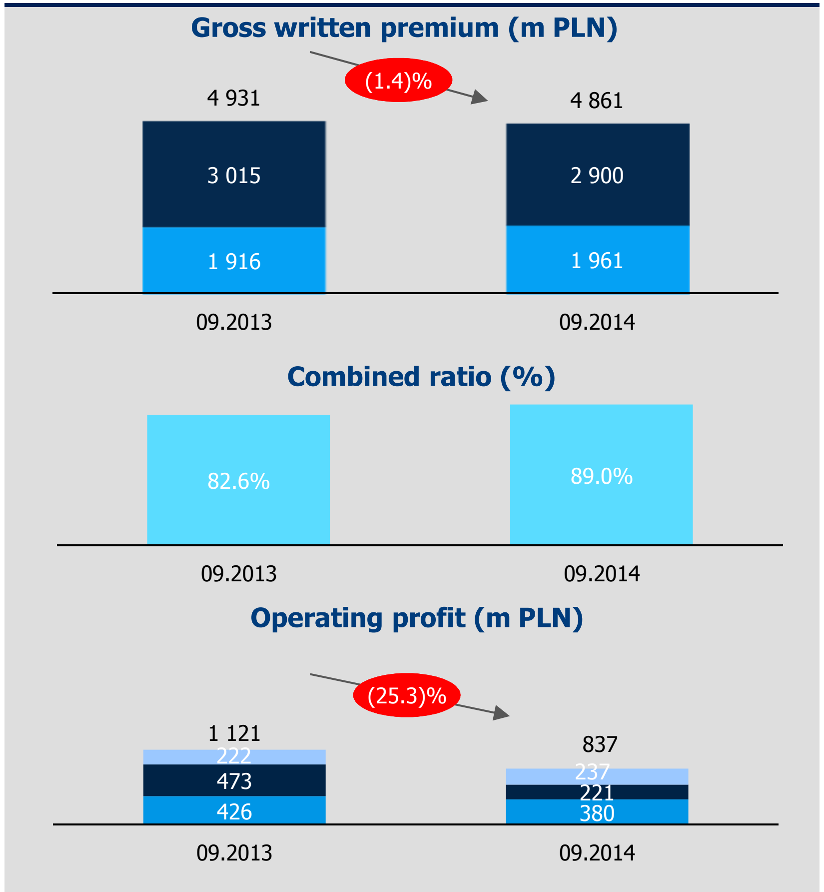


x% - change year-on-year

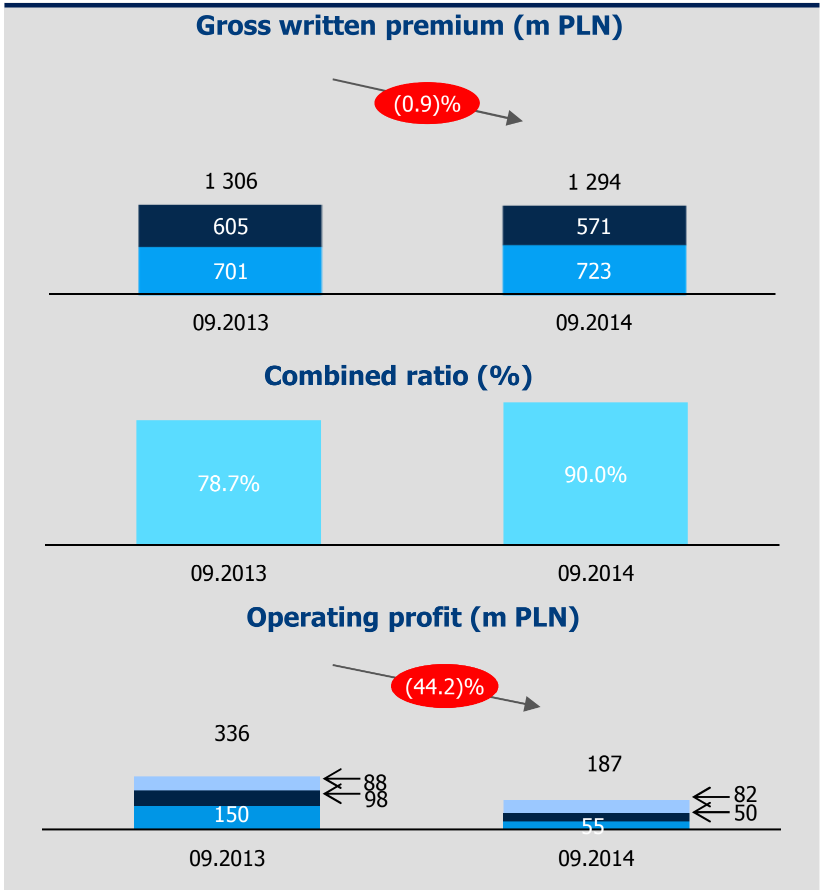
** Annualized ratio computed on the basis of equity at the beginning and end of the reporting period.*

Non-life insurance
Combined ratio at a low level

Mass segment



Corporate segment



Motor insurance

Non-motor insurance

Impact of allocated investment income from the segment Investments

Combined ratio calculated jointly for motor and non-motor insurance

Summary - non-life insurance

Mass segment

Gross written premium y/y:

- lower sales of motor TPL insurance driven by lower average premium and rate cuts introduced (ensuing from strong price competition);
- higher premium on household insurance, mainly as a result of restating the sums insured;
- higher motor own damage premium as a result of amendments to the VAT tax regulations.

Operating profit down mostly following:

- higher loss ratio of Motor TPL (average claim and provision for claims from previous years are up);
- recognition in last year's result of the one-off income of 53.2 m PLN from the settlement with reinsurer regarding the Green Card;
- higher insurance activity expenses, including:
  - acquisition expenses (change of commission rates in bundled motor insurance and pro-sales efforts in the multi-agency sales channel);
  - administrative expenses (higher project expenses, IT expenses and higher payroll and training expenses).

Corporate segment

Gross written premium y/y:

- higher sales of financial insurance as a result of extending large insurance guarantees and renewing existing long-term contracts;
- positive growth rate in the sales of other Liability insurance products primarily driven by entering into a long-term contract;
- lower sales of property insurance as an offshoot of entering into long-term contracts in the same period of 2013 with the energy and mining sector;
- lower sales of motor insurance for car fleets.

Operating profit down following:

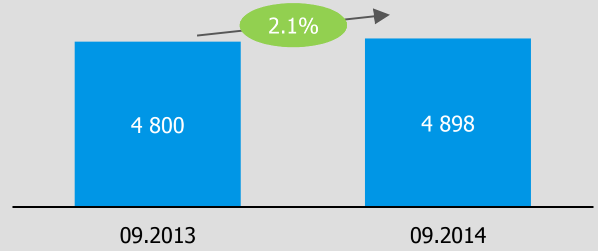
- higher loss ratio in other Liability insurance as a result of several high unit value claims and the higher annuity provision in the insurance group covering OC for physicians, health care units and service providers providing health care services;
- lower earned premium in motor insurance coupled with slight growth in claims incurred;

Life insurance

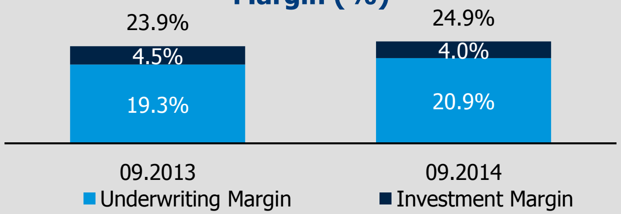
Higher profitability

Group and Continued segment

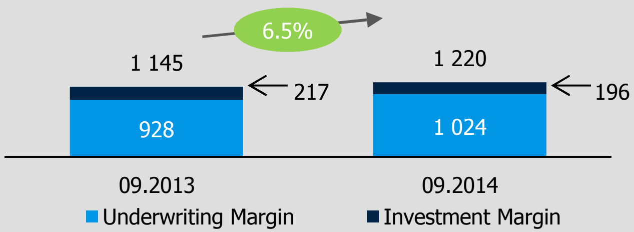
Regular gross written premium (m PLN)



Margin (%)

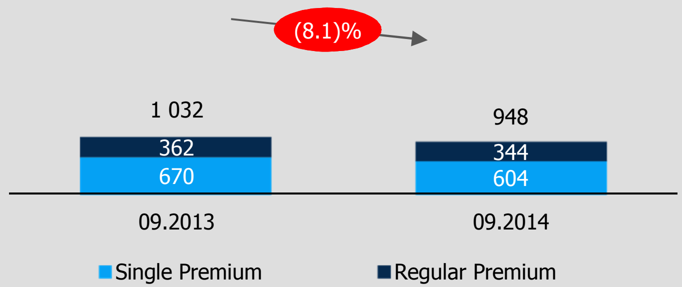


Operating profit (m PLN)[a]



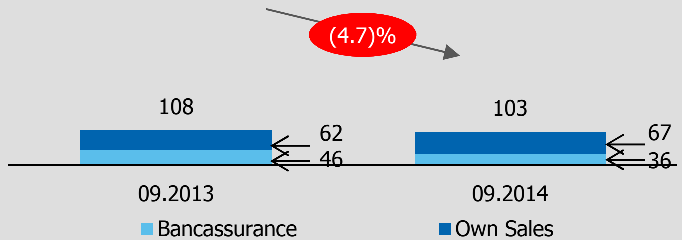
Individual segment

Gross written premium (m PLN)



Margin (%)

Annual Premium Equivalent (m PLN)



(a) Operating profit net of the conversion effect

x% - *change year-on-year*

Summary – Life insurance

Group and Continued segment

Factors contributing to higher gross written premium:

- expansion of the group protection portfolio and higher average premiums;
- development of group health insurance, including various versions of medicine insurance;
- up-selling of riders and higher sums insured in individually continued insurance products;

Operating profit up driven by:

- developing protection product business;
- lowering the claims ratio in the protection business following the decline in the frequency of death-related events compared to 2013 (confirmed by data from the Central Statistical Office on the higher number of deaths in Poland, mostly in January 2013);
- introducing a new individual continuation option with higher profitability.

Individual segment

Gross written premium down driven by:

- lower than last year sales of the structured product in cooperation with Bank Handlowy;
- lower level of transfers to accounts in the IKE product, in particular in comparison to January 2013.

Adverse effects offset partly by higher gross written premium in other investment products and higher sales volumes year to year in individual protection products.

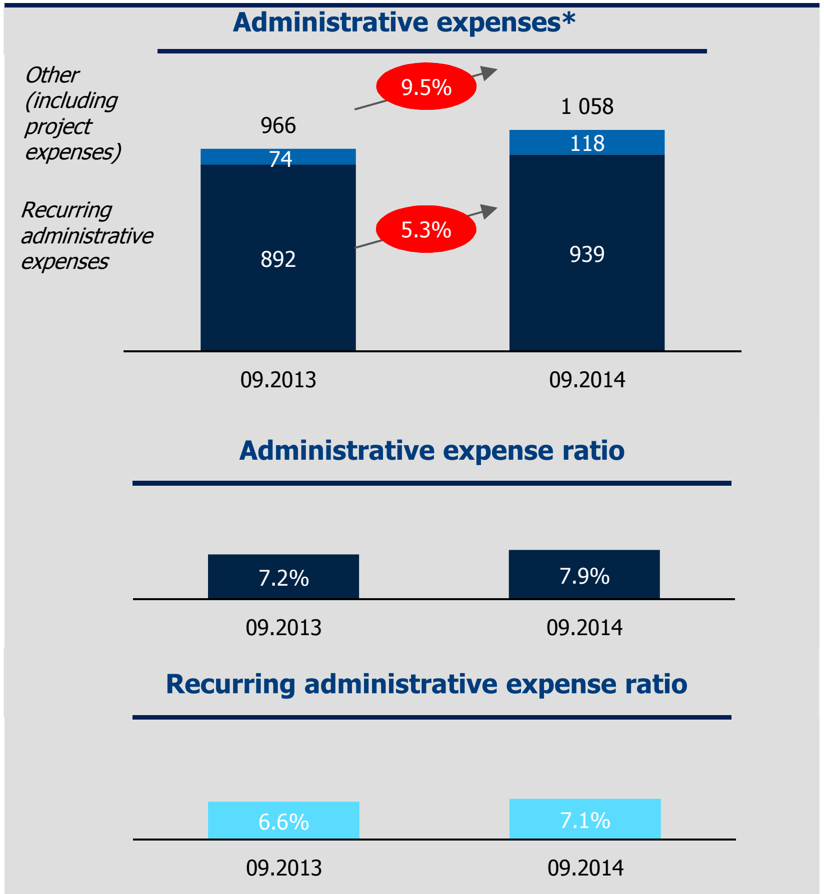
Sales channels:

- new sales with a single premium in structured products down in the bancassurance channel driven by volume of contracts being considerably lower than a year ago;
- higher sales of protection products (+84%) in the traditional channel than last year following a change of priorities in the sales channels after retracting the unit-linked "Plan na Życie" product from the offering and modifying the remuneration system for the agency channel.

Higher administrative expenses

Driven by executing projects from previous years

m PLN



ADMINISTRATIVE EXPENSES UNDER CONTROL

- higher expense ratio as a percentage of premium as a result of executing business investments calling for additional expenditures translate into i.a. temporary depreciation cost growth.

Higher administrative expenses year on year driven by:

- PTE PZU's mandatory contribution to the KDPW Guarantee Fund in the amount of 20,1 m PLN (statutory change of the required level from 0.1% to 0.3% of OFE's net asset value);
- project costs to streamline and automate service processes (primarily to implement the policy system for non-life insurance);
- additional payroll and training expenses in customer service caused by simultaneously maintaining two systems. The above will make it possible to change our philosophy of managing customer relations - a client-centered focus while regaining our competitive edge in product management and simultaneously shortening time-to-market.

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

Recurring administrative expenses

Other (including project expenses)

x% - change year-on-year

*% Administrative expense ratio (%)**

*% Recurring administrative expense ratio (%)**

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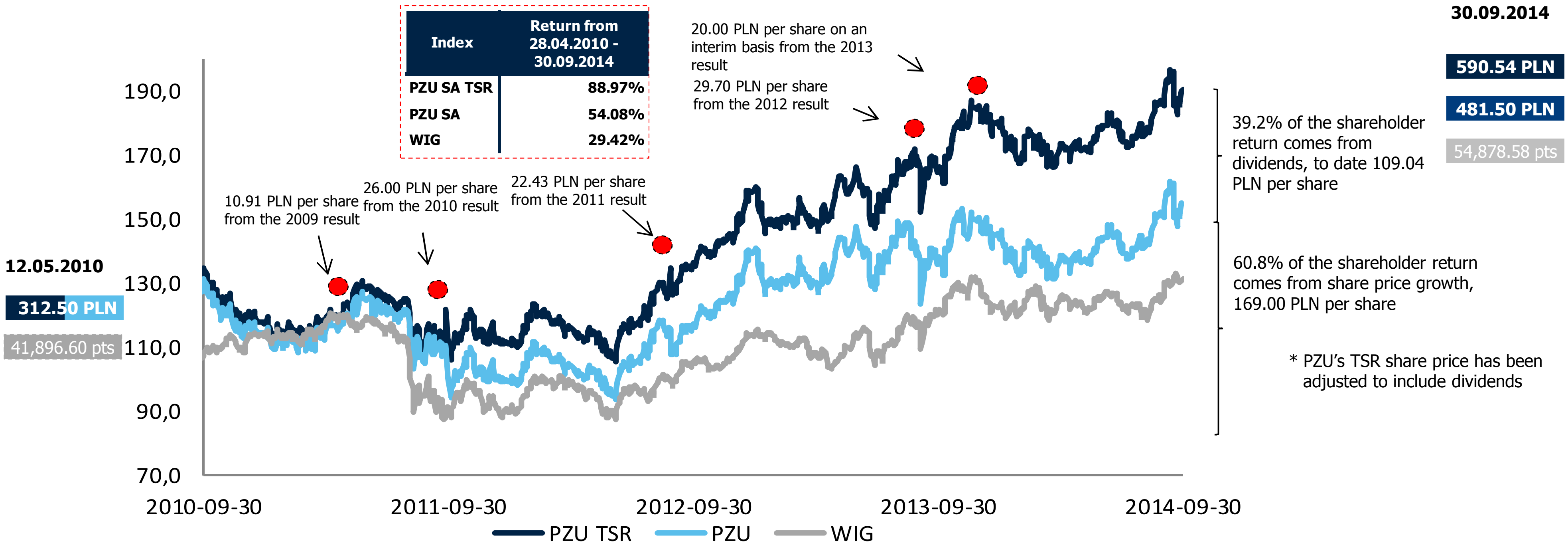
TSR management - high return on equity

Evolution of PZU's share price adjusted for dividends paid from first listing compared to selected indices 12.05.2010=100*



- Shareholders should still receive another **17 PLN per share** from the 2013 dividend.
  - **15 January 2015** (17 PLN per share) with the ex dividend date being 17 September 2014.

Agenda

PZU Pomoc replacement vehicle network

Pioneer undertaking
on the Polish insurance market.

New nationwide partner network of replacement vehicles in PZU Pomoc,
to afford **certainty of smoothly receiving a safe replacement vehicle.**

- **PZU's partner car rental agencies located across the country will receive 300 hybrid Toyota Auris vehicles;**
- **the first tranche of 120 cars was conveyed to our partners on 22 October. The second tranche consisting of 180 vehicles will go to PZU's partner car rental agencies at the turn of November and December.**

PZU's expansion in the CEE region

Acquisition status of the three companies in the Baltic market and the direct insurance leader in Poland:

1 **AAS Balta**

- **21%** market share in Latvia, gross written premium roughly **200 m PLN** per annum
- **Acquisition transaction completed** ✓

2 **Lietuvos Draudimas AB**

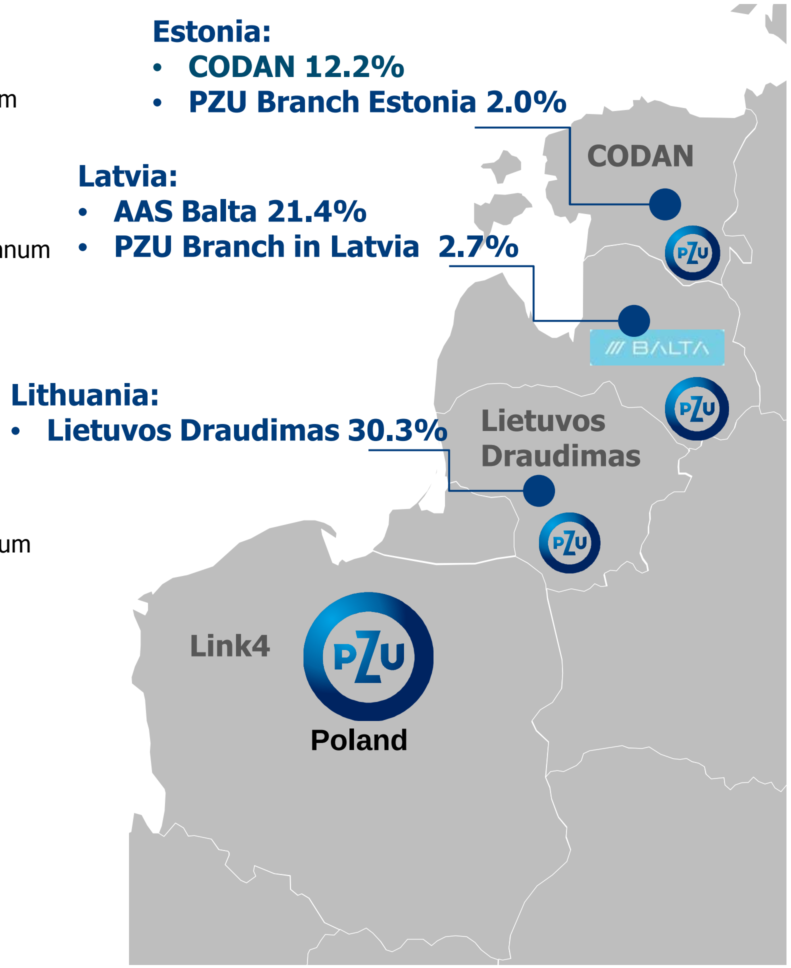
- **30%** market share in Lithuania, gross written premium roughly **500 m PLN** per annum
- **Acquisition transaction completed** ✓
  - PZU fulfilled the final condition precedent on 9 October, i.e. receiving consent from the Lithuanian antimonopoly authority. Consent was given provided that PZU SA sell the business entailing motor own damage insurance and the business entailing non-life insurance to a third party.

3 **Codan**

- **12%** market share in Estonia, gross written premium roughly **160 m PLN** per annum
- **Acquisition transaction completed** ✓

4 **Link4**

- Gross written premium roughly **400 m PLN** per annum
- **Acquisition transaction completed** ✓



** Market shares as at 31 August 2014*

Agenda

Detailed financial data

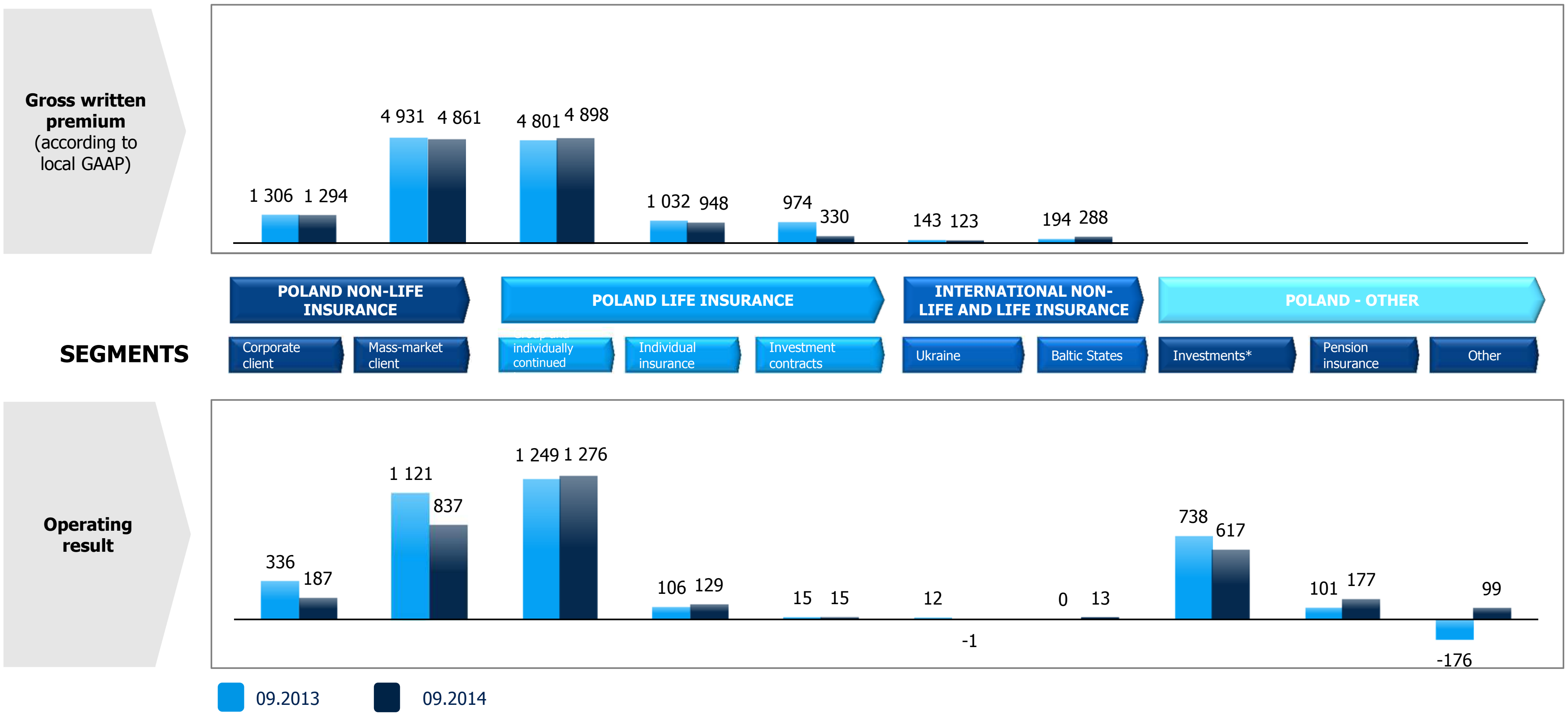
PZU Group's key financial highlights

m PLN, IFRS	Q1-Q3 2013	Q1-Q3 2014	*Change YoY*	Q3 2013	Q3 2014	*Change Q3 2014 over Q3 2013*	Q2 2014	*Change Q3 2014 over Q2 2014*
Profit and Loss Statement								
Gross Written Premium	12 403	12 409	*0.1%*	3 907	3 971	*1.6%*	4 084	*(2.8)%*
Premium Earned	12 240	12 143	*(0.8)%*	4 063	4 110	*1.2%*	4 043	*1.7%*
Investment Result	1 861	2 163	*16.3%*	891	805	*(9.6)%*	823	*(2.1)%*
Operating Profit	3 502	3 350	*(4.4)%*	1 357	1 114	*(17.9)%*	1 224	*(9.0)%*
Financial Cost	(48)	(129)	*x*	(10)	(69)	*x*	(28)	*x*
Net Profit	2 767	2 564	*(7.3)%*	1 091	843	*(22.7)%*	960	*(12.2)%*
Balance Sheet								
Equity	12 682	12 779	*0.8%*	12 682	12 779	*0.8%*	11 917	*7.2%*
Total Assets	61 863	67 717	*9.5%*	61 863	67 717	*9.5%*	63 822	*6.1%*
Principal Financial Ratios								
ROE*	27.4%	26.4%	*(1.0) p.p.*	33.6%	27.3%	*(6.3) p.p.*	29.8%	*(2.4) p.p.*
Combined Ratio**	82.6%	89.7%	*7.1 p.p.*	83.3%	96.5%	*13.2 p.p.*	90.2%	*6.2 p.p.*

** Annualized ratio computed on the basis of equity at the beginning and end of the reporting period.*
*** Only for non-life insurance.*

Segment results

Year to date , m PLN



** Investment income in the Investments segment - external operations and consolidation adjustments in the investment area*

Profitability by insurance segment

Insurance Business Segments	Gross Written Premium			Operating Profit			Combined Ratio / Operating profit ratio*	
m PLN, local GAAP	**Q1-Q3 2013**	**Q1-Q3 2014**	*Change YoY*	**Q1-Q3 2013**	**Q1-Q3 2014**	*Change YoY*	**Q1-Q3 2013**	**Q1-Q3 2014**
Total Non-Life - Poland	**6 237**	**6 155**	***(1.3)%***	**1 456**	**1 024**	***(29.7)%***	**81.9%**	**89.2%**
Mass Insurance - Poland	**4 931**	**4 861**	***(1.4)%***	**1 121**	**837**	***(25.3)%***	**82.6%**	**89.0%**
Motor TPL Insurance	1 854	1 734	*(6.5)%*	355	126	*(64.5)%*	86.7%	99.1%
Motor Own Damage	1 162	1 166	*0.4%*	118	95	*(19.3)%*	88.7%	91.3%
Other products	1 916	1 961	*2.4%*	426	380	*(11.0)%*	74.8%	78.3%
Impact of investment segment allocation	x	x	*x*	222	237	*6.7%*	x	x
Corporate Insurance - Poland	**1 306**	**1 294**	***(0.9)%***	**336**	**187**	***(44.2)%***	**78.7%**	**90.0%**
Motor TPL Insurance	265	245	*(7.3)%*	4	(19)	*x*	99.4%	109.6%
Motor Own Damage	340	326	*(4.2)%*	94	69	*(26.4)%*	74.9%	80.4%
Other products	701	723	*3.0%*	150	55	*(63.5)%*	70.7%	86.6%
Impact of investment segment allocation	x	x	*x*	88	82	*(6.5)%*	x	x
Total Life - Poland	**5 832**	**5 846**	***0.2%***	**1 356**	**1 405**	***3.6%***	**23.2%**	**24.0%**
Group and Continued ** - Poland	**4 801**	**4 898**	***2.0%***	**1 145**	**1 220**	***6.5%***	**23.9%**	**24.9%**
Individual - Poland	**1 032**	**948**	***(8.1)%***	**106**	**129**	***21.2%***	**10.3%**	**13.6%**
Conversion effect (local GAAP)	x	x	*x*	104	57	*(45.5)%*	x	x
Total Non-Life - Ukraine & Baltica	**281**	**354**	***25.8%***	**10**	**18**	***83.8%***	**102.0%**	**98.7%**
Ukraine Non-life	**111**	**93**	***(16.2)%***	**9**	**5**	***(45.8)%***	**100.7%**	**102.4%**
Baltica Non-life	**171**	**261**	***53.0%***	**0**	**13**	***x***	**102.8%**	**97.6%**
Total - Life - Ukraine & Baltica	**55**	**57**	***2.7%***	**2**	**(6)**	***x***	**3.9%**	**(10.3)%**
Ukraine Life	**32**	**30**	***(6.4)%***	**2**	**(6)**	***x***	**7.4%**	**(20.7)%**
Lithuania Life	**23**	**27**	***15.2%***	**(0)**	**0**	***x***	**(0.8)%**	**1.2%**

* *Combined ratio (calculated against net earned premium) presented for non-life insurers, operating profit margin (calculated against gross written premium) presented for life insurance.*

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

Normalized operating profit

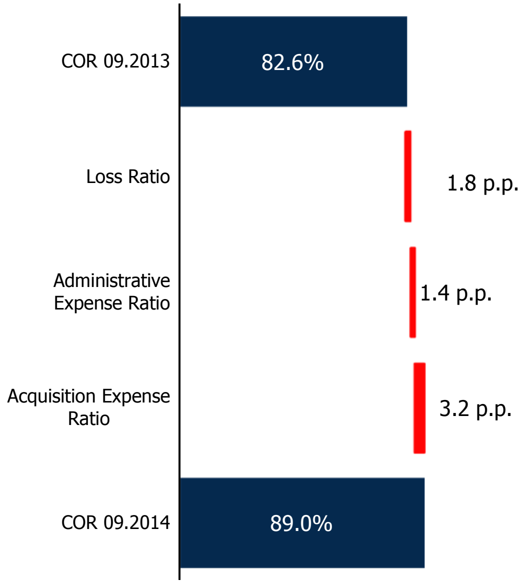
m PLN, IFRS	Q1-Q3 2013	Q1-Q3 2014
Operating Profit (according to financial statements)	**3 502.2**	**3 349.6**
including:		
1 Conversion effect	104.0	56.6
2 Reinsurance agreement	53.2	-
3 Consolidating investment funds	172.7	-
4 Change to PTE's result as a result of the OFE reform	-	41.9

Year to date

1. Impact exerted by converting long-term contracts into yearly-renewable term insurance contracts according to IFRS.
2. Income under the settlement with the Green Card reinsurer - reversal of the adjusted estimate reducing the 2011 result.
3. Mutual fund consolidation commenced - mostly real estate.
4. Estimate of the change to PTE's gross result as a result of the OFE reform (+110 m of non-recurring events - liquidation of the Guarantee Fund and roughly minus 68.1 m PLN on lower revenues on contributions and OFE asset management compared to 2013 as a recurring effect in upcoming years).

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

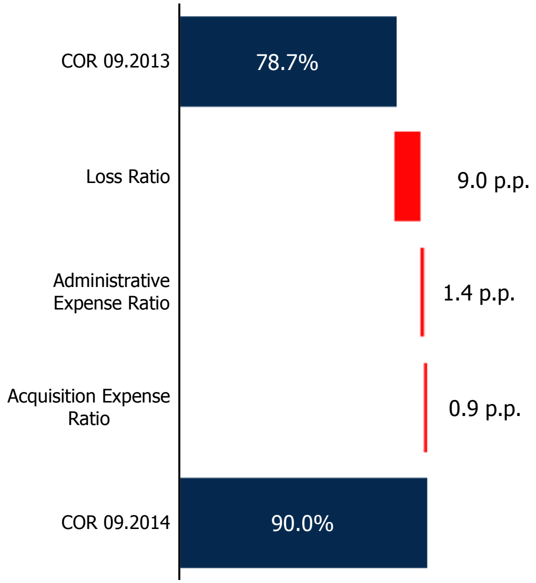
Segment profitability
mass insurance
Combined ratio (COR - %)



- Higher loss ratio driven by:
  - claims incurred in Motor TPL being up as a result of average claim growth and a larger provision for claims from previous years;
  - more weather- related mass claims in compulsory subsidized crop insurance.
- Acquisition expense ratio up driven by:
  - higher direct acquisition expenses (change of commission rates in bundled motor insurance and as a result of pro-sales efforts in the multi-agency sales channel);
  - lower reinsurance commissions as a result of recognizing in the corresponding period of 2013 the effect of concluding a Green Card settlement with the reinsurer – a one-off impact on reinsurance commissions in H1 2013 of +73.3 m PLN.
- Administrative expense ratio up chiefly related to higher project expenses, IT expenses and payroll and training expenses in customer service while simultaneously maintaining two systems – an offshoot of executing projects from past years facilitating a change in the philosophy of managing client relations.

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

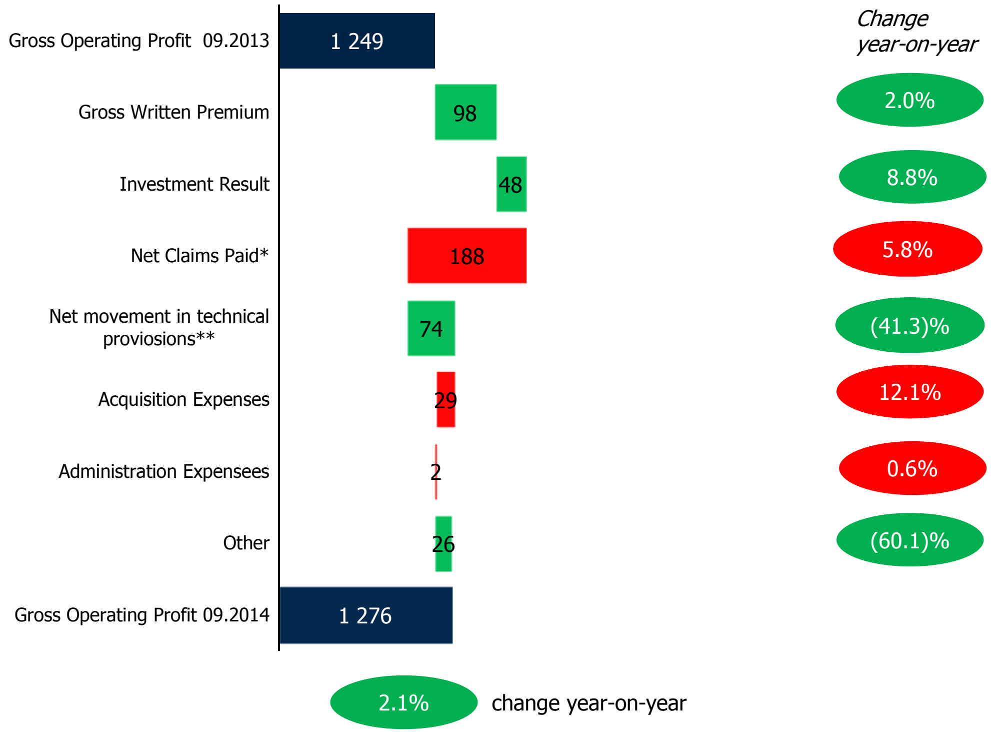
Segment profitability
corporate insurance
Combined ratio (COR - %)



- Higher loss ratio driven by:
  - lower earned premium in motor insurance (lower rates of fleet and lease insurance) coupled with slight growth in claims paid compared to last year;
  - claims incurred in other TPL insurance up as a result of several high unit value claims and the higher annuity provision in the insurance group covering TPL for physicians, health care units and service providers providing health care services;
- Administrative expense ratio up chiefly related to higher project expenses and IT expenses (pertains mostly to depreciation of systems as a result of commissioning the subsequent phases of the project to implement the Everest Platform).
- Aquisition expense ratio up driven by lower earned premium coupled with a balanced level of acquisition expenses.

Group and continued insurance segment (life insurance)

Main components of operating profit in the group and continued insurance segment (m PLN)



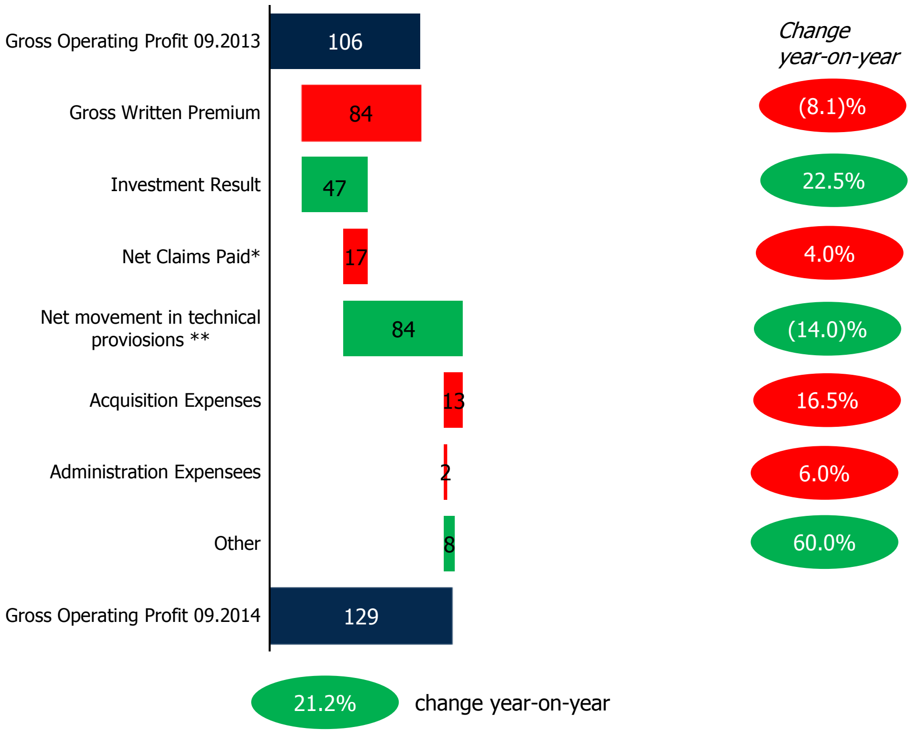
* Net claims paid and movement in net claims provisions.

** Mathematical and other provisions, including conversion effect

- Gross written premium up 2.0% y/y primarily following incremental growth in the risk portfolio in protection and health insurance (including riders to continued business) and higher average premium.
- Higher result on investing activity mostly in unit-linked products.
- Net insurance claims paid up following asset transfer from PZU employees' pension scheme policies to the pension scheme run by TFI PZU.
- Lower y/y incremental growth in mathematical provisions ensues from the decline in the mathematical provision in the third pension pillar product entailing employee pension schemes compared to growth last year as a result of the asset transfer from PZU employees' policy to TFI PZU.
- Higher acquisition expenses in group protection insurance (including bancassurance) as a result of contract portfolio growth and changes to the terms and conditions of the agreement with the bank.
- Higher administrative expenses resulted mostly from higher remuneration paid to persons handling group policies in work places as an offshoot of higher business volume.
- Improvement year to year in the item other revenues and expenses stems from the absence of a charge to the prevention fund and lower expenses related to the lower financing of gross written premiums by PZU.

Individual insurance segment (life insurance)

Main components of operating profit in the individual insurance segment (m PLN)



* Net claims paid and movement in net claims provisions.

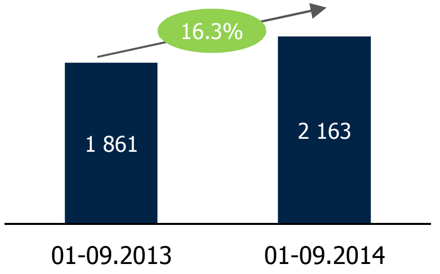
** Mathematical and other provisions

- Gross written premium down by 8.1% y/y mostly driven by lower sales of investment products in the bancassurance channel.
- Higher investment result mostly driven by investment products.
- Higher net insurance claims driven by higher disbursements on reaching the endowment age in structured products (maturity of next product tranches) and higher surrenders in banking unit-linked products (portfolio expansion year to year).
- Incremental growth of provisions down following curtailment of sales of banking structured products and higher disbursements on reaching the endowment age for these types of policies.
- Higher acquisition expenses y/y mostly driven by higher cost of commissions in the agency network following modifications to the remuneration system, which contributed to a higher sales volume of protection products.
- Higher administrative expenses on the agency network's higher commitment to enhancing quality of service and growing marketing spending.
- The higher results in the item other revenues and expenses as a result of:
  - higher technical revenues from financial institutions by virtue of investing funds in these institutions (PZU's share of the management fee) on the back of a growing investment portfolio of unit-linked products;
  - the lack of a charge to the prevention fund this year.

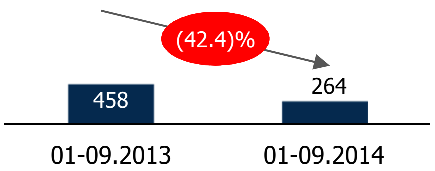
Investments
Falling interest rates

m PLN

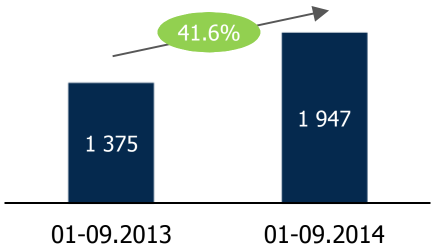
Total investment income



Equity instruments and derivatives

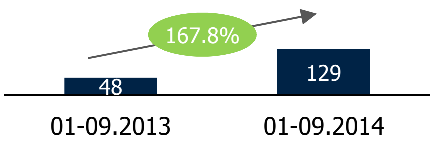


Interest-bearing financial assets***



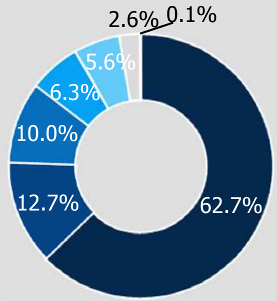
Higher investment income chiefly as result of falling interest rates as opposed to last year's growth in the middle and far end of the income curve.

Financial expenses



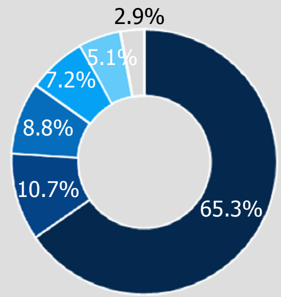
- Higher financial expenses are the outcome of issuing our own debt securities in Euro and higher costs related to repo transactions.

09.2014 investment composition*



Total:
54.7 bn PLN

12.2013 investment composition*



Total:
51.2 bn PLN

- Debt securities - treasuries
- Repo and reverse repo transactions and deposits
- Debt securities - non-treasuries and loans
- Equity instruments - listed
- Equity instruments - unlisted**
- Investment properties
- Other, including derivatives

* The investment portfolio covers financial assets (including investment contracts), investment properties and financial liabilities (negative valuation of derivative instruments and repo liabilities).

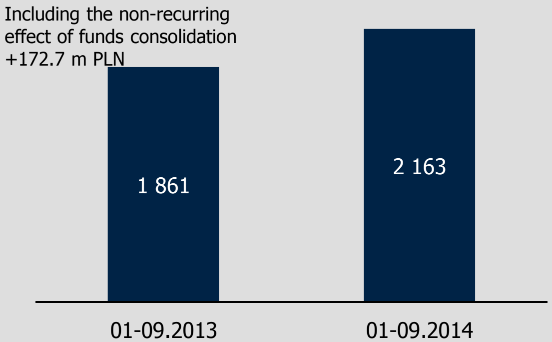
** Chiefly linked to client funds in unit-linked products.

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

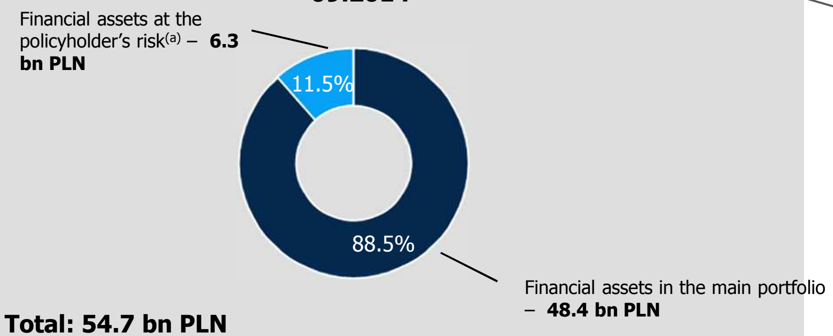
Investments
Falling interest rates

Year to date

Result on investing activities (total m PLN)

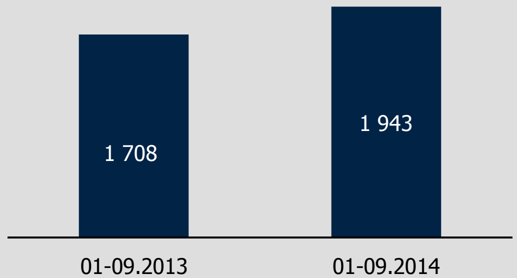


09.2014

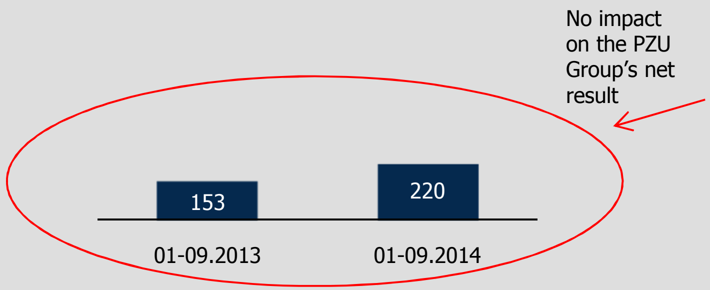


Total: 54.7 bn PLN

Result on investing activity in the PZU Group's main portfolio (m PLN)



Income on investing activity at the policyholder's risk [(a)] (m PLN)

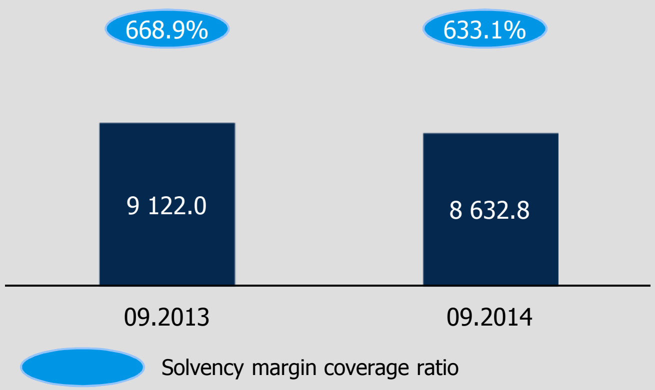


(a) Products at the policyholder's risk: unit-linked and structured products, and products exempt from capital gains taxation

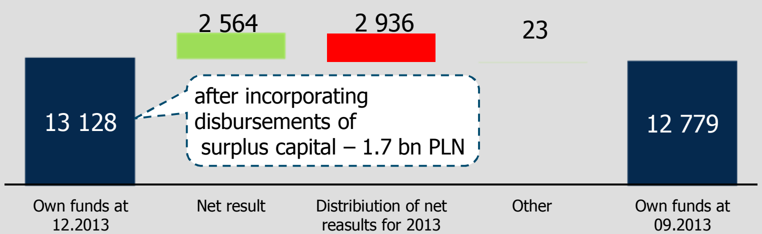
Strong capitalization and high solvency ratios

Year to date

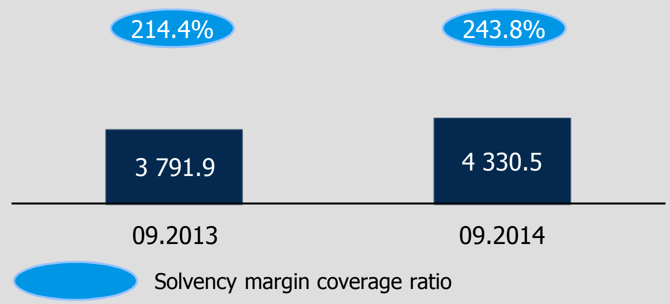
PZU's own funds and solvency margin coverage ratio (m PLN, Polish GAAP)



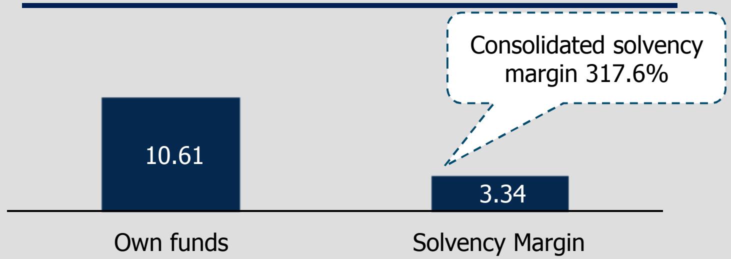
PZU Group's equity (m PLN, IFRS)



PZU Życie's own funds and solvency margin coverage ratio (m PLN, Polish GAAP)



PZU Group's own funds in Q3 2014 (bn PLN, IFRS)



Questions and answers

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