

INSURANCE MARKET IN POLAND, 2023-2025

CEE INSURANCE SERIES

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by Inteliace Research

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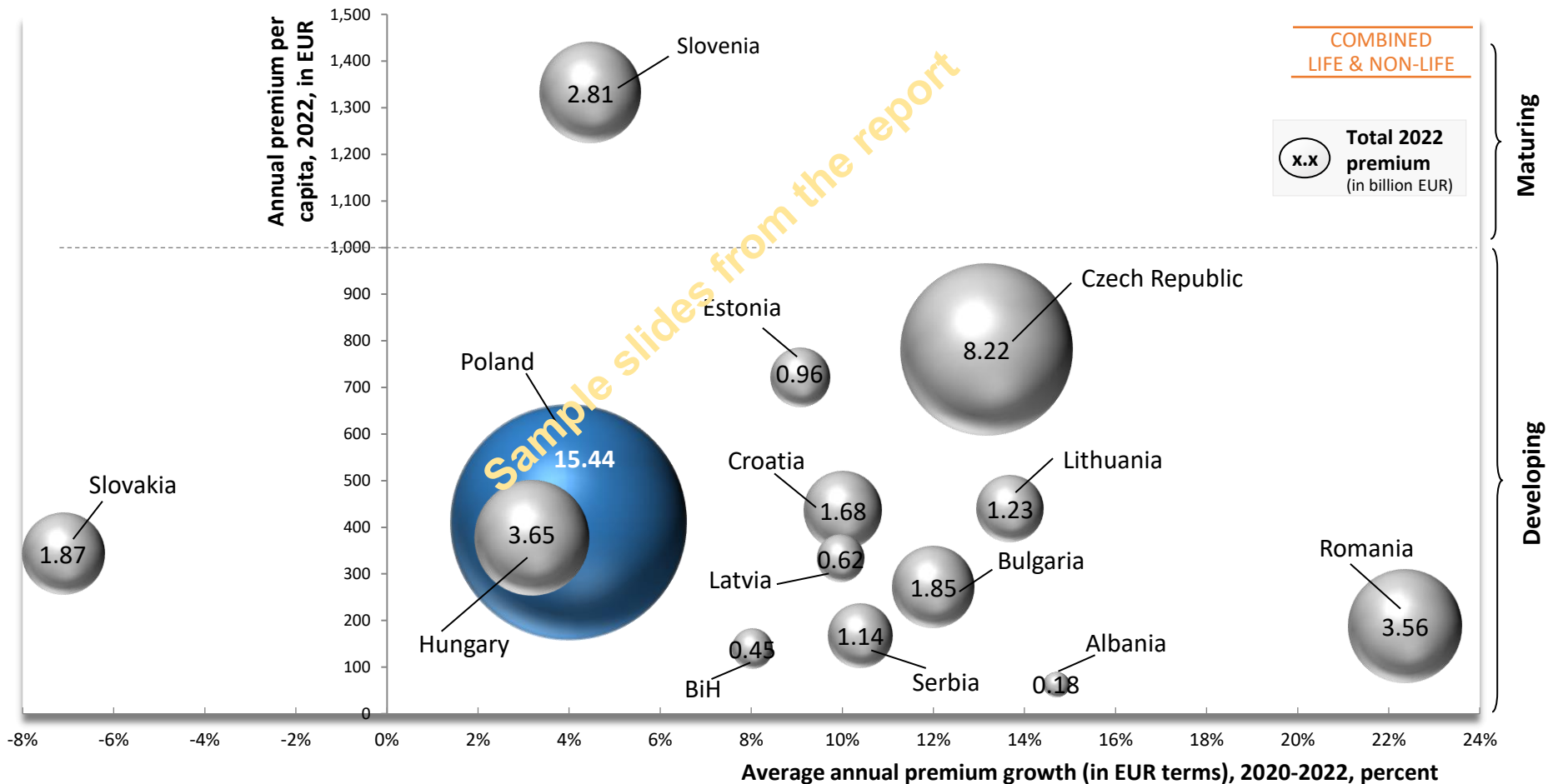
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Poland has the largest insurance market within CEE14* and it accounts for ca. 35% of total insurance premium written in the region

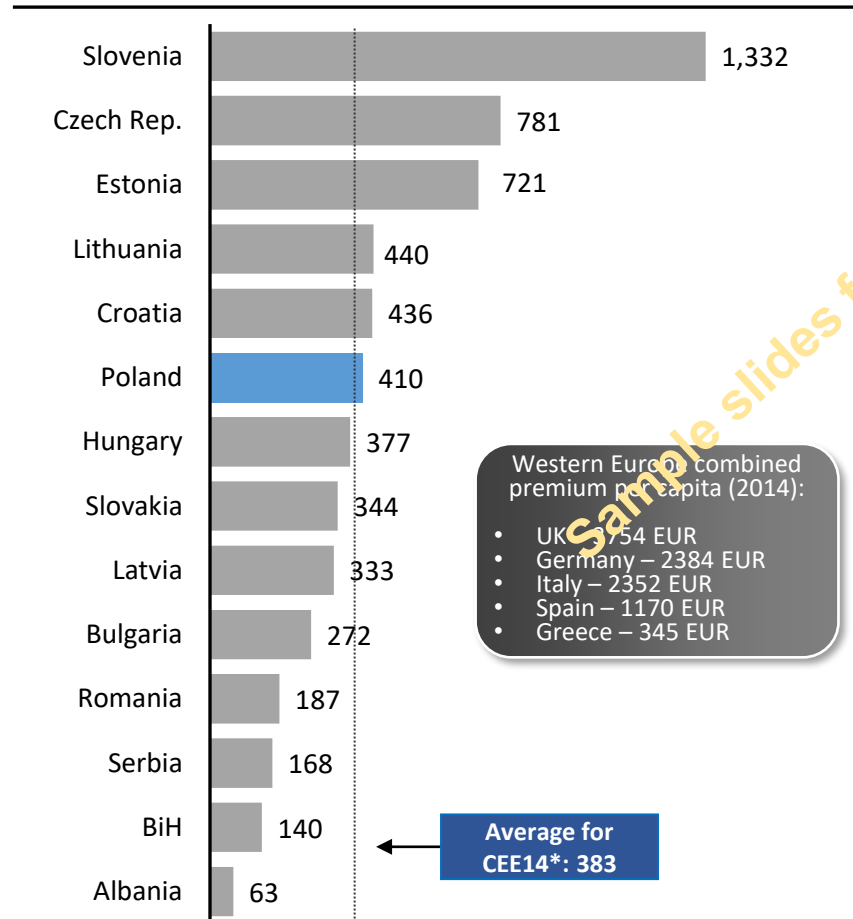
CEE14* insurance markets - Size vs. growth matrix



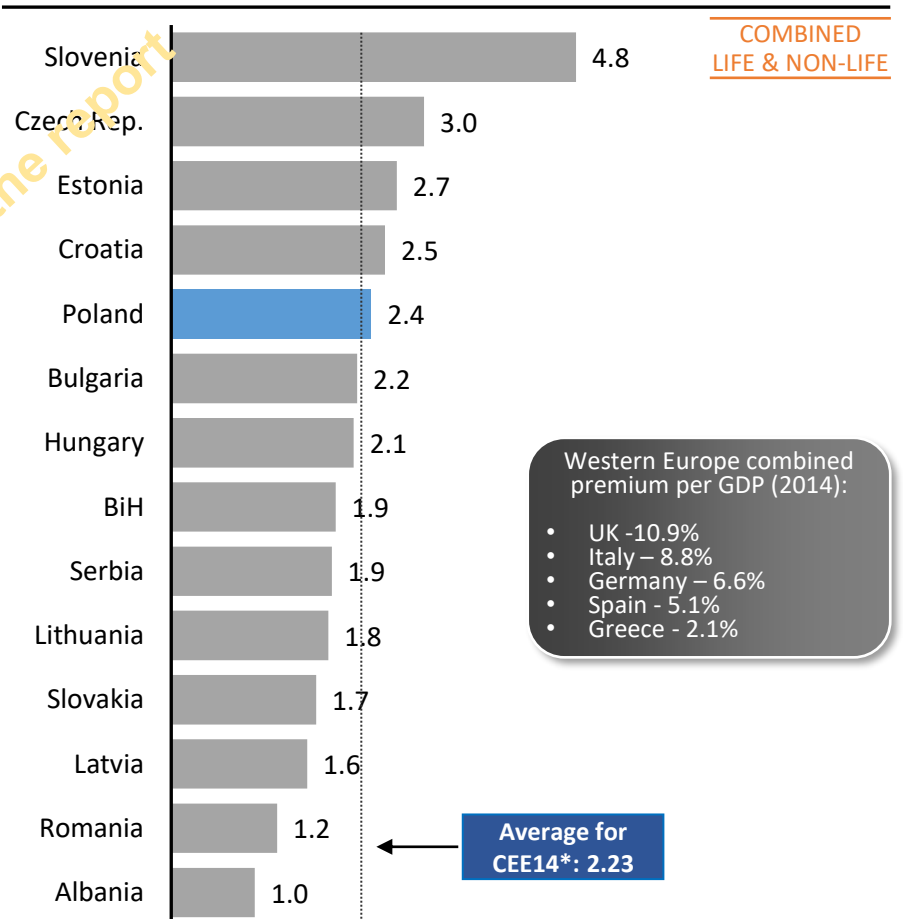
*Major 14 CEE countries. Russia, Ukraine, Belarus and North Macedonia not included
 Source: National supervision authorities, IMF, Inteliace Research

Insurance premium penetration benchmarks in Poland are slightly above CEE14* regional averages

Total insurance premium per capita 2022, in EUR



Total insurance premium/GDP penetration 2022, Percent of GDP



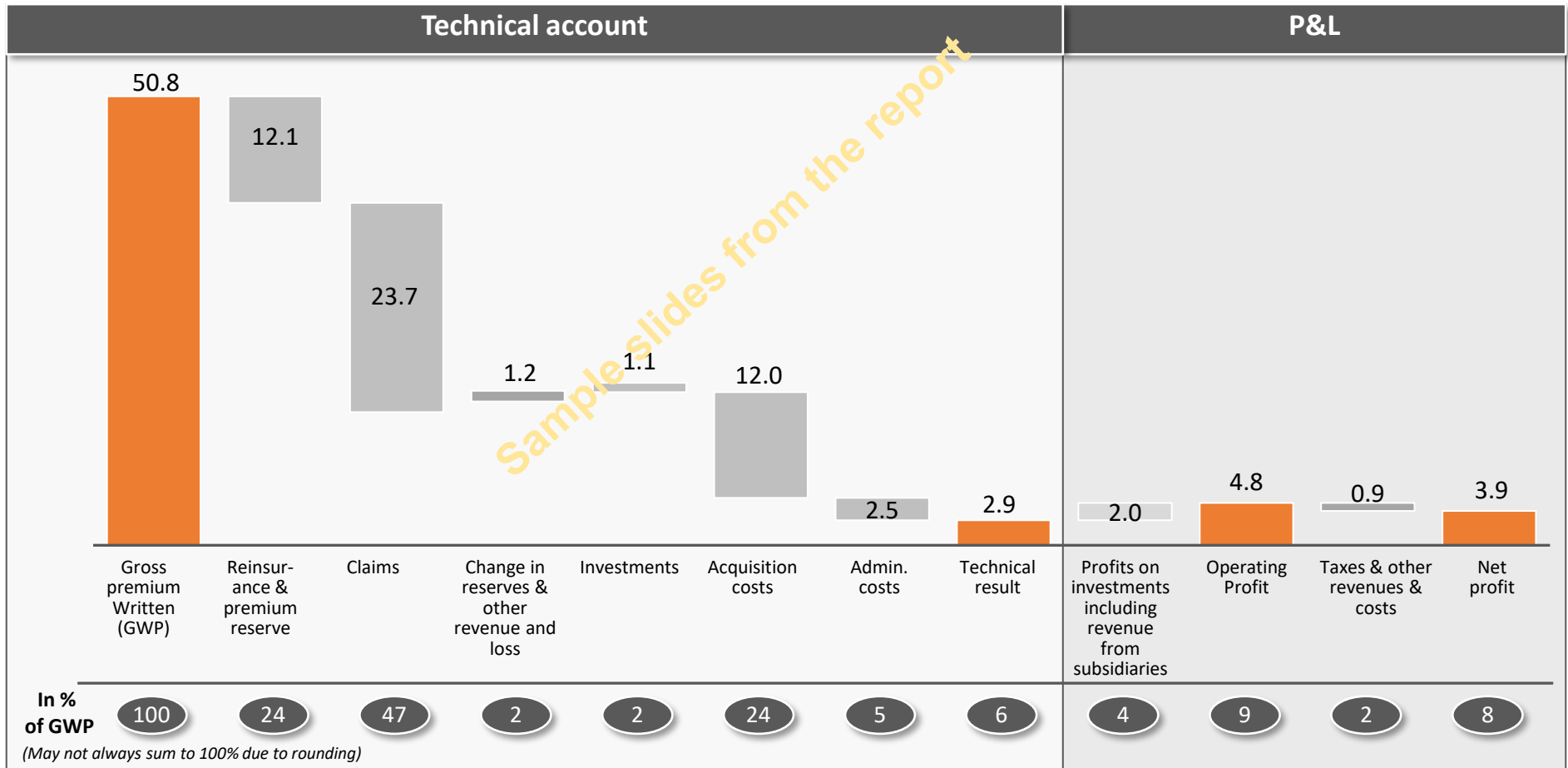
*Major 14 CEE countries. Nt.Macedonia, Russia, Ukraine and Belarus not included
Source: National supervision authorities, IMF, CEA, Inteliace Research

Non-life insurers collected over PLN 50 billion in premium and made PLN 3.9 billion in net profits in 2022

NON-LIFE
INSURANCE

Non-Life insurance accounts, 2022

PLN billion



Source: KNF, Inteliace Research

Top insurance player profiles: PZU



Key facts

- Company name:**
 - Non life:** Powszechny Zakład Ubezpieczeń S.A.
 - Life:** Powszechny Zakład Ubezpieczeń Życie S.A.
- HQ:** Rondo Daszyńskiego 4, 00-843 Warszawa
- Major shareholders:** 34% Poland's Treasury
- Key Subsidiaries:** Direct insurance, Reinsurance, Pension, Fund & Asset management, Health care, Assistance; Subsidiaries in Baltic States & in Ukraine

Overview

- PZU is the largest insurer in the country, it is an incumbent company with extremely high brand awareness (~89% unaided)
- PZU's dominant position in the insurance market has eroded over time, however, company has been able to regain share in life business recently
- Since 2015, PZU has engaged in banking sector by purchasing stakes in Alior Bank and Pekao. Company also actively invests in startups as well as renewable energy producers, e.g. wind farms

History

- 1999: Partial privatization of PZU – a 30% share in company sold to Eureko & Big Bank Gdański
- 2010: IPO on the WSE
- 2014 Acquisition of insurance businesses of RSA in Baltics and in Poland (Link4)
- 2015 Stake in Alior bank acquired
- 2016/2017 PZU together with PFR buys a minority stake in Bank Pekao- the 2nd largest bank in Poland
- 2019 Start of PPK employee pension plans
- 2021 A new strategy for 2021-2024 adopted. Strategy assumes business expansion with stress on areas like: private health insurance, asset management and retail banking

Products

- PZU offers ~80 various products in the non-life business, covering all 18 non-life insurance classes
- Car insurance (MTPL+Casco) is dominating within non-life business with >52% share (2022) in total GWP
- The life subsidiary - PZU Życie offers ~40 various life products, covering all 5 life insurance classes
- PZU Pomoc offers proprietary assistance service in cooperation with 820+ car shops countrywide

Channels

- Own network:** In total over 409 branches
- Exclusive agents:** 9.5k of which ~6 k in non-life with 1.5k branches
- Multi-agents:** 37 agents (all business lines)
- 2.2k cooperating medical service outlets in 600 cities, 130 own PZU Zdrowie outlets
- Brokers:** >1k brokers
- Employees:** 800 employees dedicated to sales - mainly in the corporate segment
- Bancassurance:** cooperation with 13 banks (including Pekao and Alior) and 23 strategic partners including telecoms and airlines
- Cooperation with >820 car repair shops

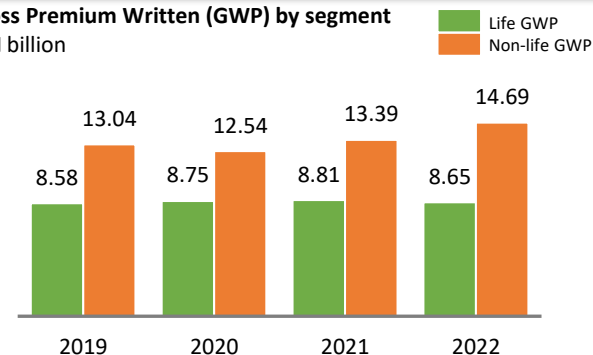
Customers

- PZU traditionally serves mass-market clients in retail business (mostly car and property) and all segments in corporate business
- Total number of clients in the whole PZU Group (life + nonlife) exceeds 16 million of which 11 million use life insurance
- Over 3 million active health insurance contracts and PLN 1.3 billion p.a. in health premium written (Group level)
- Over 2.2 million member of PZU Pomoc club

Financials

Gross Premium Written (GWP) by segment

PLN billion

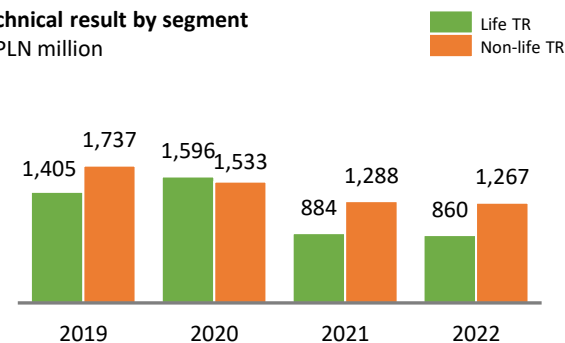


Market share by GPW, in %

Segment	2019	2020	2021	2022	Change 2019-2022 (pp)
Life	40.4	42.2	39.8	40.1	-0.2 pp
Non-Life	30.6	29.4	28.4	28.9	-1.7 pp

Technical result by segment

in PLN million



About the report and its authors

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Our company specializes in value-added research services and tailored business intelligence solutions.

Through our customized research services we help our clients to better understand their customers, competitors and overall market dynamics.

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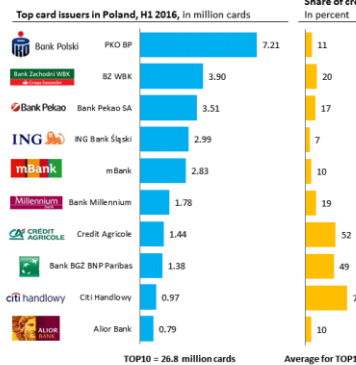


Since no leading market standard has been set yet, banks bet on partnerships and develop own solutions at the same time

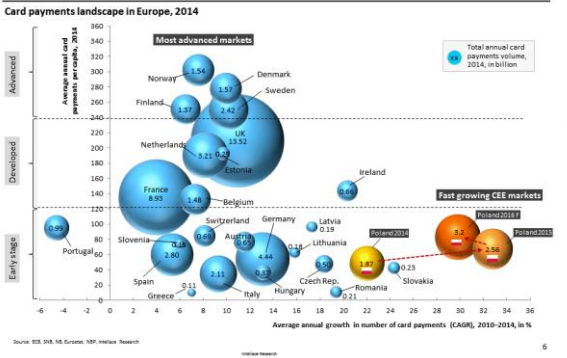
Key players in payment applications/wallets, 2016

Bank	Number of retail accounts (ROA) As of Q3 2016 in million	Key payment applications (mobile, wallets, etc.)					
		HCE	blisk	pay	MasterPass	Visa Checkout	Legend
Bank Pekao / Intello	5.8	✓	✓	✗	✗	✓**	○
Bank Pekao	3.8	✓	✗	✗	✗	✓**	○
mBank	3.2	✗	✓	✓	✗	✓**	○
BZ WBK	3.1	✓	✓	✓	✓	✓**	○
ING Bank Śląski	2.6	✗	✓	✗	✗	✓**	○

PKO Bank Polski is by far the largest card issuer in Poland



The volume of card payments in Poland is expected to exceed 3 billion in 2016



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