STANDARD & POOR'S
RATINGS SERVICES
McGRAW HILL FINANCIAL

RatingsDirect®

PZU Group

Primary Credit Analyst:
Anvar Gabidullin, CFA, London (44) 20-7176-7047; anvar.gabidullin@standardandpoors.com

Secondary Contact:
Jure Kimovec, FRM, ERP, Frankfurt (49) 69-33-999-190; jure.kimovec@standardandpoors.com

Table Of Contents

PZU Group

SACP* Assessments				SACP*		Support		Ratings
Anchor	a	Modifiers	0	a		0		Financial Strength Rating
Business Risk		ERM and Management	0	Liquidity	0	Group Support	0	A/Stable/--
Strong								
Financial Risk		Holistic Analysis	0	Sovereign Risk	0	Gov't Support	0	
Very Strong								

*Stand-alone credit profile.
See Ratings Detail for a complete list of rated entities and ratings covered by this report.

Rationale

Business Risk Profile : Strong

- Powszechny Zaklad Ubezpieczen (PZU) is Poland's largest insurance group and leads the non-life and life insurance markets, with market shares of 33.1% in non-life and 42.8% in regular life in 2014.
- The company's competitive position is very strong, mainly on account of its leading market position in Poland, where it has strong brand recognition, and favorable operating performance. The distribution network is a considerable strength relative to peers.
- PZU's industry and country risk exposure largely comes from Poland and we consider it to be moderate, mainly based on Poland's elevated financial system risks.

Financial Risk Profile : Very Strong

- We assess PZU's capital and earnings as very strong, and expect that they will remain so over the next two years. In our base-case scenario, we adjust down PZU's extremely strong capital adequacy to reflect the potential for acquisitions, further dividends, and other capital optimization actions.
- PZU's conservative investment strategy and reinsurance cover against the group's natural catastrophe exposure in Poland support our view of its intermediate risk position.
- The group's earnings generation capacity, proven access to the capital markets, and a low leverage on its balance sheet cause us to consider its financial flexibility strong.

Other Factors

- We combine the above-mentioned factors to derive an anchor of 'a' for PZU.
- The anchor is constrained by the group's high exposure to Polish government securities rated 'A', which comprised about 54% of total investments as of half year-end of 2015, as well as competitive pressures to PZU's very strong incumbent position in the Polish market.
- Management and governance, as well as enterprise risk management, support the ratings.
- PZU's adoption of a credible risk mitigation plan means that it passes our hypothetical foreign currency sovereign default stress test under our criteria for rating companies above the sovereign. We therefore rate PZU one notch above the 'A-' foreign currency sovereign rating on Poland. Following PZU's acquisitions within the Polish banking sector, its buffer for passing our hypothetical foreign currency sovereign default stress test fell to a moderate level. In our view, there is the potential for PZU to fail the hypothetical foreign currency sovereign default stress if the company decides to undertake material additional banking acquisitions.

Outlook: Stable

The stable outlook on Polish insurer PZU reflects its very strong competitive position in its domestic market, while taking into account competitive pressures from market peers. In our view, the group is likely to maintain its very strong, market-leading competitive position in Poland, which should enable it to achieve our base-case earnings assumption and maintain very strong capital and earnings.

Downside scenario

We would be likely to lower our rating on PZU if we lowered Poland's local currency sovereign rating, or if management actions increased PZU's exposure to sovereign risk, causing it to fail the foreign currency stress test. We could also downgrade PZU if we were to take a more negative view of the execution risk of the mitigation plan. This could be the result of a material weakening in capital, higher-than-expected exposure to Polish assets, a significant increase in Polish banking assets, or a failure to execute the plan in the event of deteriorating sovereign creditworthiness. Finally, we could lower the rating if we revised PZU's indicative group credit profile (GCP) to below 'a', which could happen if its capital adequacy or competitive position were to weaken materially.

Upside scenario

As long as PZU continues to pass the foreign currency stress test, we could raise the ratings if:

- We raised the local currency ratings on Poland; and
- We revised upward our assessment of PZU's indicative GCP to 'a+'. This could occur if PZU maintains at least very strong capital and earnings and continues to outperform peers in terms of profitability, and if it maintains only moderate appetite for acquisition in the Polish banking sector.

Base-Case Scenario

Macroeconomic Assumptions

- Polish GDP growth of 3.5% in 2015 and 3.4% in 2016.
- Interest rate remaining low and starting to put pressure on investment returns.

Company-Specific Assumptions

- PZU increasing its gross premium written by 2%-5% in 2015 and growth of 1%-3% thereafter, broadly in line with the Polish market.
- The company posting combined (loss and expense) ratios of 93%-97% in 2015, thereafter the combined ratio should improve to 91%-95%. The combined ratios should support return on equity of 18%-22% in 2015-2017.
- We expect net income to be about Polish zloty (PLN) 2.0 billion-PLN 2.6 billion in 2015, afterwards, we expect improvement to about PLN2.4 billion to PLN2.8 billion.

Key Metrics

	--Year ended Dec. 31--				
(Mil. PLN)	**2016f**	**2015f**	**2014**	**2013**	**2012**
Gross premiums written	~ 17.800	~ 17.400	16,885	16,480	16,243
Change in gross premium written (%)	1.0-3.0	2.0-5.0	2.5	1.5	6.3
Net income	2.400-2.800	2.000-2.600	2,968	3,295	3,254
Return on revenue (%)	13.0-18.0	10.0-15.0	15.0	19.1	13.9
Return on shareholder equity (%)	18-22	18-22	22.6	24.1	24.0
P/C net combined ratio (%)	91-95	93-97	95.5	88.3	92.3
Fixed-charge coverage	> 8	> 50	249.5	N/A	N/A
Financial leverage (%)	< 20	~ 13	8.0	0.2	0.2
S&P capital adequacy	At least Very Strong	Extremely Strong	Extremely Strong	Extremely Strong	Extremely Strong

f--Forecast under Standard & Poor's base-case scenario. PLN--Polish zloty. P/C--Property/casualty. N/A--Not applicable.

Company Description: Poland's Leading Composite Insurance Group

PZU is Poland's largest insurance group and leads the non-life and life insurance markets. It wrote 33% of non-life business in Poland in 2014, boosted from 31% by its acquisition of Link4 in 2013. This is equivalent to 54% of its gross premium written (GPW) of PLN16.9 billion. In regular life, PZU's market share was 42.8% in 2014, with the business line making up 47% of its total GPW. PZU also ranks No. 3 in the Polish pension market and, following acquisitions from RSA, owns market-leading insurance operations in the three Baltic states. In addition, the group also has small operations in Ukraine (1% of its total GPW). The contribution of these four countries to the group's total GPW is still relatively small, representing around 7.5% of total GPW in the first half of 2015.

In mid-2015, PZU also announced that it is acquiring a 25.25% stake in Alior Bank. In our view, with this move, the company shows its intention to participate in the consolidation of the Polish banking sector. PZU sees its entrance into the banking business as an important element of its future expansion, which should contribute stable earnings to the group.

The Polish state is PZU's main shareholder, owning a 35.2% stake in the company through the Polish treasury. Although the ministry has gradually reduced its shareholdings in PZU, we anticipate that it will stay as the controlling shareholder. PZU was floated on the Warsaw Stock Exchange on May 12, 2010.

We regard PZU as a government-related entity, chiefly because the Polish treasury is its main shareholder. We consider that there is a moderately high likelihood that the government would provide timely and sufficient extraordinary support to PZU in the event of financial distress. This assessment is based on our view of PZU's important role for, and strong link with, the Polish government. However, this assessment provides no rating uplift because we cap the rating on PZU at the local currency rating on Poland.

The ratings are one notch above the 'A-' foreign currency sovereign rating on Poland because PZU passes our hypothetical foreign currency sovereign default stress test under our criteria for rating companies above the sovereign.

We assess the potential impact of a hypothetical Polish sovereign default on PZU's consolidated balance sheet, based on a stress scenario. Under our foreign currency stress scenario, we assume that if Poland's creditworthiness were to come under strain, PZU would execute a risk-mitigation plan that we consider credible, and thus retain positive regulatory capital. We also expect PZU to retain a liquidity ratio above 100% under this stress scenario. According to our criteria, passing the sovereign foreign currency stress test indicates that PZU is unlikely to default on its insurance liabilities, should Poland default on its foreign currency obligations.

PZU's risk mitigation plan contemplates re-allocating assets into investments outside of the country. It calls for a reduction in assets invested in Poland to 76% of the investment assets of subsidiaries PZU S.A. and PZU na Zycie S.A. (excluding assets covering investment products and non-quoted own investments), if the Poland sovereign rating deteriorates materially. We expect PZU will implement this risk mitigation plan gradually, should Poland's sovereign credit conditions deteriorate.

Group Methodology

We regard Powszechny Zaklad Ubezpieczen S.A. (PZU SA) and Powszechny Zaklad Ubezpieczen na Zycie S.A. (PZU Zycie) as core entities of PZU Group.

PZU Zycie is the life risk carrier of PZU Group. It writes 46% of the group's GPW of PLN16.9 billion. PZU Zycie is owned by PZU SA, the non-life risk carrier of the group. It writes 54% of the group's GPW.

Business Risk Profile: Strong

Our view of PZU's business risk profile reflects the group's very strong competitive position and moderate insurance industry and country risks.

Insurance industry and country risk: Moderate

PZU faces moderate industry and country risk. In our view, the elevated financial system risks in Poland remain one of the main reasons which weigh on the country risk to which PZU is exposed. We view insurance industry risk in Poland as intermediate. We base our opinion on generally good premium growth prospects for the sector in line with GDP growth, its favorable underwriting profitability, moderate levels of product risk, and our moderately strong assessment of the sector's institutional framework. We do not expect our overall industry and country risk assessment to change in 2015-2017 because of PZU's large domestic exposure. In our view, PZU's goal to diversify geographically across Central and Eastern Europe (CEE) is constrained, mainly by a lack of suitable acquisition targets in the region.

In our view, the Polish insurance market, and the life sector in particular, has substantial growth potential because the overall demand for insurance is increasing and the private property and health insurance sectors are still relatively underdeveloped compared with those in Western Europe. We believe that PZU is well positioned to participate in this growth, and we expect the company will secure its market leadership and dominance.

Competitive position

PZU has a very strong competitive position, in our view, mainly stemming from its market-leading position in the Polish insurance market, its unrivalled distribution capabilities, a well-diversified business mix, and strong brand recognition among the Polish population. PZU's reliance on its extensive distribution network in Poland--with over 400 outlets and more than 9,100 agents, which have established relationships with clients--in combination with very strong brand recognition, enables the company to maintain a stronger position in Poland than its peers. Bancassurance distribution is gaining prominence in the Polish life insurance market, and PZU continues to actively market its products through a number of banks. PZU's decision to acquire a stake in Alior bank as an investment option may create additional benefits.

The competitive advantages of operating in Poland are tempered by some geographic concentration,. That said, PZU continues to develop its presence in its core markets of CEE. In 2014, PZU completed acquisitions of RSA Group's subsidiaries in Baltic States, making the group the leading non-life insurer in Lithuania and Latvia, and the fourth largest in Estonia. The group also has small operations in Ukraine. As of end-Jun 2015, the group originated 7.5% of its GWP from its foreign operation. We consider that the tangible diversification benefits from these operations will materialize only in the long term.

PZU is by far the largest insurance provider in Poland, writing more than four times the amount of regular premium life insurance as its closest competitor. In non-life insurance it writes more than twice as much as its closest competitor in Poland. The company's dominant position within Polish insurance allows it considerable pricing power. Furthermore, despite considerable competition, particularly from local subsidiaries of large multi-national insurance groups, PZU has managed to defend its market share, while consistently reporting better profitability than the market average. That said, the group is now gaining share in selected market segments. Its revamped PZU 3.0 strategy aims to increase its non-life market share to over 35% and its life market share to over 43% by 2020. As part of the new strategy, PZU is also looking to build out its asset management capabilities by attracting third-party funds and growing its market share to over 11.5% of the mutual fund market by 2020.

PZU's non-life activities are diversified by business line and include motor third-party liability (34% of 2014 non-life

GPW), other motor damage (25%), property (23%), accident and health (10%), and other (8%). It has some concentration in motor, but we consider that the company's agency distribution network gives it significant and sustainable scale and cost advantages, compared with peers. PZU's competitive strength also benefits from its subsidiary PZU Zycie, which has a significant position in the Polish life insurance market. PZU Zycie's position in the highly profitable group life business is stronger than its position in individual life. We see group life as a key competitive advantage for the group. PZU Zycie also started writing health insurance policies in 2002. Its growth rates have been good so far, but it operates on a relatively small scale. A third pillar of the PZU 3.0 strategy is the development of its health division including potential acquisitions of hospitals and healthcare facilities. The private health care insurance segment is still relatively small in Poland, although it is one of the fastest growing. As a result, PZU wants to become the leading Polish health care insurance provider, and has designated PLN800 million to develop its health business over the next five years.

We consider PZU to be well placed to transform its very strong competitive position into an above-average operating performance in the Polish insurance market. Under our base-case scenario, we anticipate that PZU will maintain its market-leading position in Poland and that GPW, at the group level, could grow by 1%-3% a year through 2015-2017. For 2015, we expect that the group's total premiums will grow at the upper end of the range of our mid-term expectations, mainly due to the boost from the consolidation of Baltic subsidiaries acquired in 2014.

Table 1

Insurance Industry And Country Risk Assessment (IICRA)

Insurance Sector	IICRA Score	Business mix (%)
Poland P/C	Moderate Risk	50.0
Poland life	Moderate Risk	45.8
Other markets	High Risk	4.2
Weighted-average IICRA	Moderate Risk	100.0

Table 2

PZU Group Competitive Position

	--Year ended Dec. 31--				
(Mil. PLN)	**2014**	**2013**	**2012**	**2011**	**2010**
Gross premiums written	16885	16480	16243	15279	14544
Change in gross premiums written (%)	2.5	1.5	6.3	5.1	1.3
Net premiums written	16535	16223	16006	14994	14344
Change in net premiums written (%)	1.9	1.4	6.7	4.5	1.0
Net premiums earned	16429	16249	16005	14890	14214
Total assets under management	60018	57740	51736	48314	46923
Growth in assets under management (%)	3.9	11.6	7.1	3.0	(5.8)
P/C: Reinsurance utilization (%)	3.8	2.9	2.7	3.3	2.5
Business Segment (% of GPW)					
Life	46.2	47.0	45.9	44.2	44.8
P/C	53.8	53.0	54.1	55.8	55.2

P/C--Property/casualty. PLN--Polish zloty.

Financial Risk Profile: Very Strong

Capital and earnings

We assess PZU's capital and earnings position as very strong and believe that PZU benefits from extremely strong capital adequacy thanks to its core capital. PZU's capital adequacy exceeded our 'AAA' benchmark in 2014, according to our capital model. However, we expect the group's high dividend payouts of 50%-100% of earnings, potential international expansion, and bank acquisitions, to partially erode its capital adequacy buffer. We also expect that PZU will have sufficient capital to pass our foreign currency sovereign stress test, taking into account the risk-mitigation plan it has adopted. We do not expect that the company's capital adequacy will deteriorate materially due to its recent agreement to buy a stake in Alior Bank for about PLN 1.6 billion (about €380 million). However, we note that the buffer that PZU needs to pass our foreign currency sovereign stress test has decreased, in our view, to modest levels. It will be more difficult for PZU to pass our hypothetical foreign currency sovereign default stress test if the group pursues an aggressive strategy of acquisitions in the Polish banking sector.

PZU distributed PLN1.7 million in extraordinary dividends in 2013, however our base-case scenario does not anticipate any further extraordinary dividends. Nonetheless, we understand that if PZU issued PLN1.5 billion–PLN2 billion in subordinated debt, which the regulator treats as capital, it could pay an additional dividend of PLN1.3 billion.

We consider PZU to have strong earnings generation capacity. Its strong operating performance is supported by lower distribution costs than peers and strong investment results in the comparably favorable Polish interest rate environment. Under our base-case scenario, we expect PZU to report annual net income of about PLN2 billion–PLN2.6 billion in 2015. As a result, we expect that the combined ratio will fall below 95%. From 2016, we expect that net income should improve to about PLN2.4 billion–PLN2.8 billion, due to improvement in the company's combined ratio, which we expect to fall below 95%. At the same time, we think that in 2016, some increase in tariffs in Poland could be possible. Our base-case scenario also assumes some deterioration in the investment yield in 2015 and 2016, reflecting the mix of PZU's portfolio, which is tilted toward Poland government bonds, on which the yield fell below 3% in 2015.

Despite lower investment yields, PZU's life business remains the primary contributor to operating profit and benefits from high profit margins, mainly in group life, which we anticipate will continue to generate strong and sustainable profits. We think operating performance benefits in particular from accident riders embedded in life policies, which, in our view, are a strong source of bottom line profitability.

Overall, we anticipate that PZU will continue to translate its market dominance into a strong operating performance with better-than- market average results. We expect PZU's return on equity to remain high compared with Polish and international peers, at about 18%-22% in 2015-2017.

Table 3

PZU Group Earnings

	--Year ended Dec. 31--				
(Mil. PLN)	**2014**	**2013**	**2012**	**2011**	**2010**
Gross premiums written (GPW)	16,885	16,480	16,243	15,279	14,544
Change in GPW (%)	2.5	1.5	6.3	5.1	1.3
Net premiums written	16,535	16,223	16,006	14,994	14,344
Change in net premiums written (%)	1.9	1.4	6.7	4.5	1
Net premiums earned	16,429	16,249	16,005	14,890	14,214
Total assets under management	60,018	57,740	51,736	48,314	46,923
Growth in assets under management (%)	3.9	11.6*	7.1	3.0	(5.8)
P/C: Reinsurance utilization (%)	3.8	2.9	2.7	3.3	2.5
Business Segment (% of GPW)					
Life	46.2	47	45.9	44.2	44.8
P/C	53.8	53	54.1	55.8	55.2

*The implementation of IFRS10 and start of additional investment fund consolidation. P/C--Property/casualty. PLN--Polish zloty.

Table 4

PZU Group Capitalization

	--Year ended Dec. 31--				
(Mil. PLN)	**2014**	**2013**	**2012**	**2011**	**2010**
Common equity	13,168	13,128	14,269	12,870	12,800
Change in common equity (%)	0.3	(8.0)	10.9	0.5	13.6
Total capital (reported)	15,349	13,128	14,269	13,628	12,800
Change in total capital (reported) (%)	16.9	(8.0)	4.7	6.5	(20.2)

PLN--Polish zloty.

Risk position

In our view, PZU's risk position reflects intermediate risks, based on a conservative investment strategy and reinsurance cover against the group's natural catastrophe exposure in Poland. About 73% of its investments comprise fixed-income securities (including loans). The average rating on the bond portfolio is 'A', due to the large exposure to Polish government securities. We anticipate that PZU will continue to reduce its exposure to Polish government securities, although we expect it to remain material in 2015-2017.

Our opinion of PZU's risk position also reflects the group's exposure to what we regard as risky assets (mostly local real estate, equities, and bonds and deposits in banks that are unrated or rated 'BB' or lower). We estimate that these assets accounted for nearly 35% of PZU's adjusted capital at end2014. The group has, in our view, no major concentration in sectors or on single obligors. However, due to direct equity investments into the Polish banking sector, we see some risk that the amount of high risk assets could increase. Additionally, the group could increase its concentration risks to the Polish banking sector.

We regard PZU's reserves as adequate. The company uses independent consulting actuaries to periodically review the reserve adequacy of its non-life business. Assets backing non-life liabilities appear to be fairly closely matched.

However, significant reinvestment risk exists for life liabilities with maturities of more than 10 years due to the still limited availability of long-dated bonds on the Polish market.

Table 5

PZU Group Risk Position

	--Year ended Dec. 31--				
(Mil. PLN)	**2014**	**2013**	**2012**	**2011**	**2010**
Total invested assets	60,018	57,740	51,736	48,314	46,923
Net investment income	1,645	1,862	2,083	1,942	1,830
Net investment yield (%)	2.8	3.4	4.2	4.1	7.5
Net investment yield including realized capital gains/(losses) (%)	3.69	3.58	5.28	3.98	4.38
Net investment yield including all gains/(losses) (%)	4.6	4.5	7.1	3.3	5.7
Investment portfolio composition (%)	2014	2013	2012	2011	2010
Cash and short-term investments	10.8	13.8	9.0	3.7	7.1
Bonds	63.3	62.7	69.3	72.6	75.0
Equity investments	10.8	10.9	12.3	10.7	12.2
Real estate	5.1	4.0	2.6	2.9	2.7
Loans	9.3	8.5	6.7	10.2	3.0
Other Investment	0.6	-	-	-	-

PLN--Polish zloty.

Financial Flexibility: Strong

PZU has strong financial flexibility, in our view, because it needs only limited capital to fund its business growth. The group also has strong earnings generation capacity, proven access to capital markets, still relatively low leverage on its balance sheet, and sufficient reinsurance capacity.

We consider that PZU's listing on the Warsaw Stock Exchange in 2010 and the resulting broad shareholding base have increased investors' awareness of PZU. In 2014 and 2015, PZU successfully issued a five-year and four-year senior unsecured bond of €500 million and €350 million (together about PLN3.5 billion). In our view, if the group pursues further plans to raise subordinated capital from the Polish debt market, we anticipate that any issue is likely to receive sufficient appetite in a market where few quality corporate issuances exist.

Table 6

PZU Group Financial Flexibility

	--Year ended Dec. 31--				
(x)	**2014**	**2013**	**2012**	**2011**	**2010**
Fixed-charge coverage	249.5	N/A	N/A	N/A	N/A
Financial leverage (%)	8.0	0.2	0.2	0.2	0.0

Other Assessments

PZU's enterprise risk management (ERM) and management and governance practices are neutral factors for the rating.

Enterprise risk management: Adequate

Our assessment of ERM as adequate reflects our neutral assessment of its risk management culture and risk controls for its main risks: insurance, market, asset-liability management (ALM), credit, and operational risk. In our view, the group's strategic risk management has improved in recent years, but is still somewhat constrained by its continued developments toward a more holistic view and management of the group's risk profile. While the group's internal model is not yet comprehensive, its use for managing market risk in particular has expanded over the past 12 months. The group is also keeping abreast of implementation requirements for Solvency II. Over time, we expect the group to demonstrate a track record of successfully managing the business under an integrated risk management framework. The importance of ERM to the rating is low, reflecting PZU's very strong capital and earnings and its geographic focus on Poland.

Management and governance: Satisfactory

PZU's management and governance is satisfactory, in our view. This reflects the group's clear strategic planning, strong track record of executing its strategy (particularly since the existing management team was appointed in 2007), and its conservative financial management, including strong balance sheet management and a history of strong earnings.

PZU has published a revamped 3.0 strategy for the group's development through to 2020, which incorporates strengthening its market share in its core domestic insurance market, and also becoming a market leader in asset management and private health care. We see corporate governance as having improved since PZU's successful IPO in 2010. We consider that PZU's operational management is effective, as demonstrated by the continued optimization of administration costs. PZU focuses on enhancing profitability and fosters growth only if bottom-line results are not harmed.

Liquidity: Exceptional

We regard PZU's liquidity as exceptional, owing to the strength of available liquidity sources, mainly premium income, and its liquid asset portfolio. PZU has no commercial paper program. We see PZU's need to use such facilities as minimal because we consider the group has sufficient internal liquidity and good reinsurance cover to mitigate potential large losses.

Related Criteria And Research

Related Criteria

- General Criteria: Rating Government-Related Entities: Methodology and Assumptions, March 25, 2015
- Group Rating Methodology, Nov. 19, 2013
- Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- Insurers: Rating Methodology, May 7, 2013
- Enterprise Risk Management, May 7, 2013
- Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Refined Methodology And Assumptions For Analyzing Insurer Capital Adequacy Using The Risk-Based Insurance Capital Model, June 7, 2010
- Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Poland's Life Insurance Sector Carries A Moderate Industry And Country Risk Assessment, Oct. 22, 2014
- Poland's Property/Casualty Insurance Sector Carries A Moderate Industry And Country Risk Assessment, Oct. 22, 2014
- Poland 'A-/A-2' And 'A/A-1' Ratings Affirmed; Outlook Remains Positive, Aug. 7, 2015
- Banking Industry Country Risk Assessment: Poland, June. 30, 2015

Ratings Detail (As Of November 3, 2015)	
Operating Companies Covered By This Report	
Powszechny Zaklad Ubezpieczen S.A.	
Financial Strength Rating	
Local Currency	A/Stable/--
Counterparty Credit Rating	A/Stable/--
Senior Unsecured	A-
Powszechny Zaklad Ubezpieczen na Zycie S.A.	
Financial Strength Rating	
Local Currency	A/Stable/--
Issuer Credit Rating	
Local Currency	A/Stable/--
Domicile	Poland

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

Additional Contact:
Insurance Ratings Europe; InsuranceInteractive_Europe@standardandpoors.com