



中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

2022 Annual Results

PICC P&C (2328.HK)



中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

Disclaimer

This document has been prepared by PICC Property and Casualty Company Limited (hereinafter as the “PICC P&C” or the “Company”) and has not undergone independent verification. In addition to statements of historical facts, this document may also contain certain forward-looking statements. Such forward-looking statements are subject to certain known and unknown risks and uncertainties, most of which go beyond the Company’ s control. The Company does not guarantee the accuracy, neutrality or completeness of information contained herein. The Company also undertakes no obligation to update or revise any forward-looking statements contained in this document in the future.



中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

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PICC PROPERTY AND CASUALTY COMPANY LIMITED

01

Overall Performance for 2022

Overall Performance

Fast growth in business

RMB 487.533bn
Gross Written Premiums
A year-on-year increase of **8.5%**

Great increase in underwriting profit

RMB10.329bn
Underwriting profit
A year-on-year increase of **RMB 8.808bn**

A year-on-year decrease in total investment income

RMB 20.604bn
Total investment income
A year-on-year decrease of **RMB 5.55bn**

Fast growth in overall profitability

RMB 26.653bn
Net profit for the Year
A year-on-year increase of **19.2%**

A year-on-year increase in ROE

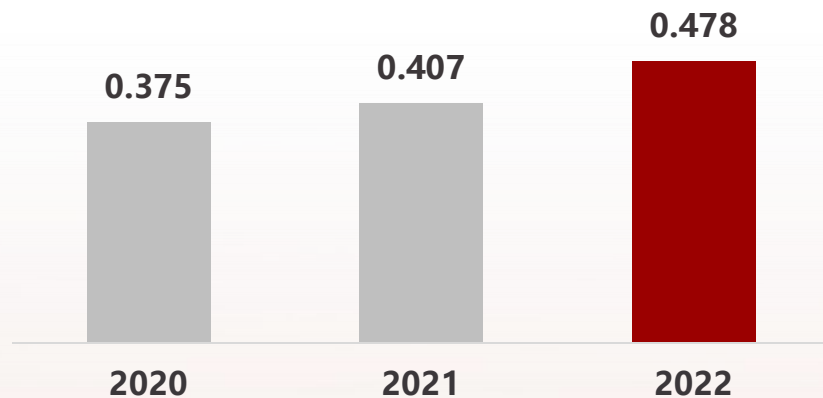
12.7%
ROE
A year-on-year increase of **1.4ppts**

Substantial increase in net cashflows

RMB 42.71bn
Net cash flows generated from operating activities
A year-on-year increase of **RMB 26.374bn**

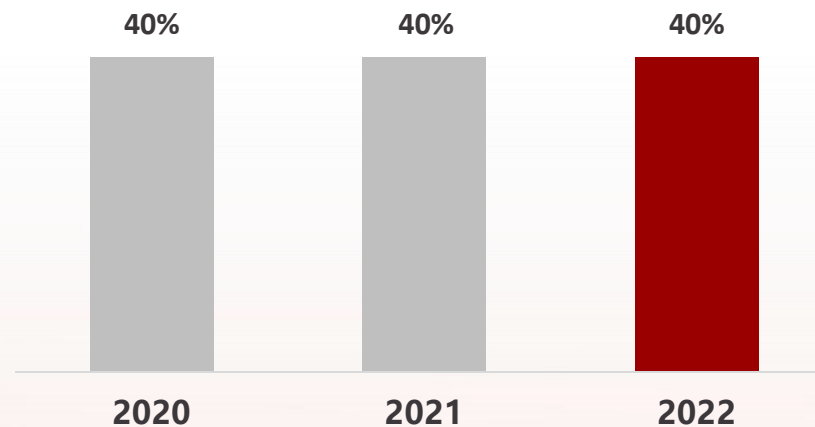
In 2022, the Company firmly implemented the “Excellent Insurance Strategy”, advanced the organizational reform, and the effects of reform sustained to show, achieved high-quality development.

Dividend Situation



Proposed DPS (RMB)

Dividend Payout Ratio





中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

02

Main Work And Effects

To serve the rural revitalization

- The full cost insurance and income insurance of the three staple grains were fully implemented in 13 provinces
- Seed production insurance was offered in 28 provincial-level branches
- The "Rural Insurance" product provided risk protection of RMB48 trillion
- Premium income of agriculture insurance exceeded RMB 50bn

To serve smart transportation

- We vigorously developed new energy motor vehicle insurance, developed "intelligent network" car insurance business and pioneered the "intelligent network" passenger transportation carrier liability insurance
- "Traffic Police and Insurer Joint Work" has covered four municipalities directly under the Central Government and 332 cities and prefectures, serving nearly 5.32 million people

To serve scientific and technological innovation

- The intellectual property insurance solution provided risk protection of RMB70,300 million
- The risk protection provided by China Integrated Circuit Insurance Pool for customers in the IC industry exceeded RMB1 trillion
- Provided the insurance protection for 9,467 scientific and technological enterprises
- A total of RMB19.05 billion has been invested in science and technology innovation, focusing on high-end manufacturing, clean energy, and medical and health care

To serve health and elderly care

- the social medical insurance business has served 900 million people
- the "Huimin Insurance" has covered 256 cities, serving more than 70 million people

To serve green environment

- Environmental pollution liability insurance provided RMB19.2 billion of risk protection
- We innovated carbon quota and carbon offset insurance, issued the first carbon capture insurance in China, and provided green insurance protection of RMB68 trillion for the Year

To serve social governance

- The first insurance service center for new citizens has been established
- Catastrophe insurance covered 240 million people in 13 provinces and provided tailored catastrophe insurance solutions for 34 cities
- We expanded "urban insurance" products, and promoted the "insurance + service" model for elevators and "insurance + monitoring" model for urban housing
- We provided accident prevention services for 218,000 enterprises through an intelligent risk control service platform for 338,000 times

In 2022, the Company undertook an aggregated insurance liability of RMB1,708 trillion, representing a year-on-year increase of 15.4%.



Better business model

- Insisted on the customer-centric approach, Comprehensively promoted the construction of Business Unit
- Continued to promote channel and sales personnel separation, and achieved penetrating management

Increased Number of customers

- The number of individual customers reached 118 million, up 4.4% from the beginning of the year
- The number of group customers reached 3.8509 million, up 0.5% from the beginning of the year

Enhanced Customer service

- The satisfaction rate of 95518 customer service representatives was 99.9%
- The resolution rate of first contact was 85.5%
- The problem solving rate of intelligent customer service was 91.3%
- The satisfaction rate of online customer service was 99.8%

Advanced Digital transformation

- The online rate of household automobile customers was 95.7%, representing a year-on-year increase of 2.2 ppts
- The online rate of individual non-motor vehicle customers was 84.8%, representing a year-on-year increase of 8.8 ppts
- The total number of online customers exceeded 114 million, representing a year-on-year increase of 29.4%.



Improved The Ability To Serve The Overall, Demonstrated Strong Brand Image

We provided high-quality protection for the Beijing 2022 Winter Olympics and Paralympics. It is highly appreciated by the Organizing Committee of the Beijing Winter Olympic Games, the local government and the competition venue groups

We insured the world's first C919 large passenger jet, the Jinshajiang Baihetan Hydropower Station and other national landmark projects as the leading underwriter

We actively responded to major disasters and accidents such as the "3-21" China Eastern Airlines airplane accident, the earthquakes in Sichuan province and the droughts in the Yangtze River basin, shouldering our responsibility as a central state-owned enterprise through practical actions

We successfully issued the earthquake catastrophe bond in Hong Kong, and became the first direct insurer in China to issue catastrophe bond





BUSINESS STRENGTHS	
21st Century Business Herald 17th Asian Finance Conference	"BEST PROPERTY INSURANCE COMPANY OF THE YEAR 2022 IN ASIA" maintaining the title for 14 consecutive years
Top 100 Hong Kong Listed Companies Research Centre, Finet	Ranked 35th in the Main List of "Top 100 in Comprehensive Strengths" of "Hong Kong Stocks – Top 100" On list for 10 consecutive years
Moody' s Investors Service	A1 insurance financial strength rating (Stable Outlook) the highest level among domestic insurance companies
China Times 16th "Golden Cicada Award"	"Property Insurance Company of the Year 2022"
CUSTOMER SERVICE	
CBIRC "3.15" consumers' rights and interests protection promotion week and 2022 comprehensive financial knowledge education and promotion activity	One of the Top Ten Excellent Organisers of the "3.15" and Comprehensive Financial Knowledge Education and Promotion Activity in the Property Insurance Industry maintaining the title for 4 consecutive years
Securities Times "2022 China Insurance Ark Award"	"2022 Ark Award for Gold Medal Insurance Services" maintaining the title for 5 consecutive years
TECHNOLOGY INNOVATION	
World Internet Conference of the Year 2022	"Blockchain-based Intelligent Reinsurance Trading Platform" Project shortlisted as an Excellent Case in the "Jointly Build Community with a Shared Future in Cyberspace, Digital Economy Category" the only practice case shortlisted in the insurance industry
IDC Financial Insights "2022 IDC Technology Application Scenario Innovation Award in China Financial Industry"	"City Wanxiang Cloud Platform" awarded as an Excellent Case of "Financial Risk Control and Information Security"
China Digital Inclusive Finance Conference of the Year 2022	"Technology Loan" Project won "Technology Innovation in Digital Inclusive Finance Services"
INVESTOR RELATIONS	
13th "Tianma Award" for Investor Relations of Chinese Listed Companies	"Best Investor Relations Award for Hong Kong Listed Companies"



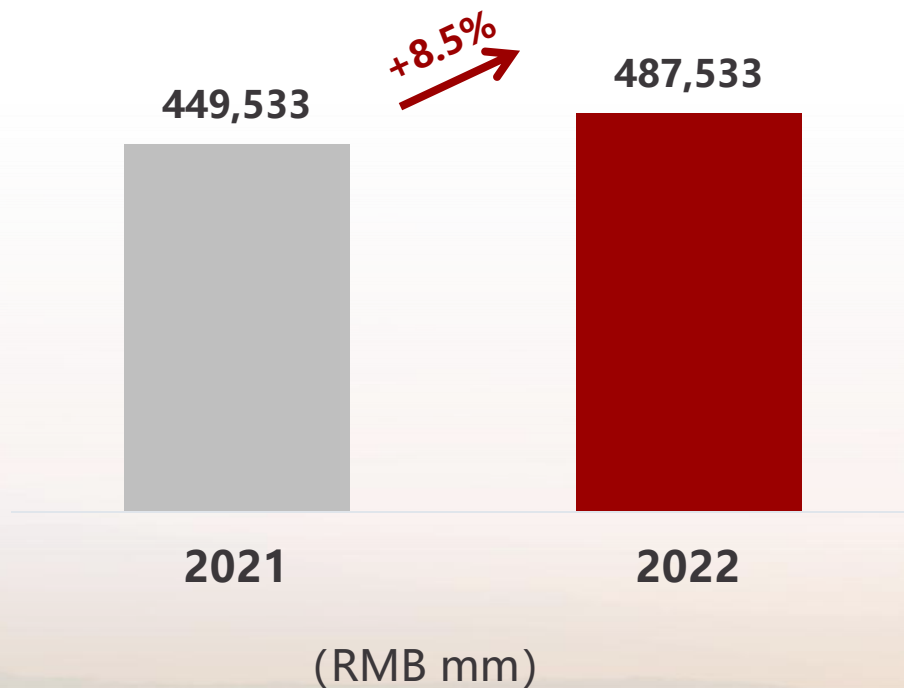
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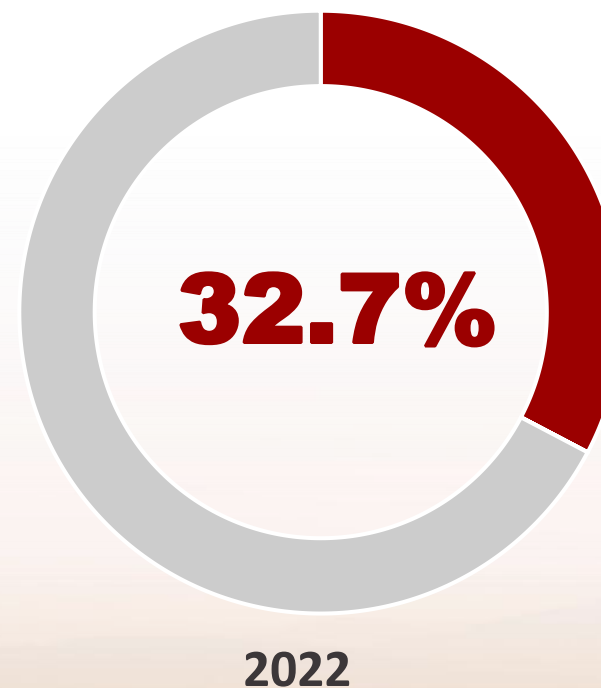
03

Overview of Insurance Business Operations

GWP



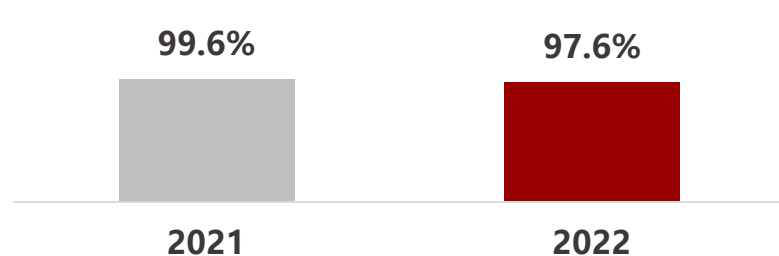
Market Share



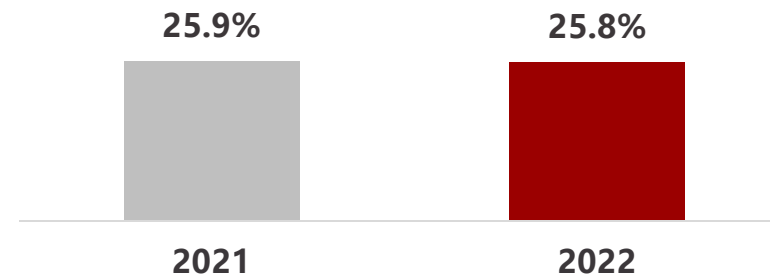
Underwriting Profit Achieved Substantial Growth and Combined Ratio Outperformed the Industry

2022
Annual
Results

Combined Ratio Down 2.0ppts YoY

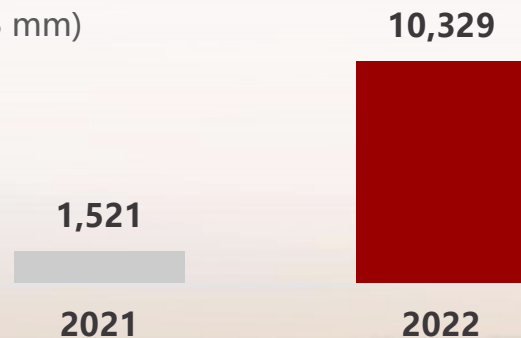


Expense Ratio Down 0.1ppts

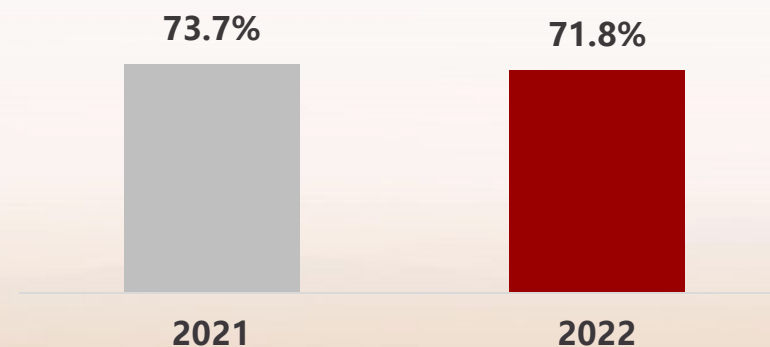


Underwriting Profit Up 579.1% YoY

(RMB mm)

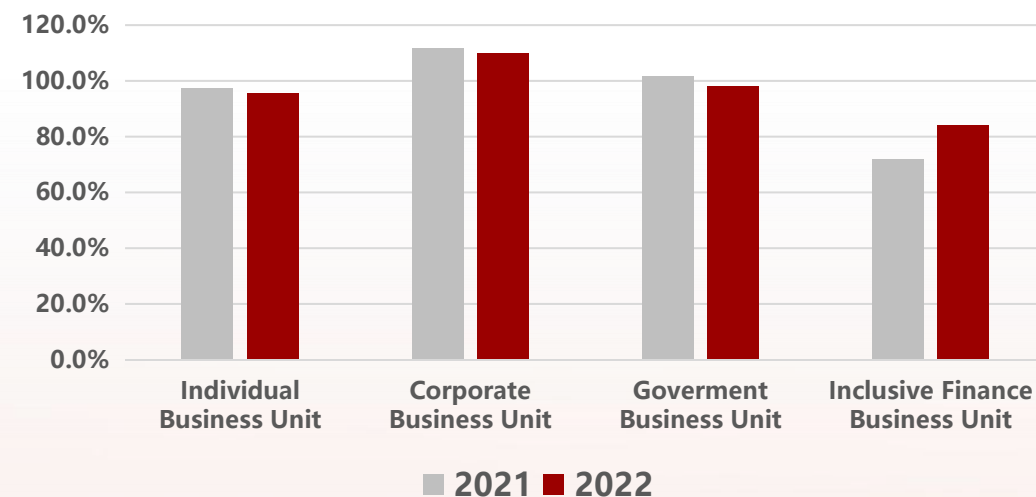
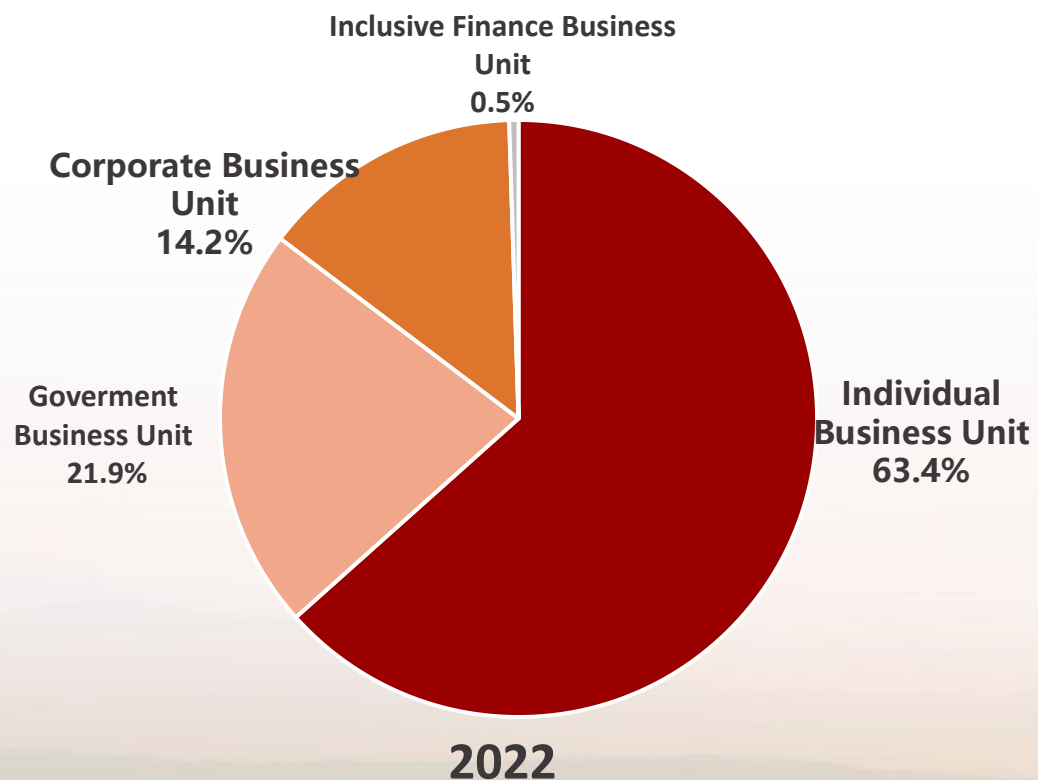


Loss Ratio Down 1.9ppts YoY



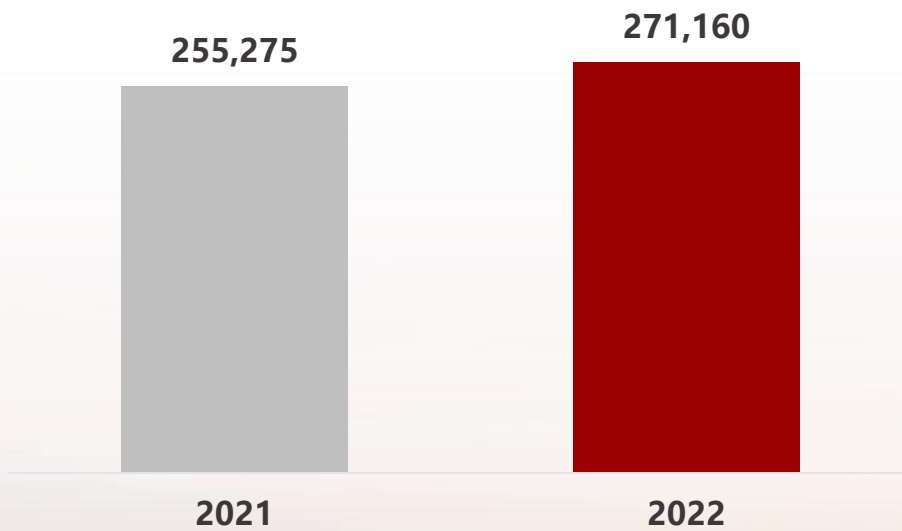
Composition of Business Units

Combined Ratio



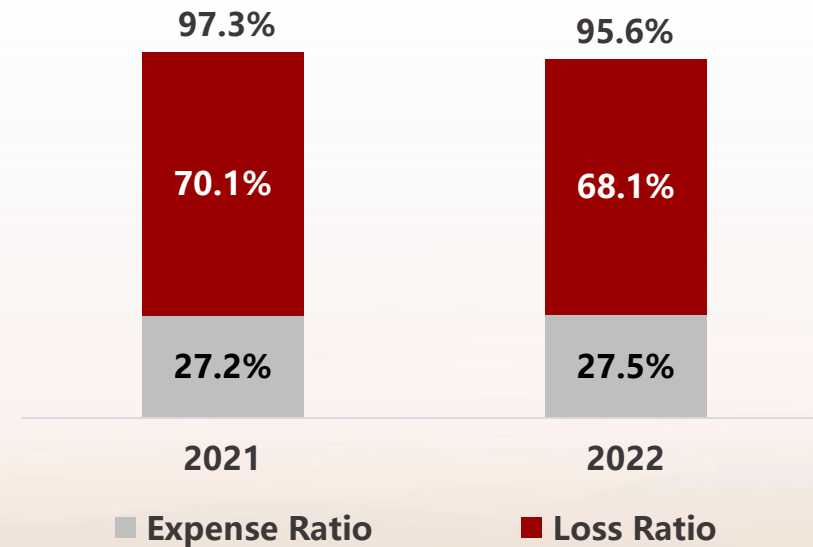
Stable Growth in Motor Insurance with Combined Ratio Outperformed the Industry

GWP Up 6.2% YoY



(RMB mm)

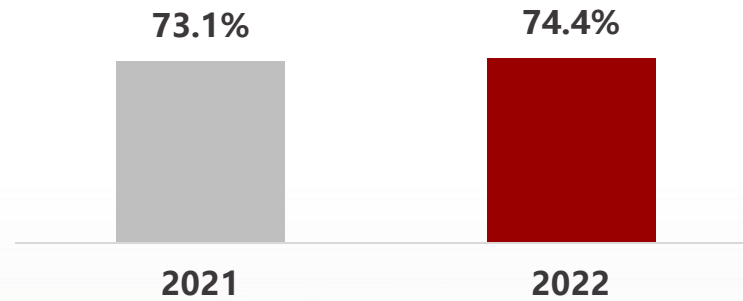
Combined Ratio Down 1.7ppts YoY



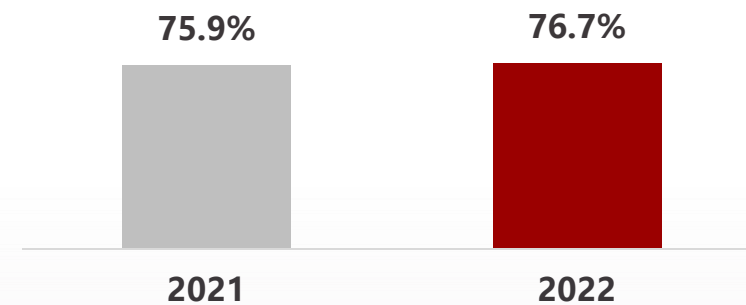
Vigorous Expansion of Household Motor Insurance and Continuous Optimization of Motor Insurance Business Structure

2022
Annual
Results

Renewal Rate of Motor Insurance Up 1.3ppts YoY



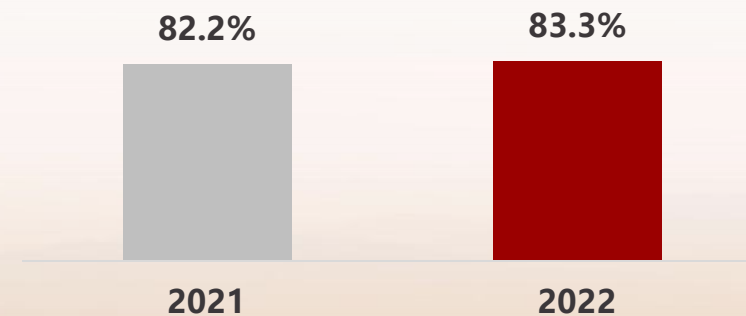
Renewal Rate of Household Motor Insurance Up 0.8ppts YoY



Number of Household Vehicles Underwritten Up 6.3% YoY

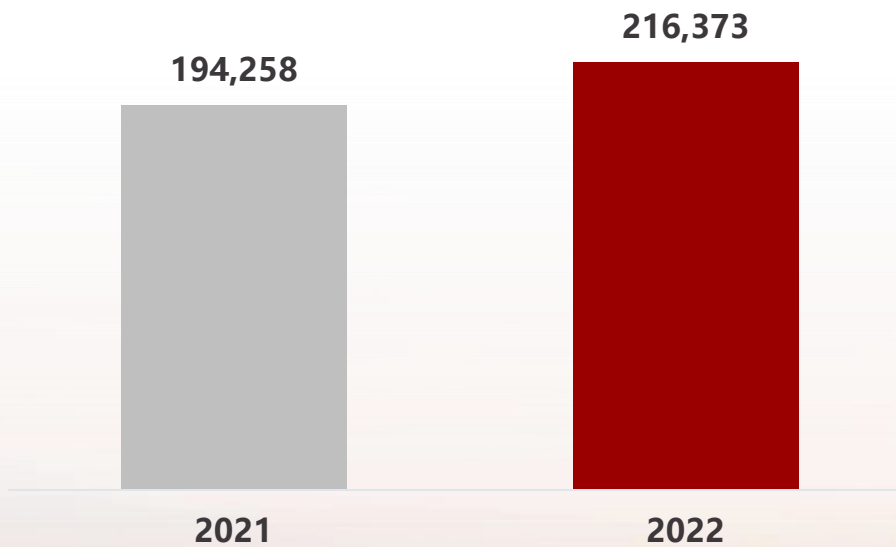


Number of Household Vehicles Underwritten as % Up 1.1ppts YoY



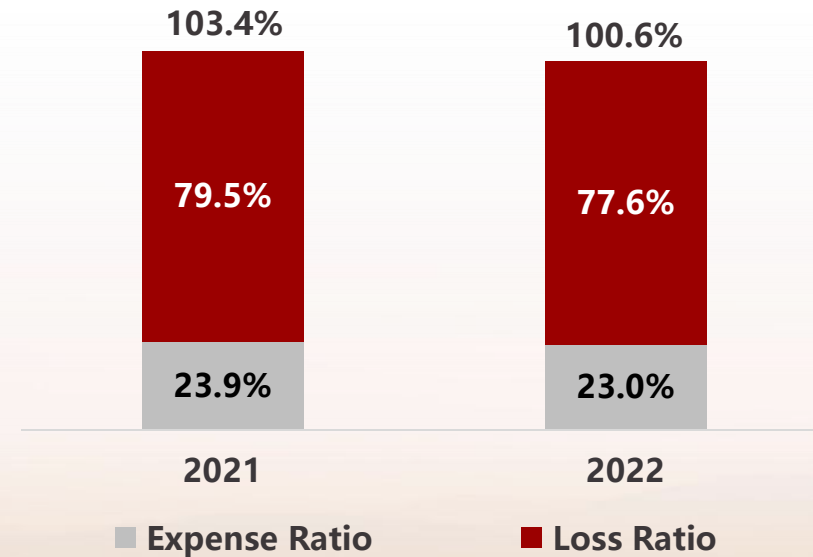
Rapid Growth in Non-Motor Insurance with Improved Combined Ratio

GWP Up 11.4% YoY



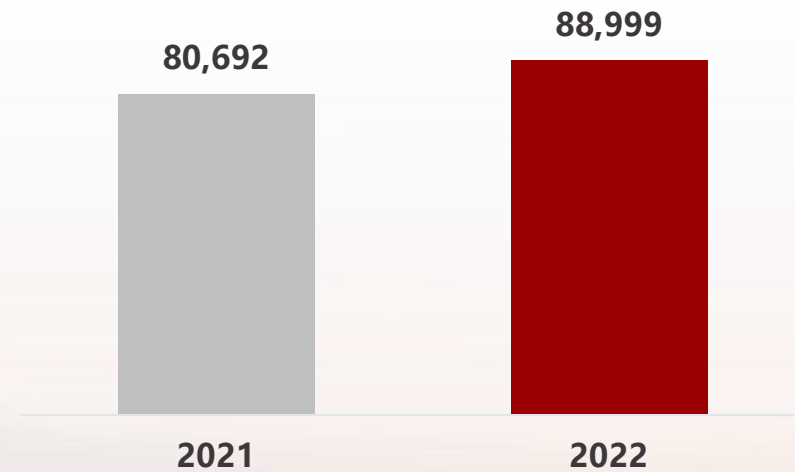
(RMB mm)

Combined Ratio Down 2.8ppts YoY

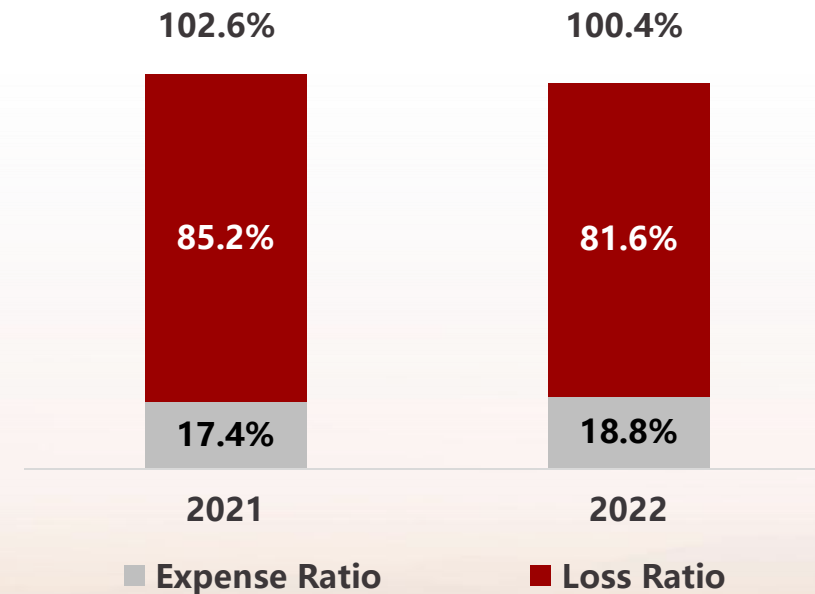


GWP Up 10.3% YoY

(RMB mm)

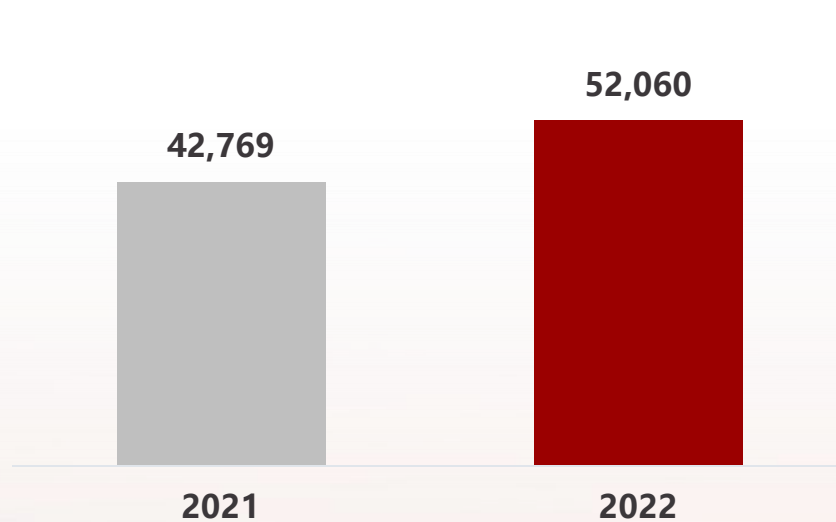


Combined Ratio Down 2.2ppts YoY

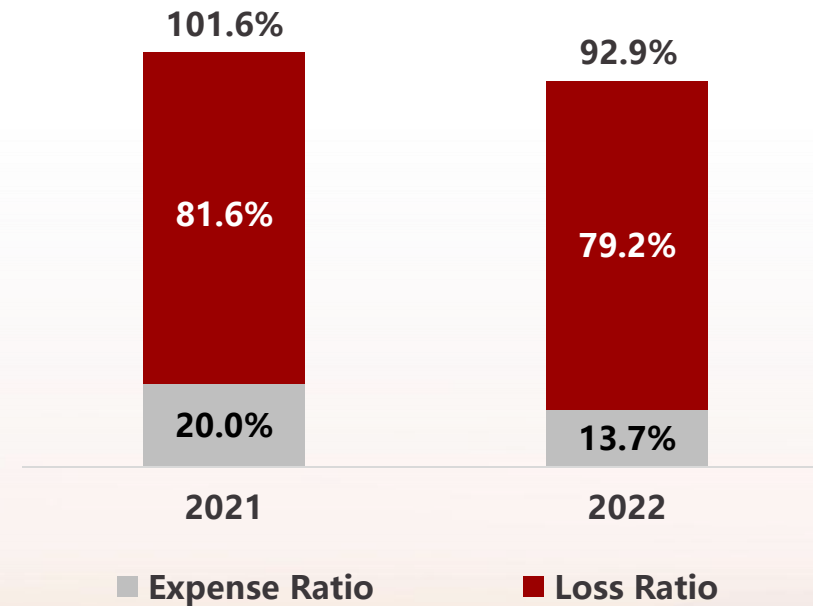


GWP Up 21.7% YoY

(RMB mm)

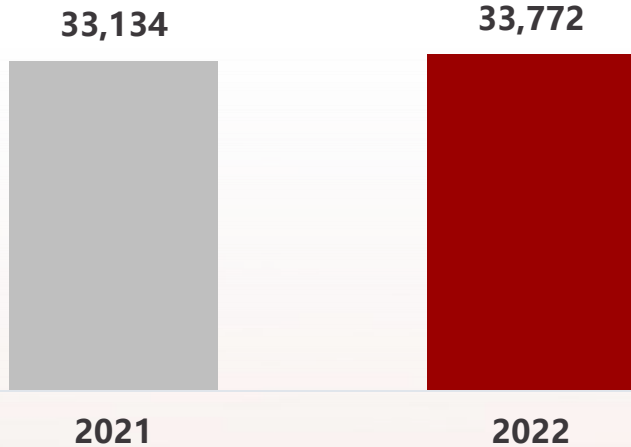


Combined Ratio Down 8.7ppts YoY

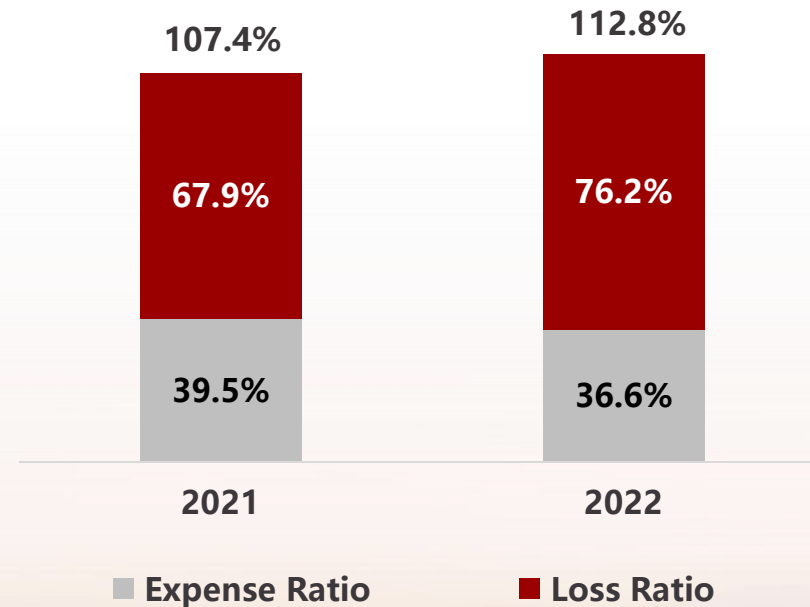


GWP Up 1.9% YoY

(RMB mm)



**Combined Ratio
Up 5.4ppts YoY**



GWP Up 4.0% YoY

(RMB mm)

15,912

2021

16,553

2022

**Combined Ratio
Down 20.4ppts YoY**

130.0%

90.7%

39.3%

2021

■ Expense Ratio

109.6%

70.8%

38.8%

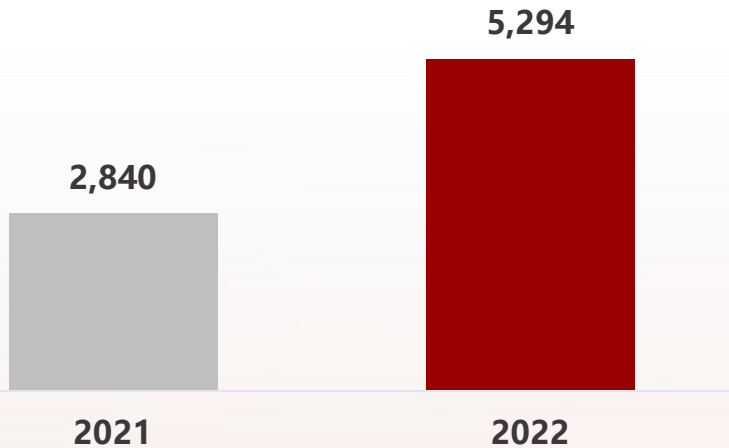
2022

■ Loss Ratio

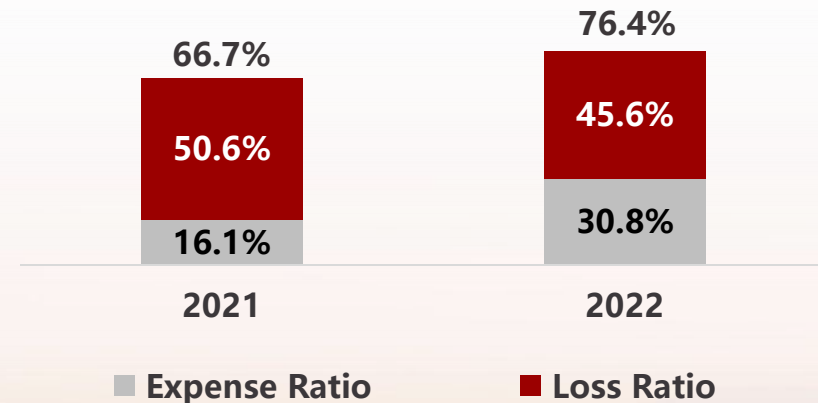


GWP Up 86.4% YoY

(RMB mm)

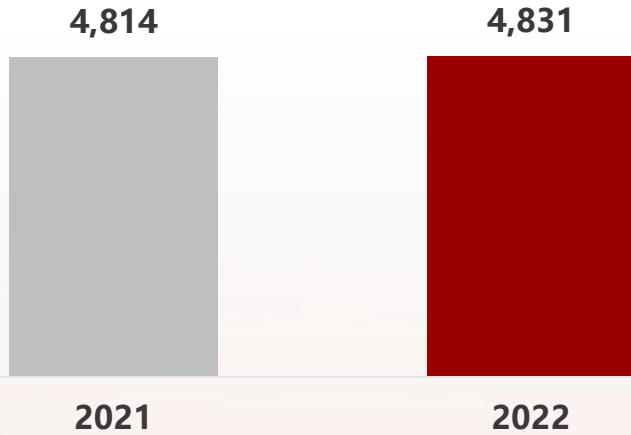


Combined Ratio Up 9.7ppts YoY

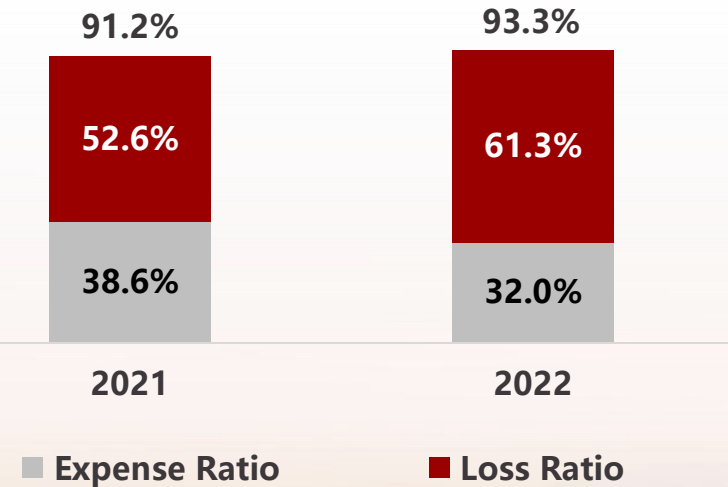


GWP Up 0.4% YoY

(RMB mm)

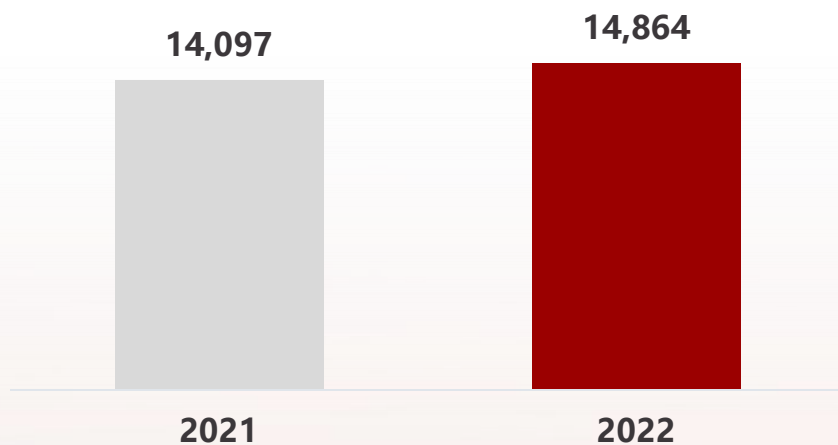


**Combined Ratio
Up 2.1ppts YoY**

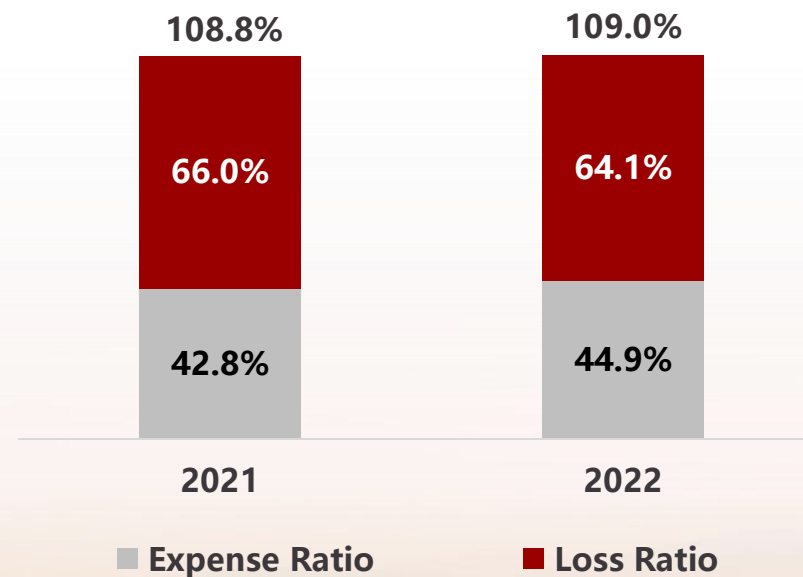


GWP Up 5.4% YoY

(RMB mm)



**Combined Ratio
Up 0.2ppts YoY**

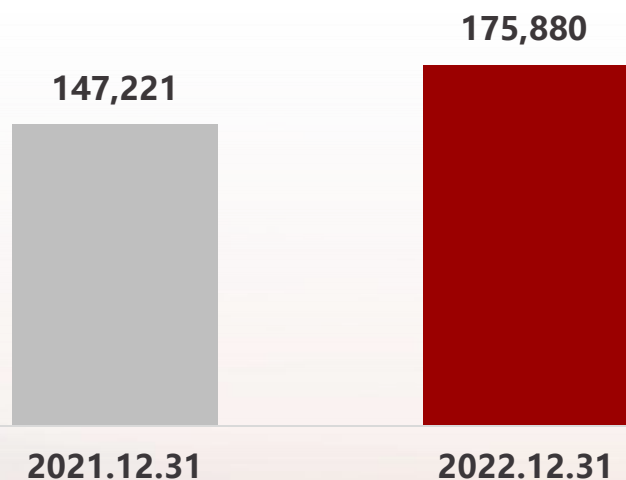


Appropriated Reserves Adequately and Reasonably , Enhanced Ability to Defend Risks

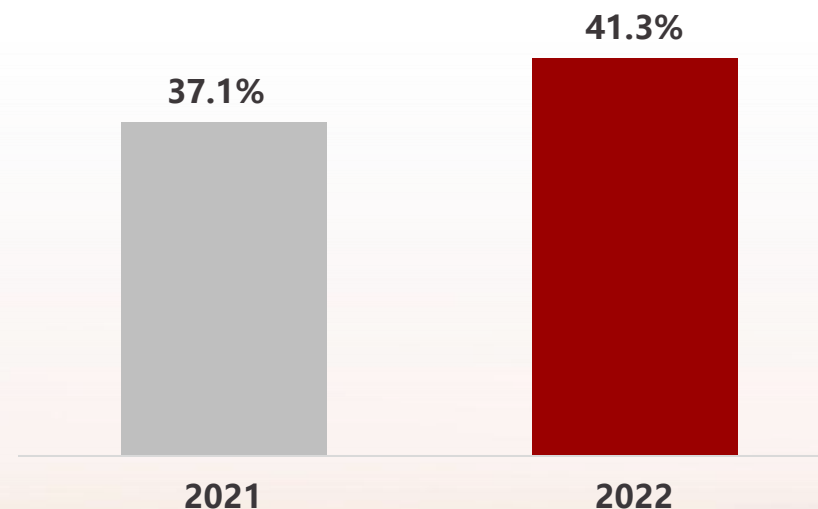
2022
Annual
Results

Net Loss and LAE Reserves Up 19.5% vs. Beginning of the Year

(RMB mm)



Net Loss and LAE Reserves Ratio Up 4.2ppts YoY



Note: Net Loss and LAE Reserves Ratio= Net Loss and LAE Reserves at the end of the reporting period /Net earned premiums in the last 12 months.



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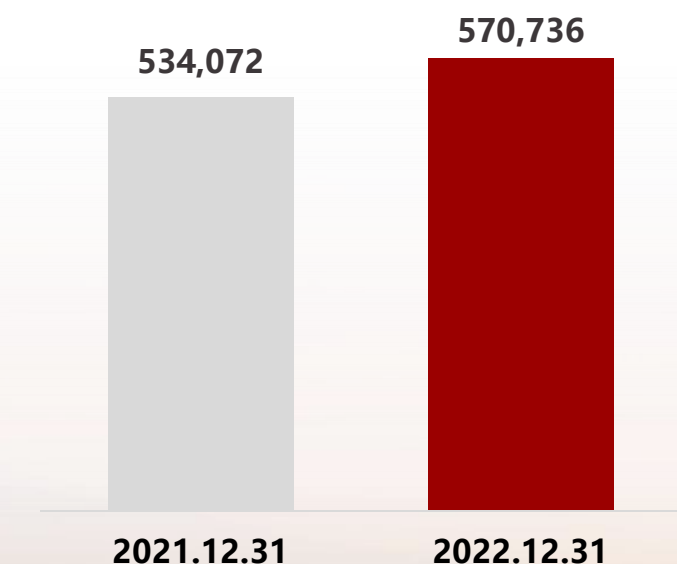
04

Overview of Insurance Fund Investment Business

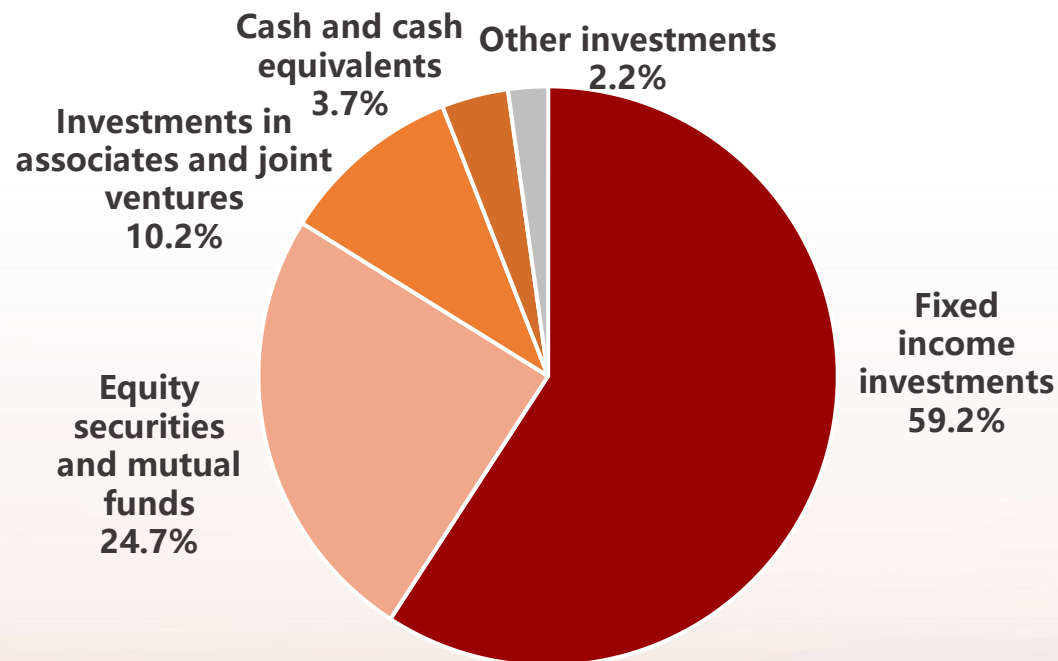
Steadily Growth in Total Investment Assets with Prudent Investment Portfolio

Total Investment Assets Up 6.9% vs. Beginning of the year

(RMB mm)



Investment Portfolio Remained Prudent



2022.12.31

Note:

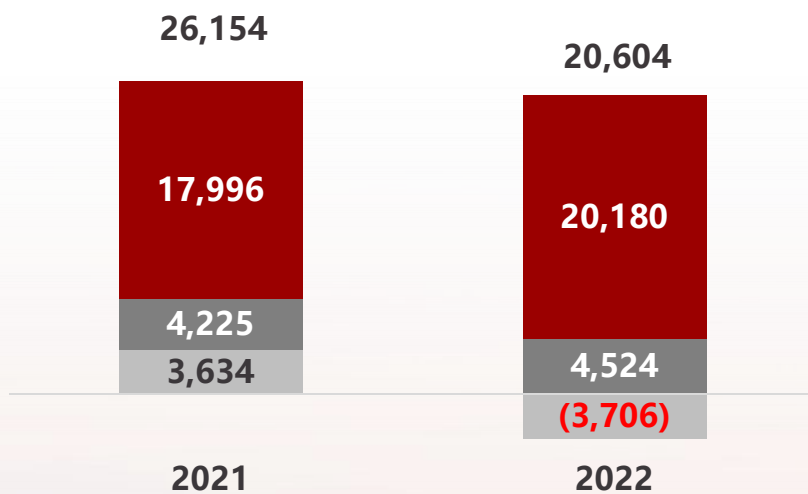
- 1) Round-off difference may exist;
- 2) Cash and cash equivalents are mainly in RMB, including financial assets purchased under agreement to resell within 3 months;
- 3) "Other investments" include investment properties, capital security funds, etc.



YoY Increase in Net Investment Income and Decline in Total Investment Income

Total Investment Income

(RMB mm)



- Net realized and unrealized (losses) /gains on investments
- Share of profits of associates and joint ventures and dilution loss arising on a reduced stake in an associate
- Interest, dividend and rental income (net investment income)

Investment Yields

	2022	2021	Change YoY
Total Investment Yield	3.7%	5.0%	-1.3ppts
Net Investment Yield	3.7%	3.5%	0.2ppts



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05

Key Initiatives for 2023

01

In serving the rural revitalization and build-up of strength in agriculture, the Company will strengthen cooperations with governments at all levels and focus on creating new product supply and enhancing underwriting risk control and claim service capabilities, deepen the "Insurance +" poverty alleviation mode, and help rural development, rural construction and rural governance, to build new advantages in the development of agriculture insurance business.

02

In serving the real economy, the Company will focus on key areas such as scientific and technological innovation and green environment, innovate insurance supply with new products, new technologies and new models, establish and improve the independent underwriter system, create differentiated underwriting pricing capabilities, deepen the linked management of underwriting and claims, expand risk reduction services, and build new driving forces for the business development of group business. The Company will expand product and service supply, strengthen capability building and improve risk management and control to achieve high-quality development of inclusive financing business.

03

The Company will strengthen the refined management of motor vehicle insurance, build a low-cost business model, strengthen channel construction and claims control, and improve risk identification and pricing capabilities; strategically develop new energy vehicle business, innovate products for "intelligent network" risks and create new business models, to promote the stable operation of motor vehicle insurance business.

04

The Company will grasp the development opportunities of individual insurance business in serving the strategy of expanding domestic demand, integrate service resources, upgrade product supply, and accelerate the development of motor vehicle-related products, health insurance, and service-oriented household property insurance business, to achieve a new leap in individual business.

05

In serving the Healthy China Strategy, the Company will consolidate the advantageous position of critical illness insurance, actively expand long-term care insurance and occupational injury insurance for new industries etc., and innovate health management services to promote the sustainable and healthy development of social medical insurance business.

06

The Company will enhance scientific and technological empowerment, deepen the digital transformation of insurance services, promote the construction of service ecosystem, and support product and service innovation. We will enhance customer service and protect interests of consumers; improve the comprehensive risk management system, keep the bottom line of no systemic risks, and consolidate the business foundation for sustainable development.

07

The Company will optimize the asset portfolio and grasp market opportunities. For equity investment, the Company will control the overall size, grasp market opportunities in a timely manner, and meanwhile, select equity projects more prudently to increase the stability of returns on equity investment; maintain the proportion of fixed income assets and uphold credit risk standards; flexibly allocate bonds, financial products and bank deposits.