

2024 Interim Results

PICC P&C (2328.HK)



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- Unless otherwise specified, this document were analyzed in accordance with the Hong Kong financial Reporting standards 17-insurance contracts and the new financial instrument accounting standards.
- To facilitate investors' understanding of the operating results of the segments, the company allocated the insurance service income, insurance service fees, and other profit and loss accounts corresponding to the reinsurance business to each insurance type, and simulated and calculated the net operating performance of each insurance type.



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Section I Interim Results Overview

Results Overview

In the first half of 2024, in an effort to actively implement the decisions and plans of the CPC Central Committee, stick to the general principle of seeking progress while maintaining stability, and practically promote the PICC Group's "To be Prominent Strategy", the Company well positioned itself in serving Chinese modernization, spared no efforts to serve the development of the Five Target Areas of "technology finance, green finance, inclusive finance, elderly care finance, and digital finance", solidly implemented "Eight Strategic Services", implemented the new business model of "insurance + risk reduction service + science and technology", made further progress in product and service innovation, continuously strengthened the refined management and active risk prevention and control to give full play to insurance's functions as the economic shock absorber and social stabilizer, and promote high-quality development in serving the macro economic and social development.

Original insurance
premium income

311,996
RMB million

34.0%
Market share

Underwriting
profit

8,999
RMB million

COR

96.2%

Total investment
income

13,971
RMB million

2.2%
Total investment
yield
(unannualized)

Net profit

18,491
RMB million

ROE
(unannualized)

7.7%

Proposed DPS

0.208
RMB

Comprehensive
solvency
margin ratio

228.5%

Core
solvency
margin ratio

204.7%

Notes:

- (1) The original insurance premium income was calculated in accordance with the rules prior to the revision of the insurance contract accounting standards.
- (2) The solvency results were calculated in accordance with the Rules for the Supervision of Insurance Company Solvency (II) and the relevant notices issued by the National Financial Regulatory Administration (former CBIRC).
- (3) "Eight Strategic Services" are serving the construction of modernized industrial system, serving the rural revitalization, serving building China's self-reliance and strength in science and technology, serving the enhancement of the people's livelihood and wellbeing, serving the green development, serving the safe development, serving the regional development and serving the "Belt and Road".



Section II Main Work in 2024H1

INNOVATING AND UPGRADING STRATEGIC SERVICES AND CONTINUOUSLY ENHANCING PRODUCT AND SERVICE SUPPLY

By taking serving the real economy as the fundamental purpose, the Company implemented “Eight Strategic Services” to support the construction of modernized industrial system, rural revitalization, China’s self reliance and strength in science and technology, the enhancement of the people’s livelihood and wellbeing, the green development, safe development, regional development and the “Belt and Road” Initiative, continuously enhanced the product and service supply, and provided high-quality services for Chinese modernization.

○ The Company underwrote various projects in low-altitude economy sector, and promoted the proposal for comprehensive insurance service for industrial parks, providing **127,000** industrial park enterprises with risk protection of **RMB17.4 trillion**.

○ The risk protection provided for green insurance was **RMB110.6 trillion**, Up **16.0% YoY**.



○ The Company further increased their science and technology insurance and intellectual property insurance products, launched the country’s first comprehensive insurance product for pilot test, the first insurance product for temporary patent protection period and first batch of insurance products for loss of overseas patent/trademark registration expenses.

○ The Company actively developed insurance products for social governance, provided safe production risk protection of **RMB4.5 trillion** for **164,000** enterprises.

○ Provided insurance support for the construction of Beijing-Tianjin-Hebei Region, Guangdong-Hong Kong-Macau Greater Bay Area, Yangtze River Delta and other national key regions, and provided strong support for the construction of “Five Centers” in Shanghai.

CONTINUOUSLY IMPROVING CUSTOMER MANAGEMENT CAPABILITY AND FURTHER CONSOLIDATING THE DEVELOPMENT FOUNDATION

- By the end of June 2024, the number of individual customers of the Company was more than **120 million** and the number of corporate customers reached **4.391 million**, representing an increase of **1.4%** and **3.8%** respectively as compared to the beginning of the year.

- The coverage ratio of high-tech enterprises and innovative enterprises that use special and sophisticated technologies to produce novel and unique products increased to **23.7%** and **32.3%** respectively.

- The implementation scope of full cost insurance for the three major staple food crops and planting income insurance was expanded to **30 provinces (autonomous regions, municipalities)**.

- The participation rate of national pilot long-term care insurance projects was **65.3%**.

- The coverage of regional catastrophe insurance was expanded to **93 cities in 17 provinces**.

- The agriculture insurance provided risk protection for **41.79 million** rural households.

- Social medical insurance served **760 million** people.

- The regional catastrophe insurance provided risk protection for **350 million** people.

SOLIDLY PROMOTING RISK REDUCTION AND BUILDING A WHOLE-PROCESS SERVICE CLOSED CYCLE

By giving full play to the functional value of insurance, promoting the quality improvement, coverage expansion and variety increase of risk reduction services, and building a closed cycle of “product supply – pre-underwriting – during the term of insurance – pre-disaster – during the disaster – post-disaster” services, the Company effectively leveraged the functions of risk reduction services in improving risk prevention capabilities of society and promoting high quality development of businesses.

Through effective **pre-underwriting** risk identification, the Company solidly advanced a comprehensive risk survey of corporate business.

- C The Company issued **1.975 million** digital risk survey reports.
- C Completed **102,000** standard risk surveys.
- C Completed **1,075** professional risk surveys.

The Company implemented risk reduction value-added services and risk monitoring and early warning during **the term of insurance**.

- C The Company organized disaster emergency response exercises, innovatively drew the disaster emergency response capability map, stored the emergency response equipments, tools and materials, and established PICC rescue teams.
- C The Company provided **844,000** risk reduction services in safe production liability insurance, property insurance and other key insurance sectors, and provided **4.304** million weather early warnings and more than **43,000** IoT early warnings.

The Company actively implemented the disaster prevention and loss reduction and risk screening **before disaster**.

- C In response to the rainstorms in South China, the Company allocated and installed water immersion IoT equipments and other equipments in advance, made pre-disaster inspection of **15,000** customers, set up warning signs and watched over the places which are easily logged with water, collected and relocated the subject matters of the agriculture insurance, made arrangements for the storage locations, maintenance points and other important resources.

The Company made great efforts in rescue and dispatch and claim settlement **during and after the disaster**.

- C By adhering to the principle of “**fast and full claim payment and reasonable prepayment**”, the Company made great efforts in post-disaster recovery, reconstruction and loss indemnity in response to the rainstorms in South China, road collapse of Meizhou-Dapu Expressway in Guangdong Province, landslide in Zhaotong, Yunnan Province and the earthquake in Wushi, Xinjiang Autonomous Region, and **duly performed the functions of insurance as the economic shock absorber and social stabilizer**.



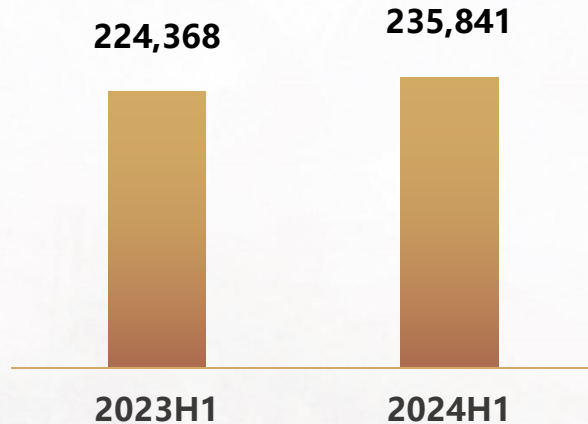
Section III

Overview of Insurance Business Operations

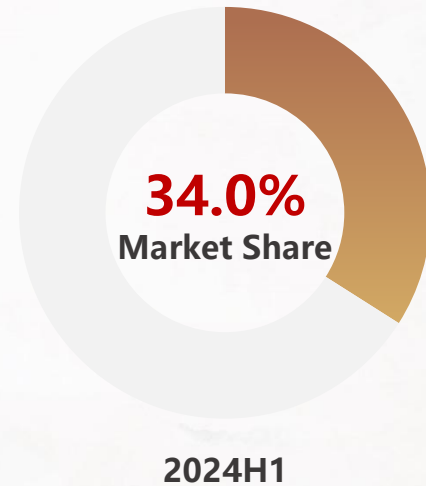
Stable Enhancement of Business with Market Position Maintaining Dominant

Insurance Revenue Up **5.1%** YoY

(RMB mm)



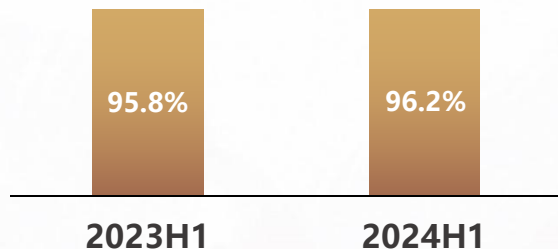
Market Share



Note: Calculated based on the data of the PRC insurance industry published on the website of the National Financial Regulatory Administration(former CBIRC). Commencing from June 2021, the aggregate data of property insurance companies published by the National Financial Regulatory Administration was temporarily exclusive of certain institutions undergoing settlement of risks in the insurance industry.

Maintaining Sound Underwriting Profitability with Combined Ratio Outperforming the Industry

Combined Ratio

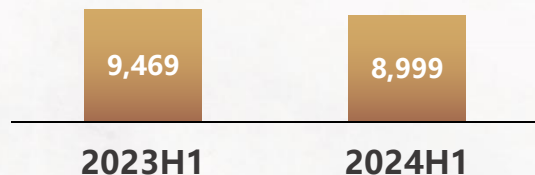


Comprehensive Expense Ratio

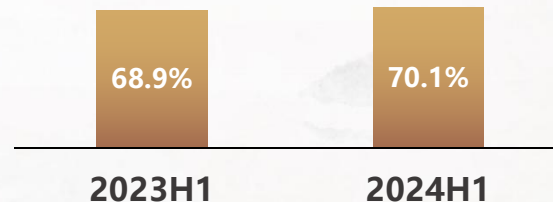


Underwriting Profit

(RMB mm)



Comprehensive Loss Ratio

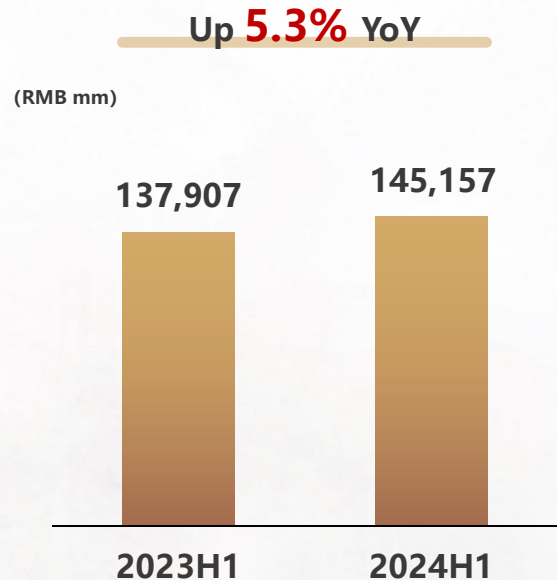


Note:

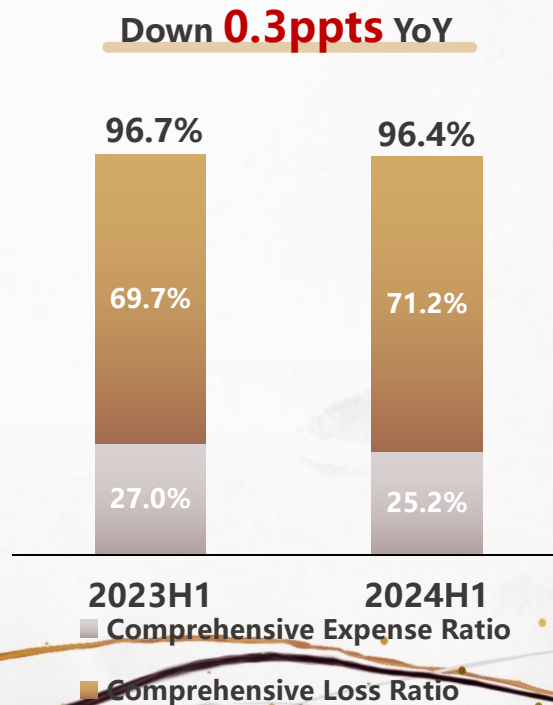
- (1) Comprehensive loss ratio = [incurred claims and loss adjustment expenses for the period + changes in fulfilment cash flows related to liability for incurred claims + (recognition and reversal of loss component – loss component allocated in liability for remaining coverage) + net expenses/(income) from reinsurance contracts held + (finance expenses/(income) from insurance contracts issued – finance income/(expenses) from reinsurance contracts held)]/insurance revenue
- (2) Comprehensive expense ratio = (amortization of insurance acquisition cash flows + maintenance costs)/insurance revenue
- (3) Combined ratio = [insurance service expenses + net expenses/(income) from reinsurance contracts held + (finance expenses/(income) from insurance contracts issued – finance income/(expenses) from reinsurance contracts held)]/insurance revenue; or combined ratio = comprehensive loss ratio + comprehensive expense ratio

Stable Growth in Motor Insurance with Improved Combined Ratio

Insurance Revenue of Motor Insurance



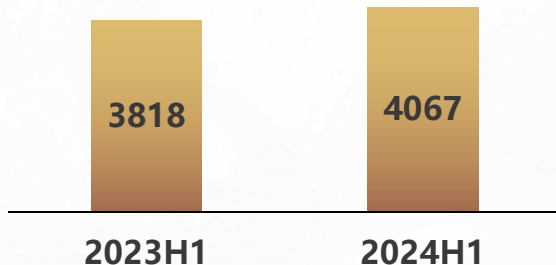
Combined Ratio of Motor Insurance



Actively Implementing National Strategy and Continuously Optimizing the Motor Insurance Business Structure

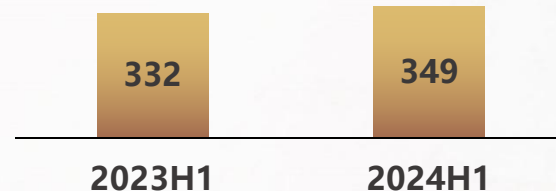
Number of Household Vehicles Underwritten
Up **6.5%** YoY

(Ten Thousand)



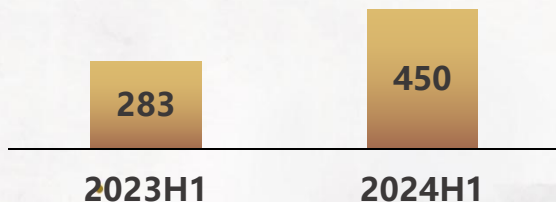
Number of Household New Vehicles Underwritten
Up **5.2%** YoY

(Ten Thousand)



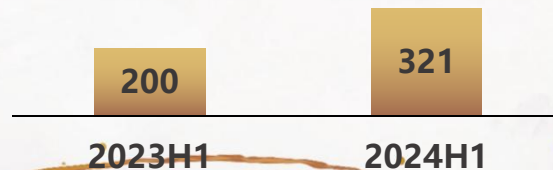
Number of NEV Underwritten
Up **59.3%** YoY

(Ten Thousand)



Number of NEV Household Vehicles Underwritten
Up **60.6%** YoY

(Ten Thousand)



Stable Growth in Non-Motor Insurance

Insurance Revenue of Non-Motor Insurance

Up **4.9%** YoY

(RMB mm)

86,461 90,684

2023H1

2024H1

Combined Ratio of Non-Motor Insurance

Up **1.4ppts** YoY

94.4%

95.8%

2023H1

2024H1

Agriculture Insurance

Insurance Revenue

Down **7.0%** YoY

(RMB mm)

25,043

2023H1

23,292

2024H1

Combined Ratio

Down **2.0ppts** YoY

91.0%

14.2%

2023H1

89.0%

75.3%

13.7%

2024H1

■ Comprehensive Expense Ratio

■ Comprehensive Loss Ratio

Accidental Injury & Health Insurance

Insurance Revenue

Up **7.5%** YoY

(RMB mm)

23,019 24,751

2023H1

2024H1

Combined Ratio

Up **1.4ppts** YoY

98.5%

64.0%

34.5%

2023H1

■ Comprehensive Expense Ratio

■ Comprehensive Loss Ratio

99.9%

64.8%

35.1%

2024H1

Liability Insurance

Insurance Revenue

Up **8.4%** YoY

(RMB mm)

16,922 18,339

2023H1

2024H1

Combined Ratio

Up **1.3ppts** YoY

102.8%

71.0%

31.8%

2023H1

104.1%

73.5%

30.6%

2024H1

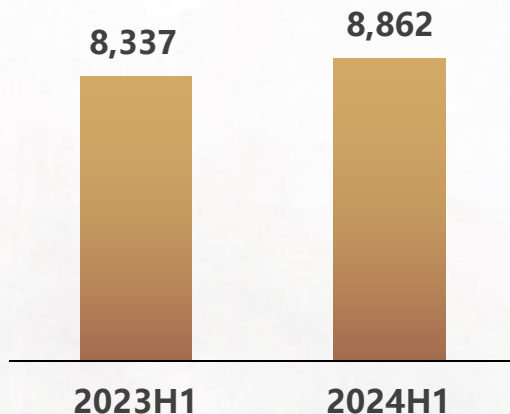
■ Comprehensive Expense Ratio
■ Comprehensive Loss Ratio

Commercial Property Insurance

Insurance Revenue

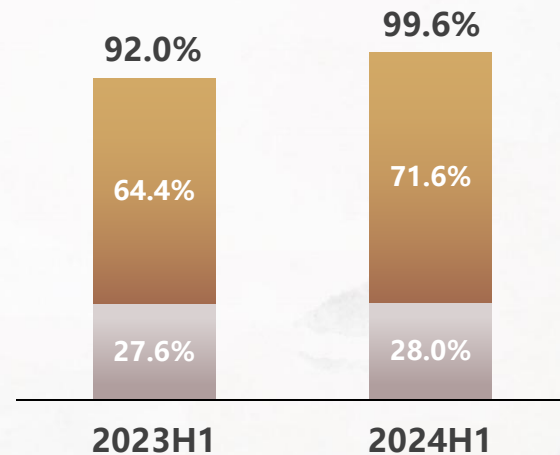
Up **6.3%** YoY

(RMB mm)



Combined Ratio

Up **7.6ppts** YoY



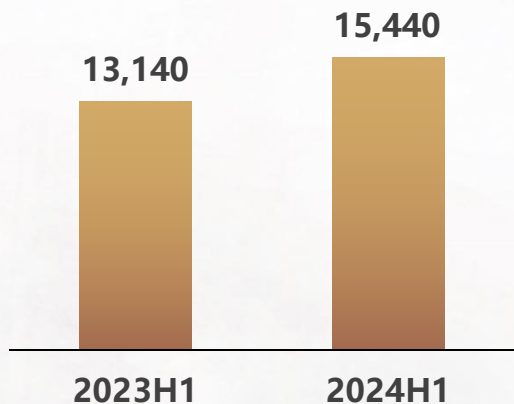
■ Comprehensive Expense Ratio
■ Comprehensive Loss Ratio

Other Insurance

Insurance Revenue

Up **17.5%** YoY

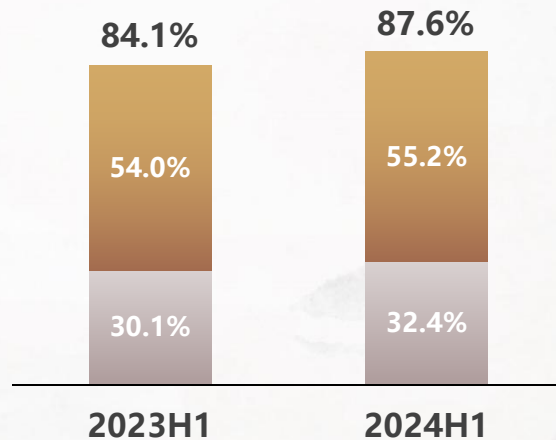
(RMB mm)



Note: The other insurance includes credit and surety insurance, cargo insurance, household property insurance, special risk insurance, marine hull insurance and construction insurance.

Combined Ratio

Up **3.5ppts** YoY



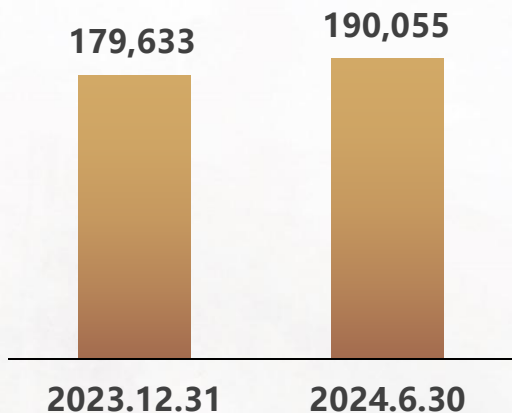
■ Comprehensive Expense Ratio
■ Comprehensive Loss Ratio

Appropriated Reserves Adequately and Reasonably Enhanced Ability to Defend Risks

Net Loss and LAE Reserves

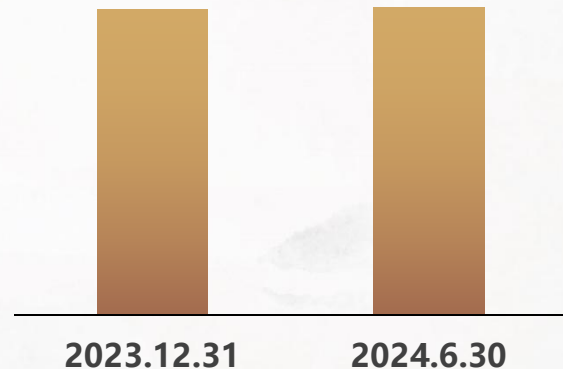
Up **5.8%** vs. Beginning of the Year

(RMB mm)



Net Loss and LAE Reserves Ratio of Motor Insurance

Up **0.1ppts** vs. Beginning of the Year



Notes:

(1) Net Loss and LAE Reserves and Net Loss and LAE Reserves Ratio were reviewed in accordance with the PRC accounting standards prior to the revision of the insurance contract accounting standards.

(2) 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

The background features a soft, painterly landscape with misty mountains, white clouds, and several birds in flight. A large, textured grey circle is positioned on the left side. The bottom of the image is decorated with flowing, multi-colored lines in shades of purple, blue, and gold, interspersed with small golden dots.

Section IV

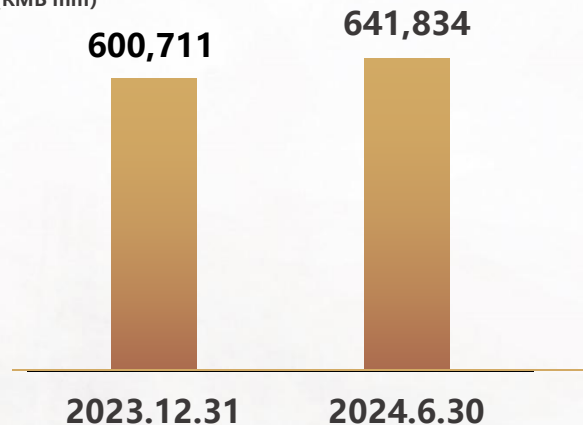
**Overview of
Insurance Fund
Investment Business**

Steadily Growth in Total Investment Assets with Improved Investment Assets Portfolio

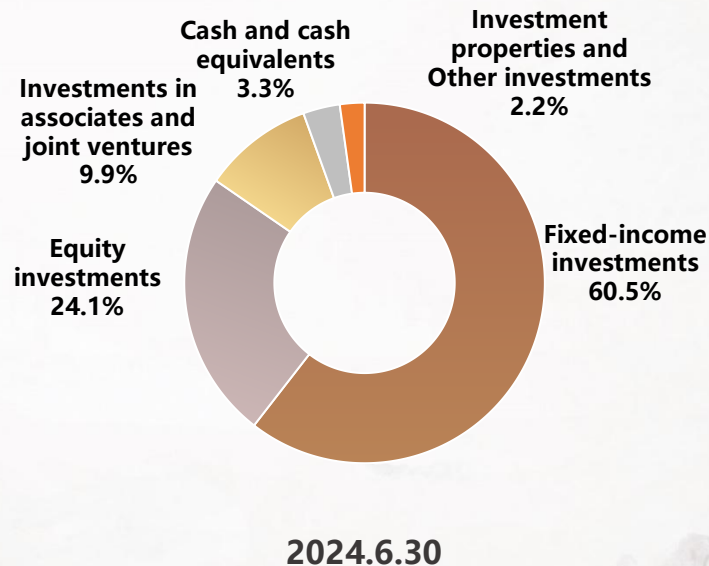
Total Investment Assets

Up **6.8%** vs. Beginning of the Year

(RMB mm)



Investment Portfolio

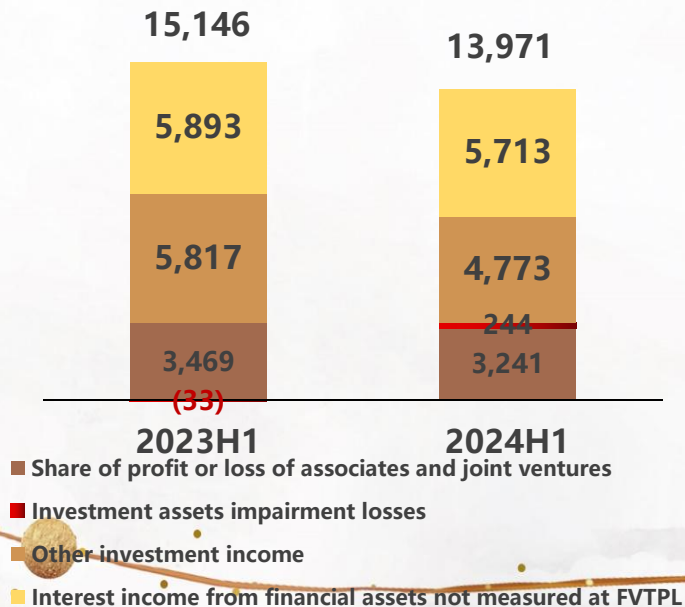


Note: "Other investments" mainly included restricted statutory deposits.

Investment Results

Total Investment Income

(RMB mm)



Total Investment Yield

	2024H1	2023H1
Total Investment Yield (unannualized)	2.2%	2.6%



Section V

**Key Initiatives for
2024H2**

Key Initiatives for 2024H2

Firstly, focusing on the implementation and refinement of the Five Target Areas of “technology finance, green finance, inclusive finance, elderly care finance and digital finance” .

Secondly, optimizing the business model and enhancing the capacity of risk reduction services.

Thirdly, innovating the mechanism and system to further stimulate the momentum and vitality.

Fourthly, building a solid bottom line of risk prevention and co-ordinating development and safety.

Fifthly, continuously optimizing asset structure to maintain healthy portfolio development.