



2024 Annual Results

PICC P&C (2328.HK)

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.
- 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.

Contents

- Section I** **Results Overview**
- Section II** **Main work in 2024**
- Section III** **Overview of Insurance Business Operations**
- Section IV** **Overview of Insurance Fund Investment Business**
- Section V** **Key Initiatives for 2025**



Section I Results Overview

Results Overview

In 2024, in an effort to actively implement the decisions and plans of the CPC Central Committee and fully implement the strategic arrangements of PICC Group, the Company adhered to the original mission of the “People’s Insurance serves the People”, followed the general principle of seeking progress while maintain stability, and spared no efforts to serve the Five Priorities of “technology finance, green finance, inclusive finance, elderly care finance, and digital finance”. We continued to deepen the reform and innovation, improved the business and management system, proactively prevented and mitigated risks and created new momentum and advantages of development to give full play to insurance’s functions as the economic shock absorber and social stabilizer, and promoted high-quality development in serving the modernization with Chinese characteristics and building China’s strength in finance.

Original insurance premium income

538,055
RMB million

31.8%
Market share

Underwriting profit

5,713
RMB million

98.8%
COR

Total investment income

34,937
RMB million

5.5%
Total investment yield

Net profit

32,161
RMB million

13.0%
ROE

Proposed final DPS

0.332
RMB

0.54 RMB
Proposed full year DPS (including interim dividend)

Comprehensive solvency margin ratio

232.6%

211.0%
Core solvency margin ratio

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).



Section II Main work in 2024

OPTIMIZING AND IMPROVING THE MODERN INSURANCE SERVICE SYSTEM AND CONTINUING TO STEP UP THE SUPPORT FOR NATIONAL STRATEGIES

In terms of serving technology finance, the Company and its subsidiaries established a scientific and technological achievements and intellectual property rights certification center, launched the country's first comprehensive insurance for pilot production, the country's first batch of insurance for scientific and technological breakthroughs, exclusive insurance for low-altitude economy and insurance for loss of overseas patent/trademark registration related expenses.

In terms of serving inclusive finance, the Company and its subsidiaries focused on micro, small and medium-sized enterprises and private enterprises, and launched the "micro-assurance" exclusive product, providing risk protection of RMB45 billion for 97,000 micro, small and medium-sized enterprises and self-employed individuals. In support of the rural revitalization, the Company and its subsidiaries provided risk protection of RMB2.1 trillion for 55.42 million rural households, and the full cost insurance and plantation income insurance for the three staple crops covered 320 million mu of land. The Company and its subsidiaries further improved the insurance protection for new citizens, with the participation rate of pilot insurance for occupational injury of new business forms reaching 86%. The Company and its subsidiaries established and upgraded China Urban and Rural Residential Building Catastrophe Insurance Pool, and the coverage of regional catastrophe insurance was expanded to 118 cities in 20 provinces (autonomous regions, municipalities), providing risk protection for 410 million people. The Company and its subsidiaries actively developed the social medical insurance business which covered 289 cities in 30 provinces (autonomous regions, municipalities), serving 840 million people.

Serving
the real economy
Promoting
high-quality
development

In terms of serving green finance, the green insurance provided risk protection of RMB161.9 trillion, representing a year-on-year increase of 10.5%. In low carbon operation practice, the Company and its subsidiaries established the country's first "carbon neutrality" insurance outlet in Xiamen.

In terms of serving elderly care finance, the Company has issued a plan for further improving financial services for the convenience of elderly population, launched an elderly-friendly version of WeChat official account, and promoted the elderly-friendly and barrier-free renovation of business outlets. The Company and its subsidiaries vigorously developed the long-term care insurance, with the participation rate of national level pilot projects exceeding 65%.

In terms of serving digital finance, the Company and its subsidiaries innovated digital economy insurance products, and launched the "Computing Chain Insurance", the portfolio insurance products for computing power industrial chain. "Carefree on Cloud" and a number of proposals were included in the list of cybersecurity insurance pilot projects of the Ministry of Industry and Information Technology. The protection amount of cybersecurity insurance increased by 31.3% year on year.

ENHANCING THE CAPACITY OF RISK REDUCTION SERVICES AND MAKING BEST EFFORTS TO RESPOND TO MAJOR DISASTERS AND ACCIDENTS

By focusing on innovation-driven development, the Company actively promoted the implementation of risk reduction services, updated the “Wan Xiang Yun” platform, and built a value chain of whole process risk reduction services.

- By way of risk identification, the Company issued 4.137 million risk survey reports, achieving 100% coverage of digital risk survey of corporate business.
- By risk monitoring and early warning, the Company and its subsidiaries provided 1.6069 million risk reduction services in safe production liability insurance, property insurance and other key insurance sectors, and provided 14.6392 million weather early warnings and more than 193,700 IoT early warnings.
- In face of severe disasters in 2024, issued “19 Measures on Accelerating Claim Settlement” to support the post-disaster recovery and reconstruction as well as loss compensation.

- In 2024, the Company organized the rescue services in **255** major disasters and accidents, made **38** disaster claim settlement emergency responses, and mobilized over **40,000** persons for claim settlement.
- The Company responded to various major disasters and accidents properly, such as freezing rain and snow disasters, rainstorm in South China, road collapse on Meizhou_x0002_Dapu Expressway in Guangdong, landslide in Zhaotong, Yunnan, earthquake in Wushi, Xinjiang Autonomous Region, Typhoon Yagi, Bebinca and Pulasan and other major disasters.
- In 2024, the Company handled more than **180 million** claims, representing a year-on-year increase of **32.0%**.

Company Honors

Top 100 Hong Kong Listed Companies Research Centre, Finet	Ranked 31st in the Main List of "Top 100 in Comprehensive Strengths" of "Hong Kong Stocks – Top 100" On list for 12 consecutive years
Xinhuanet and National Publicity and Education Center for Rural Revitalization 2024 Boao Forum for Entrepreneurs	"Outstanding Enterprise Model of Social Responsibility"
MSCI	ESG rating upgraded to AA level
Tsinghua Financial Review "Bauhinia Awards"	No. 1 in the "2024 China Insurance Competitiveness Rankings", "Excellent Property Insurance Company of the Year"
National Business Daily 2024 "Gold Tripod Award"	"Excellent Property Insurance Company of the Year"
Southern Weekly 2024 New Finance Conference	TOP5 of Property Insurance in New Financial Competitiveness List and TOP1 on Property Insurance Efficiency Improvement List in 2024
hexun.com 22nd China Finance and Economics Billboard	"2024 Brand Influence Insurance Company"
Shanghai Securities News "2024 Golden Wealth Management"	"Excellent Insurance Protection Brand of the Year"
Ministry of Agriculture and Rural Affairs Top 10 Innovative Models in respect of Financial Support for Agriculture in 2023	The "Modern Marine Ranch Insurance Escort 'Blue Granary' Model of PICC" was selected as one of the Top 10 Innovative Models in respect of Financial Support for Agriculture
"Belt and Road" Reinsurance Community of China	Most Influential Award for Serving the Belt and Road Initiative in the Insurance Industry in 2023
China Media Group "2024 CCTV Financial Power Annual Ceremony"	<i>Agricultural Germplasm Resources Protection Insurance</i> was selected as one of "2024 CCTV Financial Power Annual Cases"
China Electronics Chamber of Commerce the 20th Annual Conference and the Annual Awards Ceremony on China Call Center Industry Development of the Year	The 95518 Customer Service Center was awarded the "2024 Top 10 Call Center (more than 1,000 seats) and Excellent Customer Experience Award"
Securities Times "2024 China Insurance Ark Award"	"2024 Ark Award for Digital Finance Practice in the Insurance Industry"
National Healthcare Security Administration 2024 National Smart Medical Insurance Competition	"Intelligent Q&A Application Scheme for Medical Insurance Knowledge Based on Large Language Model" won the First Prize
2024 IDC Technology Application Scenario Innovation Award in China Financial Industry	The "Auto Insurance Claims Logic Concentration Project" awarded as an Excellent Case of "InsurTech" category
2024 China Computational Power Conference	"All-flash distributed storage construction solution for insurance applications" was awarded the "2024 China Computational Power Conference Pioneer Case of Foundation Building"



Section III

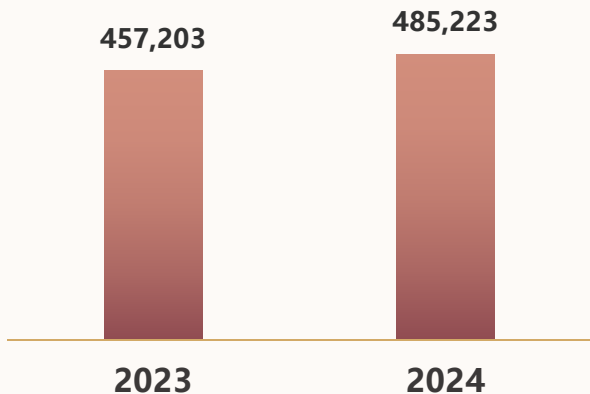
Overview of Insurance Business Operations



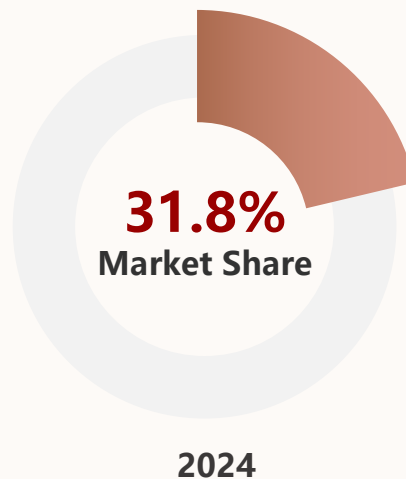
Continued Growth in Insurance Business with Market Position Maintaining Dominant

Insurance Revenue Up **6.1%** YoY

(RMB mn)



Market Share

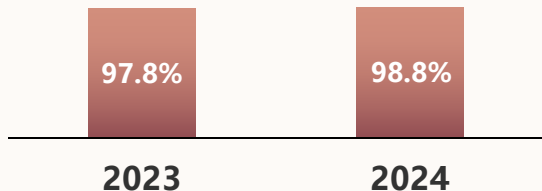


Note: Calculated based on the data of the PRC insurance industry published on the website of the National Financial Regulatory Administration(former CBIRC). Commencing from June 2021, the aggregate data of property insurance companies published by the National Financial Regulatory Administration was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

Combined Ratio Outperformed the Industry

The Company through business quality management and control and detail-oriented management of expenses, improved the operating efficiency of all links of value chain with new technology, and actively responded to the challenges brought about by market competition and disasters and accidents, further consolidating the resilience of sustainable development.

Combined Ratio

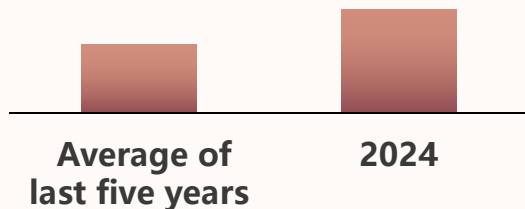


Comprehensive Expense Ratio

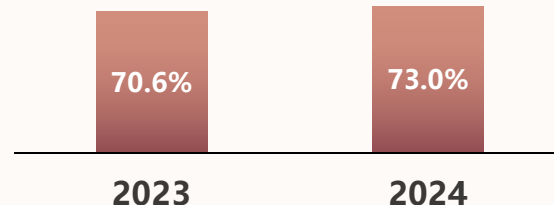


The net loss from major disasters exceeded the average of the last five years by **50.9%**

(RMB mn)



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

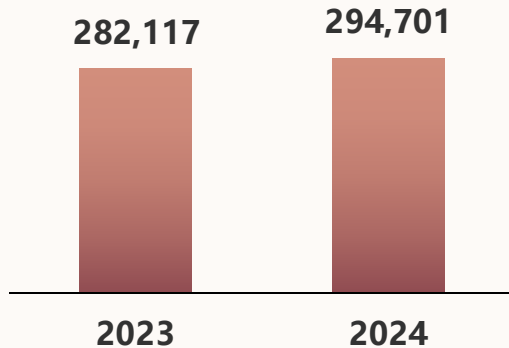
(3) Combined ratio = [insurance service expenses + net expenses/(income) from reinsurance contracts held + (finance expenses/(income) from insurance contracts issued – finance income/(expenses) from reinsurance contracts held)]/insurance revenue; or combined ratio = comprehensive loss ratio + comprehensive expense ratio

Effectively Strengthened Motor Market Share with Improved Combined Ratio

Insurance Revenue of Motor Insurance

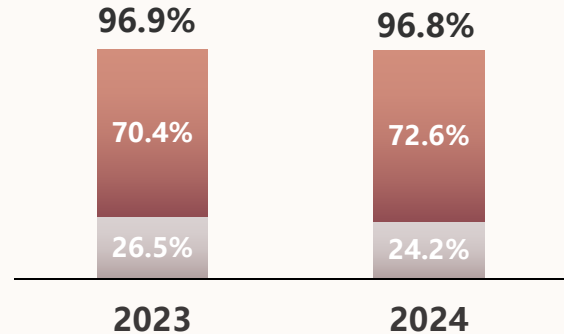
Up **4.5%** YoY

(RMB mn)



Combined Ratio of Motor Insurance

Down **0.1ppt** YoY



■ Comprehensive expense ratio
■ Comprehensive loss ratio

Continuously Optimizing the Business Structure

Household Vehicles Premium Contribution **↑ 1.0ppt**
74.3%

Market Share of Household Vehicle New Contracts **↑ 0.25ppt**
38.8%

Average Limit of Third-Party Liability Insurance for Household Vehicles **↑ 4.6%**
2.80mn RMB

Significant Enhancement in Business Operation

Number of Vehicles Underwritten **↑ 5.3%**
110mn

Individual Non-auto Insurance Penetration Rate at Synergy **↑ 5.6ppts**
76.4%

Drive Individual Non-Auto Insurance Premium **↑ 22.2%**
22.5bn RMB

Deploy overseas business for China's new energy vehicles to create new growth drivers

Rapid Development of New Energy Vehicle Insurance

Number of Vehicles Underwritten **↑ 57.3%**
11.59mn

Premium **↑ 58.7%**
50.9bn RMB

Household Vehicles Commercial Insurance Premium Contribution **↑ 4.9ppts**
69.7%*

Household Vehicles Combined Ratio **< 100%**

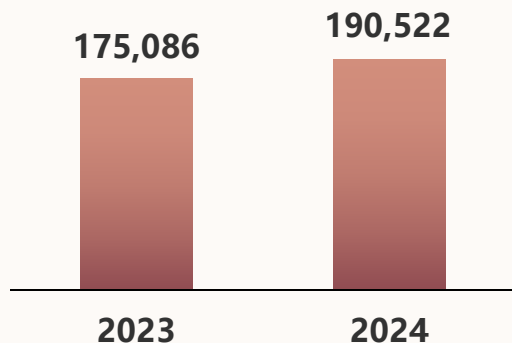
*Note: The proportion of household NEV commercial insurance within NEV commercial insurance.

Rapid Growth in Non-Motor Insurance

Insurance Revenue of Non-Motor Insurance

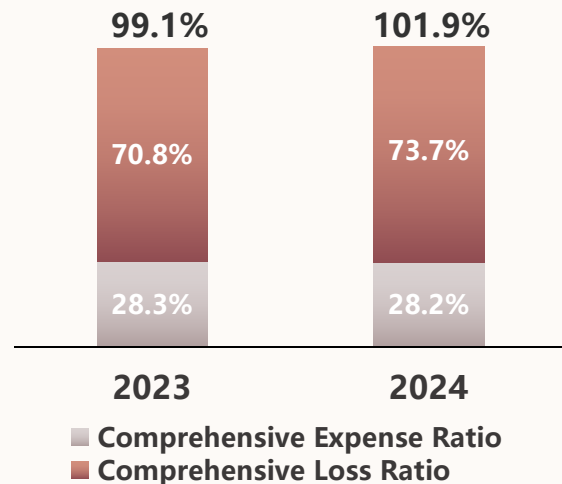
Up **8.8%** YoY

(RMB mn)



Combined Ratio of Non-Motor Insurance

Up **2.8ppts** YoY



Non-Motor Insurance

Sustained and healthy development of individual business

Premium ↑ 18.0%
48.5bn RMB

Combined Ratio < 95%
(Old Accounting Standards)

Strengthening control of institutional business

Core Business Contribution Increased ↑

Expense Ratio ↓ 3.0ppts
(Old Accounting Standards)

Risk Reduction Services Coverage Rate ↑ 6.6ppts

Premium of Products Dedicated to Technological Activities* ↑ 75.9%

Significant Effectiveness in Management of Non-Auto Insurance Premium receivables

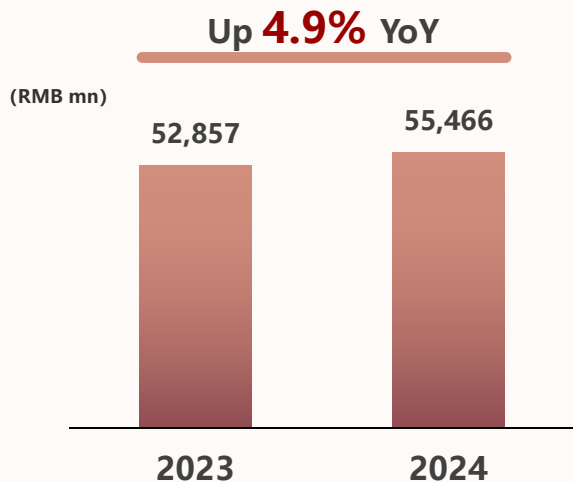
Balance of Premium Receivables ↓ 5.1%

Premium Receivables Rate ↓ 2.2ppts

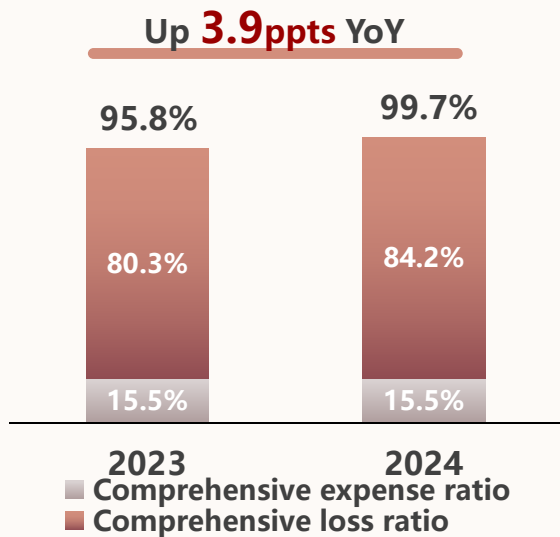
*Note: Products dedicated to technological activities include R&D expense loss insurance, the transformation of scientific and technological achievements expense loss insurance, intellectual property insurance, cyber security insurance, and other products specifically for technology companies.

Agriculture Insurance

Insurance Revenue

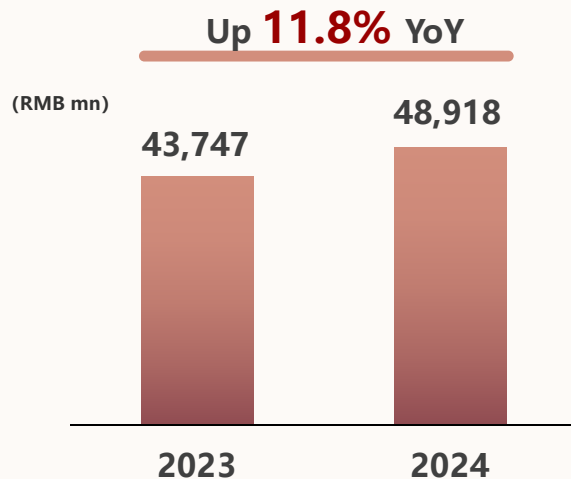


Combined Ratio

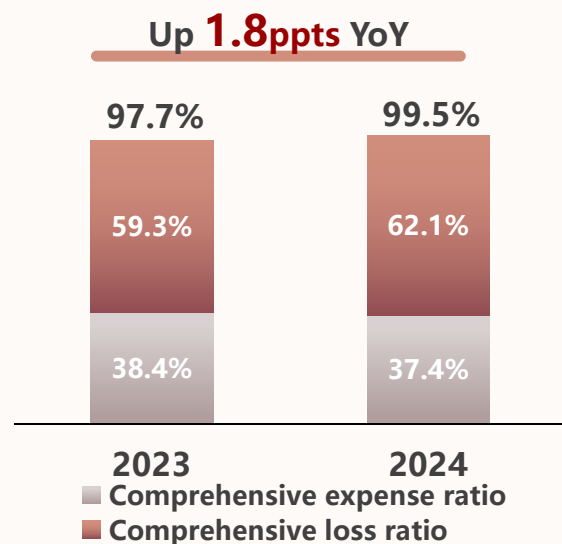


Accidental Injury & Health Insurance

Insurance Revenue

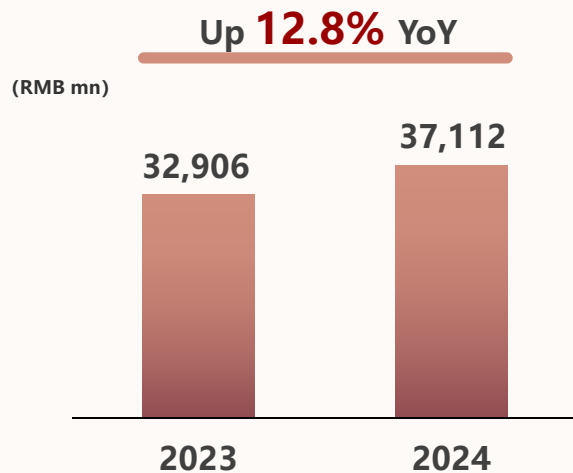


Combined Ratio

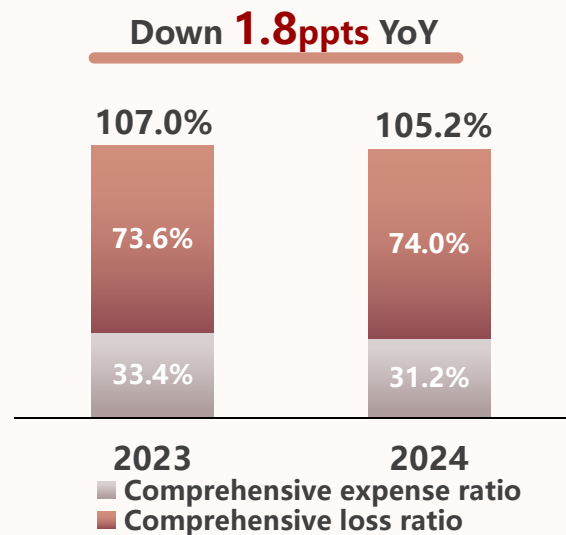


Liability Insurance

Insurance Revenue



Combined Ratio

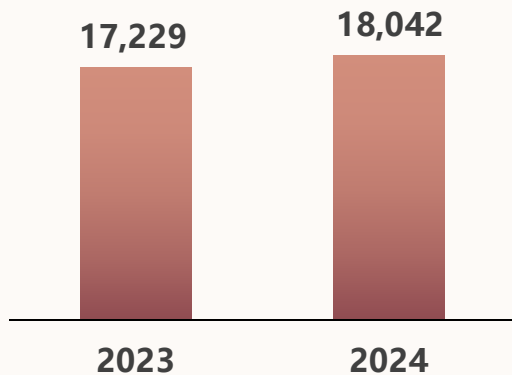


Commercial Property Insurance

Insurance Revenue

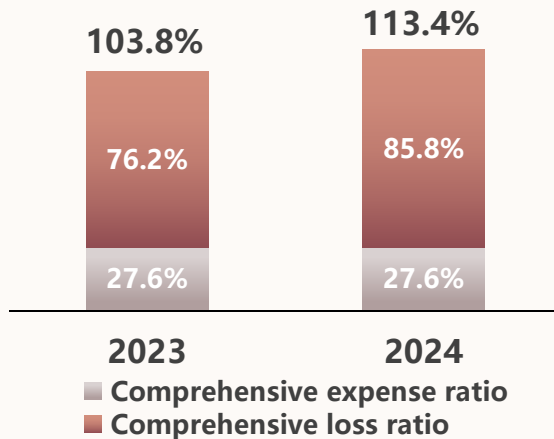
Up **4.7%** YoY

(RMB mn)



Combined Ratio

Up **9.6ppts** YoY

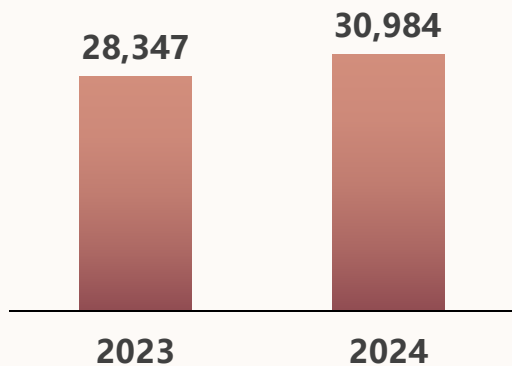


Other Insurance

Insurance Revenue

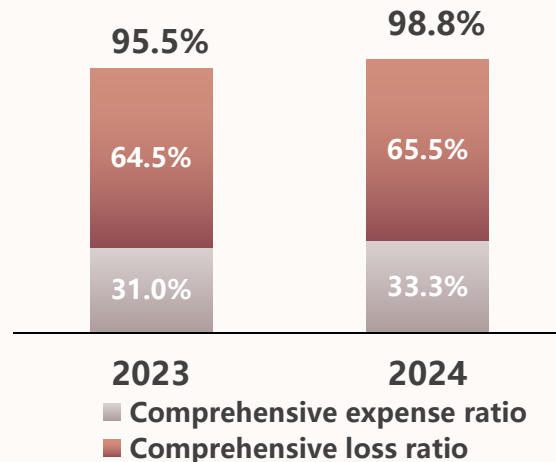
Up **9.3%** YoY

(RMB mn)



Combined Ratio

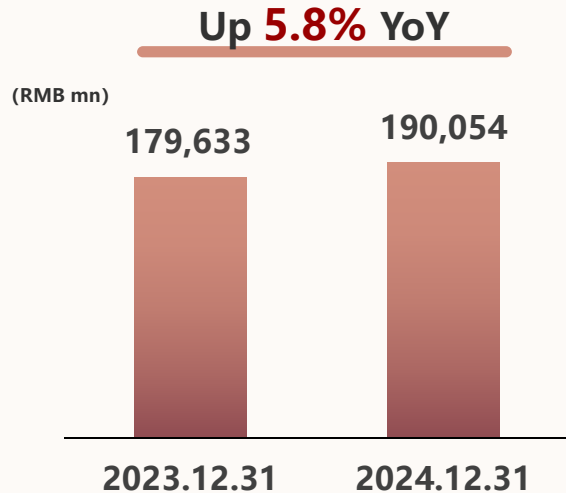
Up **3.3ppts** YoY



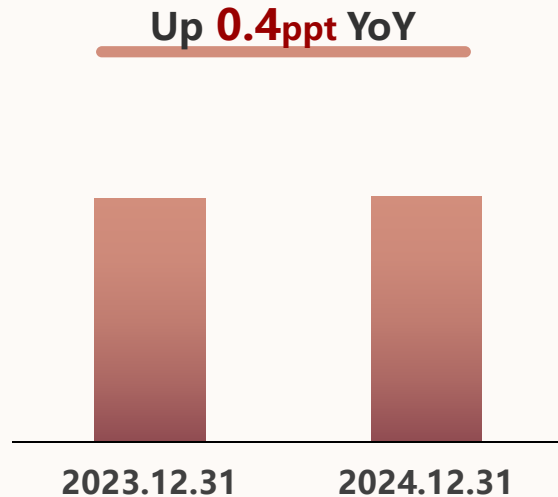
Note: The other insurance includes credit and surety insurance, cargo insurance, household property insurance, special risk insurance, marine hull insurance and construction insurance.

Appropriated Reserves Adequately and Reasonably Enhanced Ability to Defend Risks

Net Loss and LAE Reserves



Net Loss and LAE Reserves Ratio of Motor Insurance



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



Section IV

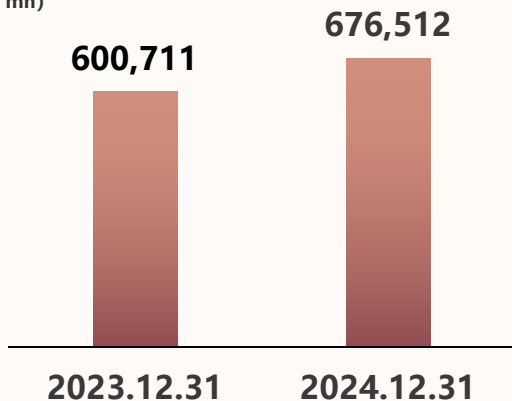
Overview of Insurance Fund Investment Business

Steadily Growth in Total Investment Assets with Improved Investment Portfolio

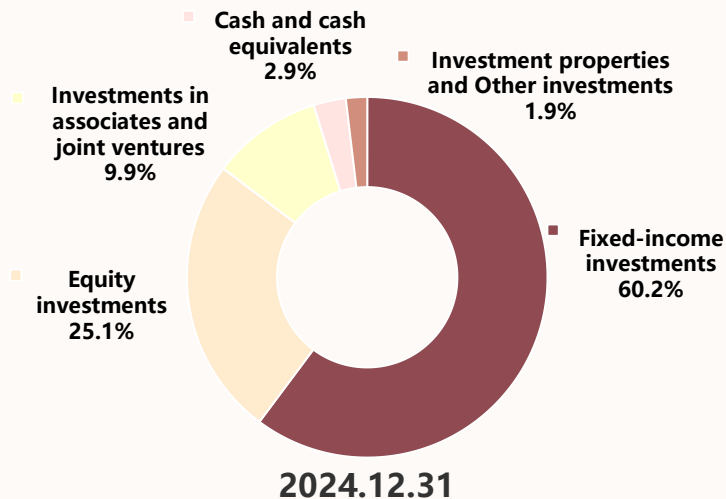
Total Investment Assets

Up **12.6%** vs. Beginning of the Year

(RMB mn)



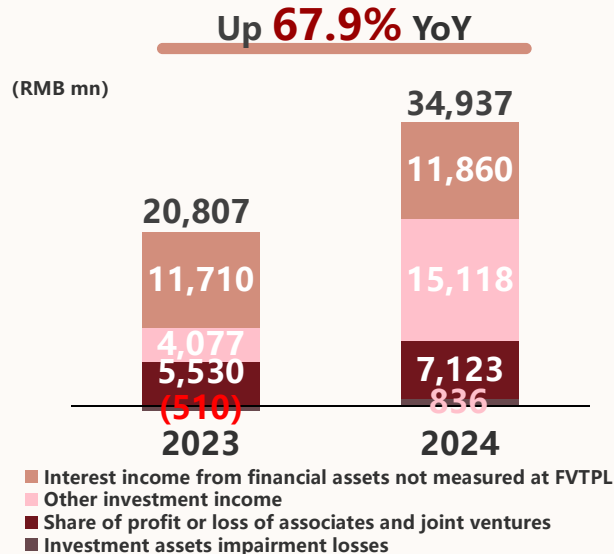
Investment Portfolio



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

Taking The Financial Market Opportunity Huge Growth in Total Investment Income

Total Investment Income



Total Investment Yield

	2024	2023
Total Investment Yield	5.5%	3.5%



Section V Key Initiatives for 2025

Key Initiatives for 2025

01

Focusing on serving China's overall development to play a leading role in insurance protection.

02

Innovating business model to enhance core competition advantages.

03

Optimizing the mechanism and system to bolster the self-driven development.

04

Coordinating development and safety to safeguard the bottom line of risk prevention.

05

Flexibly allocating assets to maintain a stable and robust portfolio.