



中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

2021 Interim Results

PICC P&C (2328.HK)



Disclaimer

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Section I

Results Overview and Main Work



Performance Overview

Business Development Achieved Stable Growth

RMB252.626 bn

Gross Written
Premiums

2.6%

YoY Growth

Underwriting Profitability Improved

RMB5.406 bn

Underwriting Profit

97.2%

Combined Ratio

Total Investment Income Increased Significantly

RMB15.166 bn

Total Investment
Income

5.9%

Total Investment
Yield (Annualized)

Overall Profitability Enhanced

RMB19.716 bn

Profit Before Tax

RMB16.497 bn

Net Profit

Comprehensive Strength Enhanced Steadily

RMB714.735 bn

Total Assets

RMB197.545bn

Net Assets

Solvency Margin Remained Stable

309%

Comprehensive
solvency
margin ratio

269%

Core solvency
margin ratio





Focusing on “Six Strategic Services” for New Development Paradigm

Serving rural revitalisation

- Fully participated in pilot work of full cost insurance and income insurance
- Launched the exclusive protection scheme of “Rural Revitalisation Insurance”
- Gross written premiums of agriculture insurance recorded RMB29,673 million, up 15.5% YoY

Serving smart transportation

- Developed liability insurance products of traffic safety field
- Upgraded the “Traffic Police and Insurer Joint Work” to cover 332 cities in 31 provinces (municipalities) and autonomous regions
- Applied “Yuhang Model” in over 3,000 local courts and accumulatively mediated 109,000 injury cases

Serving health & elderly care

- Vigorously developed individual commercial health insurance business
- Speeded up urban “Huimin Insurance” business, and integrated “health insurance + health management”
- As of end of June, “Huimin insurance” business covered nearly 100 cities, serving a total of over 20 million people

Serving the green environment

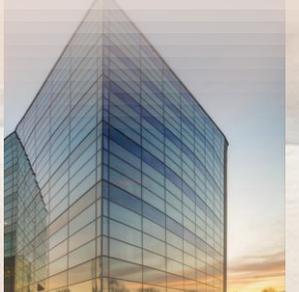
- Vigorously developed the environmental pollution liability insurance, provided insurance protection for 3,577 enterprises in 2021H1
- Innovated insurance for wind power, photovoltaic, energy-saving buildings and other green industries
- Launched the first “carbon sink loan” forest fire insurance in China

Serving scientific and technological innovation

- Vigorously developed insurance businesses for the first set of major technical equipment, the first batch of new materials and the first version of software
- Upgraded and expanded the technology insurance and intellectual property insurance products
- Provided risk protection for 1,194 enterprises in 2021H1

Serving social governance

- Customised comprehensive service solutions such as “Town Insurance” and “Community Safety Insurance”
- Actively developed governance liability insurance business and promoted urban public risk insurance solutions



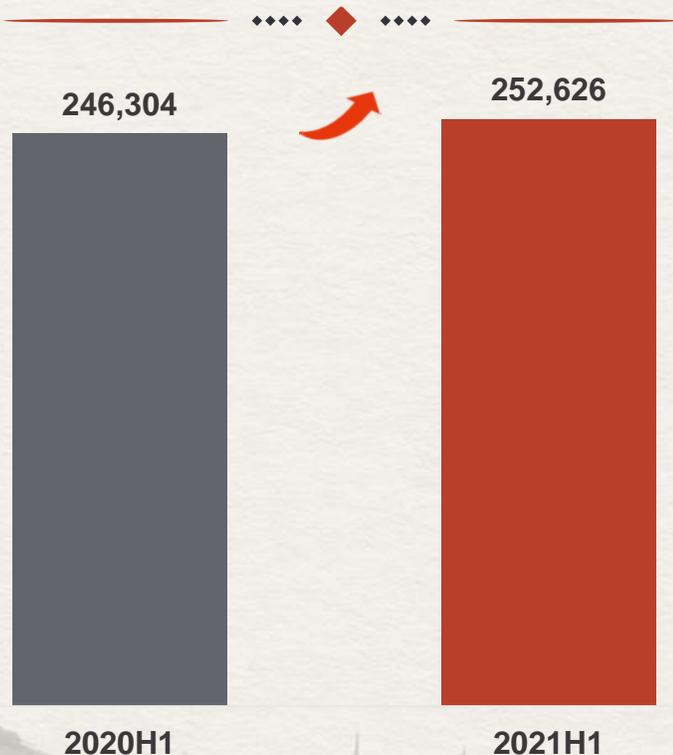
Section II

Overview of Insurance Business Operations



Business Achieved Positive Growth , More Balanced Business Structure

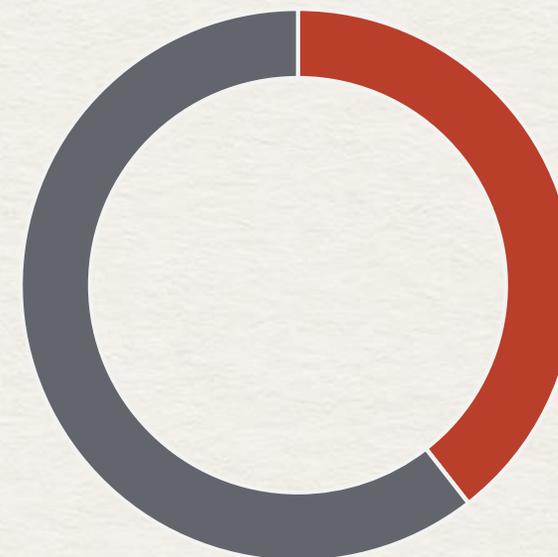
GWP up 2.6% YoY



(RMB million)

**More Balanced
Business Structure**

**Non-Motor
Insurance
52.2%**

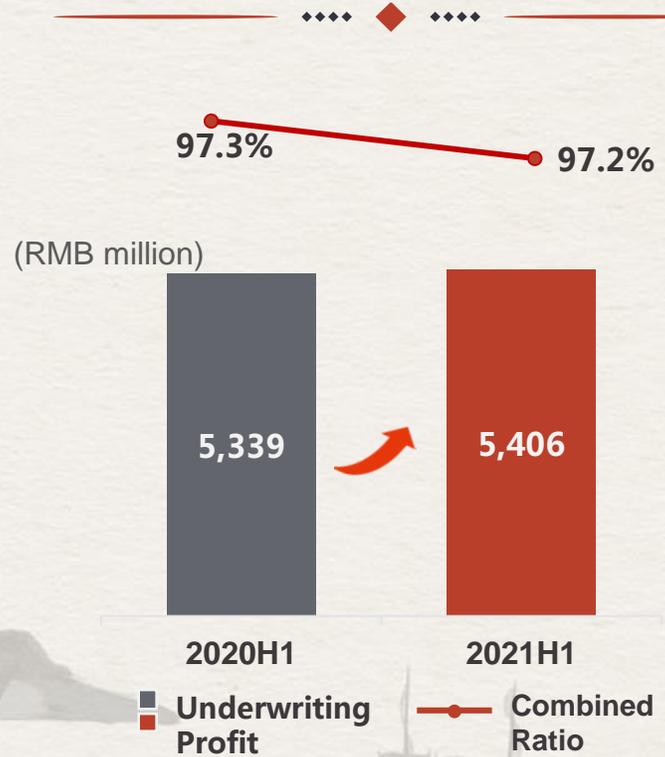


**Motor
Insurance
47.8%**

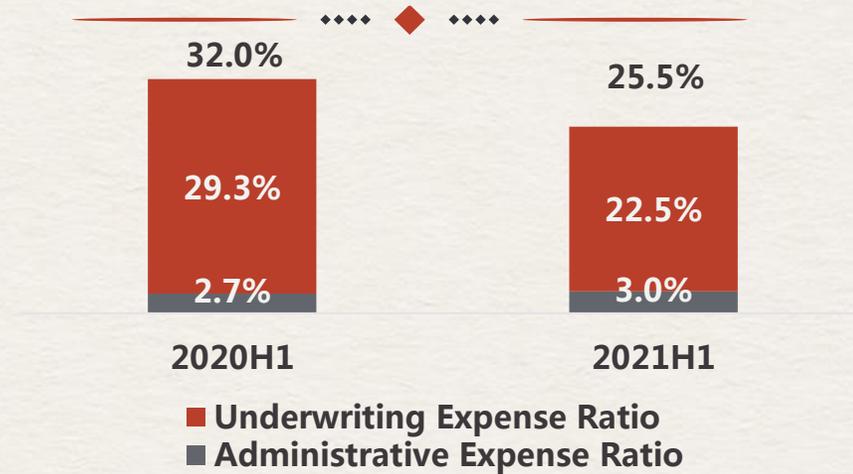
2021H1

Underwriting Profit Increased YoY , Underwriting Profitability Outperformed the Industry

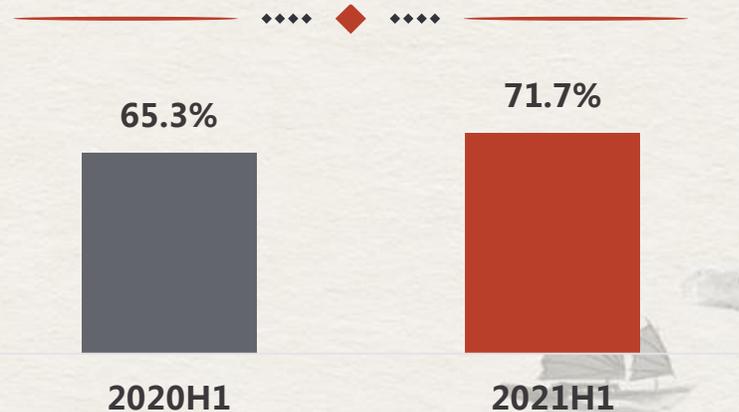
Combined Ratio Down 0.1ppts YoY
Underwriting Profit Up 1.3% YoY



Expense Ratio Down 6.5ppts YoY

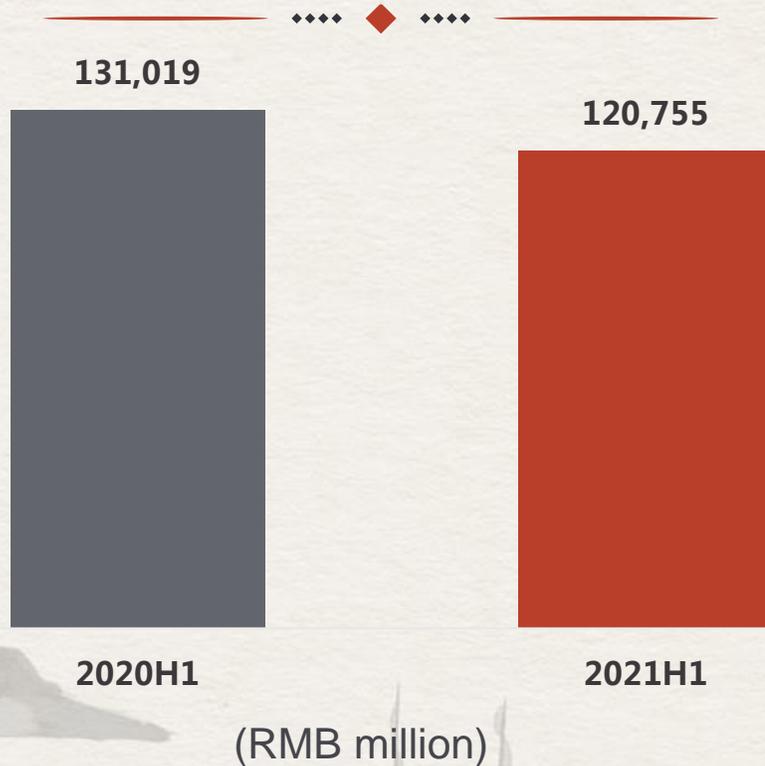


Loss Ratio Up 6.4ppts YoY



Motor Insurance Business Decreased , Business Structure Continued to be Optimized

GWP of Motor Insurance Down 7.8% YoY

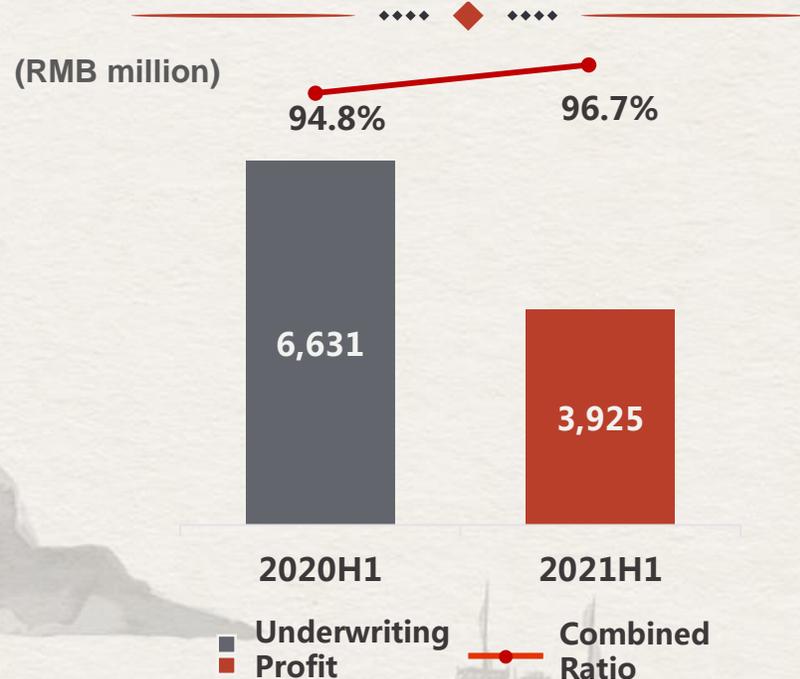


Business Structure Continued to be Optimized

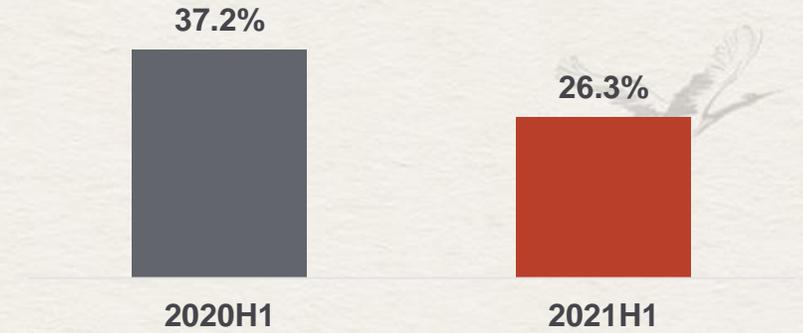
- ❑ Market share of household motor insurance up 1.2ppts YoY
- ❑ Household motor vehicles underwritten up 12.9% YoY
- ❑ % of number from household motor vehicles 80.6%, up 1.3ppts YoY
- ❑ Renewal rate of household motor insurance 74.1%, up 2.9ppts YoY

Expense Ratio of Motor Insurance Reduced , Underwriting Profitability Continued to Outperform the Industry

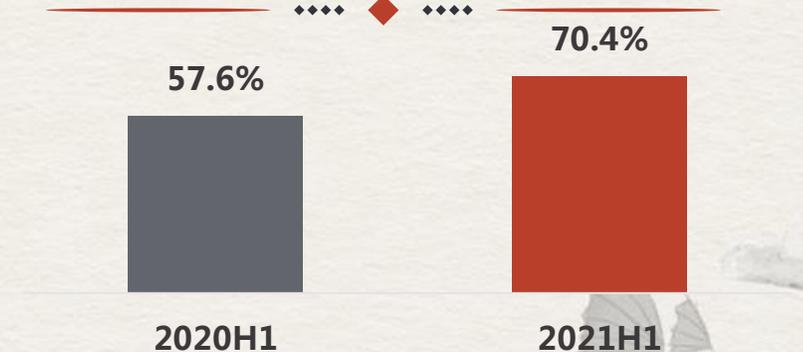
**Combined Ratio of Motor Insurance
Up 1.9ppts YoY**
Underwriting Profit Down 40.8% YoY



**Expense Ratio of Motor Insurance
Down 10.9ppts YoY**



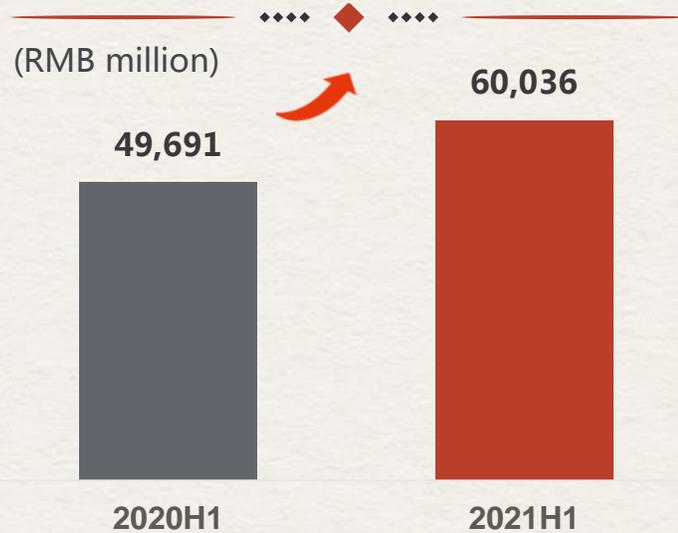
**Loss Ratio of Motor Insurance
Up 12.8ppts YoY**



Accidental Injury & Health Insurance Maintained Rapid Growth

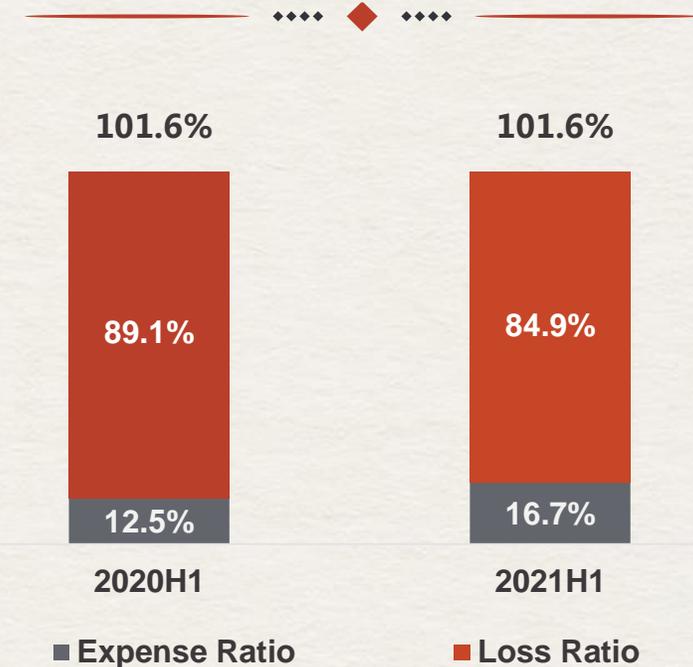
GWP of Accidental Injury & Health Insurance

Up 20.8% YoY



Combined Ratio of Accidental Injury & Health Insurance

Remained Flat YoY



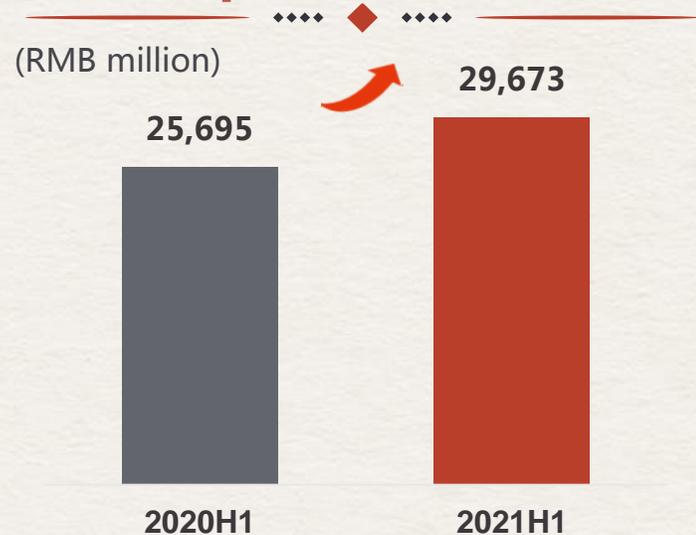
- Consolidated the advantages of social medical insurance businesses
- Enhanced the development of "Huimin Insurance" business
- Vigorously developed the individual diversified businesses with sound profitability



Agriculture Insurance Maintained Rapid Growth , Underwriting Profitability Improved

GWP of Agriculture Insurance

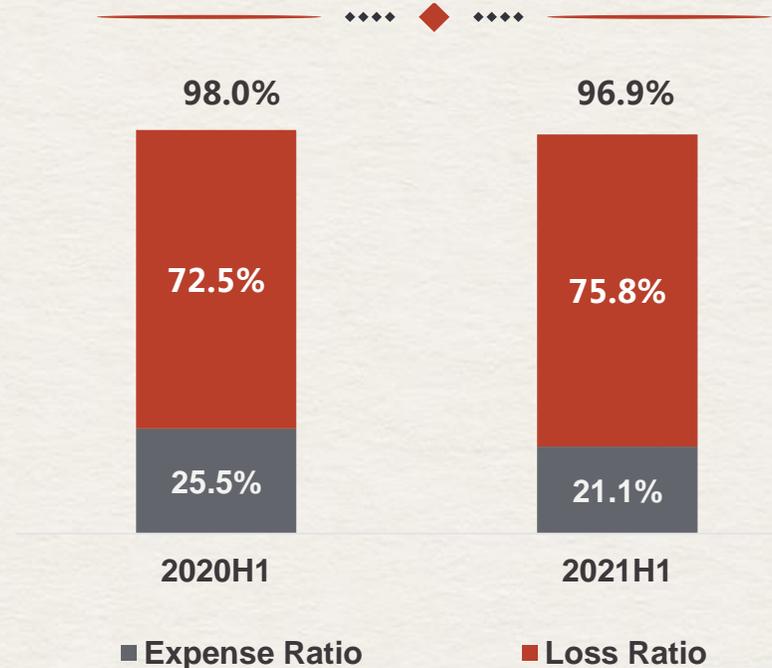
Up 15.5% YoY



- Raised protection standards, expanded business scope and increased product types for agriculture insurance
- Strengthened product innovation and improved comprehensive service capabilities
- Maintained dominant market position

Combined Ratio of Agriculture Insurance

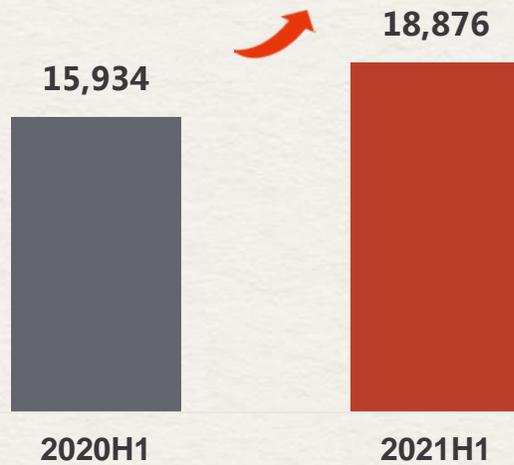
Down 1.1ppts YoY



Liability Insurance Achieved Better Social and Economic Benefits

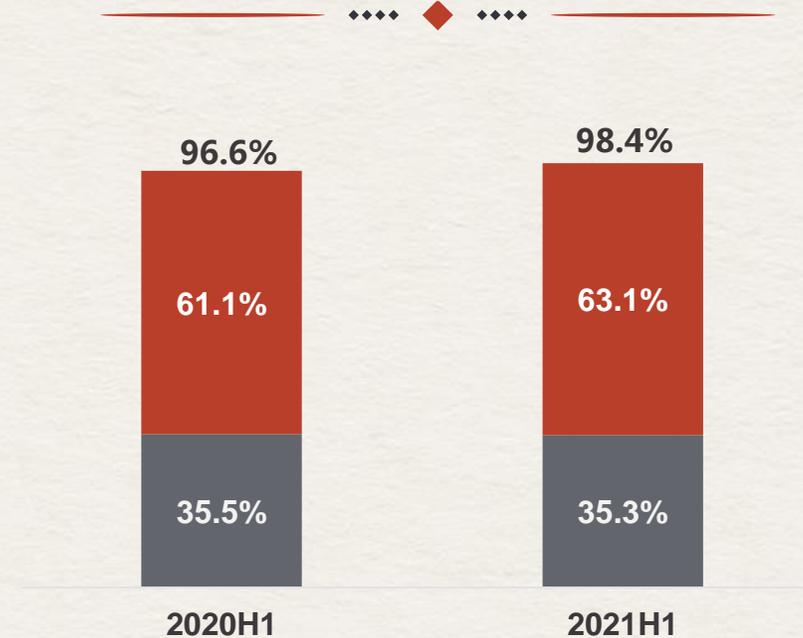
GWP of Liability Insurance Up 18.5% YoY

(RMB million)



- Actively seized market opportunities and supported major national strategies
- Followd the new logic of “underwriting + loss reduction + empowerment + claim settlement”

Combined Ratio of Liability Insurance Up 1.8ppts YoY



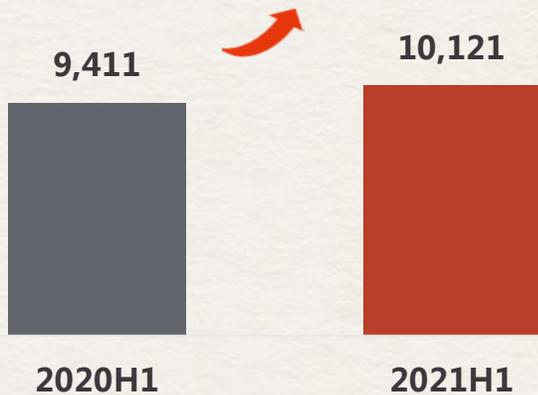
■ Expense Ratio

■ Loss Ratio

Commercial Property Insurance Increased YoY , Combined Ratio Increased

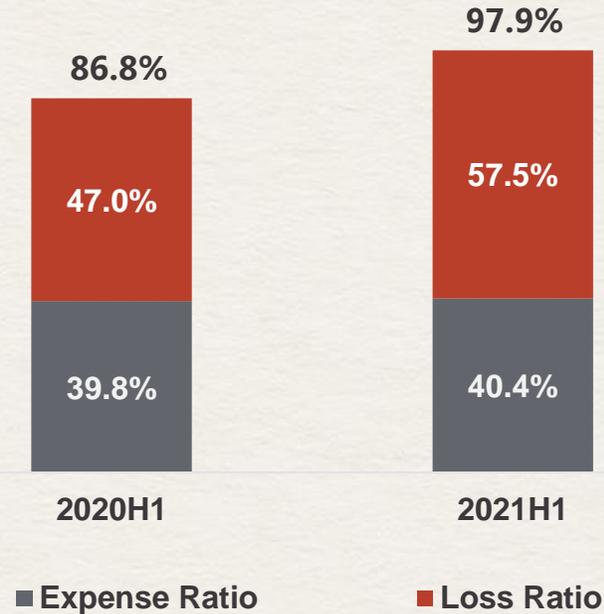
GWP of Commercial Property Insurance Up 7.5% YoY

(RMB million)



- Seized development opportunities
- Upgraded customer services
- Actively expanded new businesses

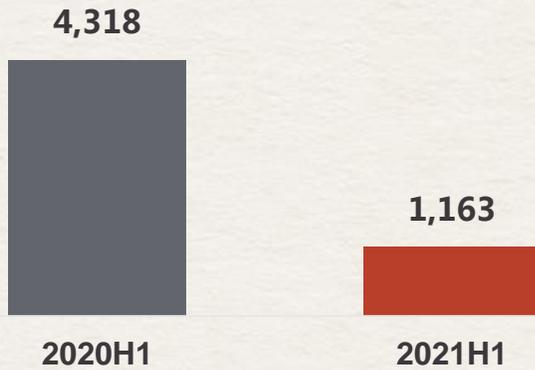
Combined Ratio of Commercial Property Insurance Up 11.1ppts YoY



Continued to Clear The Risk of the Existing Financing Businesses , the Scale of Profitable Non-financing Credit and Surety Insurance Increased Significantly

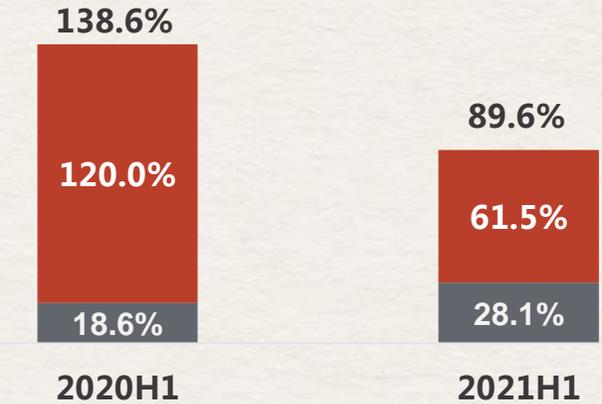
GWP of Credit & Surety Insurance Down 73.1% YoY

(RMB million)



- Continued to clear the risk of existing businesses
- Strengthened the subrogation
- Strictly controlled the quality of new businesses

Combined Ratio of Credit & Surety Insurance Down 49.0 pts YoY

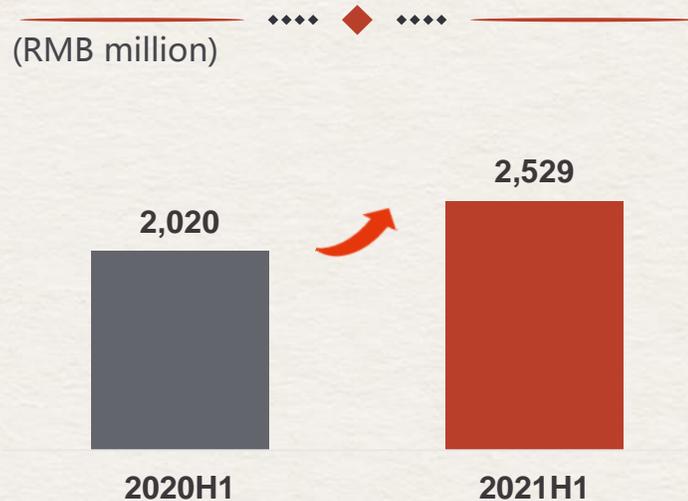


■ Expense Ratio

■ Loss Ratio

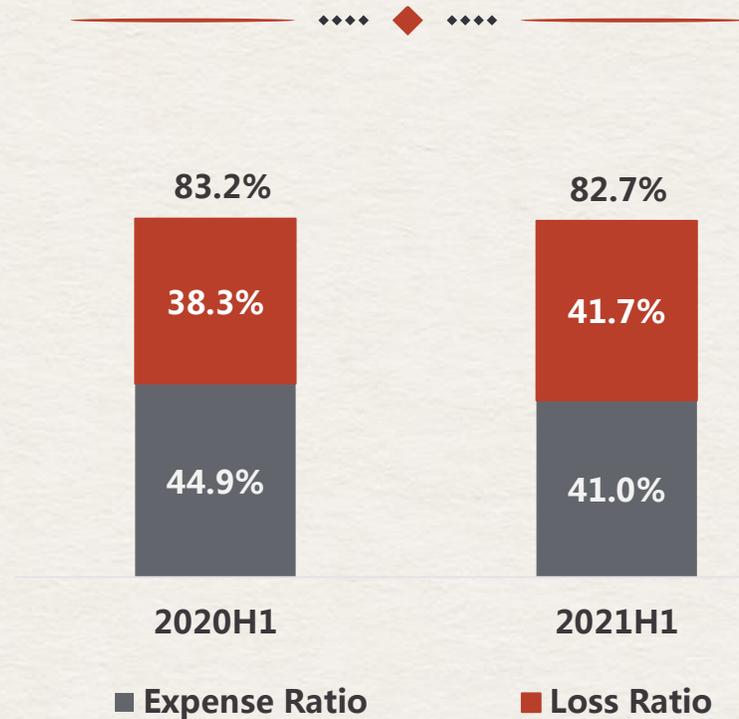
Cargo Insurance Grew Rapidly , Underwriting Profitability Further Improved

GWP of Cargo Insurance Up 25.2% YoY



- Actively seized market opportunities
- Increased product innovation and market development

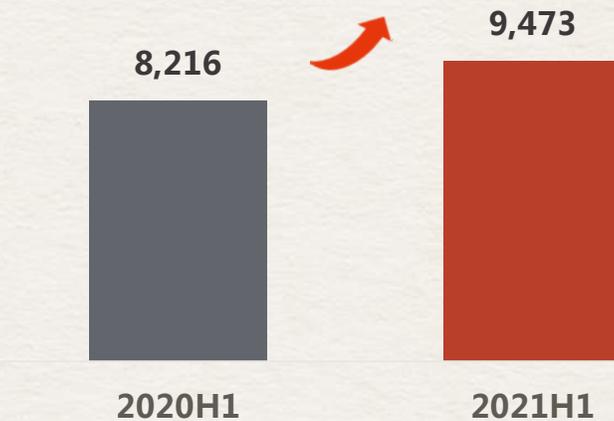
Combined Ratio of Cargo Insurance Down 0.5 ppts YoY



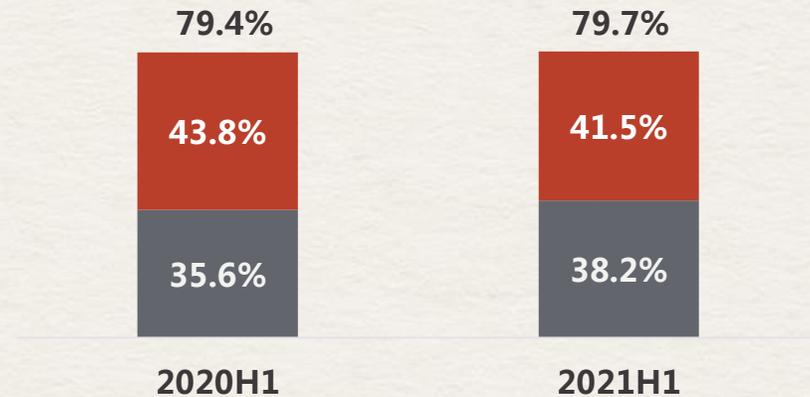
Other Insurances Grew Rapidly , Underwriting Profitability Maintained at A Good Level

GWP of Other Insurances Up 15.3% YoY

(RMB million)



Combined Ratio of Other Insurances Up 0.3 ppts YoY

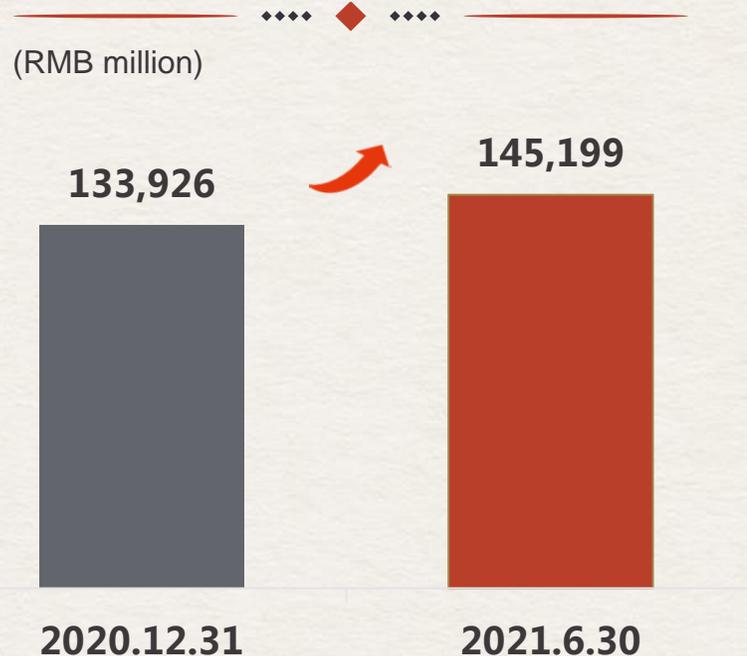


■ Expense Ratio

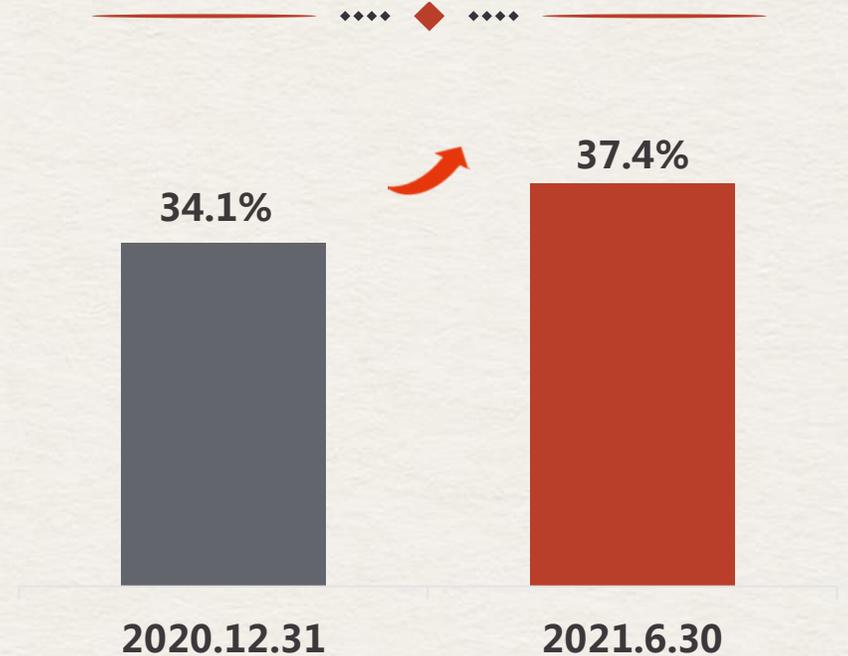
■ Loss Ratio

Appropriated Sufficient Loss and LAE Reserves , Risk-resisting Ability Enhanced

Net Loss and LAE Reserves Up 8.4% vs. Beginning of the Year



Net Loss and LAE Reserves Ratio Up 3.3 ppts vs. Beginning of the Year



Section III

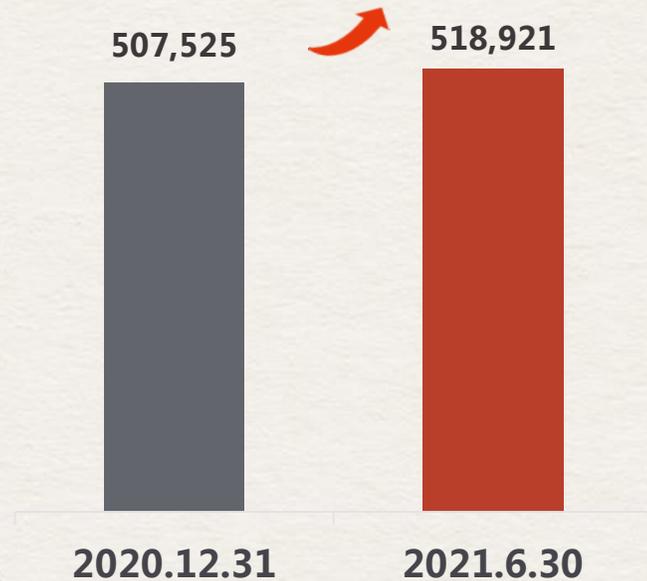
Overview of Insurance Fund Investment Business



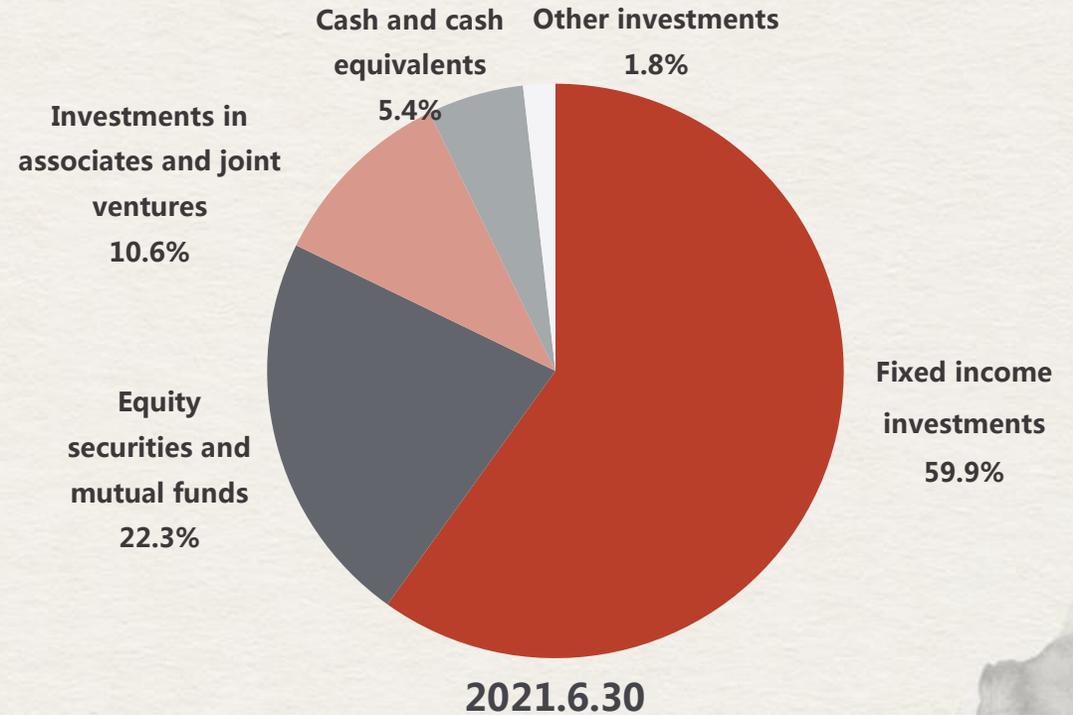
Total Investment Assets Continued to Grow , Investment Portfolio Remained Prudent

Total Investment Assets Up 2.2% vs. Beginning of the Year

(RMB million)



Investment Portfolio Remained Prudent

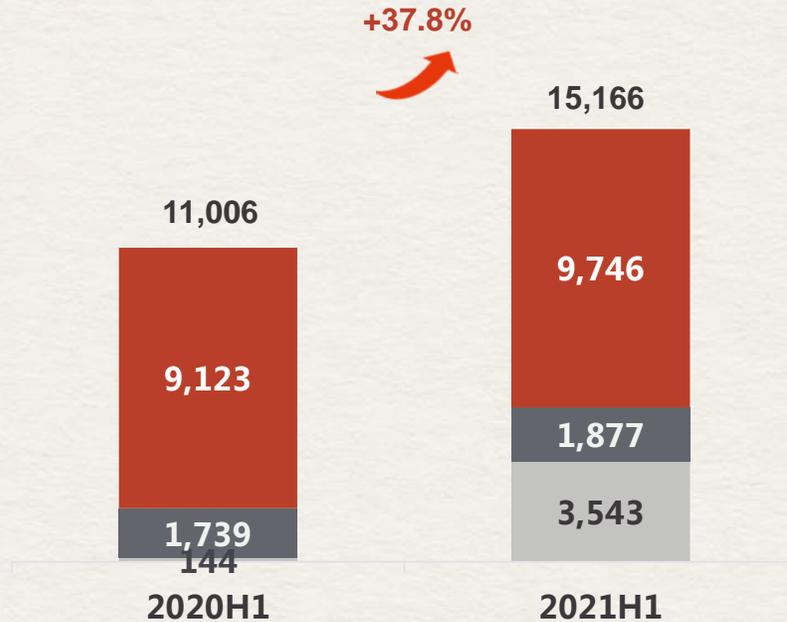


Note: 1) Round-off difference may exist;
 2) Cash & Cash Equivalents are mainly RMB, including financial assets repurchased within 3 months;
 3) "Other investments" include investment properties, capital security fund, etc.

Total Investment Income Increased Significantly , Total Investment Yield Increased

Investment Income

(RMB million)



- Interest, dividend and rental income (net investment income)
- Share of Profits in associates and joint
- Net realized and unrealized gains on investments

Annualized Investment Yield

	2021H1	2020H1	% Change YoY
Annualized Total Investment Yield	5.9%	4.6%	1.3ppts
Annualized Net Investment Yield	3.8%	3.8%	flat



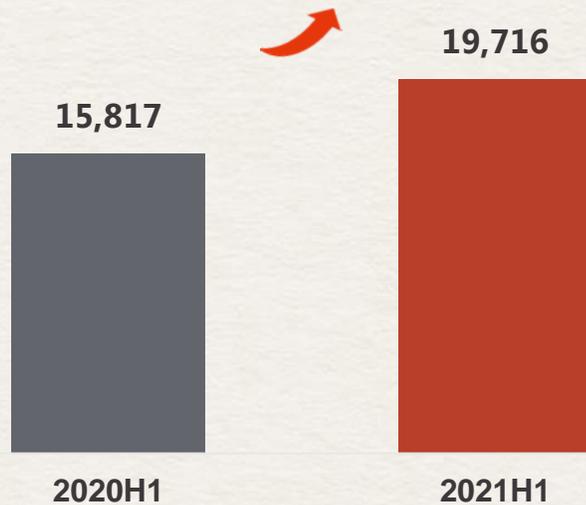
Section IV

Overall Performance



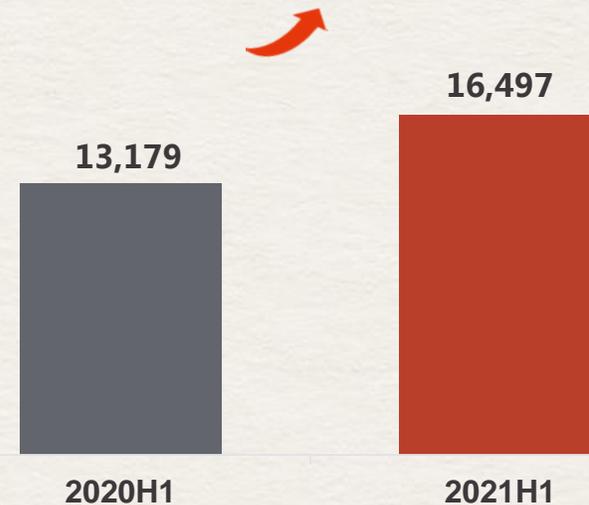
Overall Profit Grew Steadily

Profit Before Tax **Up 24.7% YoY**



(RMB million)

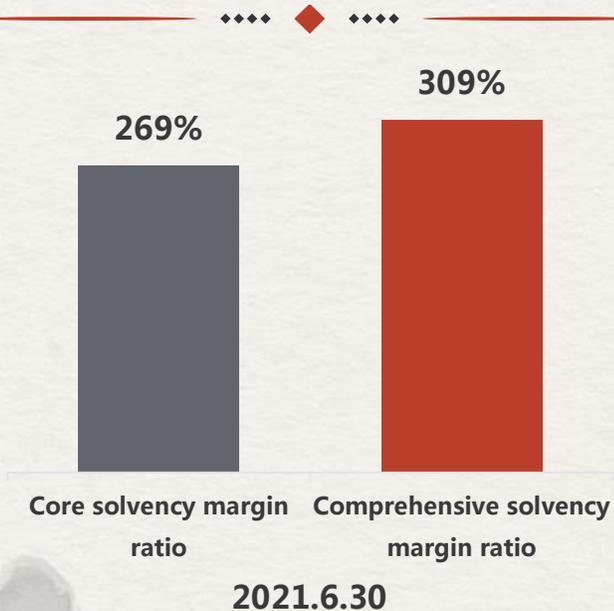
Net Profit **Up 25.2% YoY**



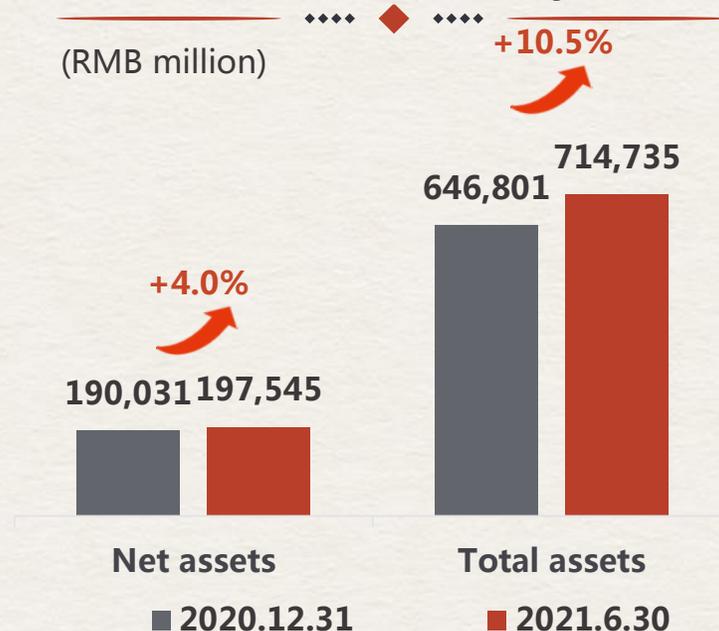
(RMB million)

Comprehensive Strength Enhanced Steadily

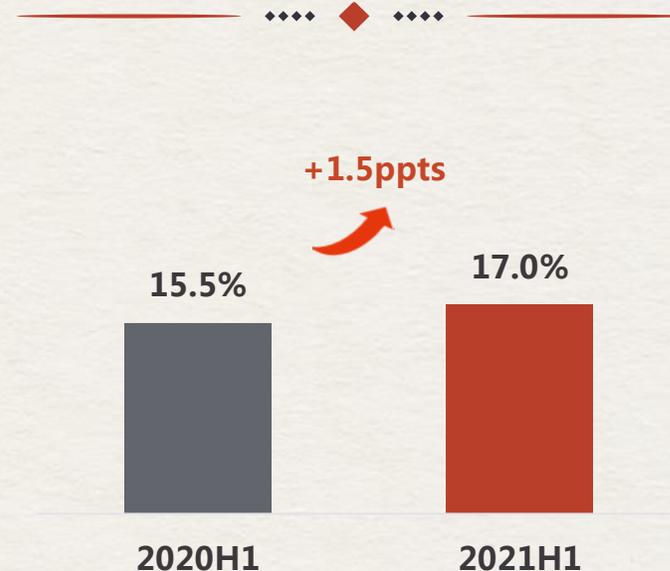
Solvency Margin Ratio Remained Solid



Scale of Assets Increased Steadily



Annualized ROE Improved YoY



Section V

Key Initiatives for 2021H2



Key Initiatives for 2021H2

Excellent Insurance Strategy



01

PROMOTE THE ORGANIZATIONAL MECHANISM REFORM

Optimise the organizational structure by being customer- centric oriented, establish three business units for individual, corporate and government clients, improve the rules of performance assessment and resource allocation, and stimulate the power for and vitality of the Company' s endogenous growth.

02

PROMOTE THE "SIX STRATEGIC SERVICES"

Commite to the logic of "underwriting + loss reduction + empowerment + claim settlement" , focus on the needs of individual, corporate and government clients, accelerate product and service innovation, and expand business development.

03

STRENGTHEN CLAIM COST CONTROL

Strengthen claims teams management , focus on key aspects of claim settlement, enhance system control, increase technology empowerment in claims management.

04

UPGRADE CUSTOMER SERVICE MANAGEMENT

Enhance "Smart" service , continuously improve the service process and customer experience; promote the construction of "car life, family life and health management" service ecosystem, providing customers with comprehensive services.

06

STEADILY IMPROVE TOTAL INVESTMENT INCOME

Strictly control the scale of equity assets and optimise the equity structure; maintain the existing weight of fixed income assets , and flexibly allocate among bonds, financial products and bank deposits while rigorously controlling credit risks.

05

STRENGTHEN TECHNOLOGY EMPOWERMENT

Build a leading IT architecture, continue to combine systematic promotion with key breakthroughs, and improve digitalisation , to provide strong technical support for the high-quality development of the Company.

07

STRENGTHEN COMPREHENSIVE RISK MANAGEMENT SYSTEM

Accelerate the construction of a digital risk control platform, continuously improve the internal control and compliance system, focus on strengthening risk management in key areas.