

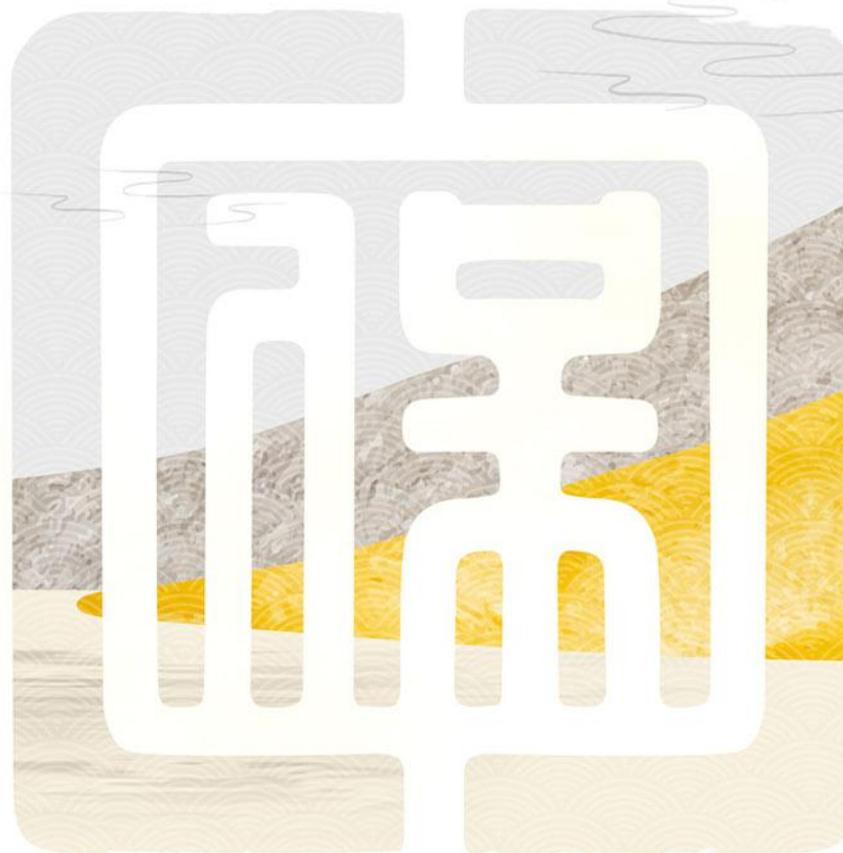


中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

# 2022 Interim 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.





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## Section I

# Results Overview



# Overview of 2022 Interim Results

## Business Development Achieved Rapid Growth

**RMB 277.408bn**      **34.4%**  
Gross Written Premiums      Market Share

## Underwriting Profit Achieved Substantial Growth

**RMB 8.246bn**      **96.0%**  
Underwriting Profit      Combined Ratio

## Investment Income Declined Slightly

**RMB 14.231bn**      **5.3%**  
Total Investment Income      Total Investment Yield(Annualized)

## Overall Profit Achieved Rapid Growth

**RMB 19.041bn**      **RMB 28.225bn**  
Net Profit      Net Cash Flows From  
Operating Activities

## Scale of Assets Increased Steadily

**RMB 766.461bn**      **RMB 209.742bn**  
Total Assets      Net Assets

## Solvency Margin Ratio Remained Solid

**208.3%**      **236.3%**  
Core Solvency Margin Ratio      Comprehensive Solvency Margin Ratio





## Section II

# Main Work in 2022H1



# Promoted Six Strategic Services and Served Economic & Social Development

## Serving rural revitalization

- Premium income of “Rural Insurance” recorded **RMB 17,075 million**, providing risk coverage for **99.95 million** rural households
- Premium income of full cost and income insurance of three major crops recorded **RMB 8,887 million**, covering **13** provinces
- Gross written premiums of agriculture insurance recorded **RMB 36,721 million**, up **23.8%** yoy

## Serving smart transportation

- Vigorously promoted innovation in motor vehicle insurance products to meet new trends in transportation development, including new energy and intelligent network, and continuously refine the motor vehicle insurance.
- Upgraded the “Traffic Police and Insurer Joint Work”, with **4 municipalities** and **332 cities** fully covered and a population of nearly **5.3 million** served

## Serving health & elderly care

- Undertook **1,210** social medical insurance projects, covering **283 cities** in 30 provinces (autonomous regions and municipalities), and serving a population of **780 million**. Premium income of social medical insurance recorded **RMB 50,548 million**, up **10.4%** yoy
- Undertook **44 Huimin Insurance projects**, serving over **43 million customers**

The Company actively served the overall development of the country and provided great support for the real economy. In 2022H1, the Company undertook an aggregated insurance liability of more than **RMB 980 trillion**, representing an increase of **14.2%** yoy.

## Serving green environment

- The insured amount of green insurance such as environmental pollution liability insurance and dual carbon insurance increased by **21.6%** yoy, providing risk coverage for **10,331 enterprises**
- The number of insured NEVs was **1.8277 million**
- Electric bicycle insurance provided insurance coverage for **3.696 million customers**

## Serving scientific & technological innovation

- Developed the first set of major technical equipment, intellectual property and science and technology insurance businesses, providing risk coverage for **2,562 enterprises**
- Developed intellectual property pledge, high-tech loan guarantee insurance businesses, assisting **1,418 science and technology enterprises** to gain financing

## Serving social governance

- Launched production safety, food safety insurance businesses, providing risk coverage for **352,800 enterprises**
- Improved the product system and speeded up the product promotion of comprehensive governance insurance, which has basically covered the whole country
- Developed Catastrophe insurance in **13** provinces/cities



# Higher Customer loyalty With Quality Customer Service

## Steady Growth in the Number of Customers

- The number of individual customers reached **116 million**, up **3.4%** YTD
- The number of group customers reached **3.8459 million**, up **2.1%** YTD

## Continuous Growth in Renewal Rate

- Renewal rate of motor insurance reached **73.0%**, up **1.7ppts** YoY
- Renewal rate of household motor insurance reached **75.5%**, up **1.4ppts** YoY



- The service satisfaction rate of 95518 Customer Service representative reached **99.9%**
- The problem resolution rate of first contact recorded **85.4%**

## Continuous Increase in Service Capabilities

## New Progress in Digital Transformation

- Online customer rate of household motor insurance reached **94.8%**, up **1.3ppts** YTD
- Online customer rate of diversified non-motor insurance reached **81.6%**, up **5.6ppts** YTD
- Online platforms such as PICC APP, WeChat official account served over **66.43 million** customers



## Took Practical Actions to Demonstrate Corporate Responsibilities

Successfully provided all-around support for the service of Beijing 2022 Winter Olympic Games and Paralympic Games

Underwrote as the leading insurer of major programs such as ChinaSat 6D and wind power by CNOOC Rongfeng Energy Co., Ltd., and iconic projects of “the Belt and Road” such as offshore wind power in Cà Mau, Vietnam developed by Power Construction Corporation of China, Ltd.

Proactively coped with emergencies of China Eastern Airlines and Tibet Airlines, natural catastrophes such as rainstorms, floods in South China and earthquakes in Sichuan

Fully supported the country's Covid-19 pandemic prevention, actively facilitated the resumption of work and production. Upgraded anti-epidemic products and provided services to ensure freight and logistics smoothly and to rescue small and medium sized enterprises





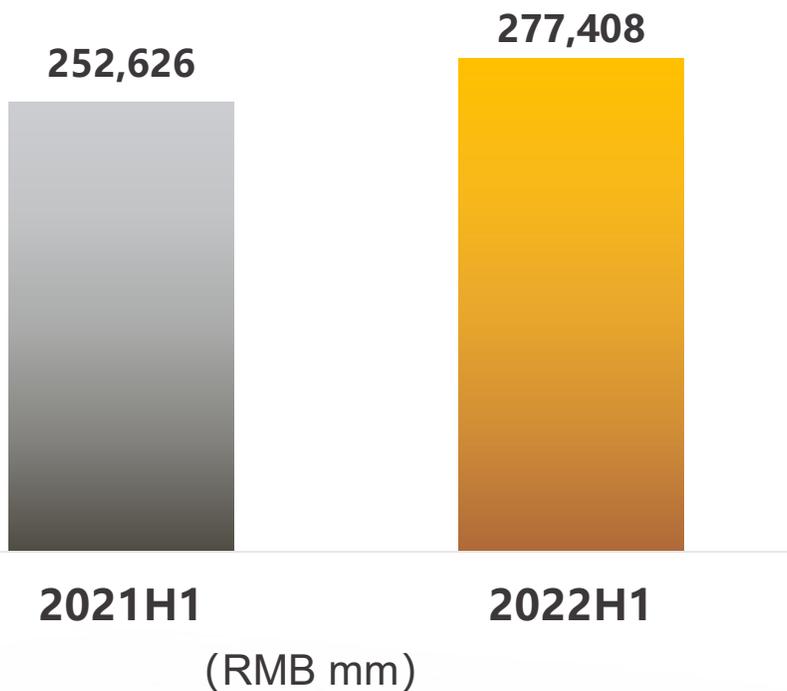
## Section III

# Overview of Insurance Business Operations

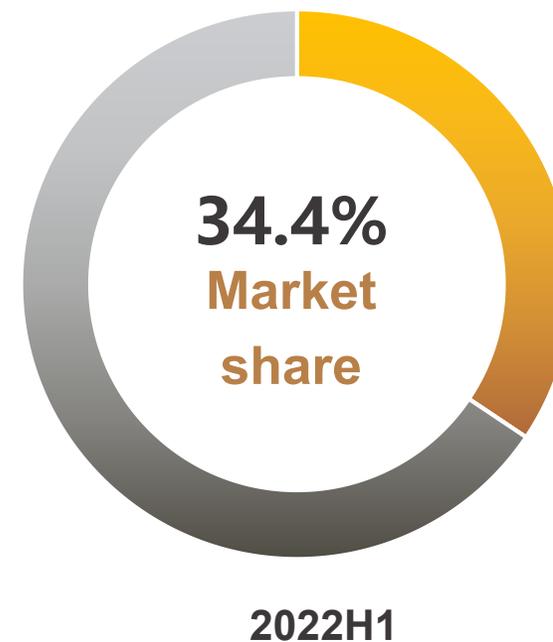


# Rapid Growth in Business with Market Dominance Further Consolidated

**GWP up 9.8% YoY**

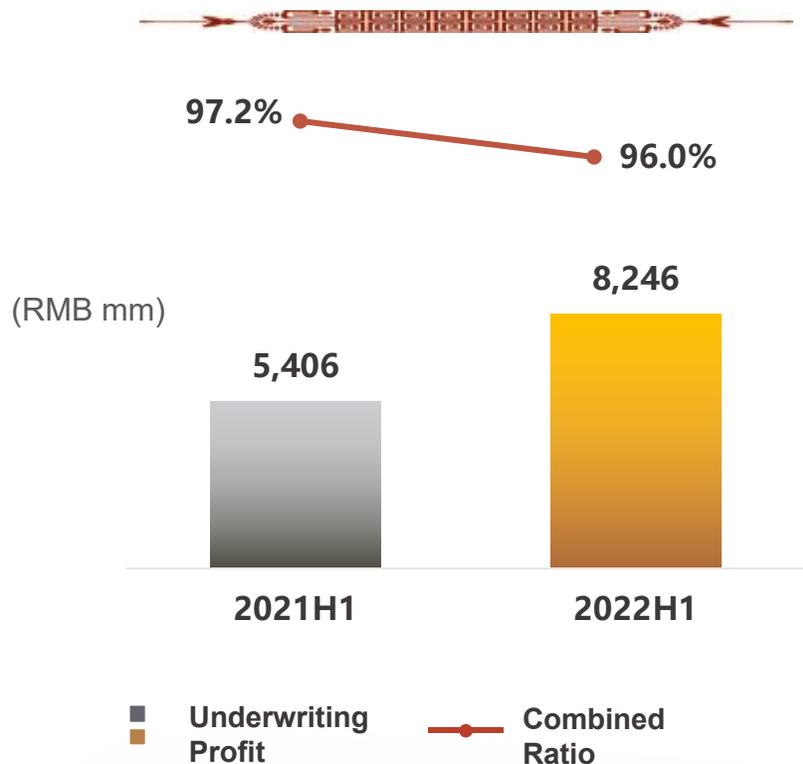


**Market Share  
up 0.1ppts YoY**

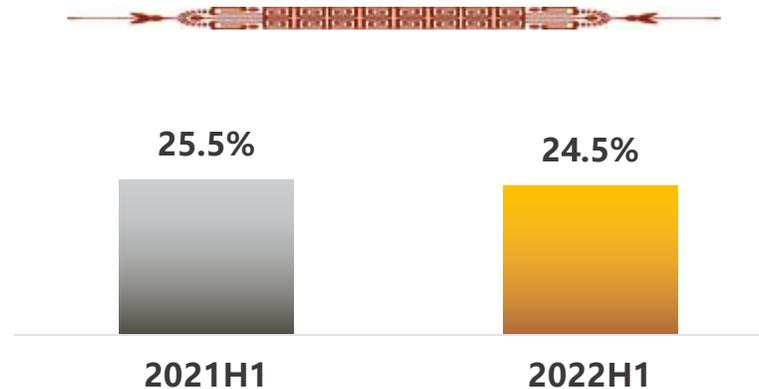


# Underwriting Profit Achieved Substantial Growth and Combined Ratio Outperformed the Industry

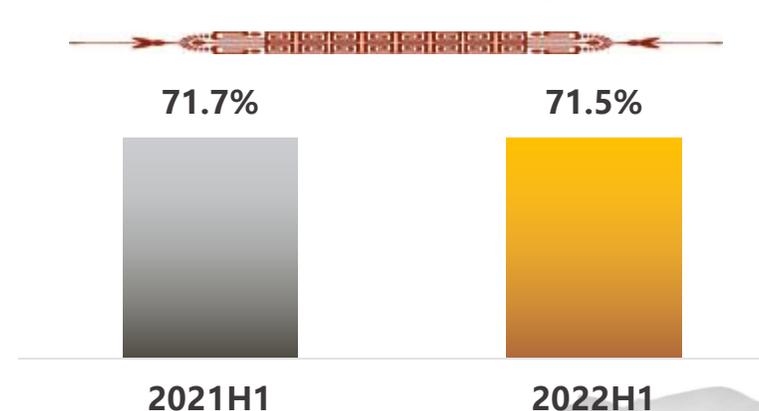
Combined Ratio **down 1.2ppts YoY**  
Underwriting Profit **up 52.5% YoY**



Expense Ratio **down 1.0ppt YoY**

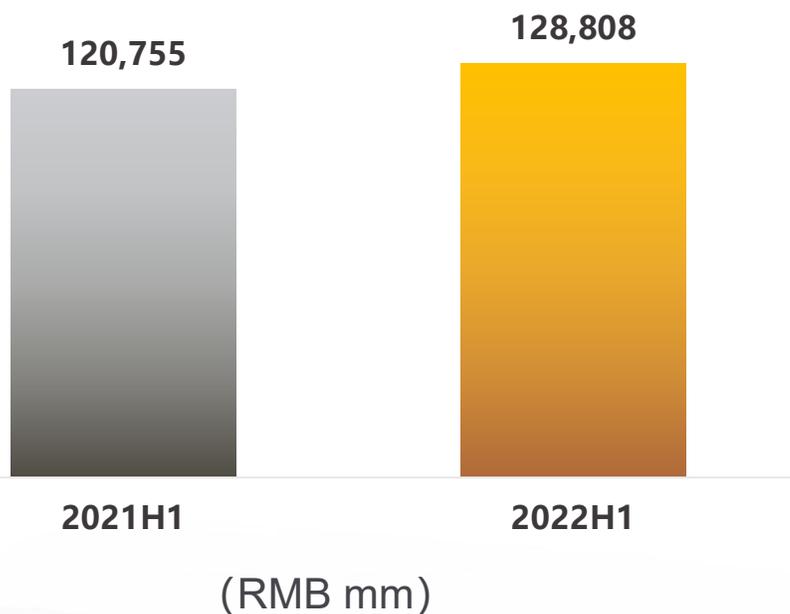


Loss Ratio **down 0.2ppts YoY**

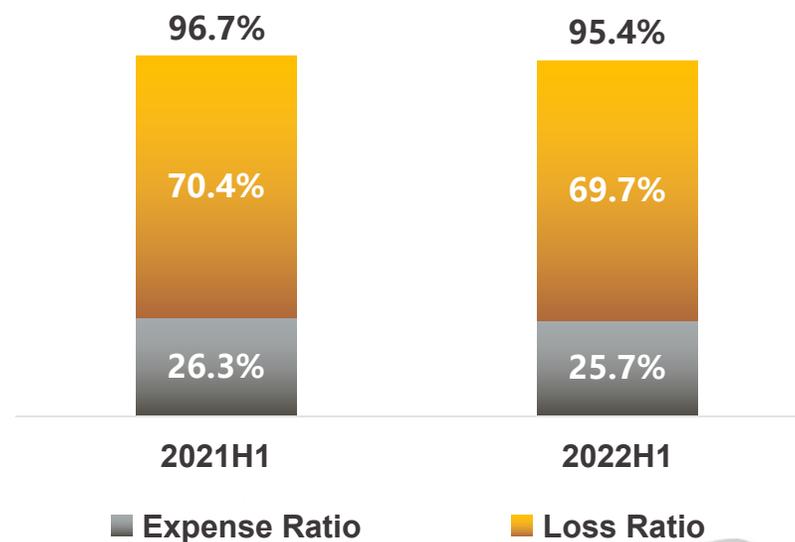


# Stable Growth in Motor Insurance with Combined Ratio Outperformed the Industry

**GWP up 6.7% YoY**

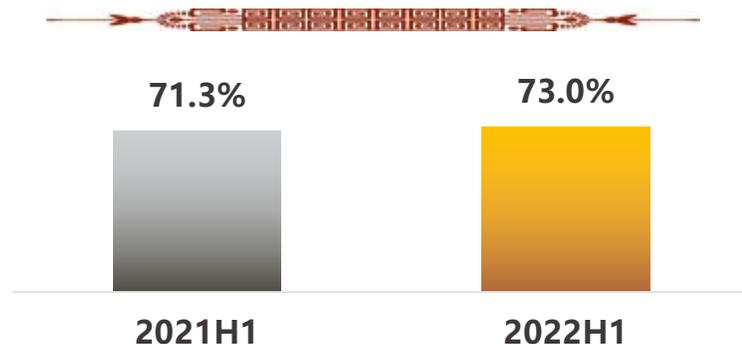


**Combined Ratio down 1.3ppts YoY**

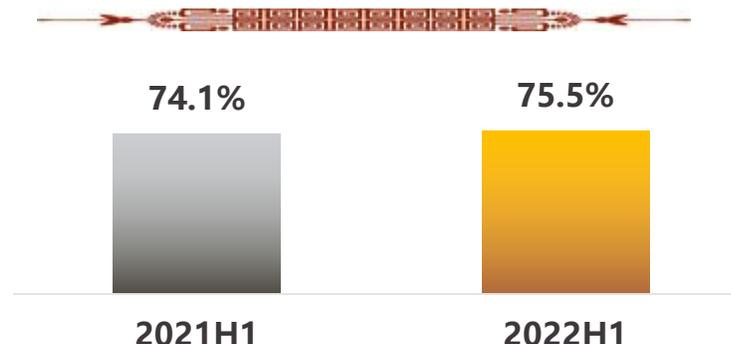


# Vigorous Expansion of Household Motor Insurance and Continuous Optimization of Motor Insurance Business Structure

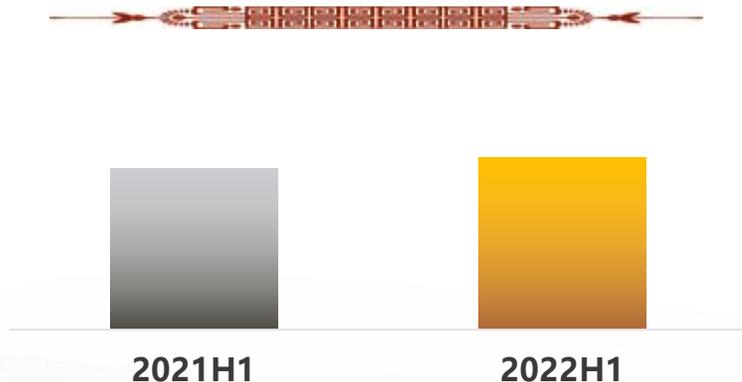
Renewal Rate of Motor Insurance  
Up 1.7ppts YoY



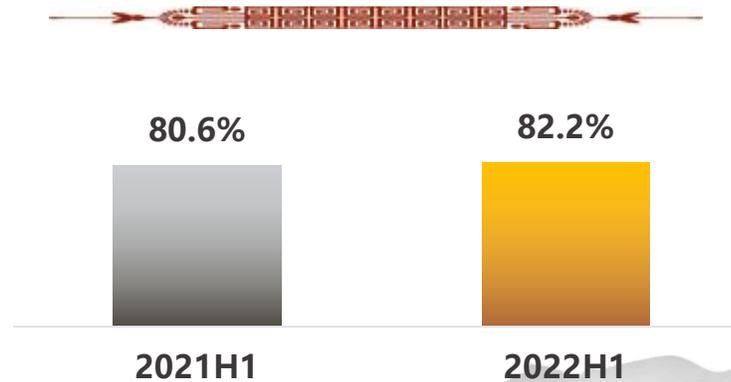
Renewal Rate of Household Motor Insurance  
Up 1.4ppts YoY



Number of Household Vehicles  
Underwritten Up 6.8% YoY



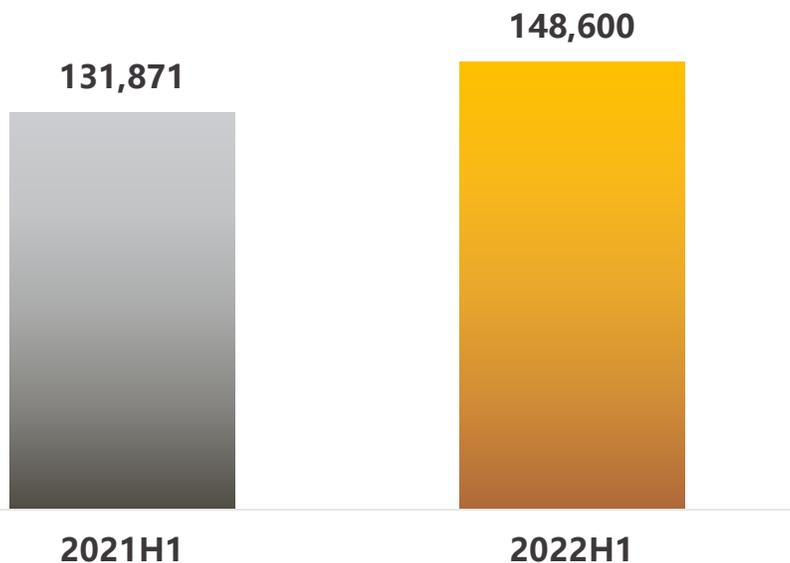
Number of Household Vehicles  
Underwritten as % Up 1.6ppts YoY



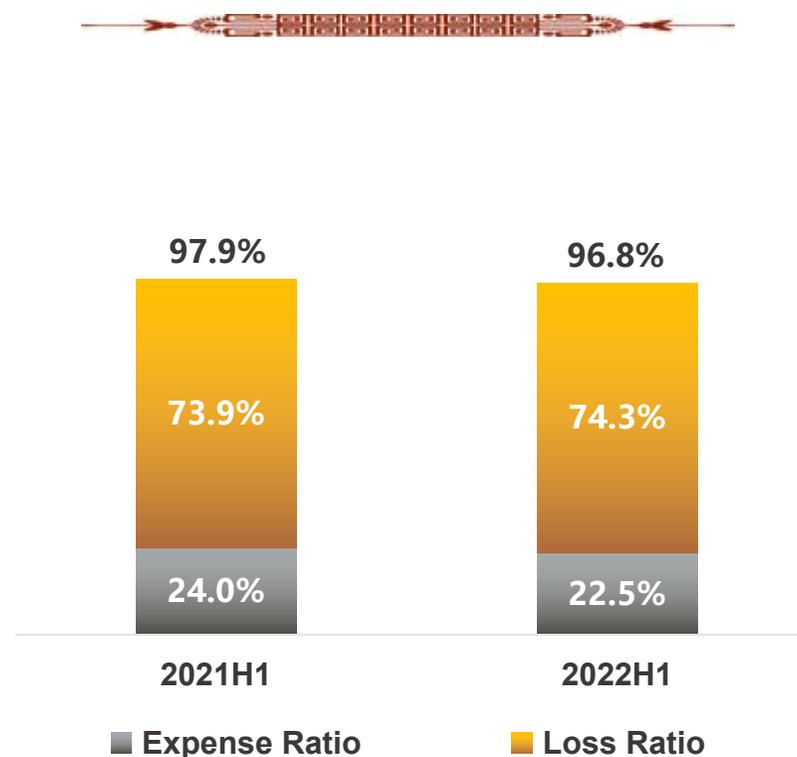
# Rapid Growth in Non-Motor Insurance with Improved Combined Ratio

**GWP Up 12.7% YoY**

(RMB mm)



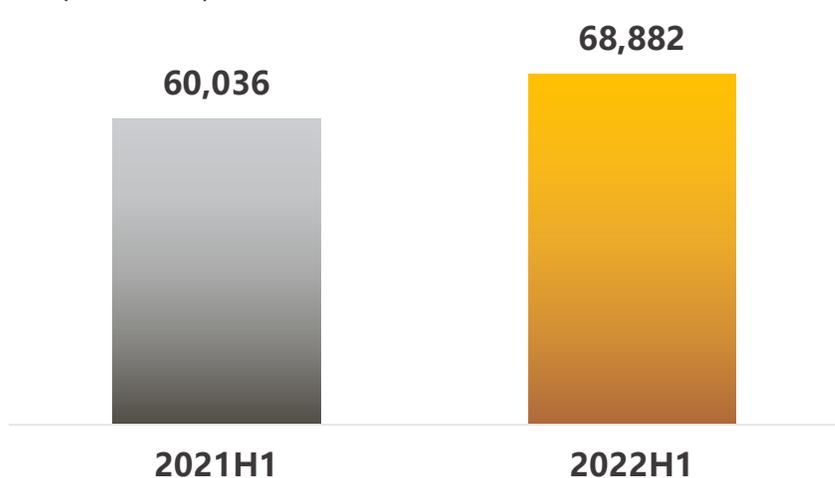
**Combined Ratio  
Down 1.1 pts YoY**



# Accidental Injury & Health Insurance

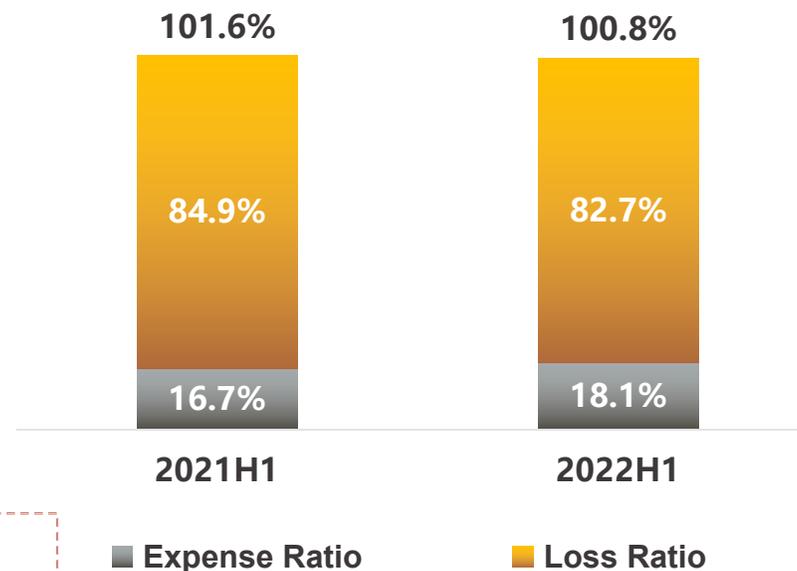
**GWP Up 14.7% YoY**

(RMB mm)



- ❖ Continued to consolidate the advantages of social medical insurance business
- ❖ Actively developed Huimin insurance business
- ❖ Continuously improved the penetration rate of accident insurance for household Motor Insurance customers

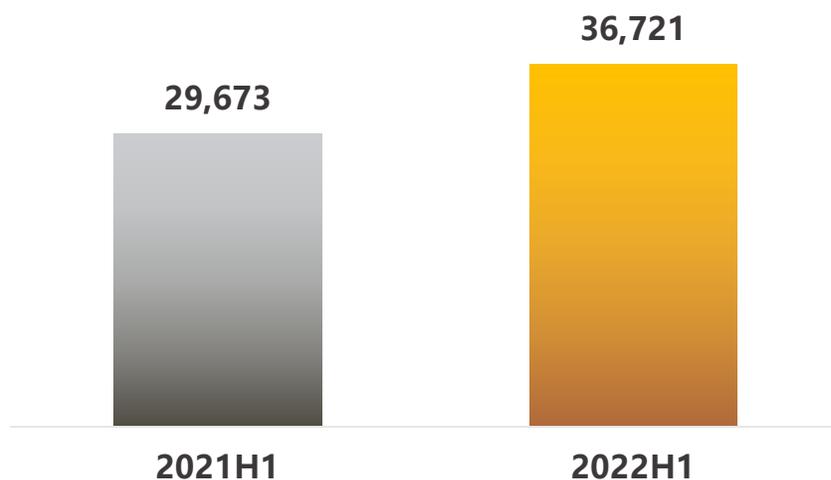
**Combined Ratio Down 0.8 pts YoY**



# Agriculture Insurance

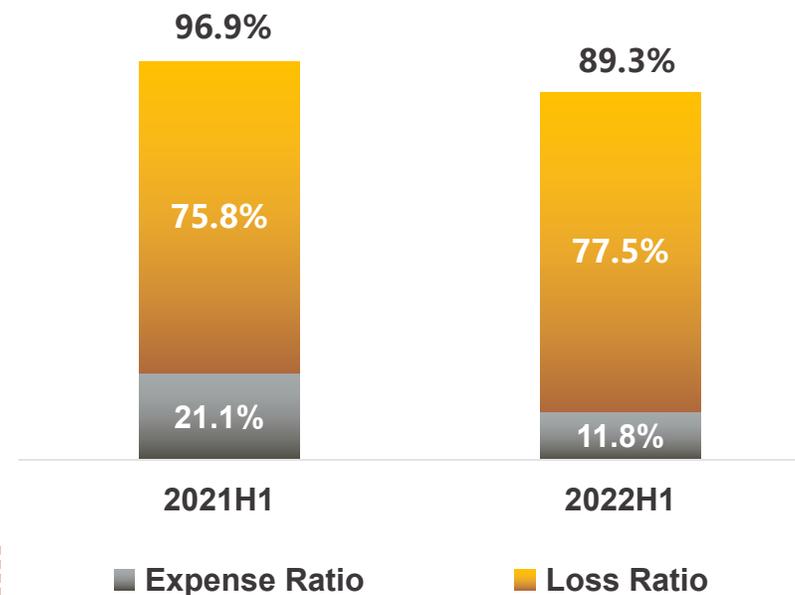
**GWP Up 23.8% YoY**

(RMB mm)



- ❖ Made efforts in coverage expansion, new product development and standard improvement for agriculture insurance business
- ❖ Strengthened product innovation to enrich and optimize product supply
- ❖ Maintained dominant position in the agriculture insurance market

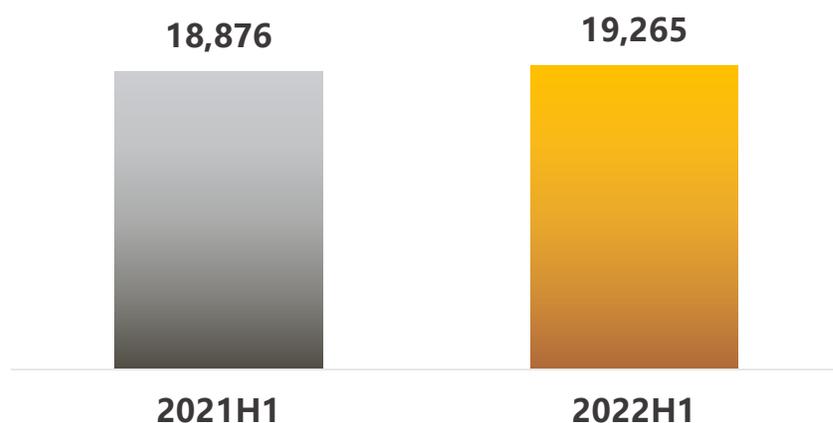
**Combined Ratio  
Down 7.6 pts YoY**



# Liability Insurance

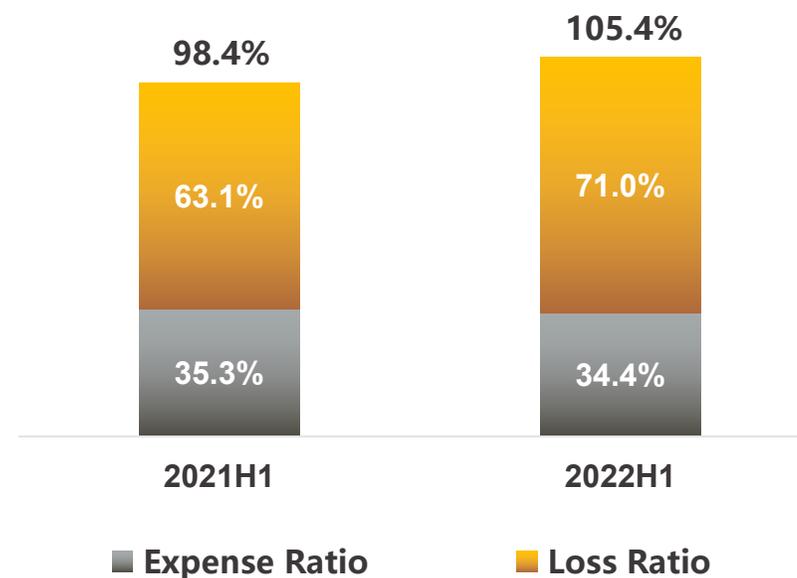
**GWP Up 2.1% YoY**

(RMB mm)



- ❖ Adjusted marketing strategies in time to meet market demand
- ❖ Strengthened underwriting risk control, optimized business structure

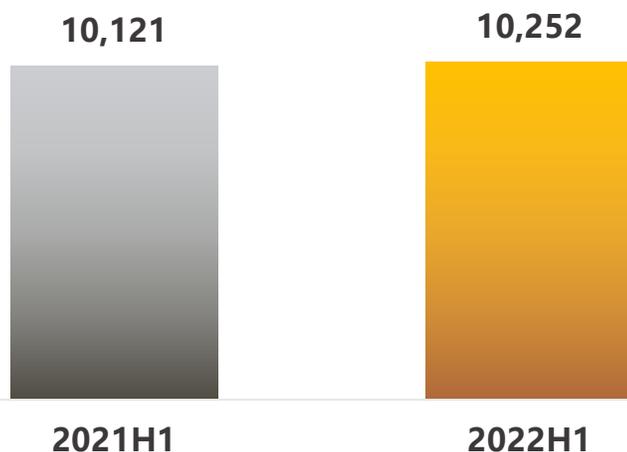
**Combined Ratio Up 7.0 ppts YoY**



# Commercial Property Insurance

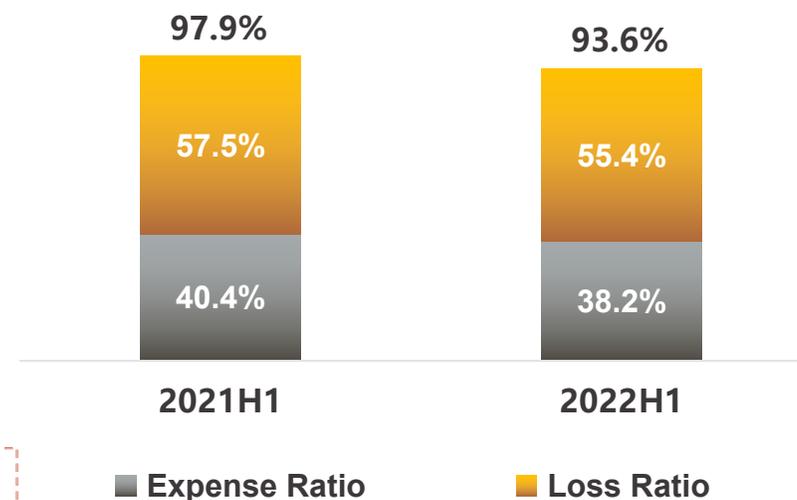
**GWP Up 1.3% YoY**

(RMB mm)



- ❖ Served the risk control demand of enterprises
- ❖ Vigorously developed high-quality business
- ❖ Strengthened the control over high-risk business

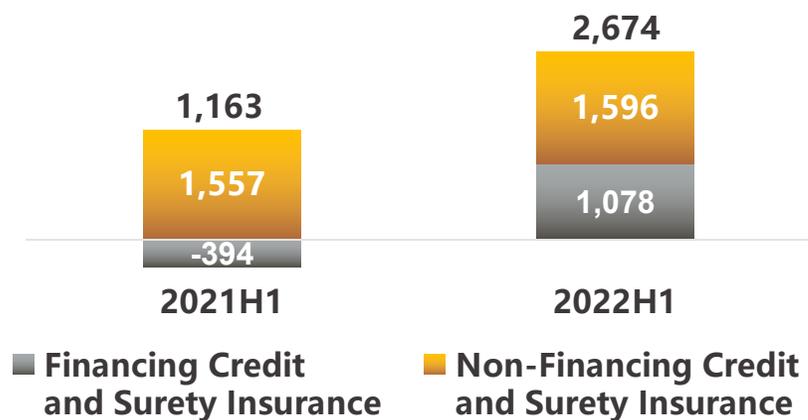
**Combined Ratio  
Down 4.3ppts YoY**



# Credit and Surety Insurance

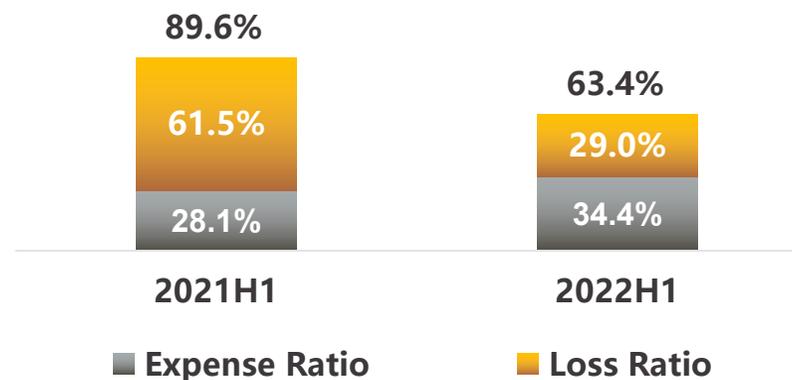
**GWP Up 129.9% YoY**

(RMB mm)



- ❖ Strengthened risk control
- ❖ Intensified product innovation
- ❖ Actively served real economy

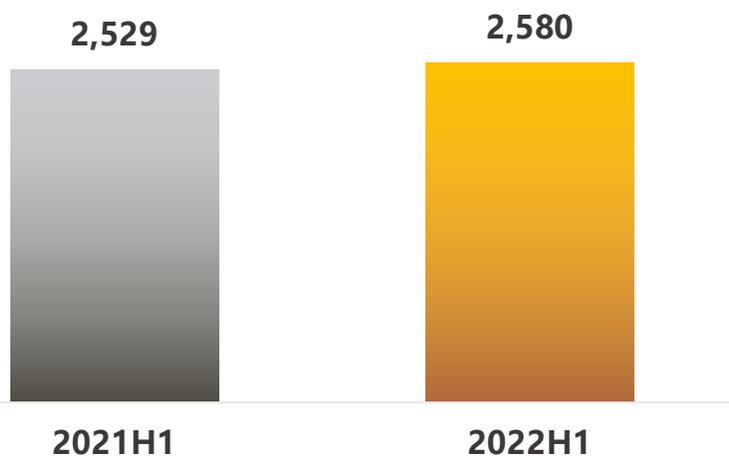
**Combined Ratio Down 26.2 pts YoY**



# Cargo Insurance

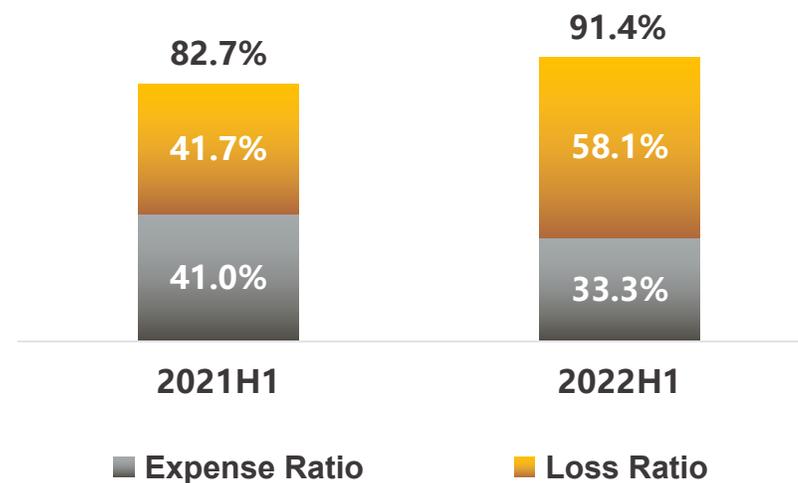
**GWP Up 2.0% YoY**

(RMB mm)



- ❖ Actively seized market opportunities
- ❖ Enhanced business development

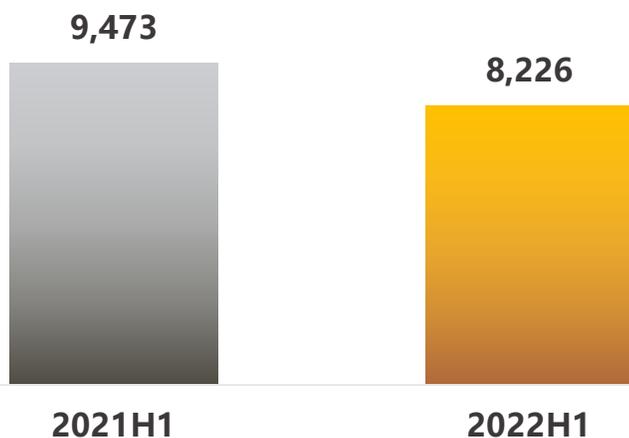
**Combined Ratio Up 8.7 pts YoY**



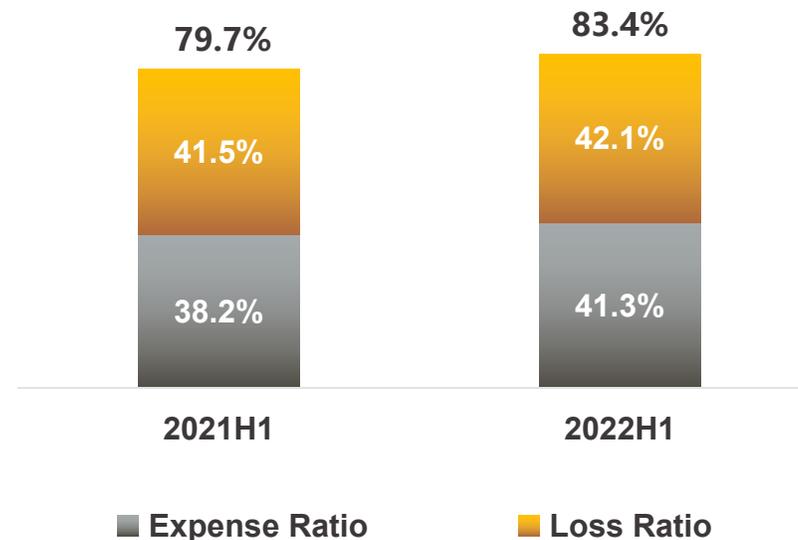
# Other Insurances

**GWP Down 13.2% YoY**

(RMB mm)



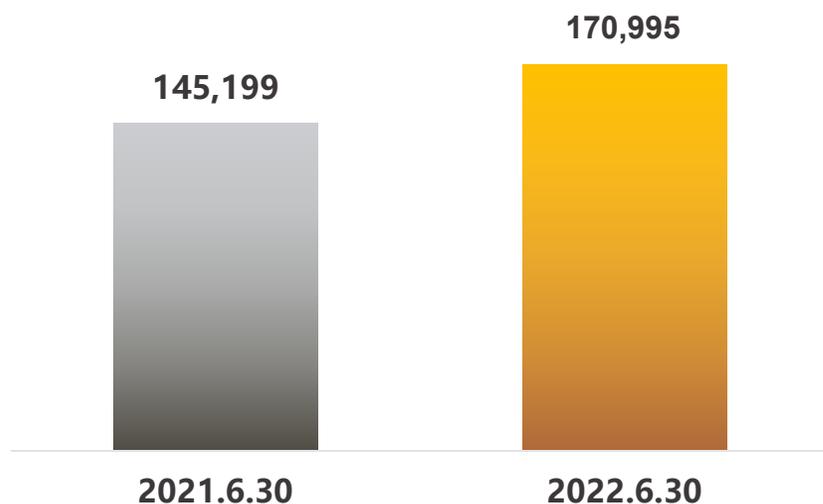
**Combined Ratio Up 3.7 pts YoY**



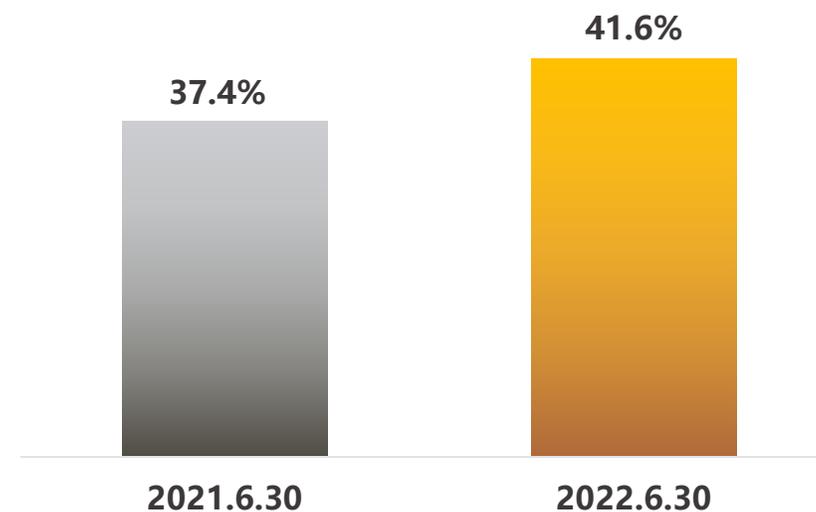
# Appropriated Reserves Adequately, Enhanced Ability to Defend Risks

## Net Loss and LAE Reserves Up 17.8% YoY

(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.





## Section IV

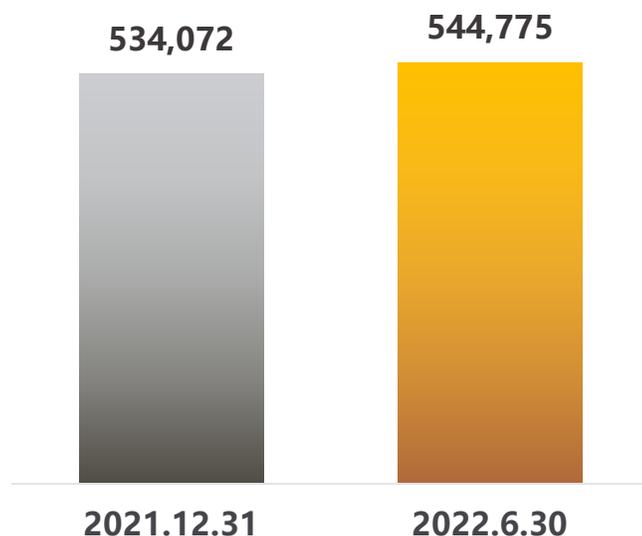
# Overview of Insurance Fund Investment Business



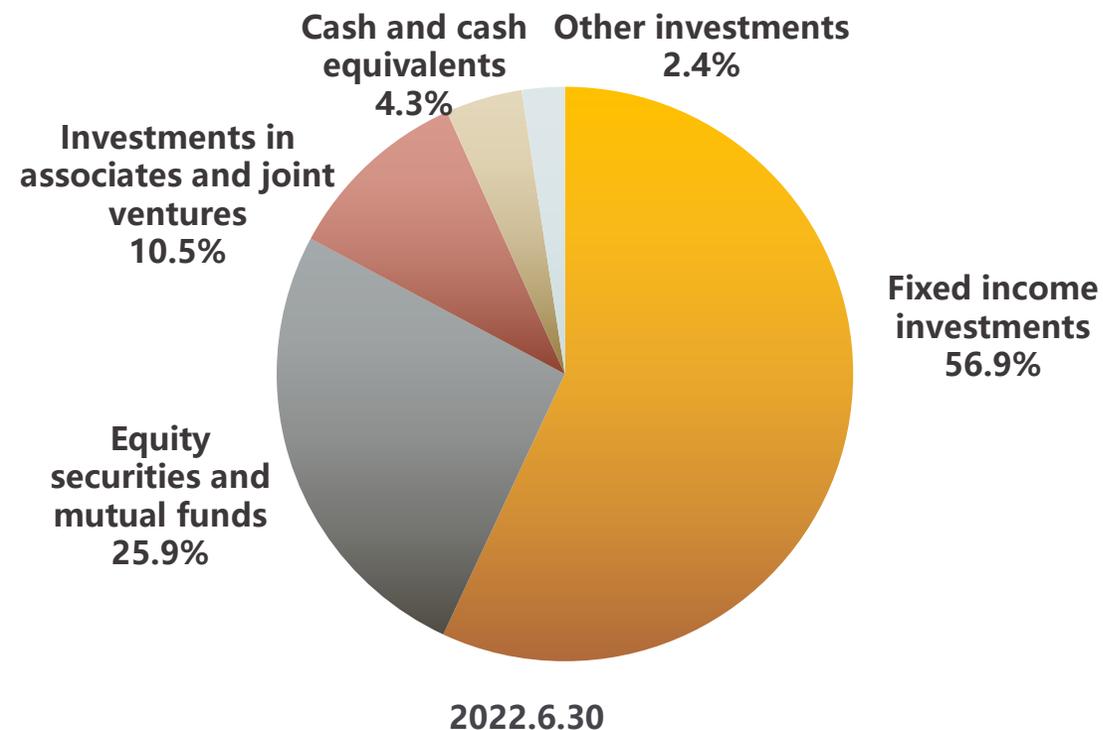
# Steadily Growth in Total Investment Assets with Prudent Investment Portfolio

## Total Investment Assets Up 2.0% vs. Beginning of the Year

(RMB mm)



## Investment Portfolio Remained Prudent



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;

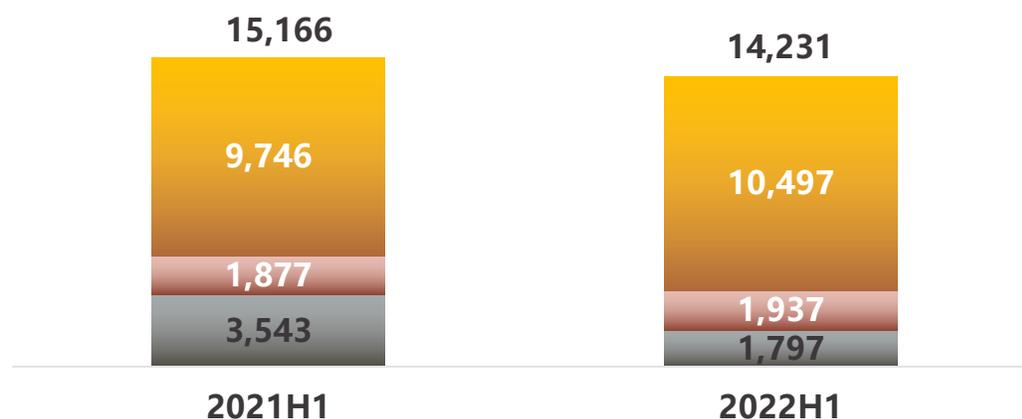
3) "Other investments" include investment properties, capital security funds, etc.



## YoY Increase in Net Investment Income, and Slightly Decline in Total Investment Income

### Total Investment Income

(RMB mm)



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

### Annualized Investment Yields

	2022H1	2021H1	Change YoY
Total Investment Yield	5.3%	5.9%	-0.6ppts
Net Investment Yield	3.9%	3.8%	0.1ppts





## Section V

# Key Initiatives for 2022H2



# Key Initiatives for 2022H2

01

**Innovate the supply of insurance,** promote the “Six Strategic Services” to achieve solid results, accelerate the promotion of customer-oriented product and service innovation, make new breakthroughs in areas such as stabilising the market entities, serving new citizens, stabilising the industrial chain and the supply chain, supporting epidemic prevention and control, promoting and expanding domestic demand, etc. and promote the implementation of economic stabilization policies to come into effect .

02

**For individual customers,** strengthen innovation of product services in areas of motor vehicle insurance, accidental insurance for drivers, Huimin Insurance, high-end medical insurance and household property insurance, etc., promote channel product specialization, enhance the promotion of motor vehicle related insurance business sales, promote the follow-on sales of Huimin Insurance and improve the internet business development ability.

03

**For corporate customers,** enhance the research and development of tailored products for distribution channels, promote the operation mechanism of “Product Manager/Independent Underwriter” , optimise the business structure, strengthen team-building and project implementation, optimise the operation model of the corporate business and achieve the organic integration of teams, products and services.

04

**For government customers,** strengthen product supply upgrades in areas of full-cost insurance, income insurance, local agricultural insurance, chronic disease insurance, promote the transformation of the rural network team, strengthen team management, actively engage in social governance and serve the Rural Revitalisation Strategy, the Food Security Strategy and the Healthy China Strategy.

**Excellent  
Insurance  
Strategy**



# Key Initiatives for 2022H2

05

**Deepen the operation mode reform of the Business Divisions**, standardize the internal rights and responsibilities, establish cost allocation and adjustment mechanism of product department and channel department, promote the business management committee system, establish cross-division business coordination mechanism and establish the benign interaction mechanism between product innovation and sales.

06

**Strengthen cost control**, improve the vertical management and centralized operation of claim settlement, strengthen the claim management of motor vehicle insurance, increase the application of claim settlement technology and the rigid control of system, deepen the work of claim settlement to promote loss reduction, improve the claim settlement efficiency. Continue to promote cost reduction and efficiency enhancement, further strengthen the management of premiums receivables.

07

**Optimise the asset portfolio**, strictly control the overall scale of equity assets, select equity investment projects; maintain the proportion of fixed income assets, uphold credit risk standards; actively allocate financial products and bank deposits, further improve the efficiency of capital utilisation, stabilize the investment returns.

08

**Strengthen scientific and technological empowerment and risk prevention and control**, achieve management upgrade with IT technology application, deepen its integration with front-line businesses; continue to improve the internal control and compliance system, strengthen risk identification and response mechanism, keep the bottom line of no systemic risks and consolidate the business foundation for sustainable development.

Excellent  
Insurance  
Strategy

