



中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

2023 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.
- 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.
- Commencing from January 1, 2023, the company has implemented Hong Kong Financial Reporting Standards 9- Financial Instruments. The investment income data in this document is the result of implementing the new financial instrument accounting standards. According to the guidelines, the company choose not to restate the figures for 2022.



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Section I Interim Results Overview



In the first half of 2023, in an effort to actively implement the policies and plans of the central government and under the guidance of the PICC Group' s "To be Excellent Strategy" , the Company and its subsidiaries well positioned itself in serving Chinese modernization through product and service innovation with focuses on "Eight Strategic Services" ,implemented the new business model of "insurance + risk reduction service + science and technology" to empower the high-quality development, and continuously strengthened the construction of risk management and control system, so as to compose a "PICC chapter" of serving Chinese modernization.



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 Administration of Financial Regulation (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" .



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Section II Main Work in 2023H1



Serving the construction of modernized industrial system

- The company actively promoted the strategic project of "Industry + Sector" insurance solution, providing tailored risk solutions to customers with an insured amount of **RMB20.4 trillion** in the first half of 2023; the number of industrial park enterprise customers that the Company served amounted to **121,000** accumulatively; and the Company helped **24,000** small and medium-sized enterprises and individual entrepreneurs obtain loans or financing with an amount of **RMB9.73 billion**.

Serving rural revitalization

- The company's "Rural Insurance", an insurance solution targeting the rural areas, was improved and upgraded. The agriculture insurance provided agricultural risk protection of **RMB1.4 trillion** for **48.49 million** rural households. Solid efforts were made to carry out agriculture insurance innovation, promoting the launch of inherent defect insurance for construction of highstandard farmland, seed insurance and other innovative agriculture insurances. The "agricultural insurance enhancing soybean production capacity mode" was selected as one of the top ten innovative modes in respect of financial support for agriculture by the Ministry of Agriculture and Rural Affairs.

Serving building China's self-reliance and strength in science and technology

- The company preliminarily established an exclusive line-up of products for AEC-qualified chips insurance across the entire industry chain, developed new terms of intellectual property insurance and proactively developed businesses such as offshore wind power insurance. Semiconductor insurance business provided risk protection of **RMB1.4 trillion**. Comprehensive insurance for innovative enterprises that use special and sophisticated technologies to produce novel and unique products was implemented in 32 provincial branches, covering **101** national and provincial enterprises as set forth.

Serving the enhancement of people's livelihood and wellbeing

- The company insured **1,273** social medical insurance projects, covering **282 cities** in **30 provinces** (municipalities and autonomous regions) and serving **0.78 billion** people with an insured amount of **RMB77.9 trillion**. The Company carried out **320** commercial "Huiimin Insurance" projects accumulatively, covering **29 provinces** (municipalities and autonomous regions), with a cumulative insured population of over **100 million**.



Eight Strategic Services

Serving the green development

- The company improved the "carbon peaking and carbon neutrality" insurance product system and promoted the launch of innovative products such as carbon offset insurance, carbon quota insurance and carbon asset loss insurance. The "carbon peaking and carbon neutrality" insurance provided risk protection of **RMB6.6 trillion**. The Company actively explored the new energy vehicle insurance market, with the number of insured new energy vehicles increasing by **54.4% YoY**.

Serving the safe development

- The company the "Urban Insurance" was implemented in **16 cities**, the safe production liability insurance provided risk protection of **RMB3.6 trillion** for **165,000 enterprises**, and the catastrophe insurance provided risk protection of **RMB2.5 trillion** for over **240 million people**. The Company actively developed cyber security insurance and promoted the establishment of a new mode of introducing special maintenance fund for residences to insurance.

Serving the regional development

- The company implemented the national strategy of regional development, serving the construction of "Five Centers" in Shanghai and the Xiong'an New Area. The Company underwrote multiple flagship innovative projects including autonomous vehicles, smart parking, ecological governance, and urban computing centers.

Serving the "Belt and Road"

- The company insured large-scale projects such as the Santa Cruz River Hydropower Station in Argentina and the Barisal Coal-fired Power Station in Bangladesh as the leading underwriter, and underwrote 218 "Belt and Road" projects with an insured amount of **RMB1.1 trillion** so as to serve the "dual circulation" effectively.



Steady Growth in the Number of Customers

- ◆ The number of individual customers reached **120 million**, Up **1.8%** compared to the beginning of the year
- ◆ The number of group customers reached **4.029 million**, Up **4.6%** compared to the beginning of the year

Continuous improvement of online service level

- ◆ Online customer rate of household motor insurance reached **96.3%**, Up **1.6ppts** YoY
- ◆ Online customer rate of diversified non-motor insurance reached **88.1%**, Up **5.3ppts** YoY



Actively integrated into the government's disaster emergency work system

- ◆ Real time monitoring of disaster situations through Traffic Police and Insurer Joint Work, timely rescued and surveyed
- ◆ Actively participated in government emergency rescue and post disaster reconstruction

Comprehensively promoted disaster prevention and loss reduction

- ◆ Real time pushing of meteorological warning information through the "City Wanxiang Cloud Platform"
- ◆ Pushed 9.04 million risk alerts to motor insurance customers
- ◆ Conducted risk investigation on 13000 waterlogging risk points and 14000 non-motor insurance customers
- ◆ Assisted villagers in the inspection and rectification of farmland drainage and irrigation facilities, as well as disaster prevention and recovery efforts

Effectively improved the efficiency of claims settlement

- ◆ Utilized new technologies such as water immersion IoT platforms, satellite remote sensing, and unmanned drones
- ◆ Innovated and promoted the "Car Sweeping" mobile app to guide customers to move their cars in time

Total estimated loss amount in the area affected by Typhoon Dussuri

RMB 3,860 million

Estimated net loss after deducting reinsurance

RMB 2,740 million

Claims paid of motor insurance as %

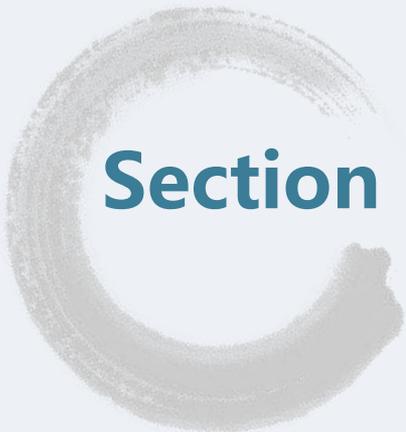
98%

Note: The data on this page is related to Typhoon Dussuri up to August 28th. The impact of this disaster on the company's financial position, operating results, and other aspects is being continuously evaluated.



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Section III

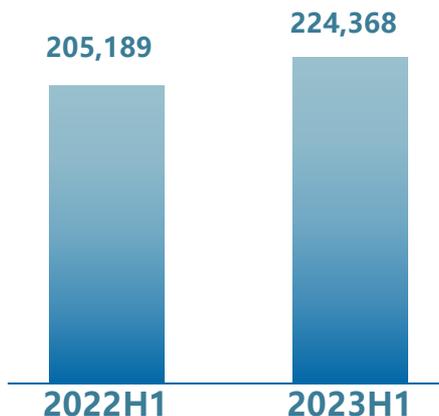
Overview of Insurance Business Operations



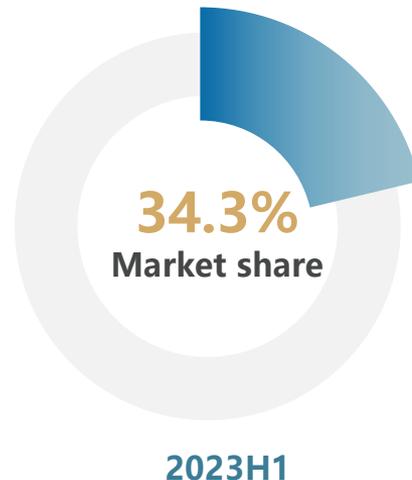


Insurance Revenue Up 9.3% YoY

(RMB mm)



Market Share Remained Stable



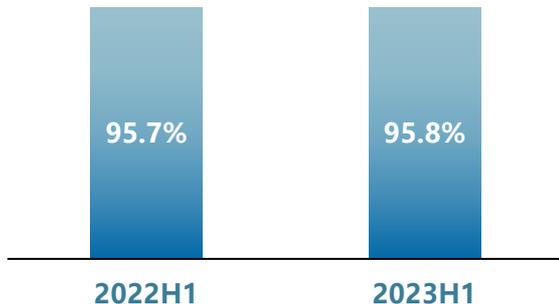
Note: Calculated based on the data of the PRC insurance industry published on the website of the National Administration of Financial Regulation. Commencing from June 2021, the aggregate data of property insurance companies published by the National Administration of Financial Regulation (former CBIRC)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

Underwriting Profit Increased YoY and Combined Ratio Outperformed the Industry



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Combined Ratio Up **0.1ppts** YoY



Comprehensive Expense Ratio
Unchanged YoY



Underwriting Profit Up **7.0%** YoY

(RMB mm)



Comprehensive Loss Ratio Up
0.1ppts YoY

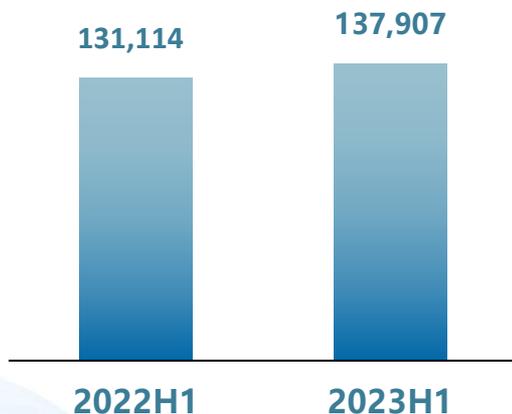




Insurance Revenue of Motor Insurance

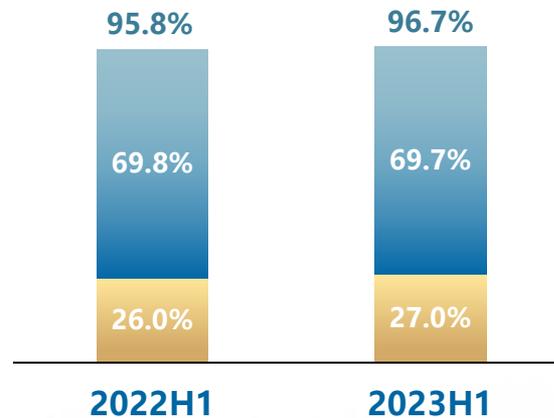
Up **5.2%** YoY

(RMB mm)



Combined Ratio of Motor Insurance

Up **0.9ppts** YoY



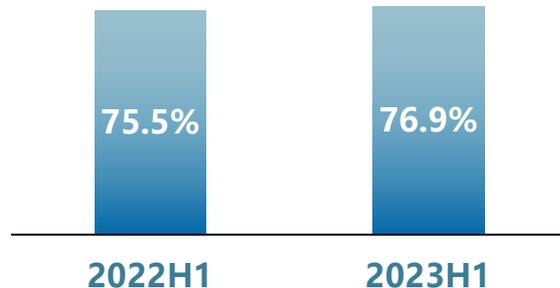
■ Comprehensive expense ratio
■ Comprehensive loss ratio



Renewal Rate of Motor Insurance Up 2.0ppts YoY



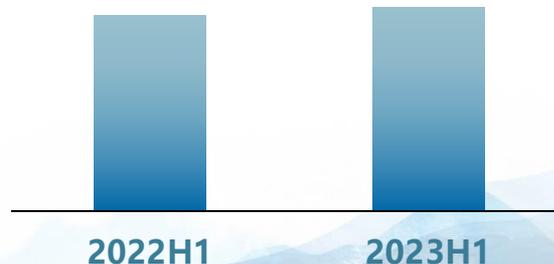
Renewal Rate of Household Motor Insurance Up 1.4ppts YoY



Number of Household Vehicles Underwritten Up 6.7% YoY



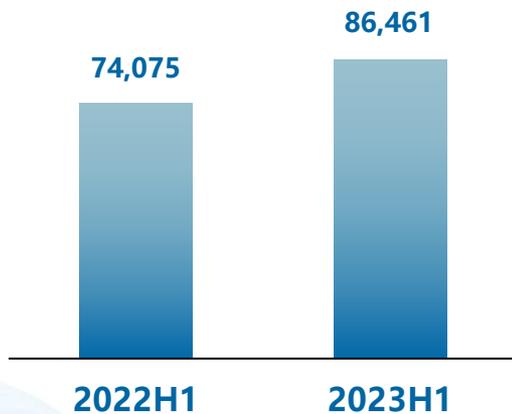
Number of Household New Vehicles Underwritten Up 4.0% YoY



Insurance Revenue of Non-Motor Insurance

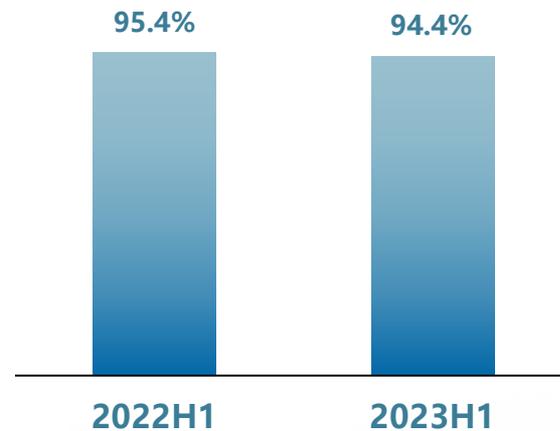
Up **16.7%** YoY

(RMB mm)



Combined Ratio of Non-Motor Insurance

Down **1.0ppt** YoY

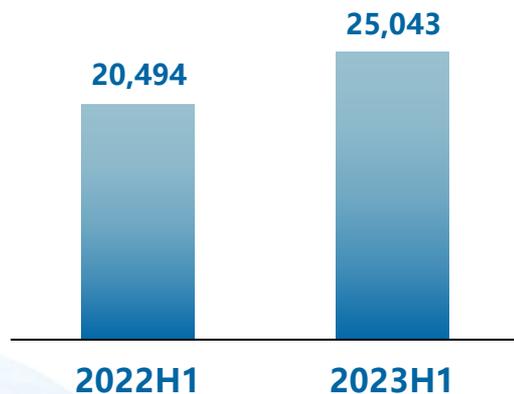




Insurance Revenue

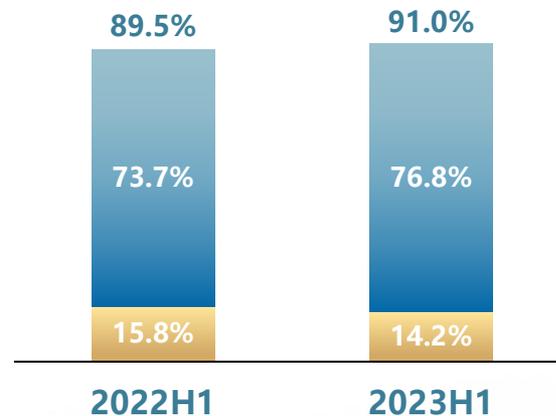
Up **22.2%** YoY

(RMB mm)



Combined Ratio

Up **1.5ppts** YoY



■ Comprehensive expense ratio

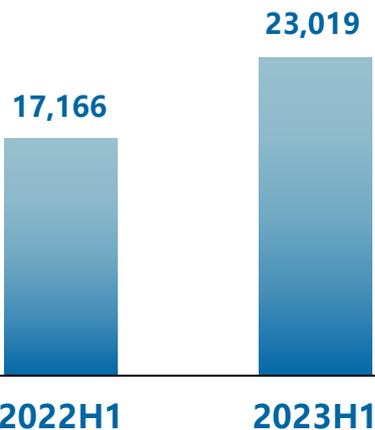
■ Comprehensive loss ratio



Insurance Revenue

Up **34.1%** YoY

(RMB mm)



Combined Ratio

Down **3.0ppts** YoY

101.5%

61.1%

40.4%

2022H1

98.5%

64.0%

34.5%

2023H1

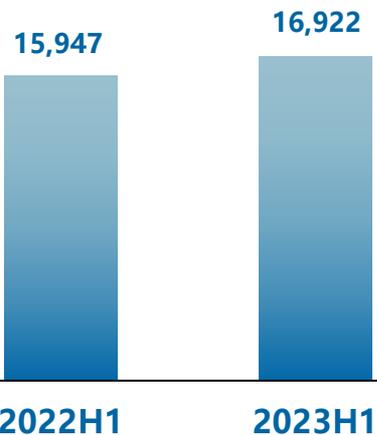
■ Comprehensive expense ratio
■ Comprehensive loss ratio



Insurance Revenue

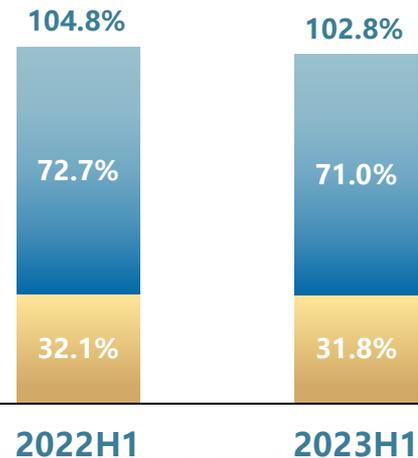
Up **6.1%** YoY

(RMB mm)



Combined Ratio

Down **2.0ppts** YoY



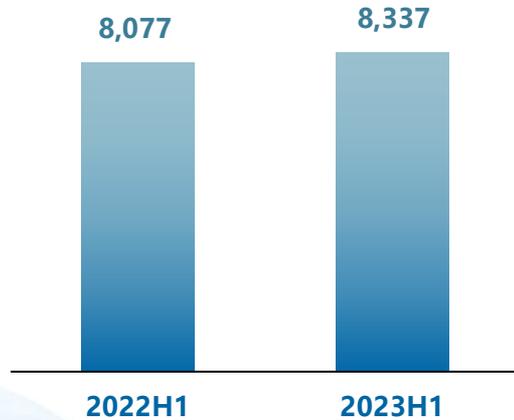
■ Comprehensive expense ratio
■ Comprehensive loss ratio



Insurance Revenue

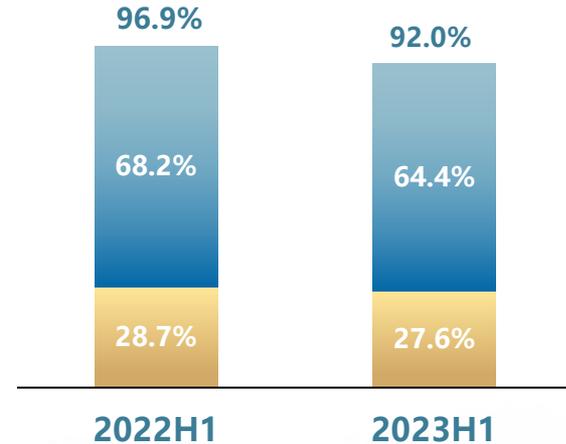
Up **3.2%** YoY

(RMB mm)



Combined Ratio

Down **4.9ppts** YoY



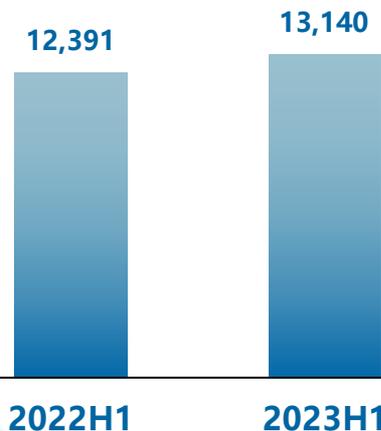
■ Comprehensive expense ratio
■ Comprehensive loss ratio



Insurance Revenue

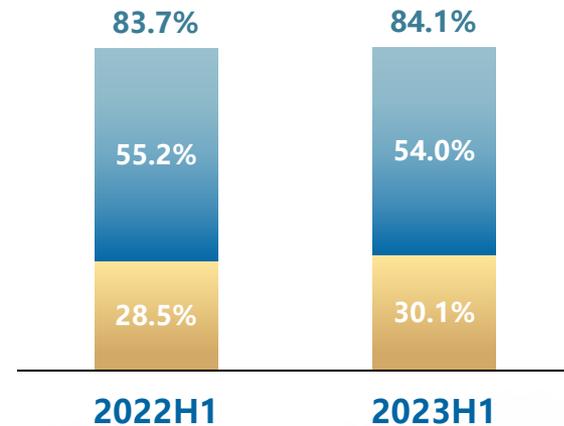
Up **6.0%** YoY

(RMB mm)



Combined Ratio

Up **0.4ppts** YoY



■ Comprehensive expense ratio
■ Comprehensive loss ratio

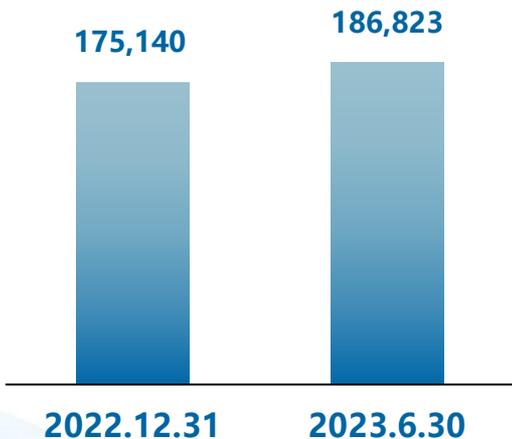
Note: The other insurance includes credit and surety insurance, cargo insurance, household property insurance, special risk insurance, marine hull insurance and construction insurance.



Net Loss and LAE Reserves

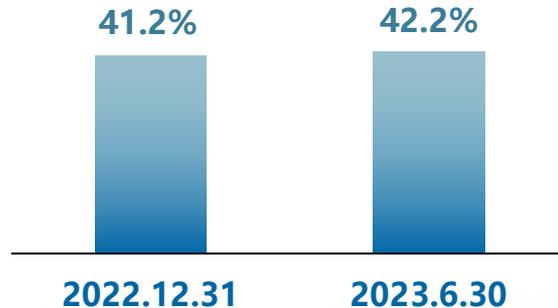
Up **6.7%** vs. Beginning of the Year

(RMB mm)



Net Loss and LAE Reserves Ratio

Up **1.0ppt** vs. Beginning of the Year



Notes:

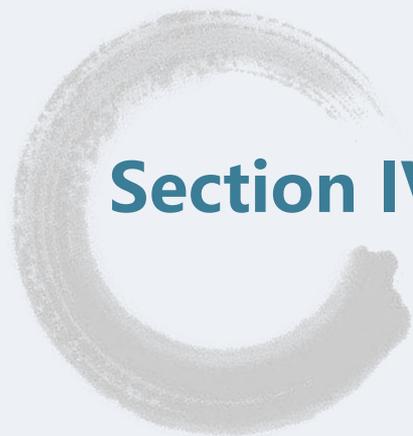
(1) Net Loss and LAE Reserves and Net Loss and LAE Reserves Ratio were reviewed in accordance with the PRC accounting standards prior to the revision of the insurance contract accounting standards.

(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.



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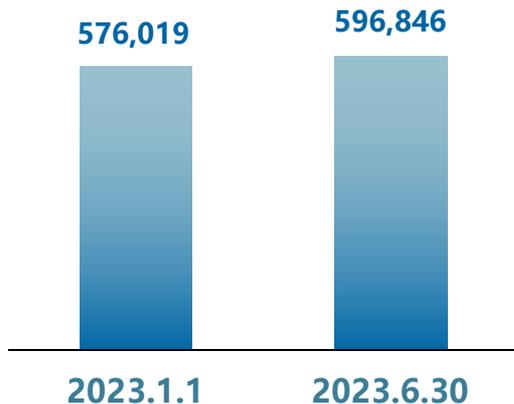


Section IV Overview of Insurance Fund Investment Business

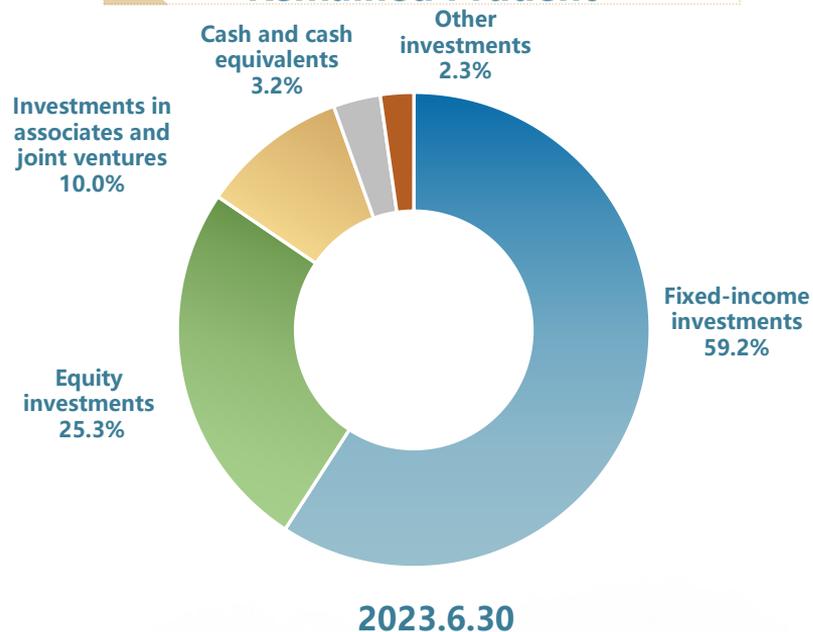
Total Investment Assets

Up **3.6%** vs. Beginning of the Year

(RMB mm)



Investment Portfolio Remained Prudent

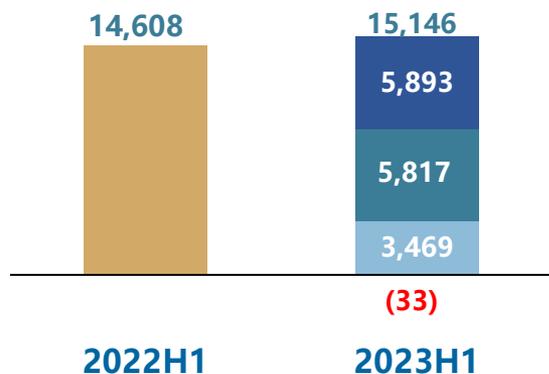


Note: "Other investments" include investment properties, restricted statutory deposits, etc..



Total Investment Income

(RMB mm)



- Interest income from financial assets not measured at FVTPL
- Other investment income
- Share of profit or loss of associates and joint ventures
- Investment assets impairment losses
- The total investment income was calculated in accordance with the previous financial instrument accounting standard

Total Investment Yield

	2023H1	2022H1
Total Investment Yield (unannualized)	2.6%	2.7%

Note: In the first half of 2022, the total investment income and total investment yield was calculated in accordance with the previous financial instrument accounting standard.



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Section V Key Initiatives for 2023H2



01

Firstly, serving the construction of modern industrial system and supporting the development of real economy.

We will launch “Industry + Sector” insurance solutions and develop innovative comprehensive insurance services covering property insurance, liability insurance and surety insurance to support the industrial transformation and upgrade; we will also actively develop product liability insurance, product quality insurance and other product insurance, which will facilitate the settlement of product quality disputes and ensure the protection of rights and interests of consumers.

02

Secondly, serving the rural revitalization and supporting the construction of a powerful nation of agriculture.

We will deepen the innovation of system and mechanism for rural revitalization to support revitalizations of rural industries, rural talents, rural cultures, rural ecological environment and rural organizations as well as construction of rural modernization, strengthen the top-level design, innovate and upgrade the product supply for rural revitalization, continue to promote the “improvement of standards of agriculture insurance, expansion of coverage of agriculture insurance and increase of varieties of agriculture insurance products” , make more efforts in the development of agricultural facility insurance and rural governance insurance, and ensure the high-quality development of agriculture insurance.

03

Thirdly, serving the building of China’s self-reliance and strength in science and technology and supporting the construction of a powerful nation of science and technology.

We will continue to increase the varieties of science and technology insurance products, optimize and promote the “first set of key technological equipment insurance, first batch of new materials insurance and first version of software insurance” , increase the support to key areas such as integrated circuits, industrial machines, new generation information technology and high-end medical equipment, and further integrate into the virtuous cycle of “technology-industry-finance” .

04

Fourthly, serving the improvement of people’s livelihood and wellbeing and supporting the construction of a healthy China.

We will support the construction of a multi-tier medical system, continue to consolidate advantages in critical illness insurance services, actively participate in long-term care insurance and medical assistance insurance services, and promote rapid development of outpatient chronic and special illness insurance and policy-oriented “Huimin insurance” .



05

Fifthly, serving the green development and supporting the construction of a beautiful China.

We will implement the “carbon peaking and carbon neutrality” strategy, promote innovative carbon sink insurance products, photovoltaic insurance products and offshore wind power insurance products to make contribution to carbon reduction. We will support the construction of new energy system and strategically develop new energy vehicle insurance business.

06

Sixthly, serving the safe development and supporting the construction of a peaceful China of a higher level.

We will further develop catastrophe insurance and promote its coverage of major natural disasters such as floods, earthquakes and typhoons, further improve the combination of catastrophe insurance and commercial insurance, and enhance the disaster prevention capabilities; we will serve the public safety and social governance, and further exert the role of liability insurance in multiple areas such as campus safety, medical safety and dispute resolution.

07

Seventhly, serving the regional development and supporting the improvement of internal driving force for domestic circulation.

By focusing on coordinated development of Beijing-Tianjin-Hebei Province, development of the Yangtze River Economic Belt, construction of the Guangdong-Hong Kong-Macao Big Bay Area and other major regional development initiatives, we will promote the implementation of unilateral recognition policy (Northbound Travel of Macau Vehicles), establish the first shipping insurance trading platform, actively develop cross-border insurance products such as cross-border vehicle insurance and cross-border medical insurance products in Guangdong Province, Hong Kong and Macao, and support the interconnection among Guangdong Province, Hong Kong and Macao; we will actively serve the development of Xiong'an New Area and the integration of the Beijing-Tianjin-Hebei Province, put forward cross-x0002 regional e-policies of the motor vehicle insurance and establish quick claim settlement mechanism for traffic accidents.

08

Eighthly, serving the “Belt and Road” Initiative and supporting a high-level opening-up.

We will build a high-quality insurance support system for the “Belt and Road” Initiative, actively insure the projects under the “Belt and Road” Initiative and serve the building of the “Belt and Road” Initiative; we will actively promote overseas engineering insurance, overseas property insurance and other overseas insurance products to protect the interests of Chinese company operating in overseas market; we will develop innovative cross-border e-commerce insurance products and overseas warehouse insurance products to support the development of new foreign trade models.

09

Ninthly, continuing to optimize the asset structure and ensuring its healthy development.

It is expected that, in capital market, the bond yields will remain low, high-quality fixed income products will be in short supply, and stock market will fluctuate drastically. Under such market conditions, the Company will actively seize the structural opportunities while maintaining the proportion of equity assets; select quality equity projects and promote industrial investments; continue to uphold credit risk standards and maintain the neutral strategy for duration of bonds, and allocate financial products on a selective basis.