



中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

2023 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.
- From 1 January 2023, the company adopted Hong Kong Financial Reporting Standards 9- Financial Instruments, the investment results during the reporting period in this document reflect the figures after the adoption of new financial instrument accounting standards. According to the guidelines, the company elected not to restate the figures for 2022.



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- Section II ○ Main work in 2023
- Section III ○ Overview of Insurance Business Operations
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- Section V ○ Key Initiatives for 2024



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PICC PROPERTY AND CASUALTY COMPANY LIMITED

Section I Results Overview

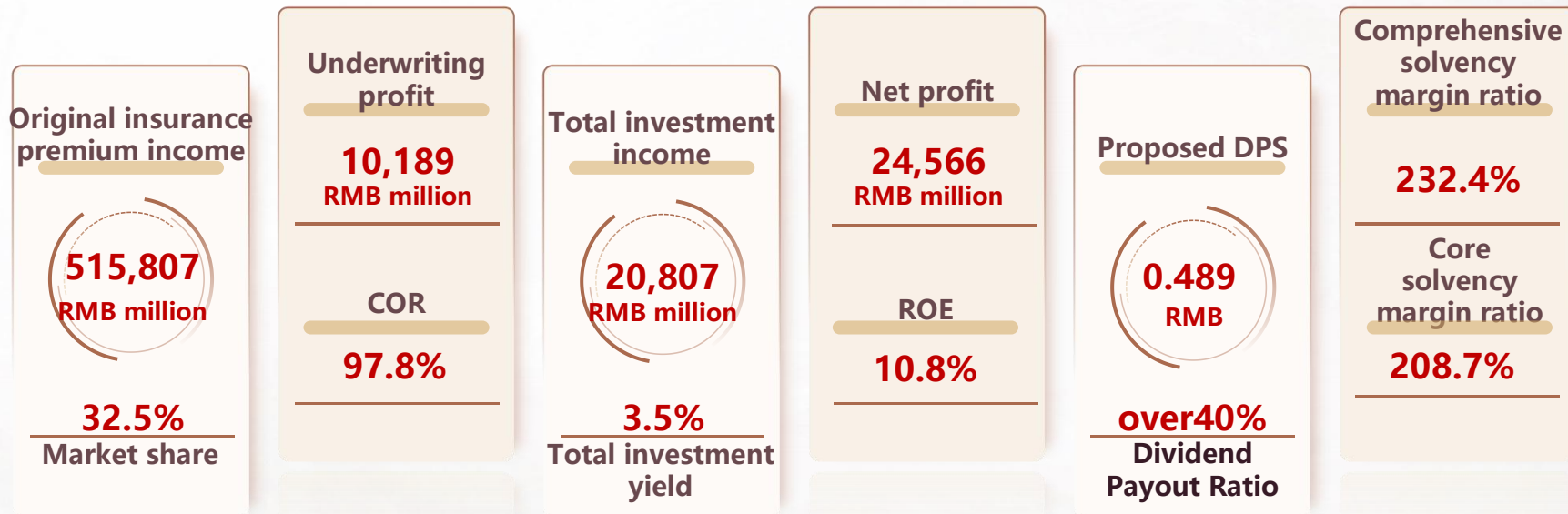
Results Overview



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In 2023, the Company practically promoted the “To be Prominent Strategy” of the PICC Group, well positioned itself in serving Chinese modernization with focuses on “Eight Strategic Services”, innovated products and services, deepened the construction of distribution channels, implemented the new business model of “insurance + risk reduction services + technology”, strengthened underwriting and claims management and control, promoted comprehensive cost reduction and efficiency enhancement, continuously improved the refined management, gave full play to the insurance sector’s functions as the economic shock absorber and social stabilizer and promoted high-quality development in serving the macro economic and social development.



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”.



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Section II Main work in 2023

INNOVATING AND UPGRADING STRATEGIC SERVICE AND CONTINUING TO EXPAND CUSTOMER BASE



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In light of the basic principle of serving the real economy, the Company implemented “Eight Strategic Services” to serve the construction of modernized industrial system, rural revitalization, building China’s self-reliance and strength in science and technology, enhancement of the people’s livelihood and wellbeing, green development, safe development, regional development and the “Belt and Road” Initiative. New room for business development was continuously expanded through optimized insurance products and innovated insurance services.

- The number of insured individual customers of the Company reached **120 million**, Up **4.0%** compared to the beginning of the Year
- The renewal rate of household motor vehicle insurance was **77.8%**, Up **1.1ppts** YoY
- The penetration rate of non-motor vehicle insurance products purchased by individual motor vehicle insurance customers reached **70.8%**, Up **2.1ppts** YoY

- The number of insured corporate customers of the Company reached **4.23 million**, Up **9.8%** compared to the beginning of the Year
- The Company underwrote **111 thousand** high-tech enterprises, provided risk protection for **140 thousand** enterprises in industrial parks and provided safe production liability insurance for **296 thousand** enterprises

- The agriculture insurance served **64.9 million** rural households, and the full cost and plantation income insurance of three major staple foods covered **16 provinces**
- The social medical insurance served **880 million** people, and the long-term care insurance served an insured population of nearly **53 million**
- The regional catastrophe insurance provided risk protection for over **270 million** people
- The Huimin Insurance project has been launched in **262 cities** nationwide, covering over **75 million** people

MAKING ACTIVE RESPONSE TO DISASTERS AND ACCIDENTS STRONGLY DEMONSTRATING OUR BRAND VALUE

Committing to its mission of “People’ s insurance serves the People” , the Company made great efforts in risk reduction, disaster relief and claim settlement, and further integrated into the construction of national disaster prevention, disaster reduction and disaster relief system to fulfil the responsibility of the Company with concrete actions.

- Established and perfected the “Wan Xiang Yun” risk control platform, promoted the implementation of comprehensive risk survey for corporate business and provided online and offline accident prevention technical services.
- Provided manual service of **1.098 million** in more than 10 key areas including safety liability insurance, assisted in identification of more than **663 thousand** hidden risks.
- Provided meteorological early warnings and IoT early warnings of corporate business for more than **4 million times**. The estimated amount of the loss reduced resulted from the manual and technological risk reduction services provided by the Company in aggregate reached **RMB849 million**.
- Making active responses to extreme rainfalls, earthquakes and other major disasters in certain areas, made **42** company-level major disaster emergency responses in total.
- Installed more than **2,290** water immersion IoT equipments for enterprises.
- Conducted risk review of **69 thousand** enterprises.
- Deployed **72 thousand** personnel for major disaster settlement and rescue.
- In response to Typhoon Doksuri, Typhoon Saola and Typhoon Haikui, the Company actively coordinated professional rescue forces to provide support to disaster-stricken areas, provided more than **62 thousand times** of undifferentiated vehicle rescues.

Company Honors



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BUSINESS STRENGTHS

JRJ.com
12th Navigation China "Golden Wisdom Award"

"Golden Wisdom Award" of the Year 2023 -
Outstanding Property Insurance Company

Financial News
2023 The Gold Medal Award Ceremony
of Chinese Financial Institutions – the
Golden Dragon Medal

"Best Property Insurance Company of the Year"

SOCIAL RESPONSIBILITY

Ministry of Agriculture and Rural Affairs
Top 10 Innovative Models and Top 10 Typical Cases in
respect of Financial Support for Agriculture in 2022

The "leveraging agriculture insurance to
enhance soybean production capacity model of
PICC" was selected as one of the Top 10 Innovative Models
in respect of Financial Support for Agriculture

Xinhuanet
Seminar on "ESG Practice in China"

"Excellent Case of Corporate ESG Green Finance of 2023"

CUSTOMER SERVICE

Shanghai Securities News
2023 "Golden Wealth Management" by
Shanghai Securities News

Annual Insurance Service Award of 2023 "Golden Wealth
Management" by Shanghai Securities News

China Electronics Chamber of Commerce
the 19th Annual Conference and the
Annual Awards Ceremony on China Call
Center Industry Development of 2023

The 95518 Customer Service Center was
awarded the "2023 Top 10 Call Center
(more than 1,000 seats) and
Excellent Customer Experience Award"

TECHNOLOGY INNOVATION

2023 (6th) FinTech Industry Conference

"Wanxiang Sky Eye - intelligent risk reduction platform" project was
accredited as one of the 2023 "Jin Xin Tong" FinTech Innovation Application
Top 10 Cases

"Panshi - intelligent application operation and maintenance platform"
project was accredited as 2023 "Jin Xin Tong" FinTech Innovation
Application Excellent Case

CIIP the 5th China InsurTech
Innovation Partnering Conference of 2023

"PICC Infectious Disease Catastrophe Model in China's
Animal Husbandry Industry" won the "Jinrui Award - Best
Insurance Risk Model Innovation Award"



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Section III

Overview of Insurance Business Operations

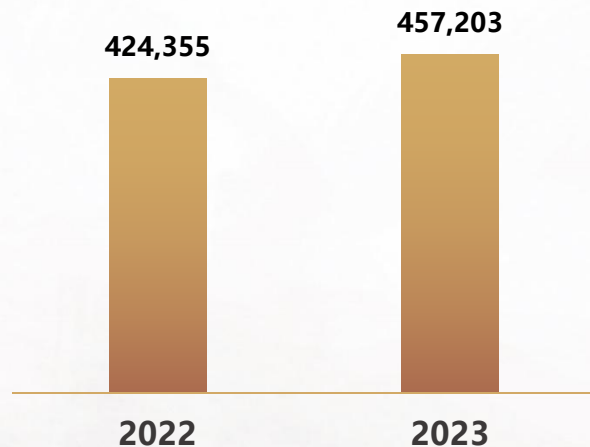
Rapid Growth in Business with Market Position Maintaining Dominant



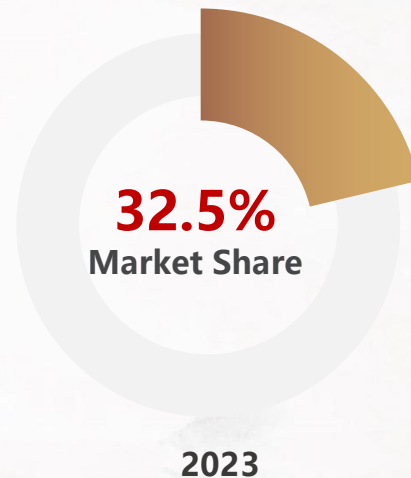
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PICC PROPERTY AND CASUALTY COMPANY LIMITED

Insurance Revenue Up **7.7%** YoY

(RMB mm)



Market Share



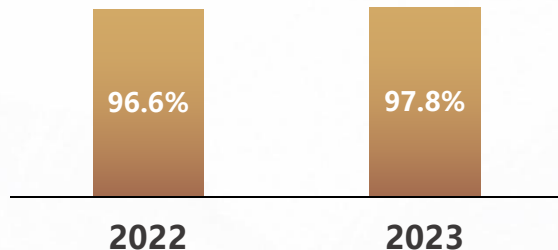
Note: Calculated based on the data of the PRC insurance industry published on the website of the National Financial Regulatory Administration(former CBIRC). Commencing from June 2021, the aggregate data of property insurance companies published by the National Financial Regulatory Administration was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

Combined Ratio Outperformed the Industry



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Combined Ratio

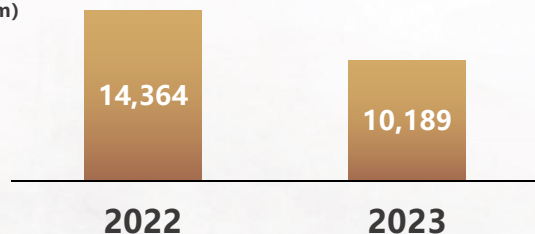


Comprehensive Expense Ratio

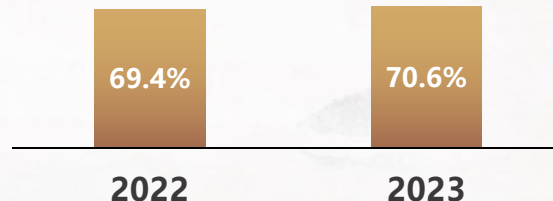


Underwriting Profit

(RMB mm)



Comprehensive Loss Ratio



注:

(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

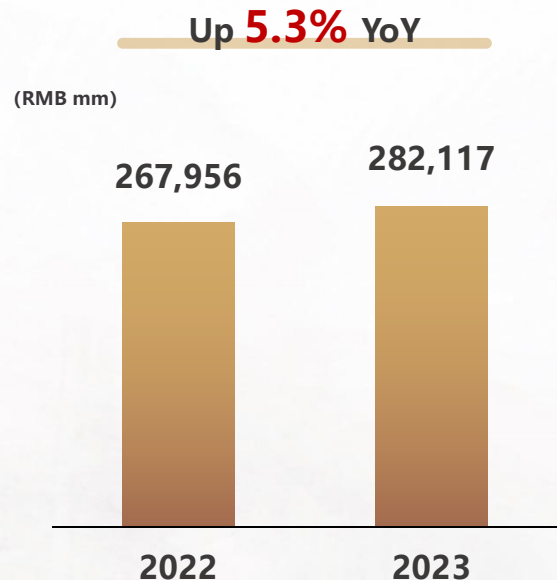
(2) Comprehensive expense ratio = (amortization of insurance acquisition cash flows + maintenance costs)/insurance revenue

(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

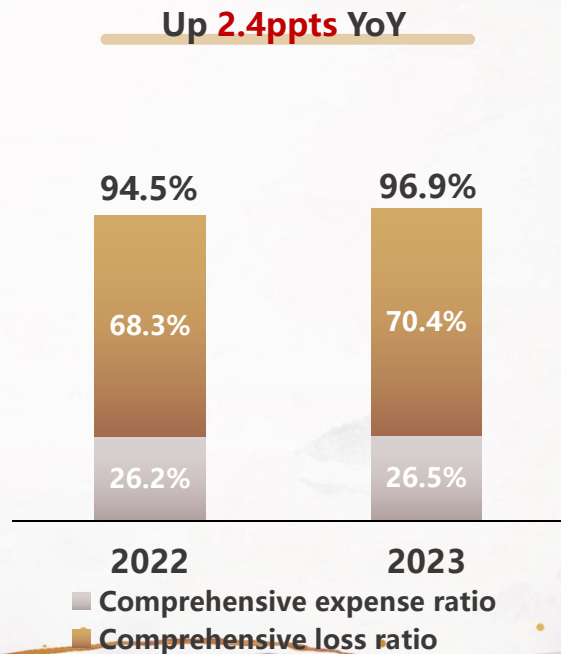
Stable Growth in Motor Insurance with Combined Ratio Outperforming the Industry



Insurance Revenue of Motor Insurance



Combined Ratio of Motor Insurance

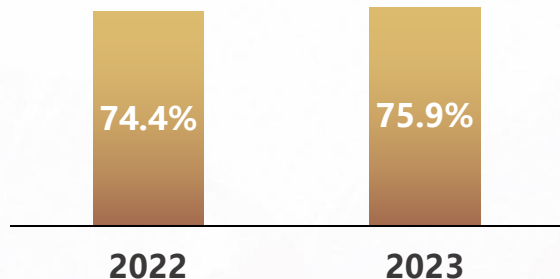


Continuous Optimization of Motor Insurance Business Structure

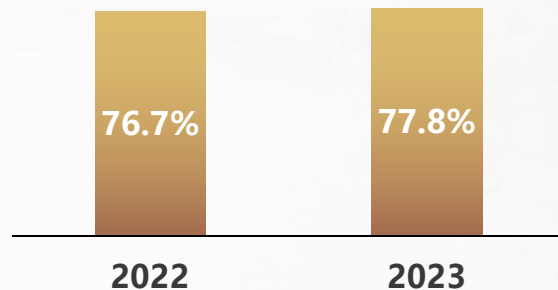


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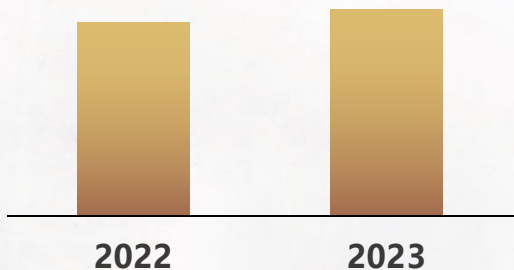
Renewal Rate of Motor Insurance
Up **1.5ppts** YoY



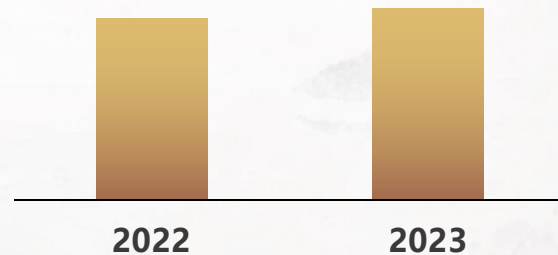
Renewal Rate of Household Motor Insurance
Up **1.1ppts** YoY



Number of Household Vehicles Underwritten
Up **6.9%** YoY



Number of Household New Vehicles Underwritten
Up **6.0%** YoY



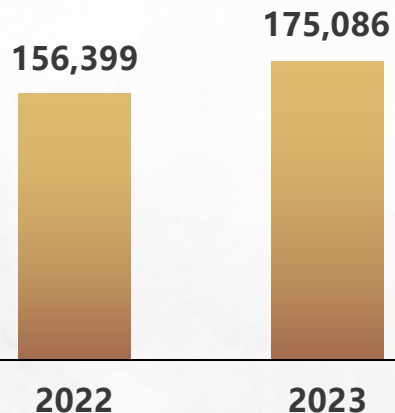
Rapid Growth in Non-Motor Insurance with Improved Combined Ratio



Insurance Revenue of Non-Motor Insurance

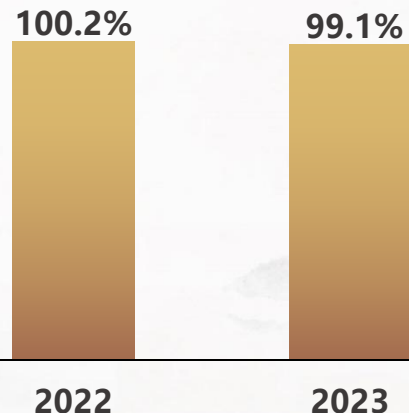
Up **11.9%** YoY

(RMB mm)



Combined Ratio of Non-Motor Insurance

Down **1.1ppts** YoY

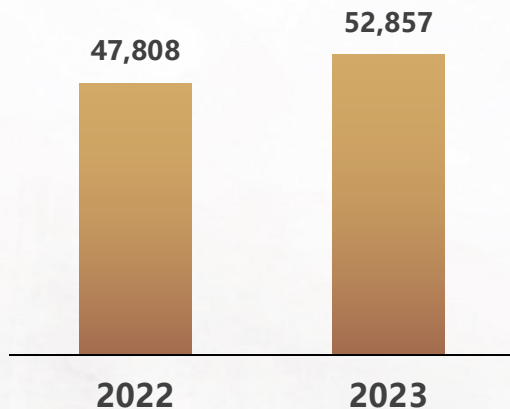




Insurance Revenue

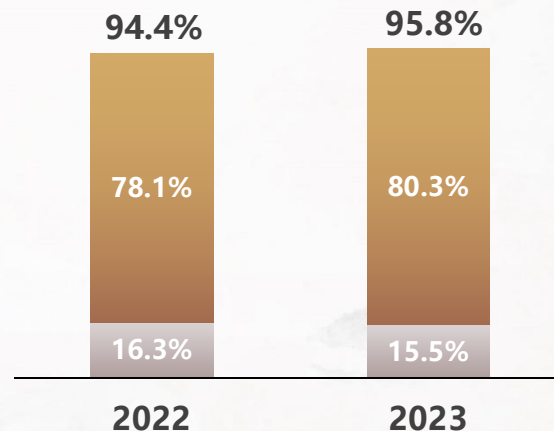
Up **10.6%** YoY

(RMB mm)



Combined Ratio

Up **1.4ppts** YoY



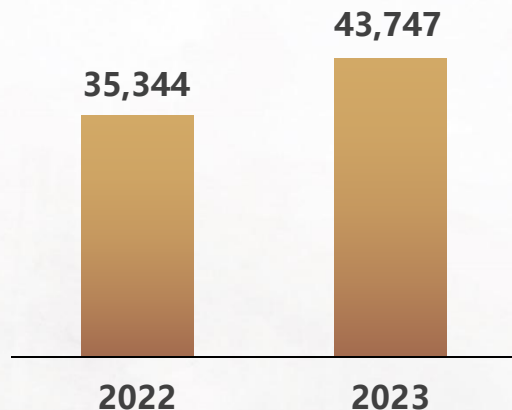
■ Comprehensive expense ratio
■ Comprehensive loss ratio



Insurance Revenue

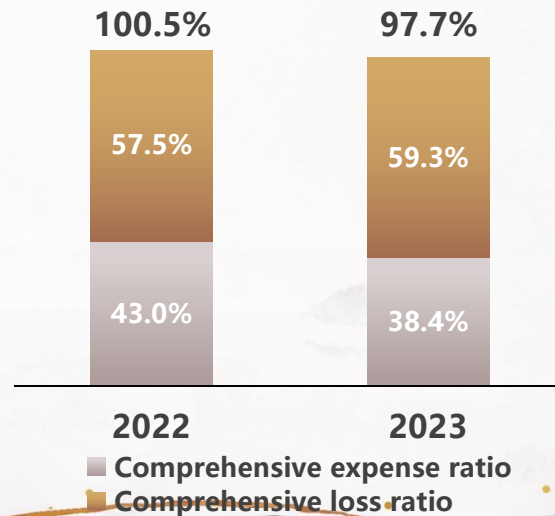
Up **23.8%** YoY

(RMB mm)



Combined Ratio

Down **2.8ppts** YoY





Insurance Revenue

Up **3.2%** YoY

(RMB mm)

31,892

32,906

2022

2023

Combined Ratio

Down **2.1ppts** YoY

109.1%

76.6%

32.5%

2022

■ Comprehensive expense ratio
■ Comprehensive loss ratio

107.0%

73.6%

33.4%

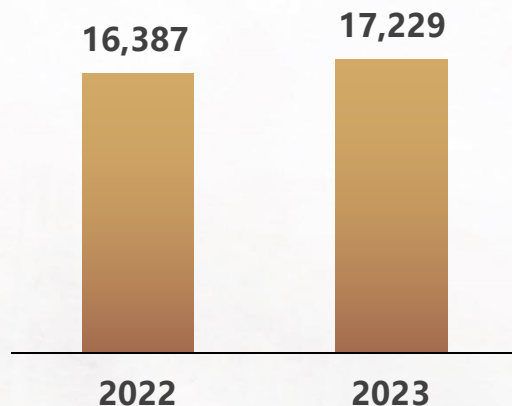
2023



Insurance Revenue

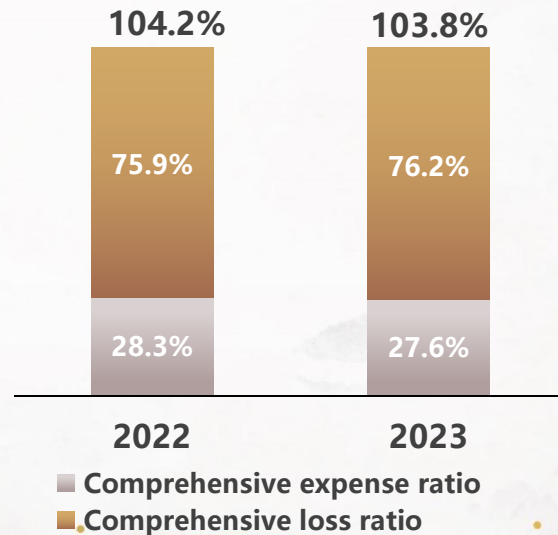
Up **5.1%** YoY

(RMB mm)



Combined Ratio

Down **0.4ppts** YoY

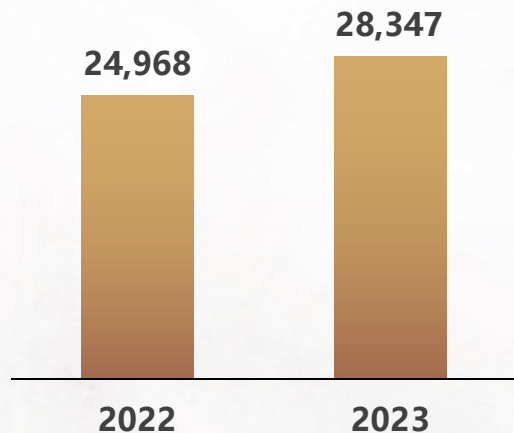




Insurance Revenue

Up **13.5%** YoY

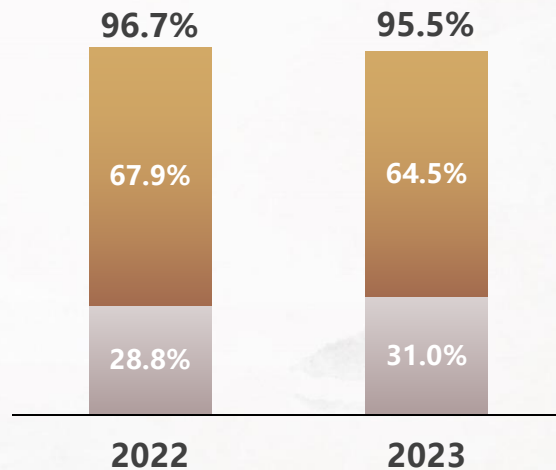
(RMB mm)



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

Down **1.2ppts** YoY



■ Comprehensive expense ratio
■ Comprehensive loss ratio

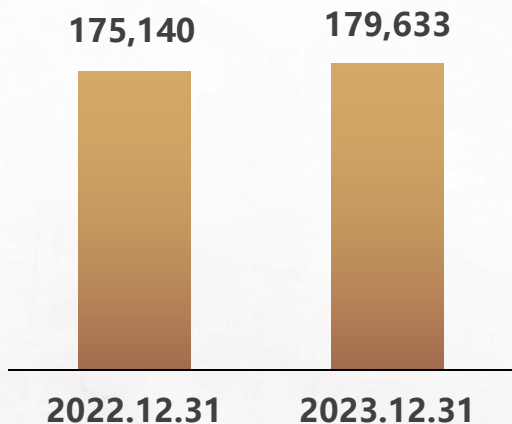
Appropriated Reserves Adequately and Reasonably, Enhanced Ability to Defend Risks



Net Loss and LAE Reserves

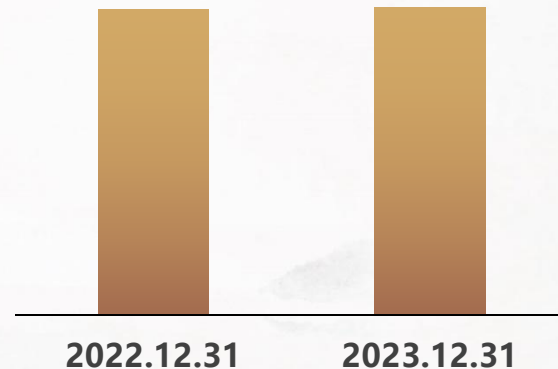
Up **2.6%** vs. Beginning of the Year

(RMB mm)



Net Loss and LAE Reserves Ratio of Motor Insurance

Up **0.2ppts** YoY



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

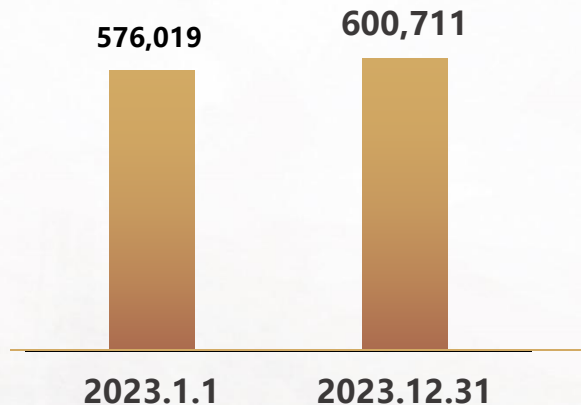
Steadily Growth in Total Investment Assets with Prudent Investment Portfolio



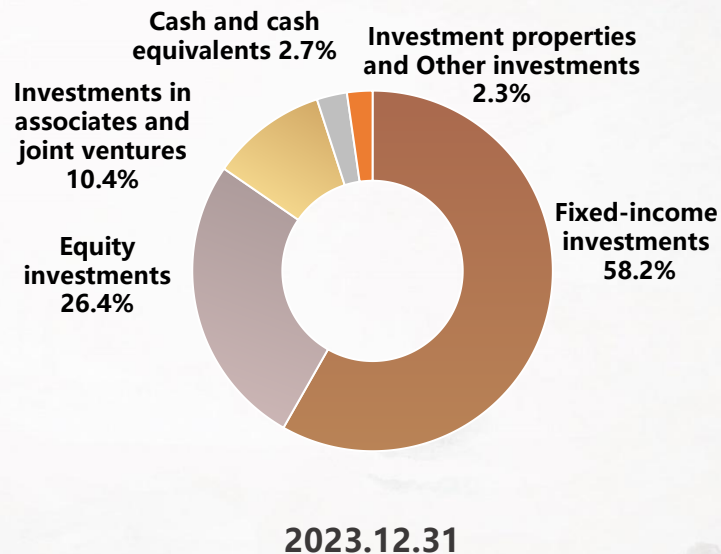
Total Investment Assets

Up **4.3%** vs. Beginning of the Year

(RMB mm)



Investment Portfolio Remained Prudent

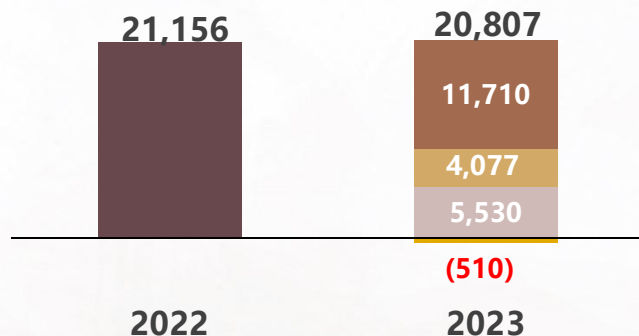


Note: "Other investments" mainly included restricted statutory deposits.



Total Investment Income

(RMB mm)



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

Total Investment Yield

	2023	2022
Total Investment Yield	3.5%	3.8%

Note: From 1 January 2023, the Company adopted Hong Kong Financial Reporting Standards 9 – Financial Instruments, the investment results reflect the figures after the adoption of new financial instrument accounting standards. In accordance with the Hong Kong Financial Reporting Standards 9 – Financial Instruments, the Company elected not to restate the figures for 2022.



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Section V Key Initiatives for 2024

Key Initiatives for 2024

01

Firstly, the company will deeply promote the “Eight Strategic Services” .

02

Secondly, the company will implement the risk reduction service projects.

03

Thirdly, the company will further promote the digital transformation.

04

Fourthly, the company will strengthen the risk prevention and mitigation.

05

Fifthly, the company will continue to optimize the asset structure and ensure its healthy development.