PICC P&C (2328 HK)

2026 Investor Day: Non-auto personal lines the next growth curve in scale and UW profitability

BUY (Maintain)

Target Price	**HK$21.00**
(Previous TP	HK$20.00)
Up/Downside	**19.8%**
Current Price	**HK$17.53**

The 2026 Investor Day confirmed a multi-year growth agenda to build the personal non-auto insurance as a second growth curve during the 15th Five-Year Plan period (2026-2030). Premium income from the company's personal non-auto insurance reached RMB55.8bn in FY25, rising at a CAGR of 23.9% from FY21, outpacing overall market growth. In 9M26, the segment's written premiums were RMB50.3bn (11% mix), growing 16.3% YoY, with the increment (approx. RMB7bn) driving 97% of the insurer's total premium increase. The company aims at exceeding a scale of RMB60bn by FY26E and strives for RMB100bn by 2030E, implying a 13.6% CAGR, by targeting five incremental markets of health, an ecosystem of vehicle + person + family, NEVs, new consumption and inclusive personal insurance. Assuming the combined ratio of non-auto personal lines is at the same level as the entire non-auto segment's 98% in 9M26, the underwriting profit of non-auto personal lines could make up ~6% of total UWP, based on our conservative estimates. **By 2030E, we estimate that if the combined ratio further improves to 95%, the UWP mix from non-auto personal lines could expand to close to 20%, underlining their role as a second growth engine.** Maintain BUY, with our valuation rolled forward to FY27E to derive a price target of RMB21 (prev. RMB20), implying 1.3x FY27E P/B.

- **Non-auto personal lines to shape a second growth curve in scale and UWP.** The company's premium income from personal non-auto insurance grew at a 23.9% CAGR in FY21-25. In 9M26, the segment's premiums rose 16.3% YoY to RMB50.3bn (11% mix), with the increase of RMB7bn on par with total premium increase in FY25 and comprising 97% of total incremental premiums in 9M26. **The company aims to build non-auto personal insurance into its second growth engine, targeting premiums of RMB60bn by FY26E and >RMB100bn by FY30E.** We see an effective business shift towards five incremental markets taking shape, including health, family, NEVs, new consumption and inclusive insurance. By Sep-26, the new expansion programs had contributed 68% of total increment (vs. FY25: 40%), indicating strong new business momentum. On the profitability front, **we estimate that the UWP mix of non-auto personal lines to reach 6% as of 9M26 by assuming a conservative COR of 98%**, the same as that of the entire non-auto segment; and **we expect the mix to expand to close to 20% by 2030E if the segment's combined ratio improves to 95%.**
- **Sci-tech insurance embracing a strong growth outlook.** The insurer has been an early participant in science and technology insurance pivots and gained RMB20.9bn broad sci-tech premiums in FY25, ranking first in terms of market share in China. Mgmt. guided that premiums from sci-tech activity could exceed RMB10bn in FY26-FY30E, with the TAM of broad sci-tech insurance potentially expanding to above RMB100bn by 2030E, implying a 37% CAGR. According to mgmt., the sci-tech insurance development path is set in three stages, with the first two years on data accumulation and model refinement (2026-2027E), and then another two years on risk mitigation and underwriting cost management (2028-2029E), before entering a stage of profitability enhancement (2030E).
- **TP rolled forward to FY27E; EPS forecasts revised down.** The stock is trading at 1.1x FY26E P/B, slightly above its 2-year historical mean, with a yield at 5.0% (*CMBI est*). We revise down our FY26-28E EPS forecasts to RMB1.63/ 1.79/1.95 (vs. previous: RMB1.93/2.00/2.16) to factor in the equity investment headwinds in 3Q26 and a more prudent investment outlook in 2027-2028E. We revise down ourFY26E COR forecast to 96.7%, to reflect improved underwriting profit in 3Q26 despite the heightened catastrophe claims. Maintain BUY with our TP at HK$21 based on P/B-ROE rolled forward to FY27E, implying 1.3x FY27E P/B (*Table*).

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
EPS (Reported)(RMB)	1.45	1.82	1.63	1.79	1.95
Consensus EPS (RMB)	n.a	n.a	1.60	1.79	1.94
P/B (x)	1.3	1.2	1.1	1.0	1.0
Dividend yield (%)	3.6	4.6	5.0	5.4	5.9
ROE (%)	13.0	14.7	12.3	12.8	13.2

Source: Company data, Bloomberg, CMBIGM estimates.

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Stock Data

Mkt Cap (HK$ mn)	389,012.6
Avg 3 mths t/o (HK$ mn)	450.8
52w High/Low (HK$)	19.23/13.96
Total Issued Shares (mn)	22242.0

Source: FactSet

Shareholding Structure

JPMorgan Chase & Co	8.4%
Citigroup Inc.	7.0%

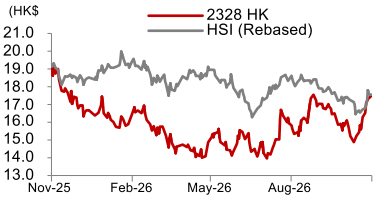
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	10.6%	9.6%
3-mth	9.7%	15.1%
6-mth	17.5%	26.9%

Source: FactSet

12-mth Price Performance



Source: FactSet

Auditor: Deloitte

Related reports:

1. Interim DPS +41.7% YoY a +VE surprise; Market pivots to 2H26E catastrophe claims outlook, Sep 1, 2026
2. Underwriting resilience persists despite investment headwinds, May 4, 2026
3. Non-auto CoR sees headroom for improvement, Mar 31, 2026
4. 3Q25 review: dual strength in underwriting and investment income, Nov 4, 2025
5. Robust 1H delivery of CoR; overseas expansion yields to a second growth trajectory, Sep 1, 2025
6. 1Q25 CoR outperformed, Apr 15, 2025
7. PICC P&C (2328 HK) - Optimized CoR guidance beat expectations, Apr 1, 2025

- **Dividend policy eyes on DPS growth.** Mgmt. reaffirmed the company's dividend policy on increasing the absolute value of DPS rather than anchoring a fixed payout, and guided that the company is exploring ways to improve the payout amid earnings volatilities.
- **Key risks:** 1) CoR deterioration in 4Q26 on worse-than-expected catastrophic claims; 2) slower-than-expected auto and non-auto premium income growth; 3) the comprehensive governance of non-auto insurance requires a longer timeframe to realize the benefits of expense ratio optimization.; 4) a prolonged low-interest rate; and 5) heightened equity market volatilities, etc.

Earnings forecasts

(RMB bn, except per-share data)	Current			Old			Chg (%, pct)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
EPS (RMB)	**1.63**	**1.79**	**1.95**	**1.93**	**2.00**	**2.16**	***-15%***	***-11%***	***-10%***
Combined ratio	***96.7%***	***96.3%***	***95.9%***	***96.9%***	***96.5%***	***96.0%***	***(0.2)***	***(0.2)***	***(0.2)***
Auto COR	*94.6%*	*94.5%*	*94.4%*	*94.8%*	*94.7%*	*94.6%*	*(0.2)*	*(0.2)*	*(0.2)*
Non-auto COR	*99.7%*	*98.8%*	*97.9%*	*100.1%*	*99.2%*	*98.2%*	*(0.4)*	*(0.4)*	*(0.3)*
DPS (RMB)	0.75	0.81	0.88	0.77	0.81	0.89	*-3%*	*0%*	*0%*
ROE	*12.3%*	*12.8%*	*13.2%*	*14.3%*	*14.9%*	*15.4%*	*(2.0)*	*(2.1)*	*(2.3)*
Underwriting profit	**17.2**	**19.9**	**22.7**	**16.0**	**18.9**	**21.9**	***7%***	***5%***	***4%***
Premium income	**562.6**	**572.0**	**583.4**	**564.3**	**575.3**	**588.1**	***0%***	***-1%***	***-1%***
Auto	306.1	306.7	307.6	309.8	314.3	319.1	*-1%*	*-2%*	*-4%*
Non-auto	256.5	265.3	275.7	254.5	261.1	268.9	*1%*	*2%*	*3%*

Source: CMBIGM estimates

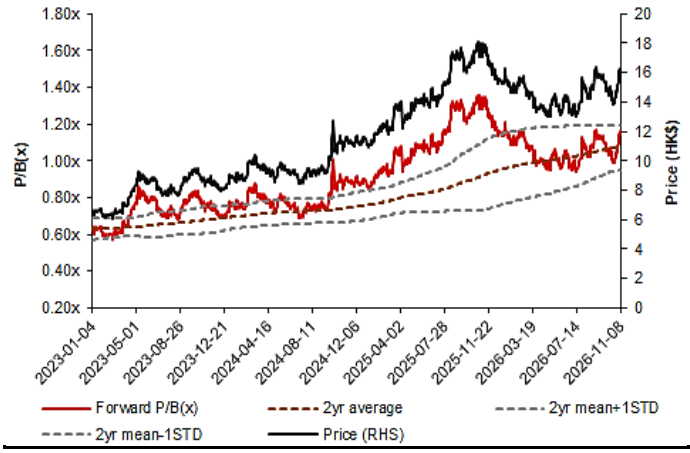
Valuation

(RMB bn, %)		
P&C insurance	**FY26E**	**FY27E**
Shareholders' equity (RMB bn)	298.0	316.0
Fair value P/B (x), base-case	1.24	1.24
Cost of equity	9.8%	10.0%
Forward 3-year ROE (avg)	12.8%	13.0%
Long-term growth	2.0%	2.0%
Underwriting cycle discount	-10.0%	-10.0%
Fair value (RMB mn)	**368.5**	**392.2**
Number of shares (mn)	22,242	22,242
RMB/HKD	1.18	
Fair value per share after discount (HK$)	19.5	20.7
12mth forward price target (HK$)	**21.0**	
Implied FY27E P/B (x)	*1.26x*	
Implied FY27E P/E (x)	*10.0x*	
Upside (%)	*19.8%*	
Old TP (HK$)	20.0	
Change (%)	*5.0%*	

Source: CMBIGM estimates

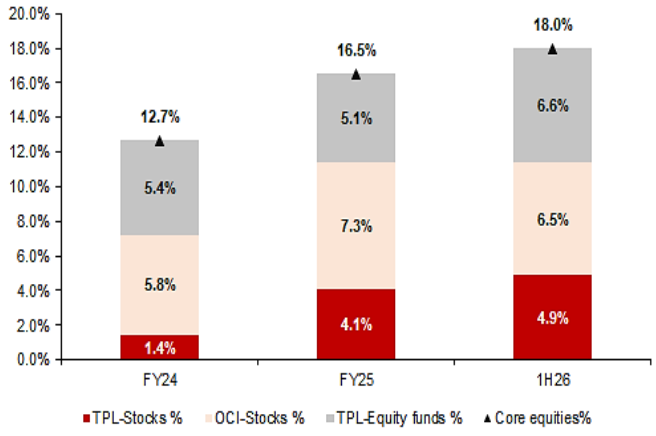
Focus Charts

Fig.1: PICC P&C P/B valuation band



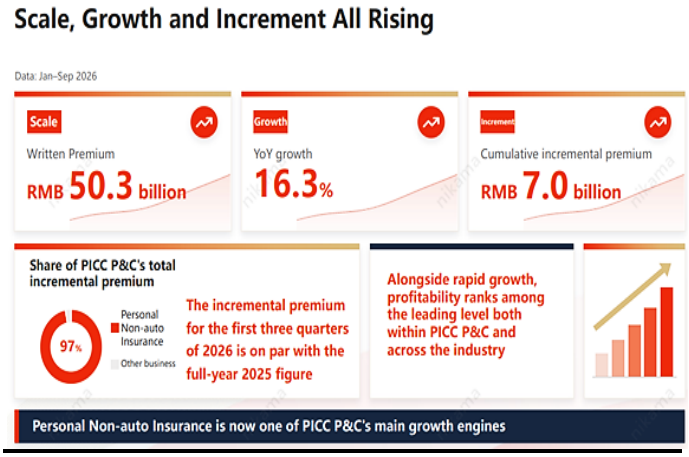
Source: Company data, Bloomberg, CMBIGM estimates

Fig.2: PICC P&C Core equities' exposure (%)



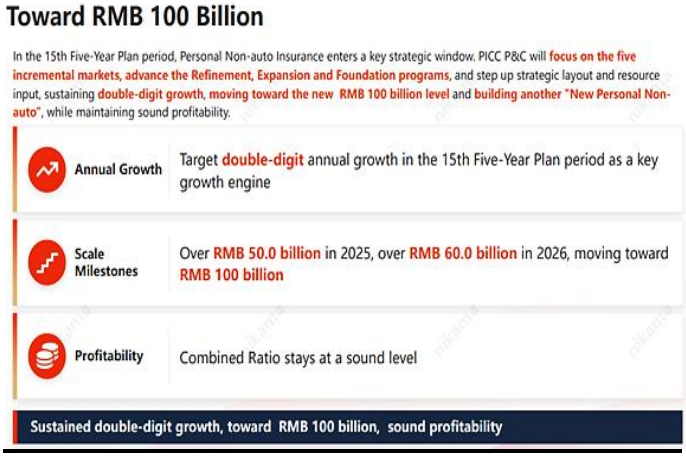
Source: Company data, CMBIGM

Fig.3: PICC P&C personal non-auto insurance market size and growth by 9M26



Source: Company data, CMBIGM

Fig.4: PICC P&C aims towards RMB100bn during the 15th Five-Year Plan period (2026-2030E)



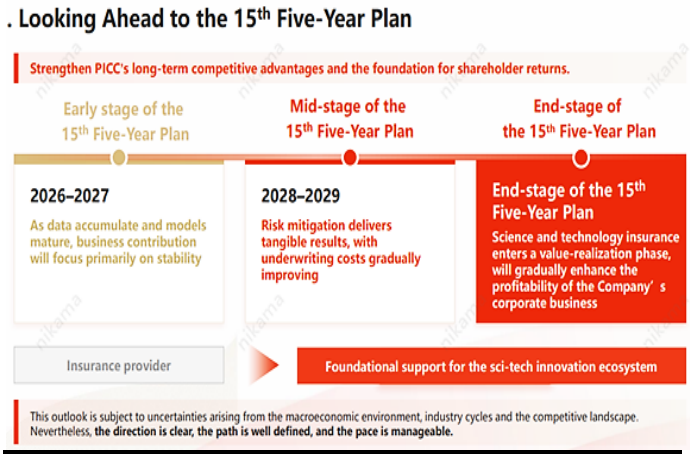
Source: Company data, CMBIGM

Fig.5: Five incremental markets for personal non-auto insurance in FY26-FY30E



Source: Company data, CMBIGM

Fig.6: Sci-tech insurance development path during the 15th Five-Year Plan period (2026-2030E)



Source: Company data, CMBIGM

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Insurance revenue	**457,203**	**485,223**	**511,594**	**522,120**	**533,699**	**546,951**
Insurance service expenses	**(431,991)**	**(465,392)**	**(486,254)**	**(492,790)**	**(502,063)**	**(512,805)**
Net expenses from reinsurance contracts held	(6,142)	(5,451)	(5,175)	(5,057)	(5,108)	(5,159)
Insurance service results	**19,070**	**14,380**	**20,165**	**24,272**	**26,528**	**28,987**
Net finance (expenses)/income from insurance contracts	(10,127)	(9,901)	(8,762)	(8,186)	(7,787)	(7,405)
Net finance (expenses)/income from reinsurance contracts	1,246	1,234	1,132	1,129	1,118	1,107
Interest income	11,710	11,860	11,933	11,585	12,127	12,744
Net investment income	4,077	15,118	20,350	13,676	14,224	15,366
Credit impairment losses	(423)	911	(279)	(35)	0	0
Net investment results	**6,483**	**19,222**	**24,374**	**18,169**	**19,683**	**21,812**
Other income	195	254	(164)	(1,033)	(1,136)	(1,250)
Other expenses	(2,203)	(1,763)	(2,911)	(3,183)	(3,501)	(3,851)
Foreign exchange gains/losses	111	(8)	(163)	(375)	(412)	(453)
Other results	**(3,048)**	**(2,710)**	**(4,214)**	**(5,677)**	**(6,244)**	**(6,869)**
Profit before tax	**28,035**	**38,015**	**47,701**	**44,731**	**48,331**	**52,713**
Income taxes	(3,469)	(5,854)	(7,324)	(8,464)	(8,599)	(9,343)
Net profit	24,566	32,161	40,377	36,267	39,732	43,370
Net profit attributable to shareholders	**24,585**	**32,173**	**40,370**	**36,277**	**39,735**	**43,372**

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
ASSETS						
Investments in associates and joint ventures	62,601	67,129	72,823	79,384	86,867	95,420
Property	29,527	29,825	29,619	31,100	32,655	34,288
Investment property	7,576	7,234	6,934	7,322	8,013	8,802
Insurance contract assets	2,885	1,713	764	802	842	884
Reinsurance contract assets	38,891	40,506	43,129	45,285	47,550	49,927
Financial investments:	**450,381**	**499,896**	**586,831**	**639,972**	**700,303**	**769,255**
At amortized cost:	126,192	136,060	150,493	161,281	176,485	193,862
At fair value through other comprehensive income:	180,142	243,771	286,708	297,083	325,089	357,098
At fair value through profit or loss:	144,047	120,065	149,630	181,608	198,728	218,295
Loans and advances to customers	57,785	77,156	64,482	72,712	79,567	87,401
Deferred tax assets	10,139	8,392	9,499	9,974	10,473	10,996
Other assets	27,312	27,022	23,144	24,301	25,516	26,792
Cash and cash equivalents	16,526	19,370	23,273	21,793	23,847	26,195
Total assets	**703,623**	**778,243**	**860,498**	**932,646**	**1,015,633**	**1,109,961**
LIABILITIES						
Insurance contract liabilities	371,829	401,837	433,224	455,557	463,171	472,056
Investment contract liabilities	1,736	1,731	1,725	1,811	1,902	1,997
Obligations under repurchase agreements	40,037	39,642	65,779	67,095	68,436	69,805
Current tax liabilities	8	0	4	4	4	5
Bonds payable	8,365	20,433	12,076	12,680	13,314	13,979
Lease liabilities	1,316	1,301	1,126	1,182	1,241	1,303
Other liabilities	46,007	52,619	57,830	93,606	148,657	211,315
Liabilities in disposal group held for sale	469,319	517,622	571,795	632,014	696,812	770,557
EQUITIES						
Share capital	22,242	22,242	22,242	22,242	22,242	22,242
Reserves	130,682	153,625	160,042	161,945	164,885	167,881
Retained profits	78,496	82,057	103,690	113,821	128,912	146,320
Total shareholders' equity	**231,420**	**257,924**	**285,974**	**298,009**	**316,039**	**336,444**
Non-controlling interests	2,884	2,698	2,729	2,623	2,782	2,961
Total equity	**234,304**	**260,622**	**288,703**	**300,632**	**318,821**	**339,405**
Total liabilities & equity	**703,623**	**778,244**	**860,498**	**932,646**	**1,015,633**	**1,109,961**

PER SHARE DATA	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
DPS (RMB)	0.49	0.54	0.68	0.75	0.81	0.88
EPS (Reported, RMB)	1.11	1.45	1.82	1.63	1.79	1.95
Consensus EPS (RMB)	n.a	n.a	n.a	1.60	1.79	1.94
No. of shares basic (mn)	22,242	22,242	22,242	22,242	22,242	22,242
No. of shares diluted (mn)	22,242	22,242	22,242	22,242	22,242	22,242
PROFITABILITY	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
Return on equity (ROE)	10.8%	13.0%	14.7%	12.3%	12.8%	13.2%
Combined ratio (%)	97.8%	98.8%	97.5%	96.7%	96.3%	95.9%
VALUATION	**2023A**	**2024A**	**2025A**	**2026E**	**2027E**	**2028E**
YE 31 Dec						
P/B (x)	1.4	1.3	1.2	1.1	1.0	1.0
Dividend yield (%)	3.3	3.6	4.6	5.0	5.4	5.9

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets. | Note: stock price data quoted by market close on Nov 9, 2026 (Mon).

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