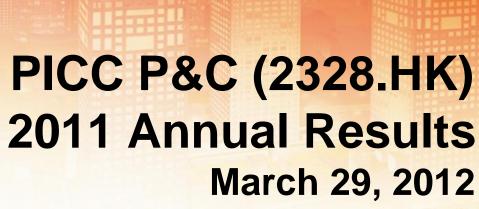
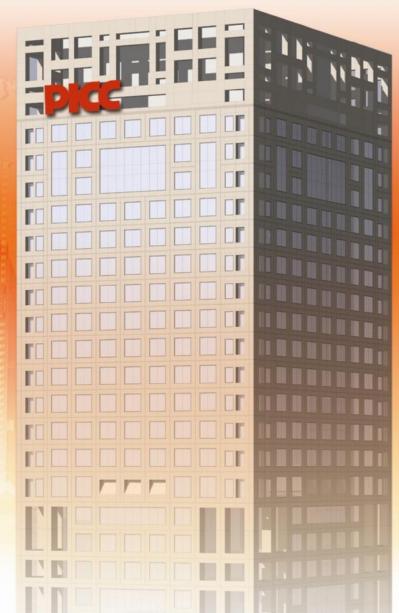
中国人民财产保险股份有限公司 PICC PROPERTY AND CASUALTY COMPANY LIMITED





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 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.

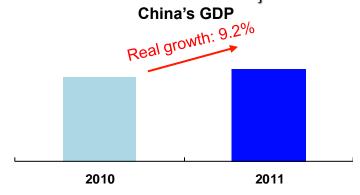


Performance Highlights and Business Review

Financial Performance and 2012 Initiatives

- 1 Net profit of RMB8.03bn, a YoY increase of 51.8%; ROE of 26.0%
- Turnover of RMB173.96bn, a YoY increase of 12.7%, with fast growth in telemarketing and online sales
- Underwriting profit of RMB8.02bn, a YoY increase of 188.3%, with a combined ratio of 94.0%
- Net cash flow from operating activities of RMB25.64bn, remains high
- Total investment assets increased 25.4% over the beginning of the year to RMB190.04bn, with investment income of RMB4.04bn
- Solvency margin ratio reached 184% post the completion of the rights issue

China's sustained and rapid economic development



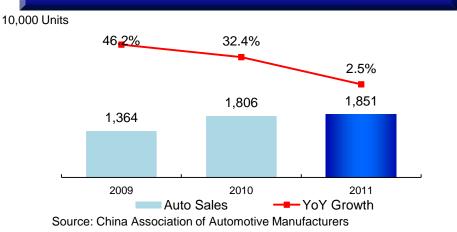
Source: National Bureau of Statistics

Government emphasizes the establishment of "Three Rural" insurance protection system

The Chinese government clearly stated the need to vigorously improve the service function of the financial industry, to increase financial support in weaker areas, particularly to accelerate the resolution of insufficient financial services in rural areas, etc

Source: China Insurance Yearbook, China Insurance News

Auto sales slowed down



A-share market trended down with fluctuations

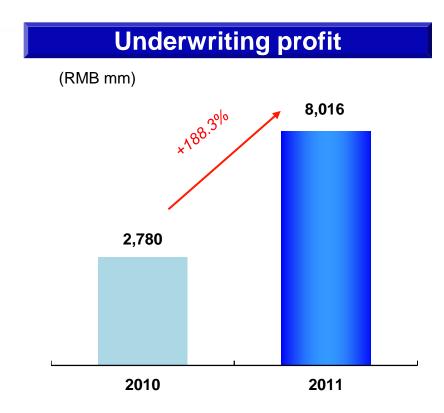


Source: Factset, as of March 28, 2012



Continued Strengthening of Profitable Underwriting Capabilities

- Continued to promote selective underwriting to improve business quality
- Continued to promote differentiated resources allocation to further strengthen expense control
- Firmly implemented vertical claims management and further enhanced claims control



Achieved underwriting profitability in all provincial branches and across all product lines



Continued Strengthening of Market Development Capabilities

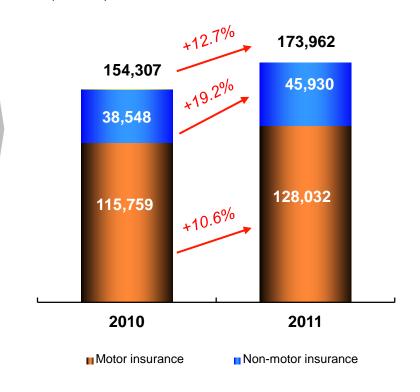
Continue to strengthen urban sales capabilities, while further enhancing first-mover advantages in county areas

Strengthen telemarketing and online marketing channels to achieve fast growth of these alternative channels

Promote service driven growth, innovate service offering, enhance claims efficiency and improve service evaluation system

Turnover exceeded RMB170 bn with an increase of RMB19.66 bn

(RMB mm)





Continue Strengthening of Risk Management Capability

Continue to improve internal control and compliance systems; Exercise disciplined control over internal control risks and control points through IT system

Effectively improved solvency with a yearend solvency margin ratio of 184%, satisfying Adequate Solvency Level II requirements Continued
Strengthening of
Risk Management
Capability

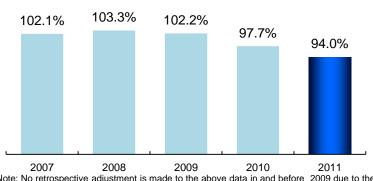
Accelerate the development of a centralized IT infrastructure and implemented quasi real-time backup of all the data of all the branches

Completed the establishment of a shared finance services center and significantly improved the effectiveness of funds utilization



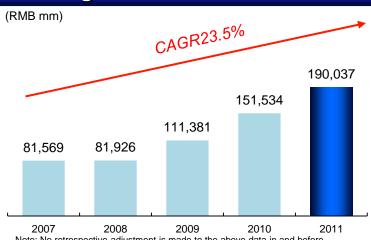
Key Operating Indicators Continued to Improve

Combined ratio declined year by year



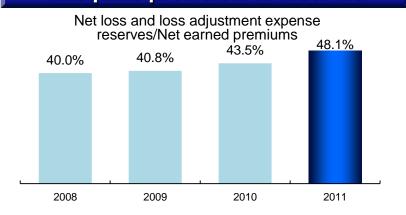
Note: No retrospective adjustment is made to the above data in and before 2009 due to the changes in the accounting policies regarding investment property

Fast growth of investment assets

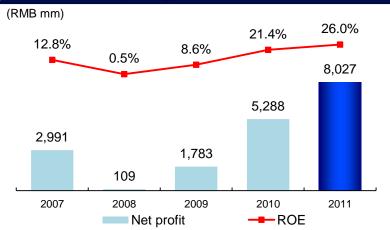


Note: No retrospective adjustment is made to the above data in and before 2008 due to the changes in the accounting policies regarding investment property

Adequate provision of reserves



Rapid growth of ROE



Note: ROE = Net profit/ opening and closing average net assets; No retrospective adjustment is made to the above data in and before 2009 due to the changes in the accounting policies regarding investment property



highest financial strengths

rating for China's domestic

companies













Opportunities

- Continued stable and fast growth of the Chinese economy
- The Chinese government will attach greater importance to the role of commercial insurance in improving social security systems
- PICC Group ranked No. 289 among Fortune 500 companies, benefit of the group will become more apparent

Challenges

- Slowed growth in auto sales
- Volatile capital markets

PICC P&C is confident that it can sustain and build on its favorable trends of development, continue to improve its core competence and create greater value for its shareholders



Performance Highlights and Business Review

Financial Performance and 2012 Initiatives

Overall Profitability and Underwriting Profitability Substantially Improved

RMB MM	2010 (restated)	2011	% change
Turnover	154,307	173,962	12.7%
Net premiums earned	122,990	133,134	8.2%
Underwriting profit	2,780	8,016	188.3%
Investment income	5,176	4,037	-22.0%
Net profit	5,288	8,027	51.8%
Basic EPS (RMB)	0.452	0.683	51.1%
ROE	21.4%	26.0%	4.6ppt 1

Note: ROE=Net profit / average net assets at the beginning and the end of the period



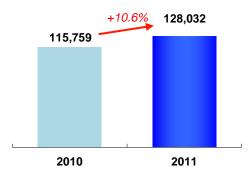
Steady Asset Growth

RMB MM	Dec 31, 2010 (restated)	Dec 31, 2011	% change
Total assets	203,557	265,644	30.5% 1
Total investment assets	151,534	190,037	25.4%
Net assets	26,606	35,160	32.2%

Sustained Growth Across Business

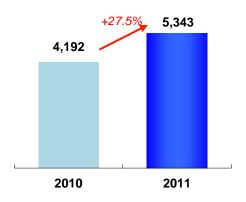


Turnover, RMB MM



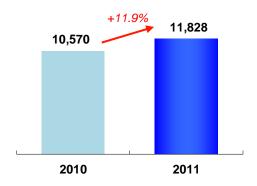
Accident & Health

Turnover, RMB MM



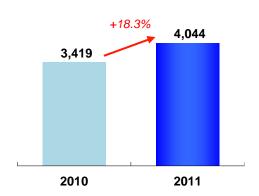
Commercial Property

Turnover, RMB MM



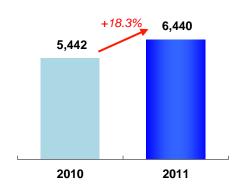
Cargo

Turnover, RMB MM



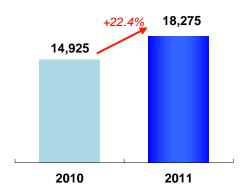
Liability

Turnover, RMB MM



Others

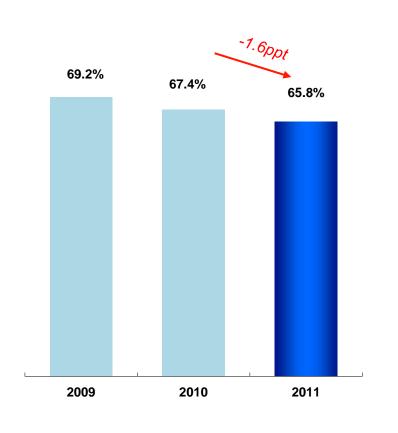
Turnover, RMB MM

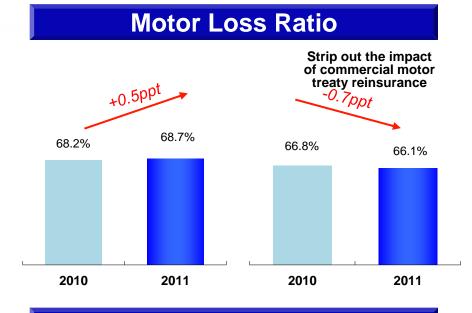




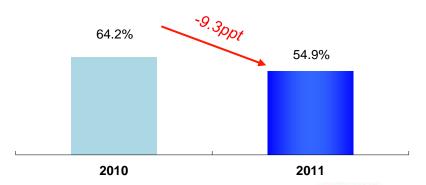
Strengthened Underwriting and Claims 14 Management Resulting in Decreased Loss Ratio

Loss Ratio





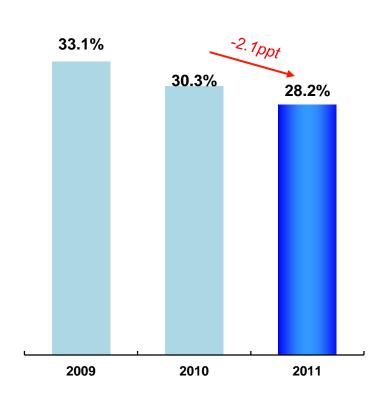






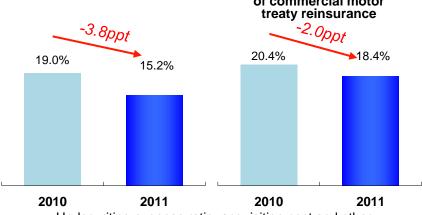
Higher Efficiency of Resource Allocation Resulting in Decrease in Expense Ratio

Expense Ratio



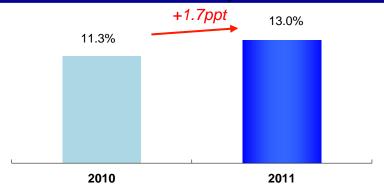
Note: 2009 data is not retroactive for adjustment of accounting policies in relation to investment property





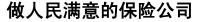
Underwriting expense ratio=acquisition cost and other underwriting expenses/Net premiums earned

Administrative Expense Ratio



Administrative expense ratio = G&A expenses/Net

premiums earned

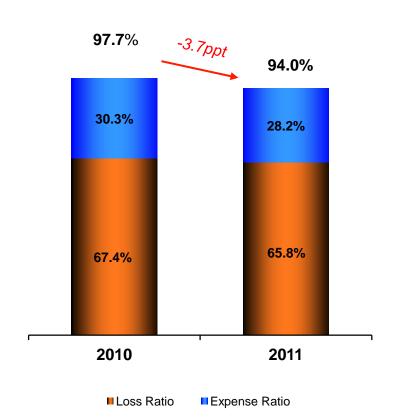


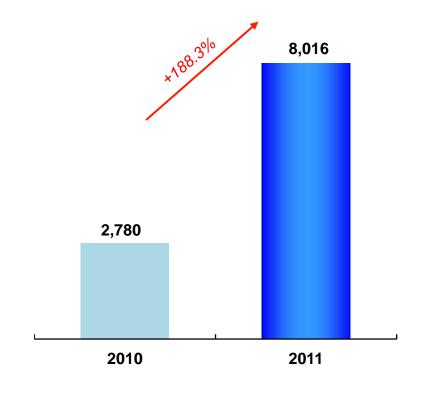
Substantial Decrease in Combined Ratio and Significant Increase in Underwriting Profit



Underwriting Profit

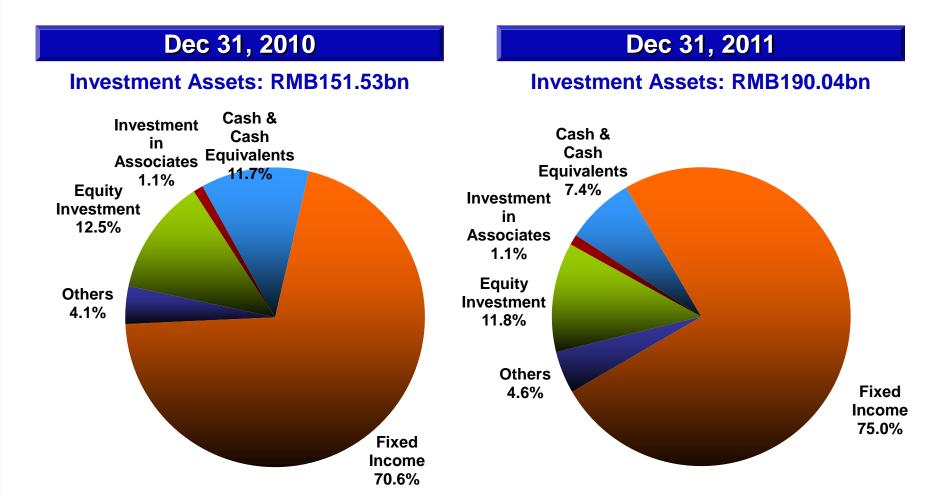
RMB MM







Further Optimized Investment Portfolio



Note: The sum may not be 100% due to the omit of mantissa; cash and cash equivalents are mainly denominated in RMB and exclude deposits in banks and other financial institutions with original maturities > 3 months and structured deposits in banks and other financial institutions



Investment Income Mix

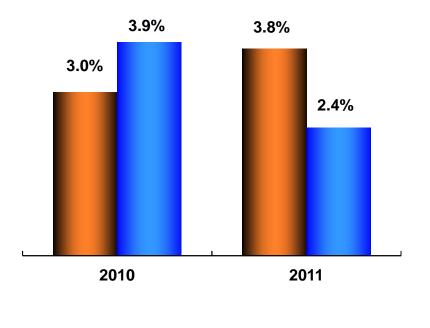
RMB million

4,037 5,176 81 1,127 6,529 3,968 2010 2011 (2,600)



[■] Realized and unrealized net investment gains

Return on Investment



■Interest, dividend and rental yield ■Total investment yield

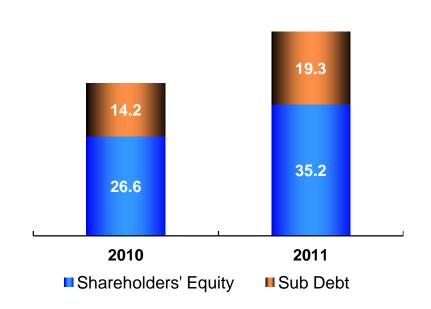


[■]Gains attributed to affiliates

Capital Position Remains Solid

Shareholders' Equity / Leverage Ratio

RMB Bn

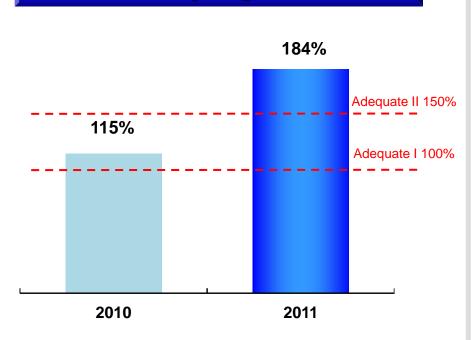


3.4X

Leverage ratio = Net premium written
(Shareholder's equity + sub-debt)

2.5X







- Further enhance the ability to expand in urban and county areas and strengthen the development of distribution channels to improve sales and service systems
- Actively seize the opportunity of motor insurance reform, exercise the Company's professional advantage and maintain good profitability
- Consolidate vertical claims management and control, reduce claims cost, improve service quality to promote service driven growth
- Deepen operational reforms and continue to improve the development of centralized operating platform and promote technology driven growth
- Continue to implement prudent investment strategy and focus on improving return on investment
- Make continued effort to improve internal control and compliance system and risk prevention system





Q & A

中国人民财产保险股份有限公司

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