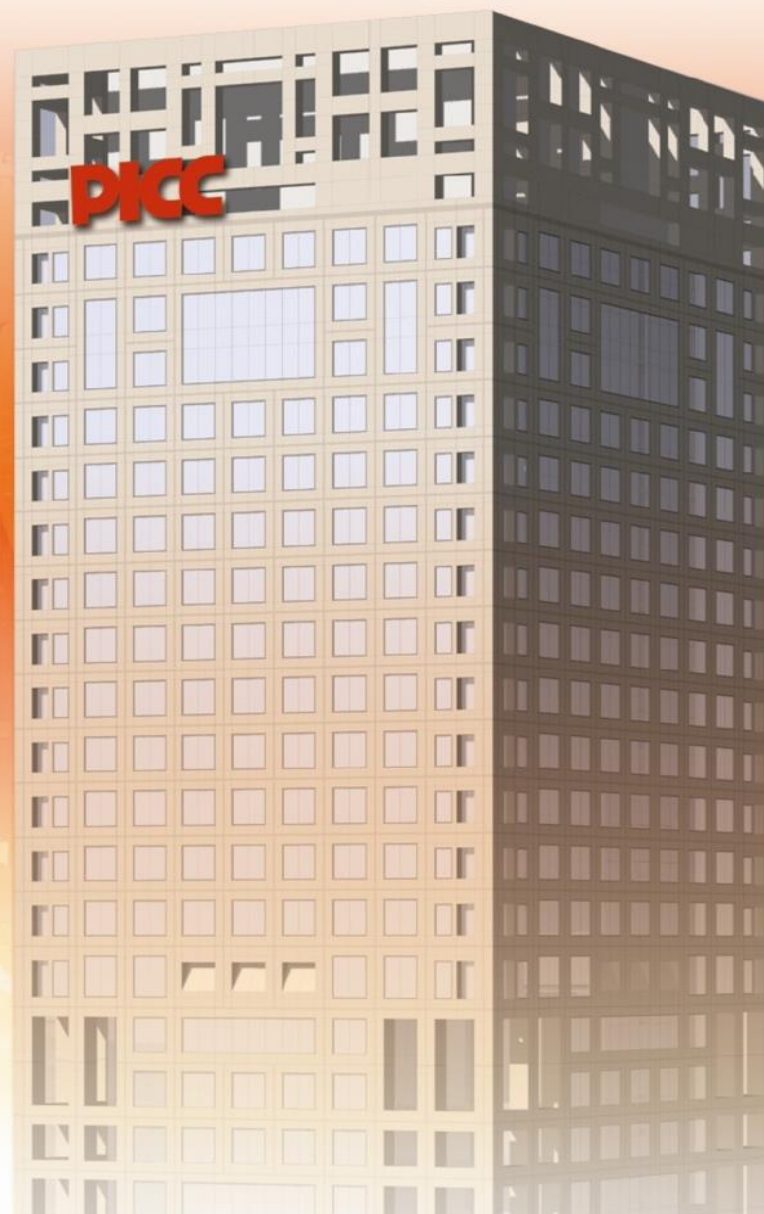


PICC P&C (2328.HK) 2013 Interim Results



Disclaimer

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Performance Highlights and Business Review

Financial Performance and 2013H2 Initiatives

2013 Interim Performance Highlights

2

1

Net profit of RMB 7.63bn, a YoY growth of 16.8%; EPS of RMB 0.587; DPS of RMB 0.243

2

Turnover of RMB 115.64bn, a YoY increase of 14.3%; an increase in market share by 0.4 ppt compared to last year

3

Underwriting profit of RMB 5.63bn and combined ratio of 93.6%, consistently outperforming the industry

4

Investment income of RMB 5.18bn, a YoY growth of 39.5%; annualized total investment yield of 4.6%

5

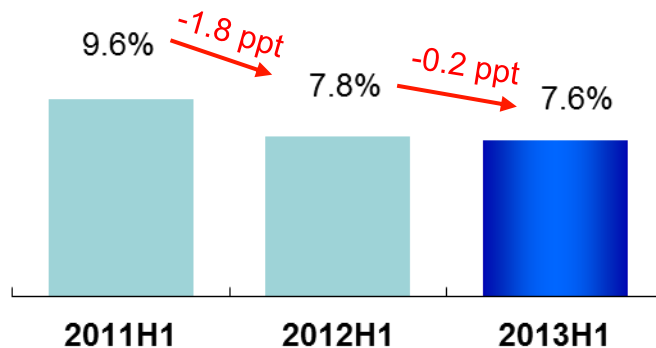
Total assets and net assets increased by 9.3% and 27.4%, respectively, from the beginning of the year; solvency margin ratio increased to 195%

Overview of Operating Environment of P&C Insurance Sector in 2013H1

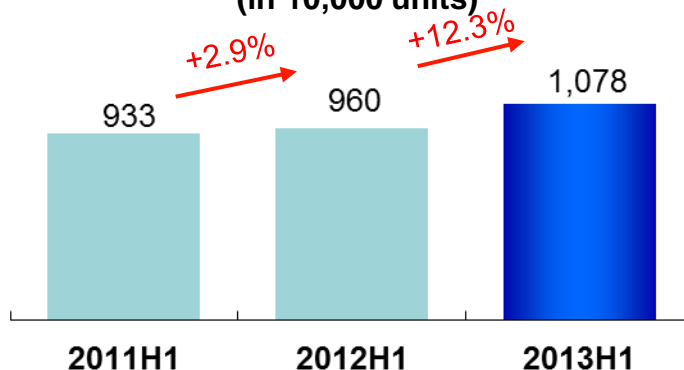
3

Economic Environment

China's Real GDP Growth



Automobile Sales in China (in 10,000 units)



Source: National Bureau of Statistics, China Association of Automotive Manufacturers

National Policies

- The government attached more importance to the role of the insurance in providing economic security and social management, which creates growth opportunities for agricultural insurance, liability insurance, accidental injury & health insurance and credit and surety insurance, etc

Competition & Regulatory Environment

- Competition in P&C market became more intense, and the combined ratio for the industry increased
- The CIRC paid great attention to market order of the sector and the underwriting profitability of market participants, and strengthened the supervision accordingly

1

Accelerated urban network construction; coverage ratio for towns increased to approximately 87%

2

Continued strong growth momentum in new distribution channels including telemarketing and online marketing, which generated premium income of RMB18.56bn, a YoY growth of 58.1%

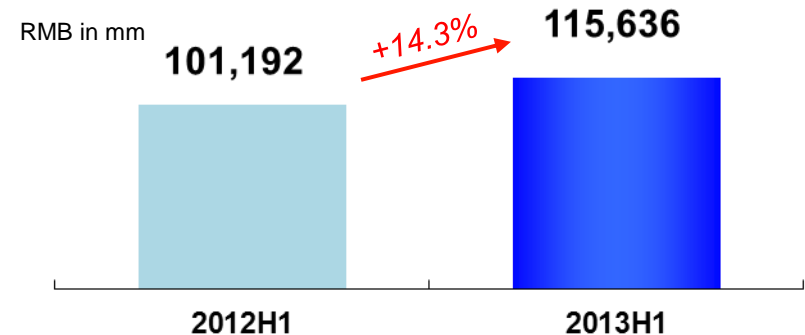
3

Active promotion of the rapid development of non-motor insurance businesses such as agricultural insurance, critical illness insurance, liability insurance and credit and surety insurance

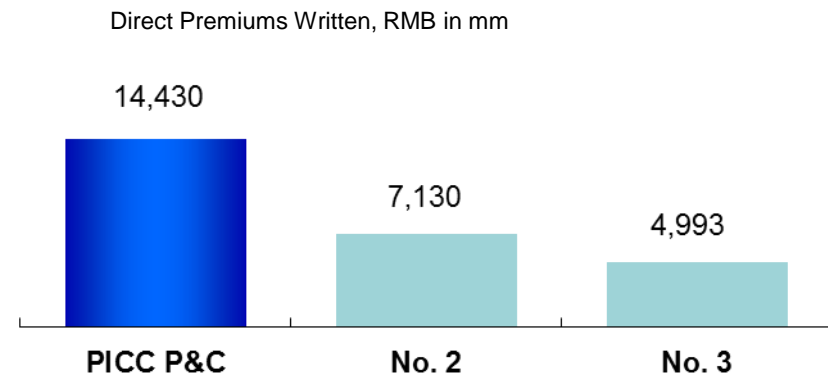
4

Development driven by services, with indicators such as renewal rate, claims cycle and customer satisfaction level being further improved

Fast Turnover Growth and Increased Market Share



Incremental Premiums Ranked No.1 in P&C Sector



Source: CIRC, incremental premium is the difference between premium from direct underwriting business for 2013H1 and for 2012H1

Underwriting Profit Led the Industry

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1

Firmly promote selective underwriting, enhance risk pricing capability and strengthen the rigid price control

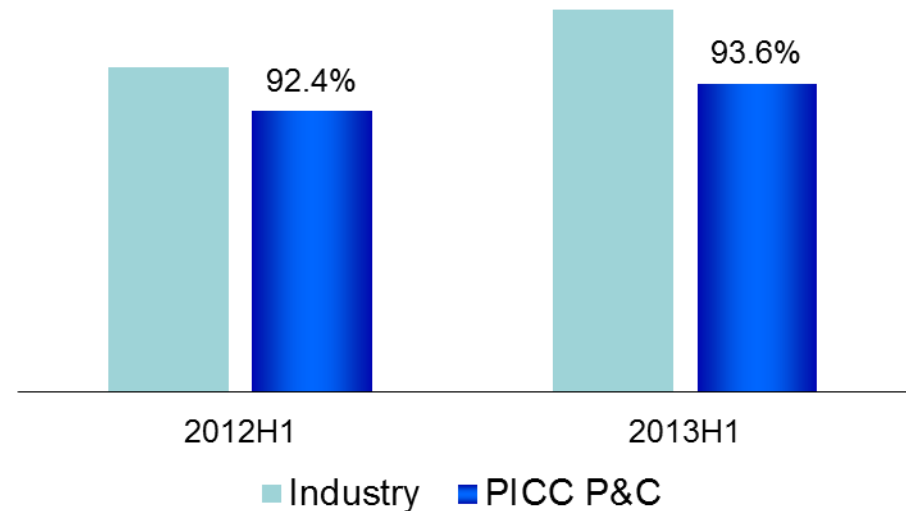
2

Enhance financial management, and further promote differentiated allocation of sales expenses

3

Strengthen vertical claims management, improve claims process, enhance claims pricing capability and integrate claims resources

Combined Ratio Continued to Outperform the Industry; Market Share of Underwriting Profit was Significantly Higher than that of Premium Income



In 2013H1, 38 provincial-level branches and all product lines have achieved underwriting profits

Operations and Management Capabilities Further Enhanced

Customer-Oriented Process Transformation

- Improve operation platform and initiate the customer-oriented transformation
- Promote the construction of a marketing management system based on unified customer view

Pricing

- Improve the pricing model based on loss ratio
- Deepen the application of motor insurance pricing system
- Expand the application scope for non-motor insurance pricing system

Claims

- Promote the control system for the claims process
- Launch the Closed File Review (CFR) system
- Deepen the application of mobile survey and loss assessment system

Second Phase of Financial Transformation

- Launch the new systems for charging and payment, commission management, reserves provision and reinsurance

Internal Control and Compliance

- Strictly implement regulatory requirements
- Improve the closed-loop auditing management
- Lead the industry's orderly development through rigorous self-discipline

Opportunities

- 1** China's economy will maintain a relatively fast growth
- 2** Greater potential for P&C insurance sector to serve economic and social development
- 3** After PICC Group's listing, group advantages will continue to emerge

Challenges

- 1** Increased competition in the industry
- 2** Frequent occurrence of natural disasters

PICC P&C is confident in its ability to further strengthen its robust growth momentum, promote comprehensive transformation and create greater value for its shareholders!

Performance Highlights and Business Review

Financial Performance and 2013H2 Initiatives

Improved Profitability

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RMB in mm	2012H1 (Restated)	2013H1	% Change	
Turnover	101,192	115,636	14.3%	↑
Net Premiums Earned	73,539	87,466	18.9%	↑
Underwriting Profit	5,611	5,630	0.3%	↑
Investment Income	3,714	5,180	39.5%	↑
Net Income	6,534	7,629	16.8%	↑
EPS (RMB)	0.508	0.587	15.6%	↑
Net Cash Flow from Operating Activities	4,826	11,535	139.0%	↑

Growth of Assets

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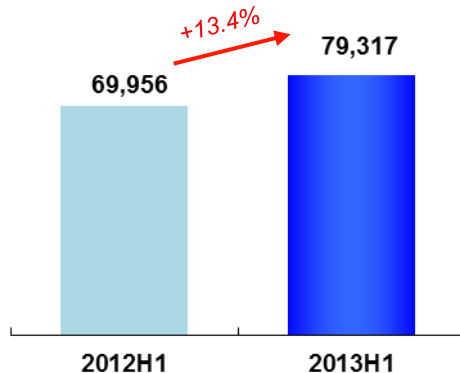
RMB in mm	Dec 31, 2012	Jun 30, 2013	% Change
Total Assets	290,424	317,483	9.3% ↑
Total Investment Assets	217,000	236,776	9.1% ↑
Net Assets	45,450	57,915	27.4% ↑
Solvency Margin Ratio	175%	195%	20 ppt ↑

Rapid Growth of Overall Business

11

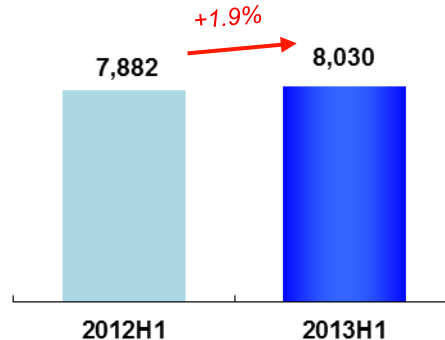
Motor Vehicle

Turnover, RMB in mm



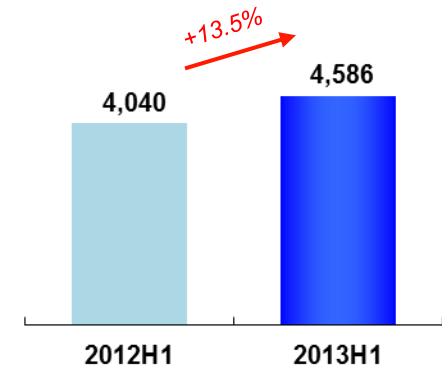
Commercial Property

Turnover, RMB in mm



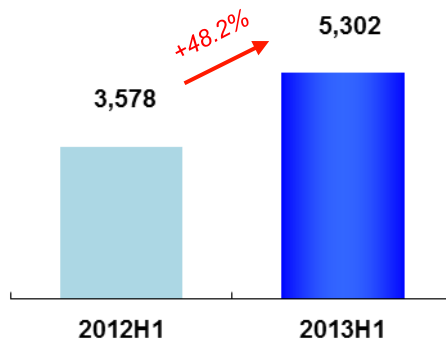
Liability

Turnover, RMB in mm



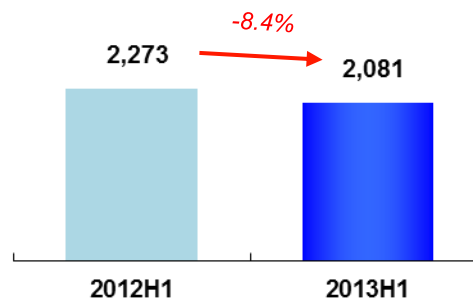
Accidental Injury & Health

Turnover, RMB in mm



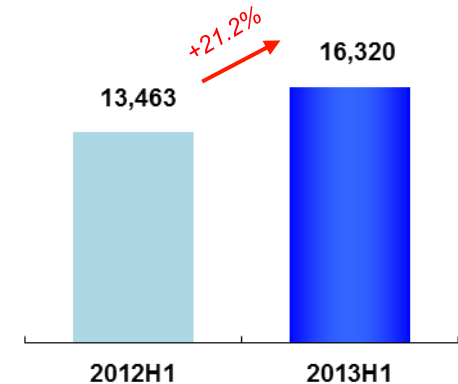
Cargo

Turnover, RMB in mm

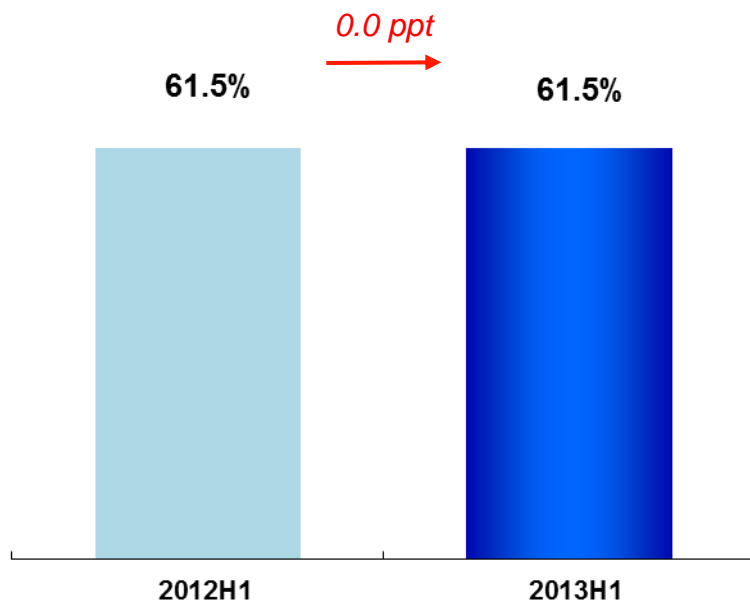


Others

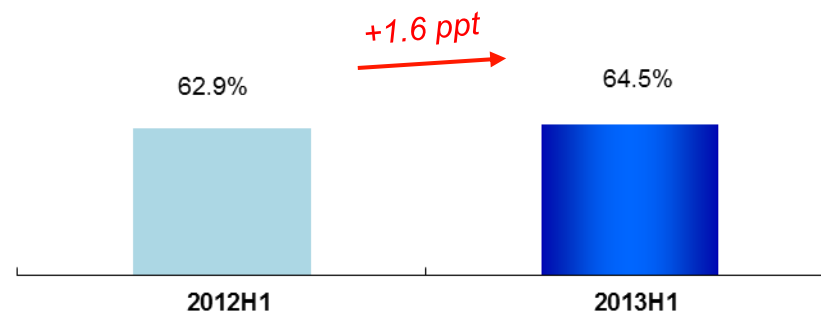
Turnover, RMB in mm



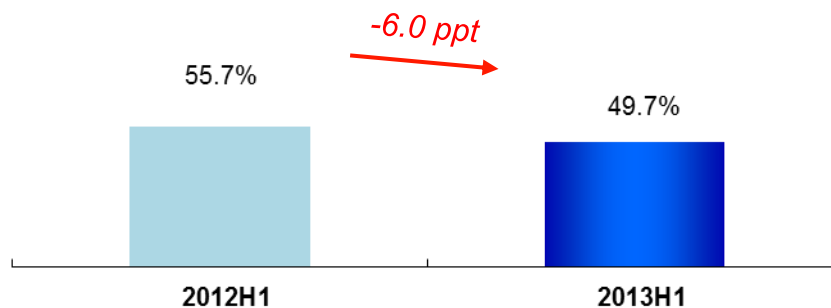
Overall Loss Ratio



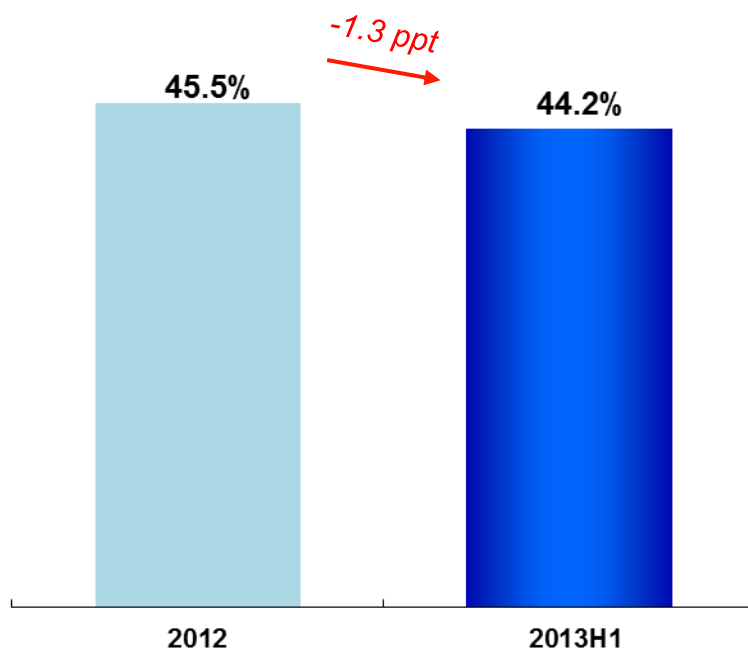
Loss Ratio for Motor Insurance



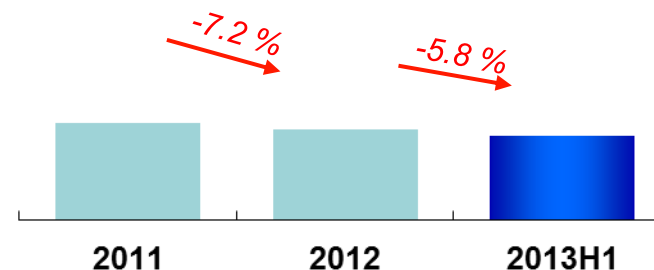
Loss Ratio for Non-motor Insurance



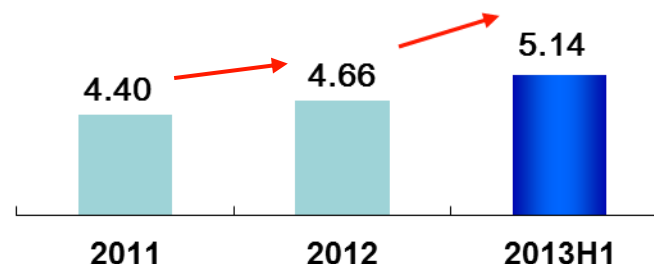
Net Loss Reserves Ratio



Numbers of Outstanding Motor Insurance Claims



Average Net Loss & LAE Reserves for Outstanding Motor Claims at the End of the Period/ Average Payment for Settled Motor Claims during the Period

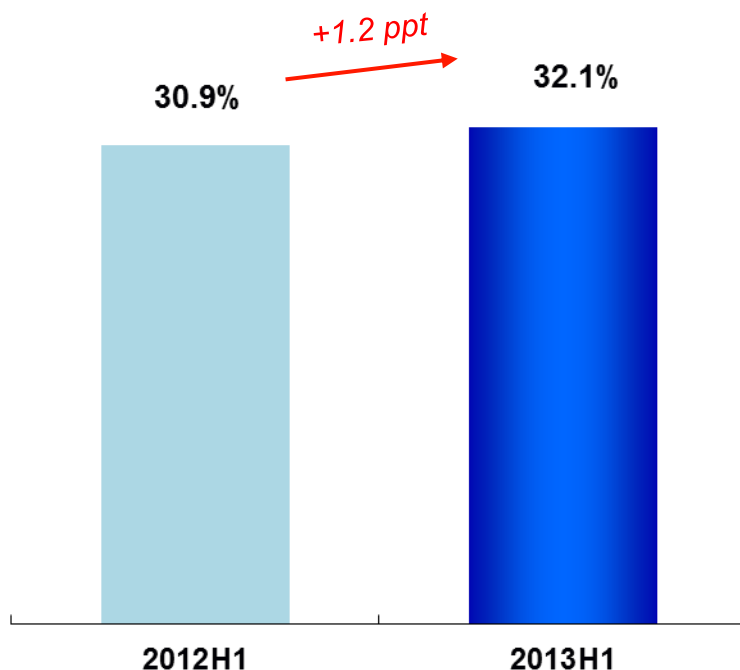


Note: Net loss reserves ratio = Net loss & Loss Adjustment Expense(LAE) reserves by the end of the period / LTM net premiums earned

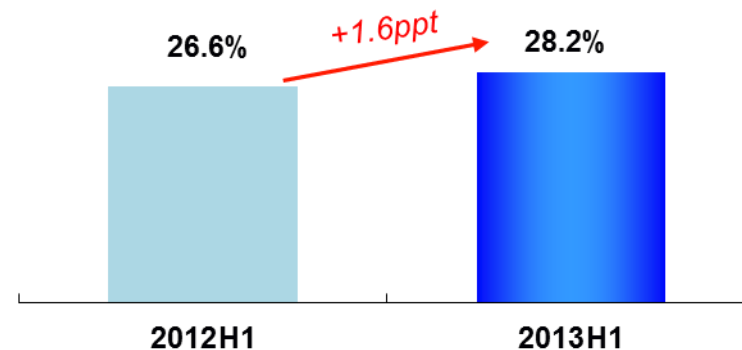
Expense Ratio Increased Slightly

14

Overall Expense Ratio

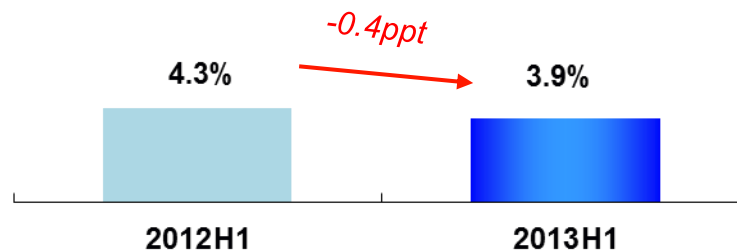


Underwriting Expense Ratio



Note: Underwriting expense ratio = (Acquisition cost + other underwriting expenses)/Net premiums earned

Management Expense Ratio

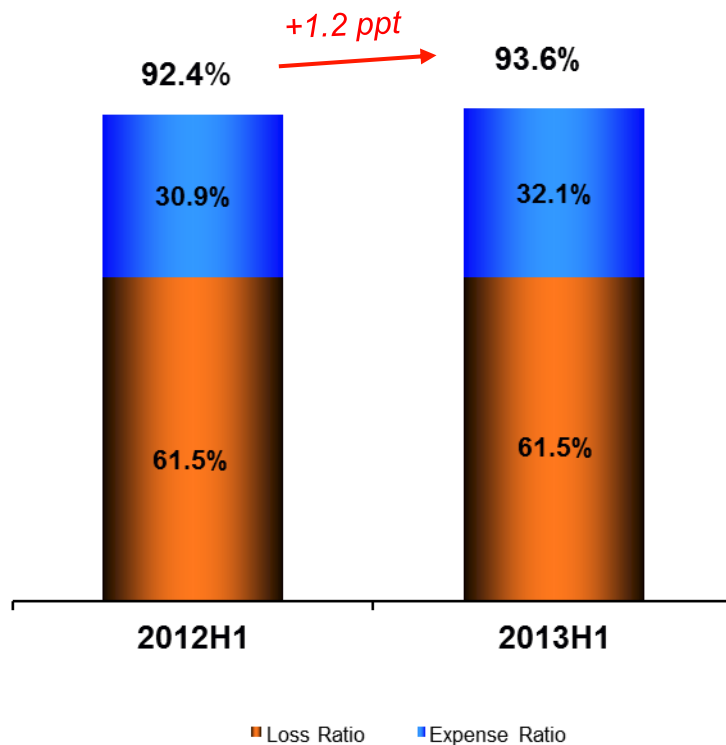


Note: Management expense ratio = General and administrative expenses/Net premiums earned

Underwriting Profit Remained Stable

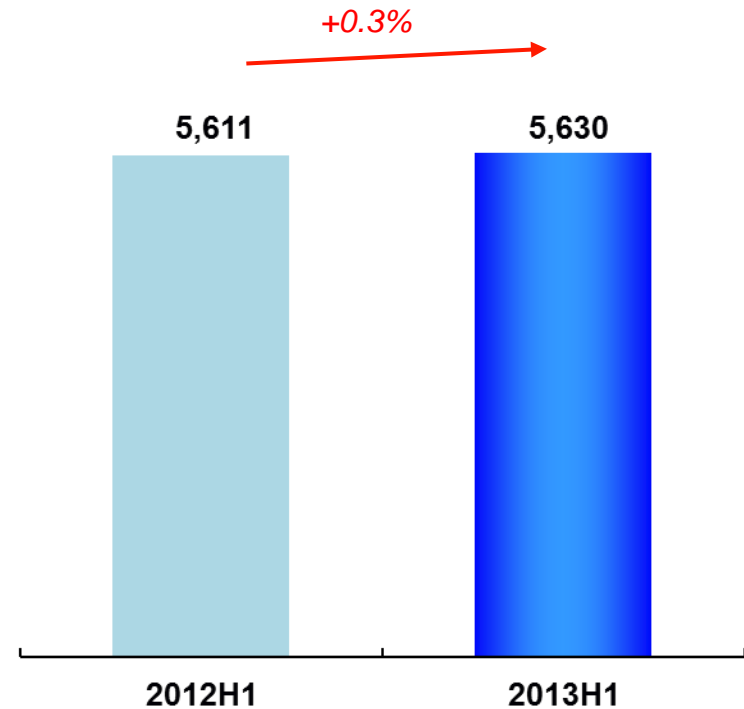
15

Combined Ratio



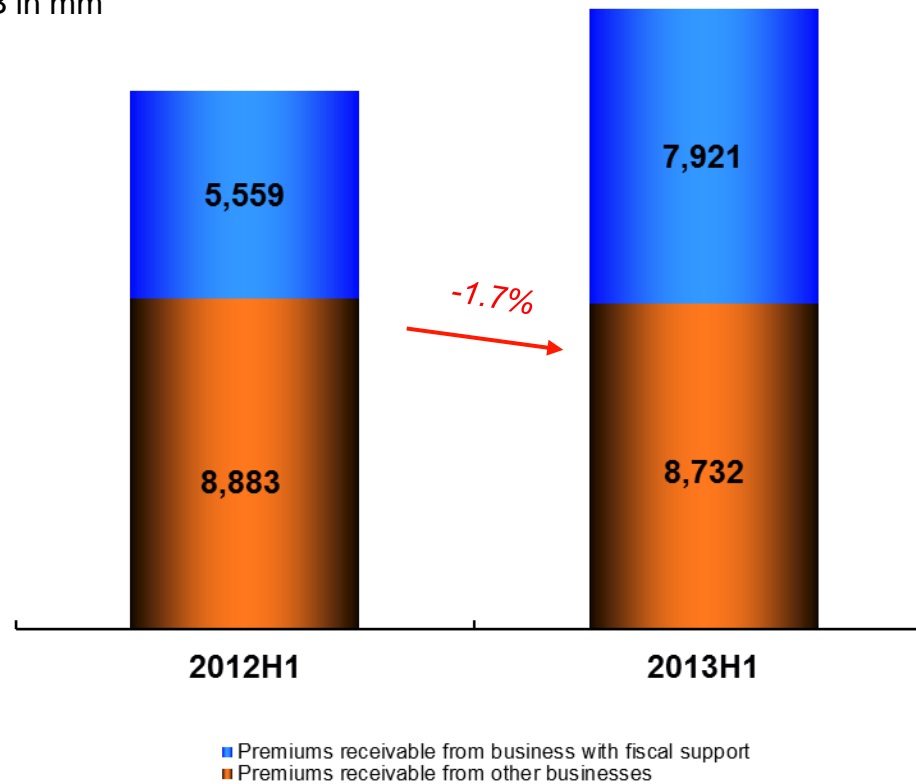
Underwriting Profit

RMB in mm



Excluding Business With Fiscal Support, Premiums Receivable Decreased

RMB in mm

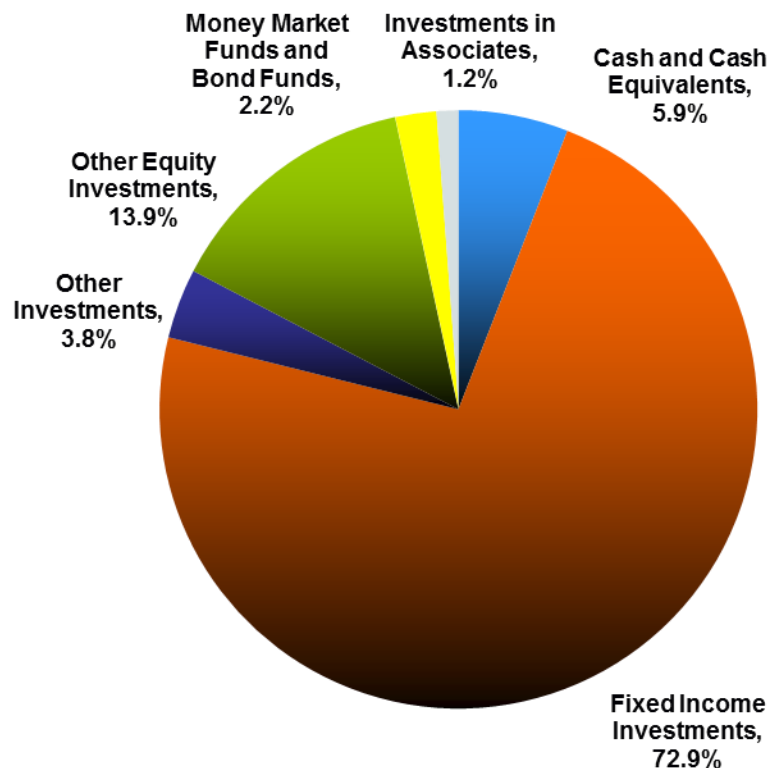


Investment Portfolio Further Optimized

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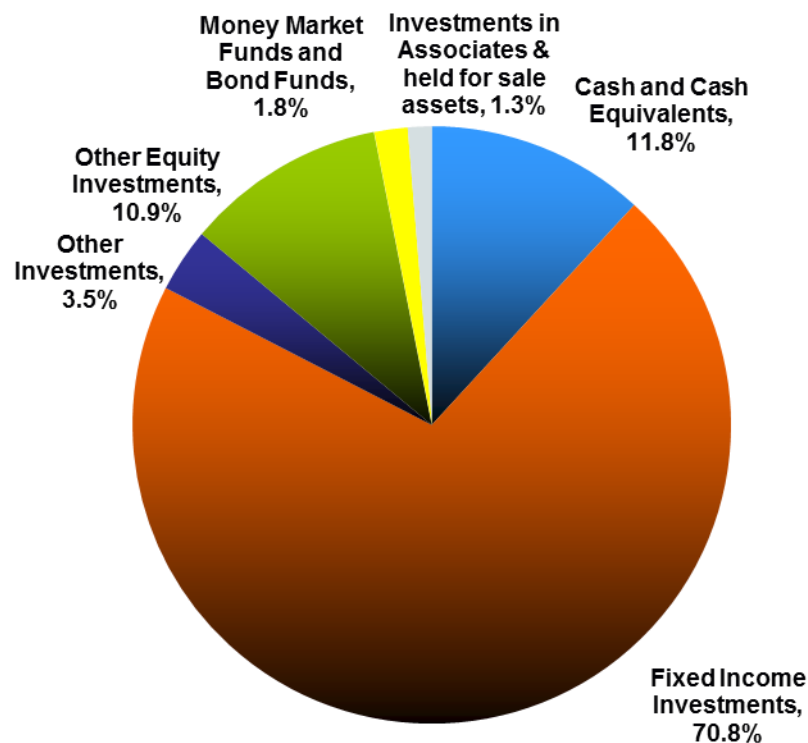
As of December 31, 2012

Total Investment Assets: RMB 217.00bn



As of June 30, 2013

Total Investment Assets: RMB 236.78bn

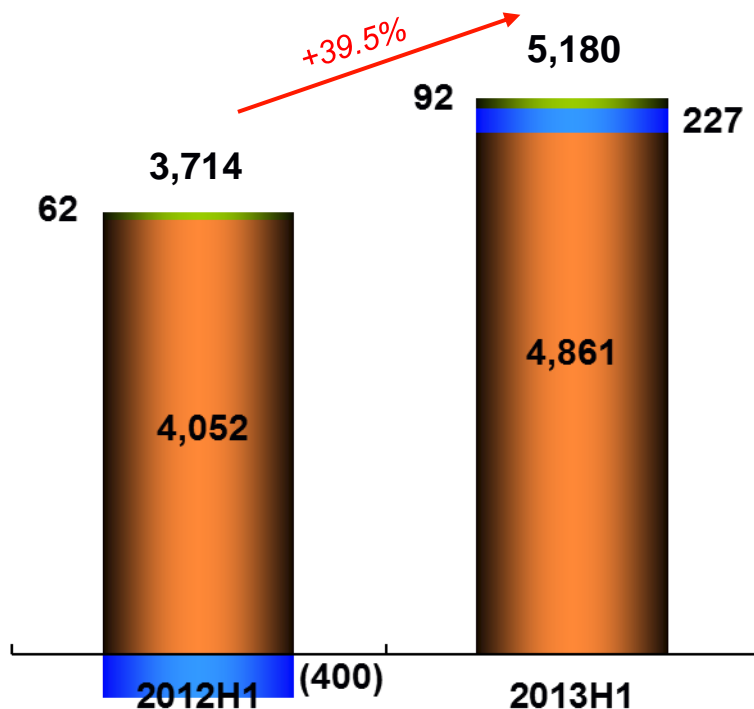


Note: Figures may not add up due to rounding; cash and cash equivalents are mainly denominated in RMB and exclude deposits from banks and other financial institutions with original maturities > 3 months and structured deposits in banks and other financial institutions.

Significant Improvement in Investment Income 18

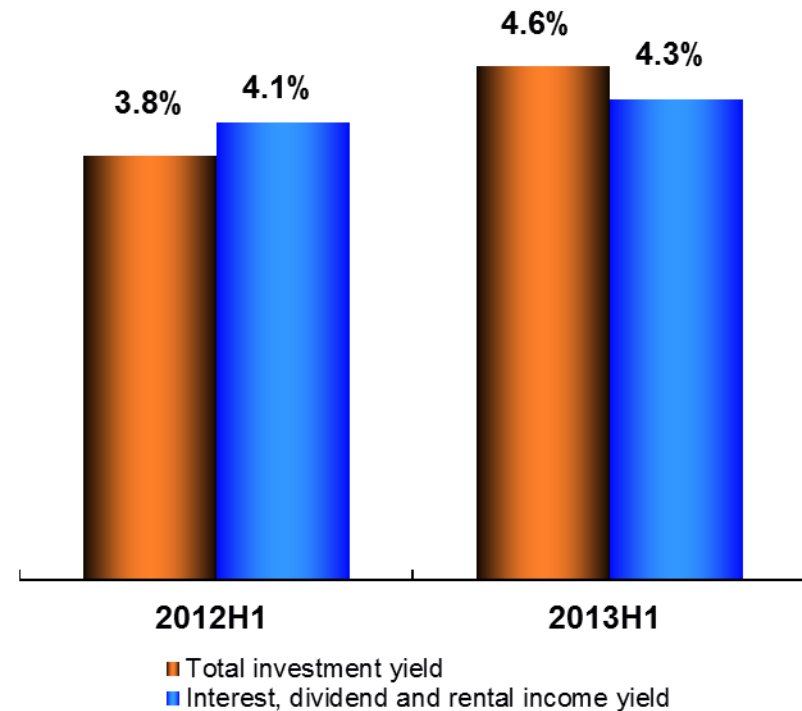
Investment Income Mix

RMB in mm



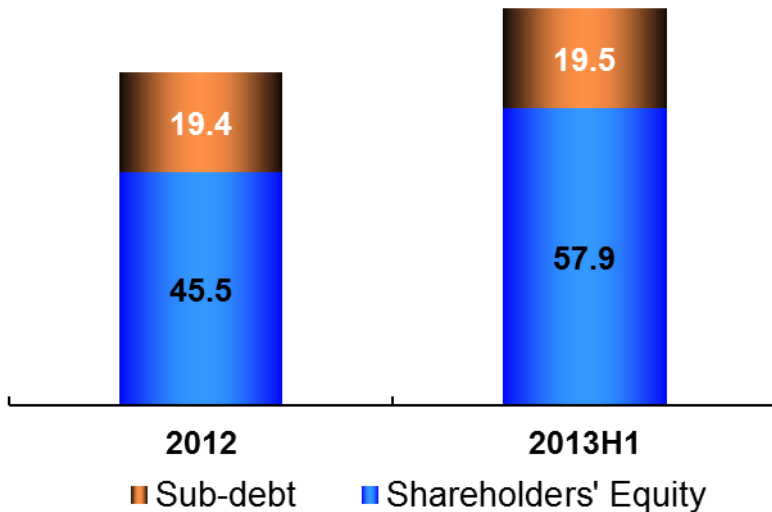
- Share of profits of associates
- Realized and unrealized net investment income
- Interest, dividend and rental income

Annualized Investment Yields



Shareholders' Equity/Leverage

RMB in bn

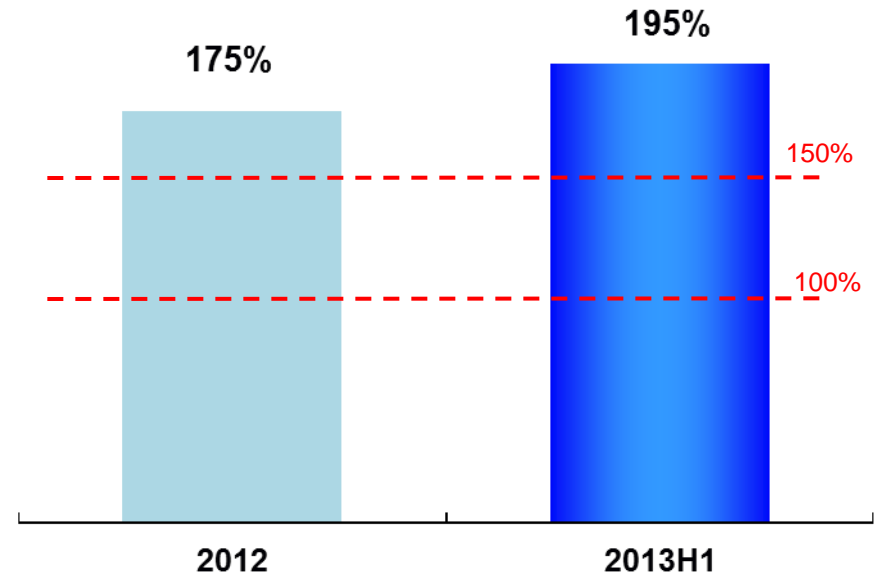


2.5X

2.3X

$$\text{Leverage Ratio} = \frac{\text{Net Written Premium in LTM}}{(\text{Shareholders' Equity} + \text{Sub-debt})}$$

Solvency Margin Ratio



Key Initiatives in 2013H2

20

1

Adhere to customer-oriented principle, benchmark with the industry in all aspects and strengthen business development capabilities

2

Strengthen rigid price management and control, conduct differentiated underwriting management and improve underwriting quality

3

Carry out cost-leadership strategy, optimize expense structure and effectively control operating costs

4

Strengthen vertical claims management, guard against interest leakage and emphasize disaster and loss prevention as well as catastrophe claims settlement

5

Adhere to prudent investment strategy, actively capture market opportunities and improve investment income

6

Continue to improve internal control and compliance system, and further improve the comprehensive risk management system



中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

Q & A