

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

March 31, 2014



Disclaimer

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2013 Annual Performance Highlights

1

1

Net profit of RMB 10.56bn, a YoY growth of 1.5%; ROE of 20.5%; EPS of RMB 0.794

2

Turnover of RMB 223.53bn, a YoY increase of RMB 30.04bn or a YoY growth of 15.5%

3

Underwriting profit of RMB 5.96bn and combined ratio of 96.7%, consistently outperforming the industry

4

Investment income of RMB 9.67bn, a YoY growth of 28.3%; total investment yield of 4.2%

5

Total assets and net assets increased by 10.0% and 26.5%, respectively, from the beginning of the year; solvency margin ratio of 180%

Client-Oriented Transformation and Progress on Sales System Construction

2

1 Continued to facilitate sales system construction; coverage ratio for towns increased to approximately 89%

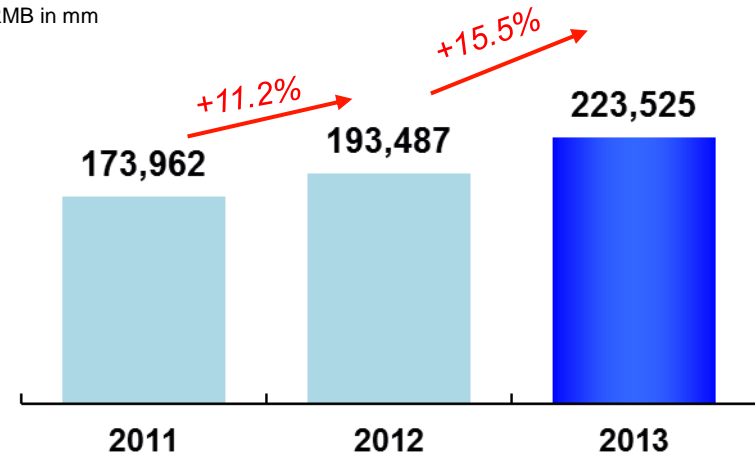
2 Strong growth in telemarketing and online marketing, which generated an aggregate premium income of RMB 40.85bn, a YoY growth of 45.4%

3 Closely monitored market demand, explored new businesses with 'blue ocean strategy'

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

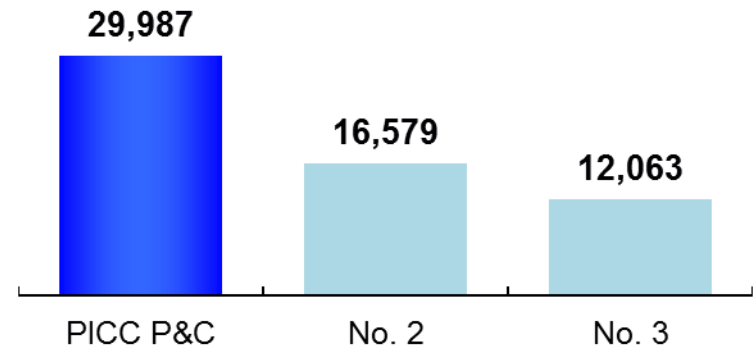
Turnover Reached RMB 223.53bn

RMB in mm



Incremental Premiums Ranked No.1 in P&C Sector

2013 Original Premium Income - 2012 Original Premium Income, RMB in mm



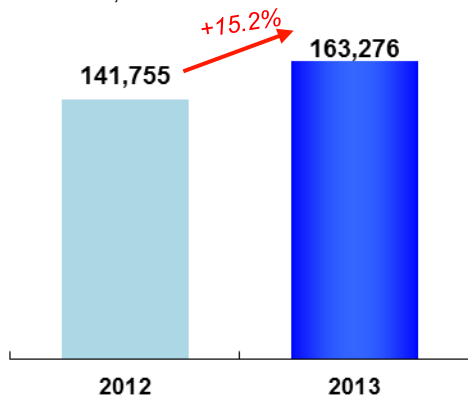
Source: CIRC

Business Growth of Major Product Lines

3

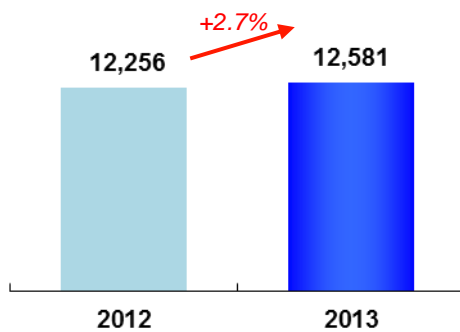
Motor Vehicle

Turnover, RMB in mm



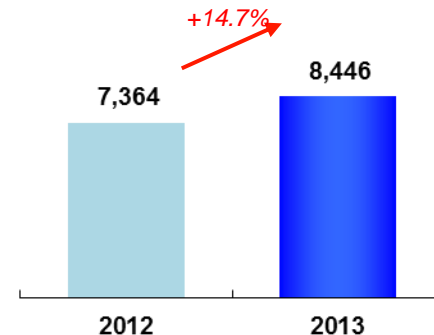
Commercial Property

Turnover, RMB in mm



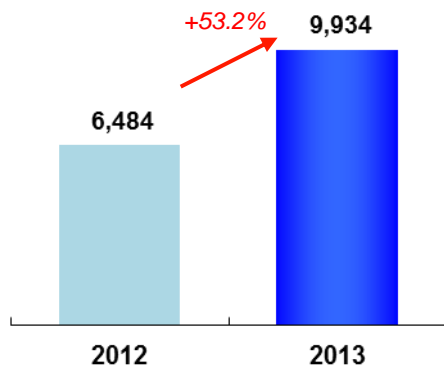
Liability

Turnover, RMB in mm



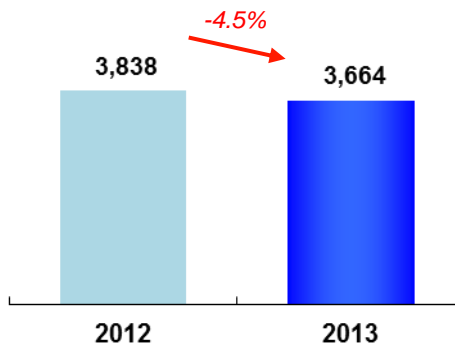
Accidental Injury & Health

Turnover, RMB in mm



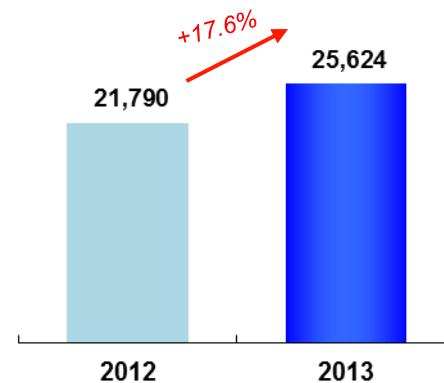
Cargo

Turnover, RMB in mm



Others

Turnover, RMB in mm

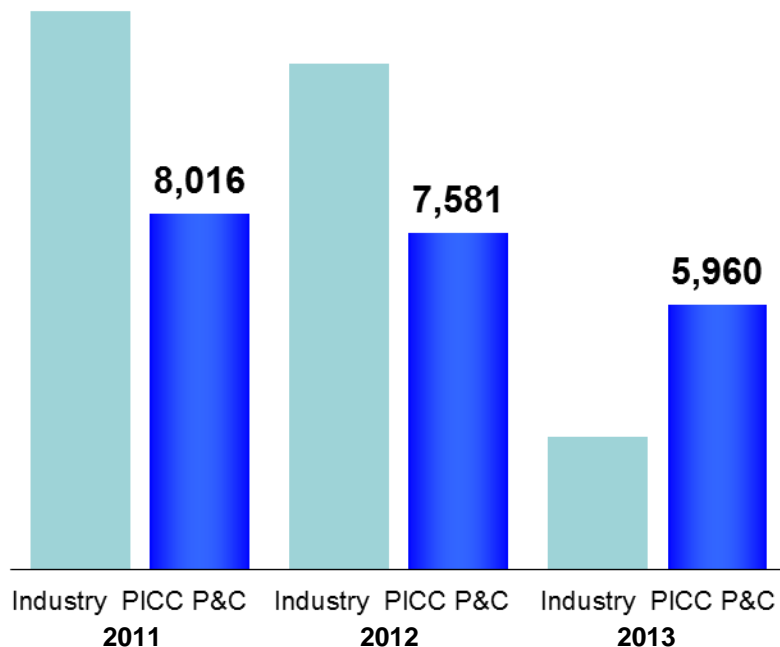


Underwriting Profit Led the Industry, Overall Profit Reached A Record High

4

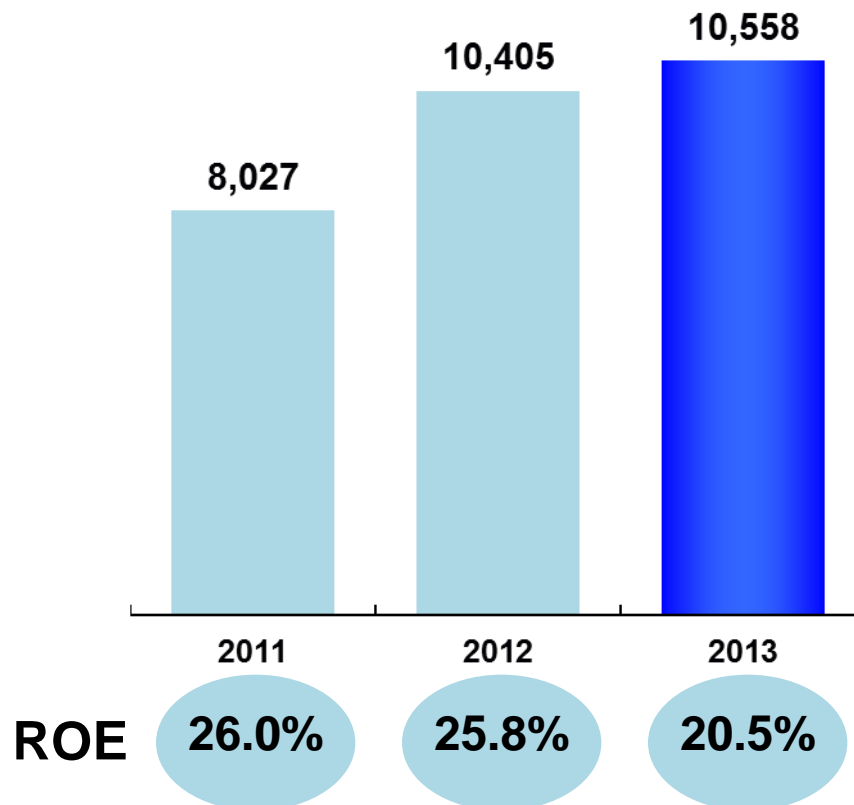
Underwriting Profit Being Almost Twice the Industry

RMB in mm



Net Profit Reached a Record High Since IPO

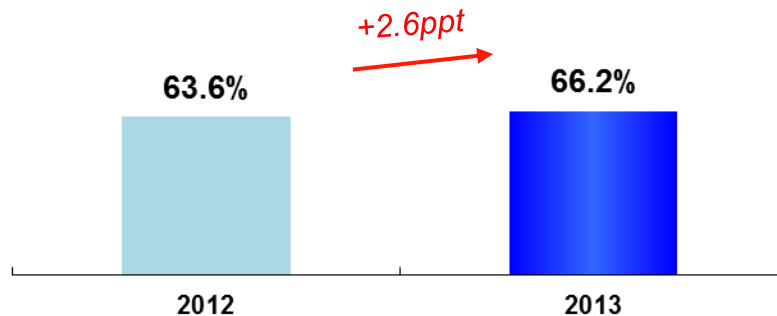
RMB in mm



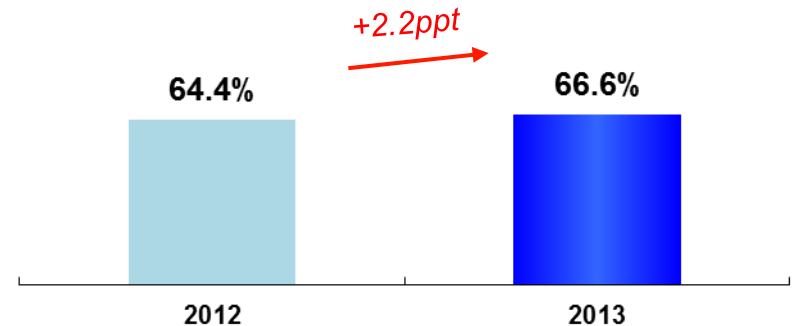
Strengthened Control on Underwriting Risk and Claims Cost

5

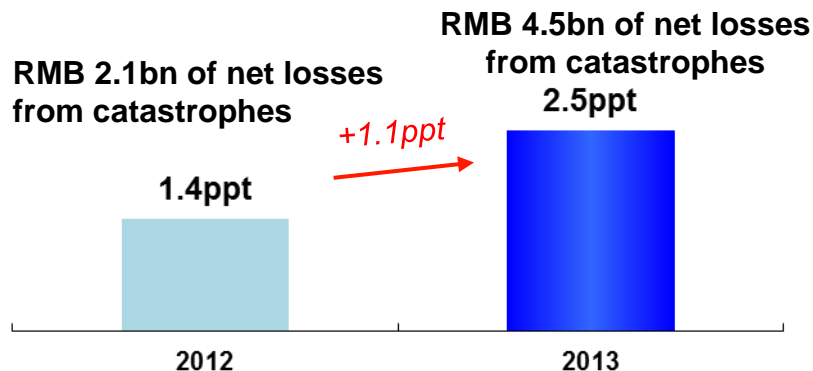
Overall Loss Ratio



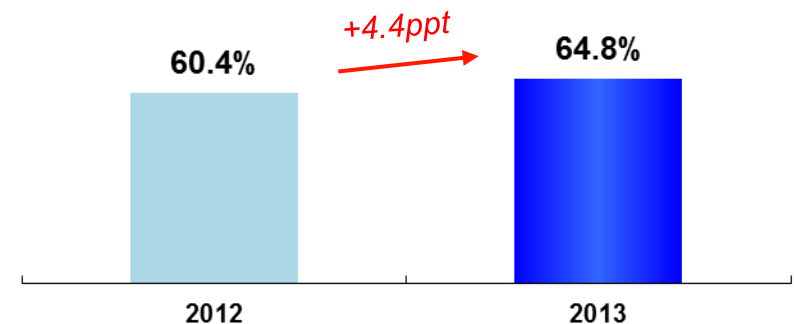
Loss Ratio for Motor Insurance



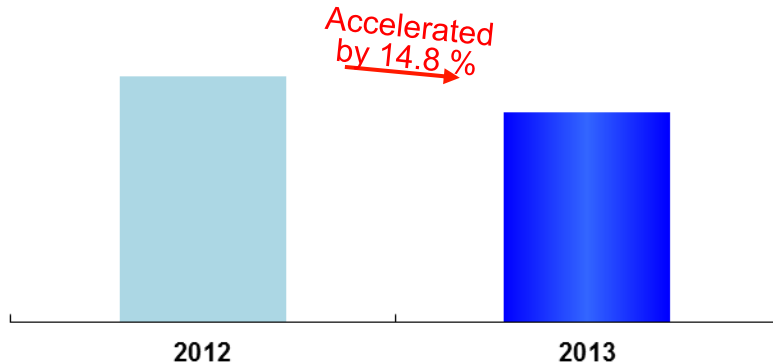
Impact of Catastrophes on Overall Loss Ratio



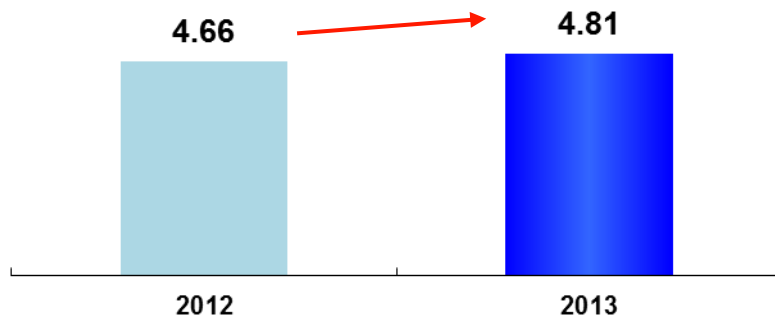
Loss Ratio for Non-motor Insurance



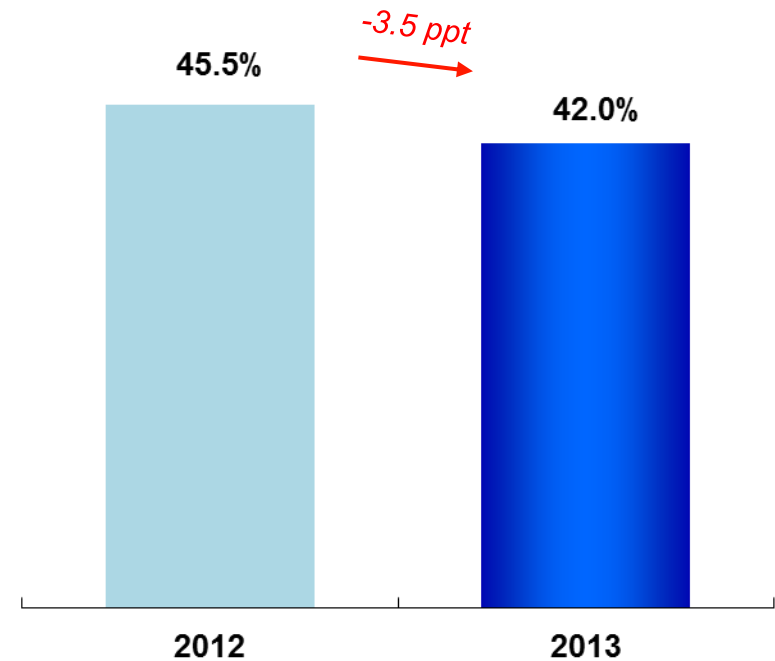
Claims Cycle



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



Net Loss Reserves Ratio

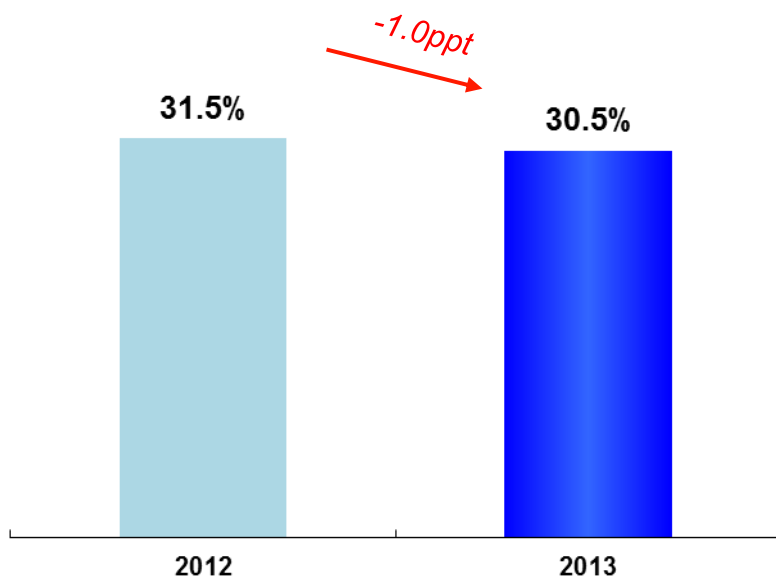


Note: Net Loss Reserves ratio = Net Loss reserves by the end of the period / LTM net premiums earned

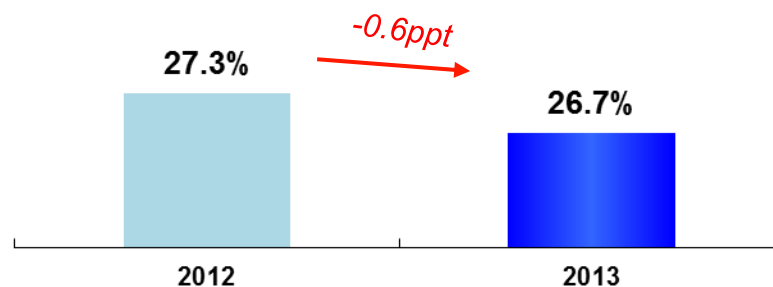
Expense Ratio Declined

7

Overall Expense Ratio

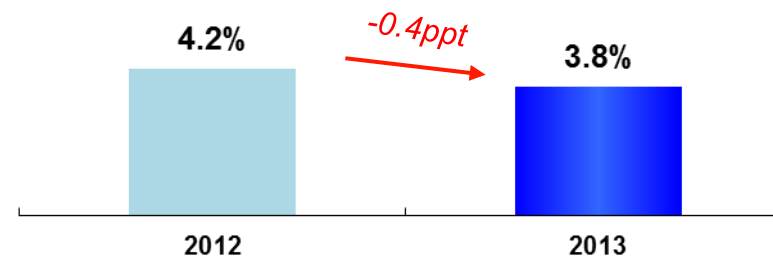


Underwriting Expense Ratio



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

Administrative Expense Ratio



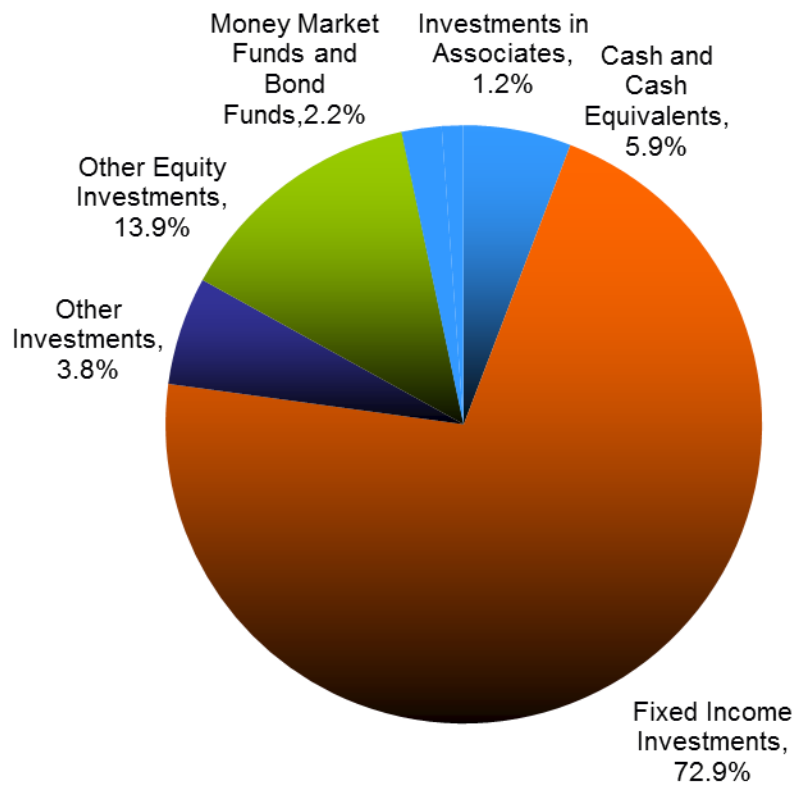
Note: Administrative expense ratio = General and administrative expenses/Net premiums earned

Investment Portfolio Further Optimized

8

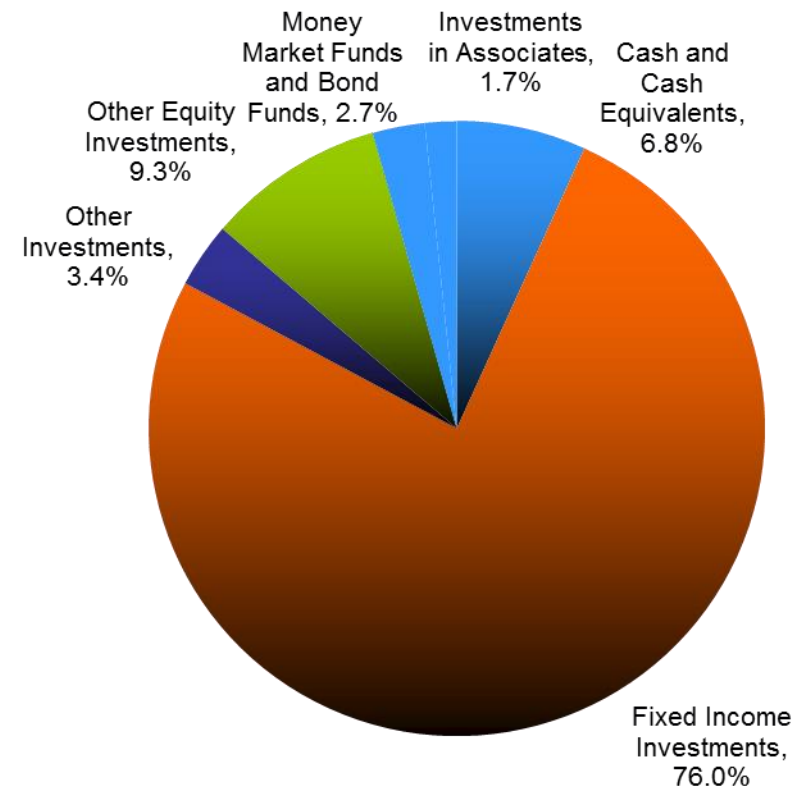
As of December 31, 2012

Total Investment Assets: RMB 217.00bn



As of December 31, 2013

Total Investment Assets: RMB 239.49bn



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; "other investments" include investment property, derivative financial assets, statutory deposits, etc.

做人民满意的保险公司

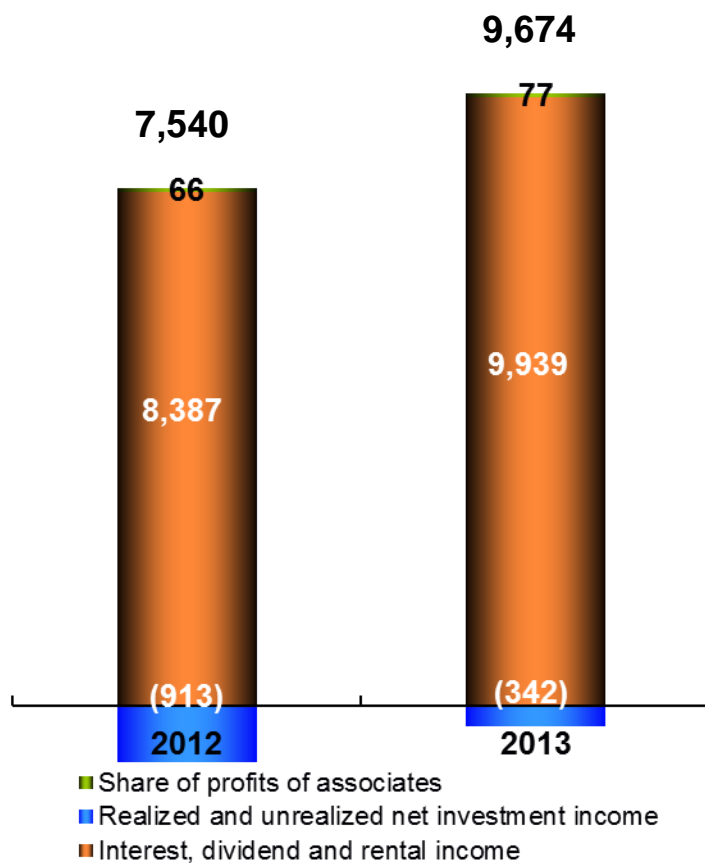
PICC

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

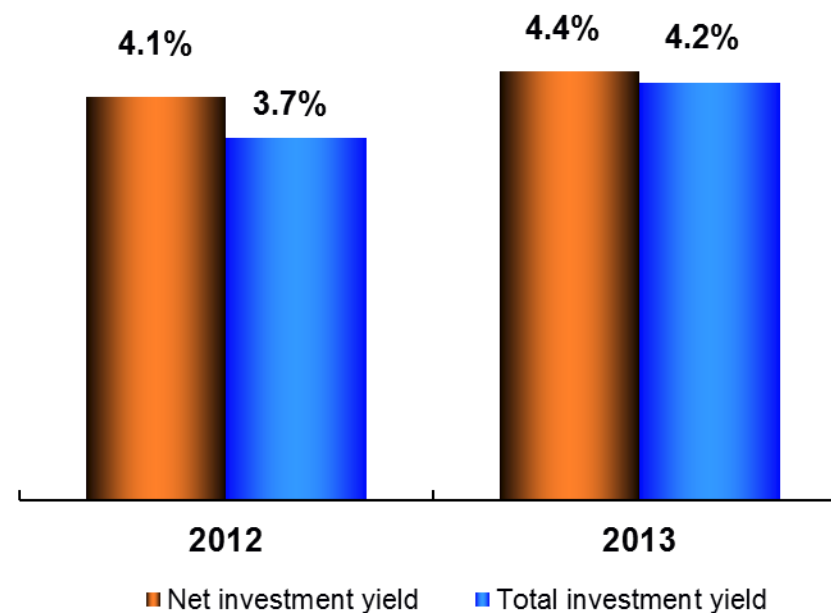
Significant Improvement in Investment Income 9

Investment Income Mix

RMB in mm



Investment Yields

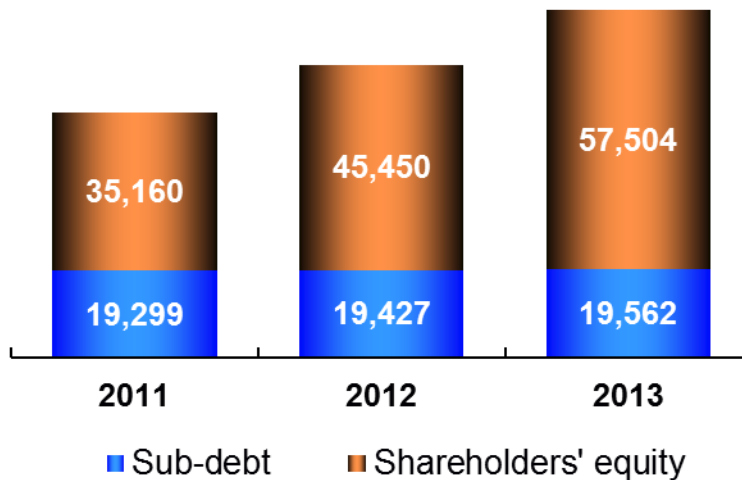


Capital Base Remained Solid

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Shareholders' Equity/Leverage

RMB in mm



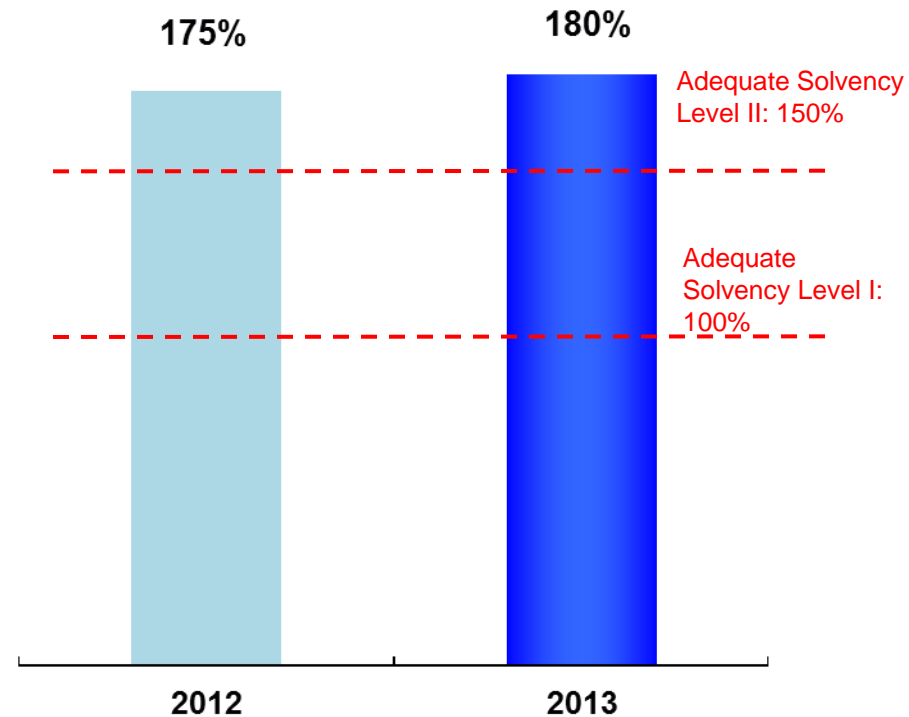
2.5X

2.5X

2.5X

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

Solvency Margin Ratio



Honors and Awards

11



2013 Best Non-Life Insurer in Asia



2013 Strongly Competitive and Socially Responsible Financial Institution



2013 Outstanding Chinese Enterprise in Corporate Social Responsibility



Best Public Image



Highest Financial Strength Rating (A1) for China Mainland Enterprises by Moody's



Top 100 Hong Kong Listed Companies – Comprehensive Strength



Claims Department's Reform was Granted Reform Management Golden Award



Best Call Center in China for the 3rd Consecutive Year

做人民满意的保险公司

PICC

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

Solidify Existing Advantages

- Extensive sales & services network
- Business layout in line with China's overall economic and social development
- Economies of scale brought by industry's leading position and refined management
- Increased group advantages of PICC

Bring PICC P&C to a New Level

- 1 Strengthen business development capabilities
- 2 Improve profitability
- 3 Improve service capabilities
- 4 Improve investment return
- 5 Improve internal control and compliance system



中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

Q&A