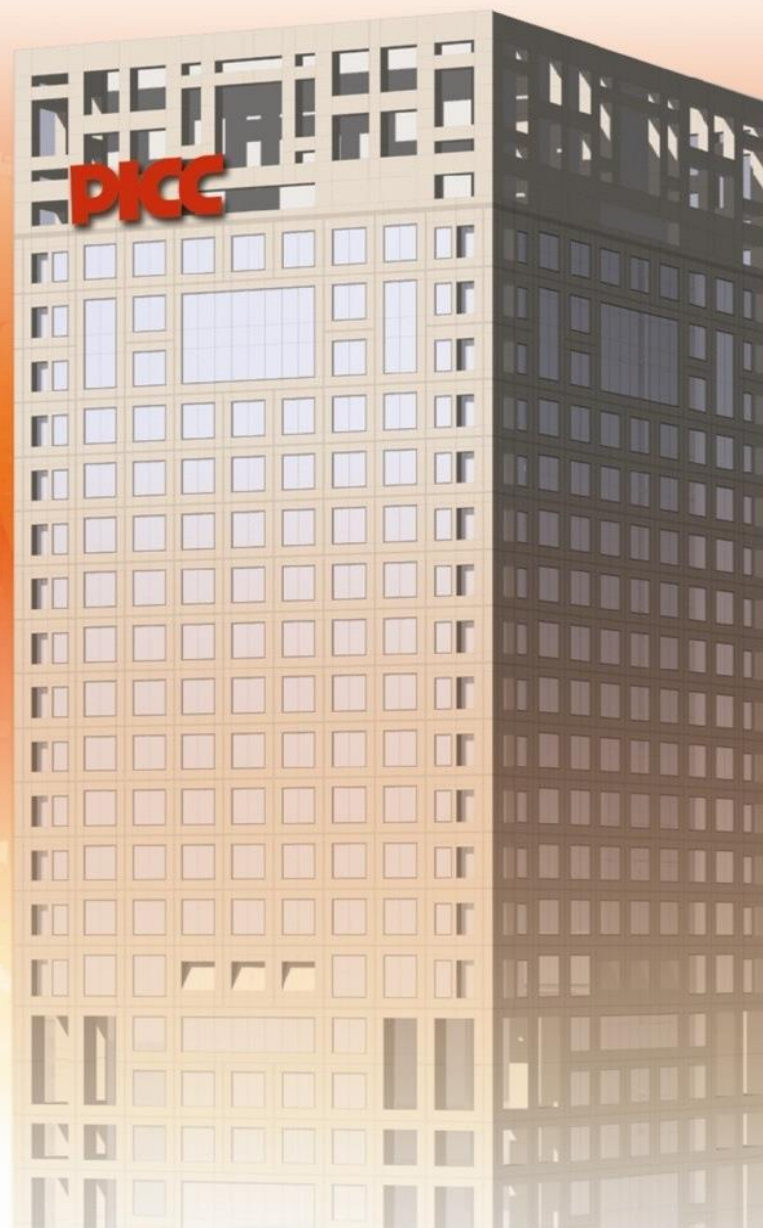


# PICC P&C (2328.HK) 2014 Interim Results

做人民满意的保险公司



# 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.

# 2014 Interim Performance Highlights

1

1

Net profit of RMB7.79bn, a YoY growth of 2.1%; annualized ROE of 25.7%; EPS of RMB0.573

2

Turnover of RMB132.12bn, a YoY growth of RMB16.48bn or 14.3%

3

Underwriting profit of RMB5.59bn and combined ratio of 94.4%, consistently outperforming the industry

4

Investment income of RMB5.58bn, a YoY growth of 7.6%; annualized total investment yield of 4.4%

5

Net operating cash inflow of RMB17.49bn, a YoY growth of 51.6%

6

Total assets and net assets increased by 13.1% and 11.0%, respectively, from the beginning of the year; solvency margin ratio of 181%

# Promote Grass Roots Construction and Upgrade the Sales and Services System <sup>2</sup>

1

Continuously optimize the three-dimension integrated sales and services model of 'product line + region + distribution channel', enhance ability to acquire high-quality business

2

Continuously deepen the construction of urban and rural networks, increase the outlet productivity and maintain high growth of telemarketing and online marketing business

3

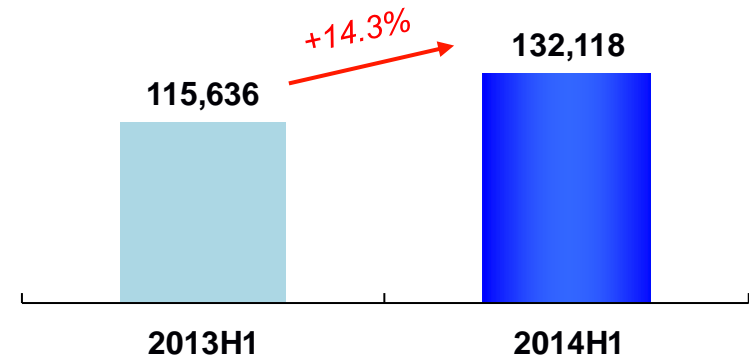
Strengthen professional team building, improve sales and services capability, promote development of non-motor insurance business

4

Development driven by improved services, claims cycle being further shortened, customer satisfaction consistently outperforming the industry

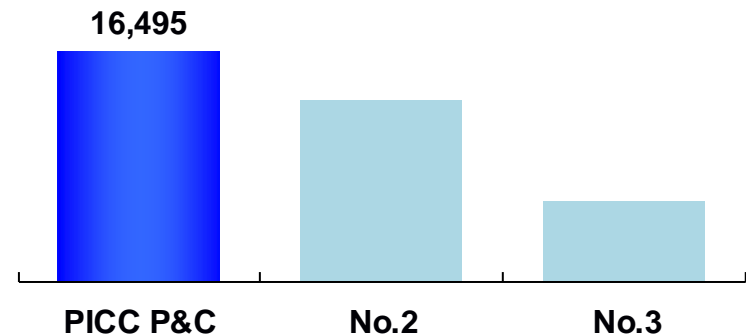
## Turnover of RMB132.12bn

RMB mm



## Incremental Premiums Ranked No.1 in the Industry

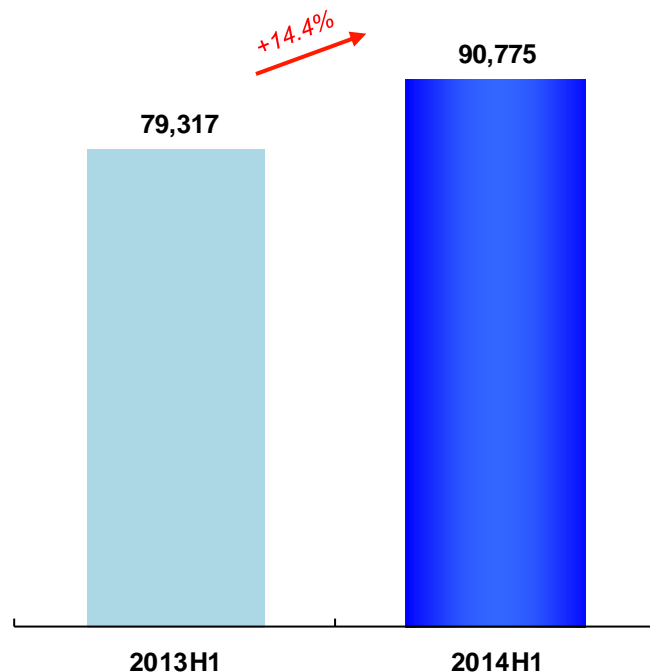
2014H1 Original premium income – 2013H1 Original premium income, RMB mm



Source: CIRC

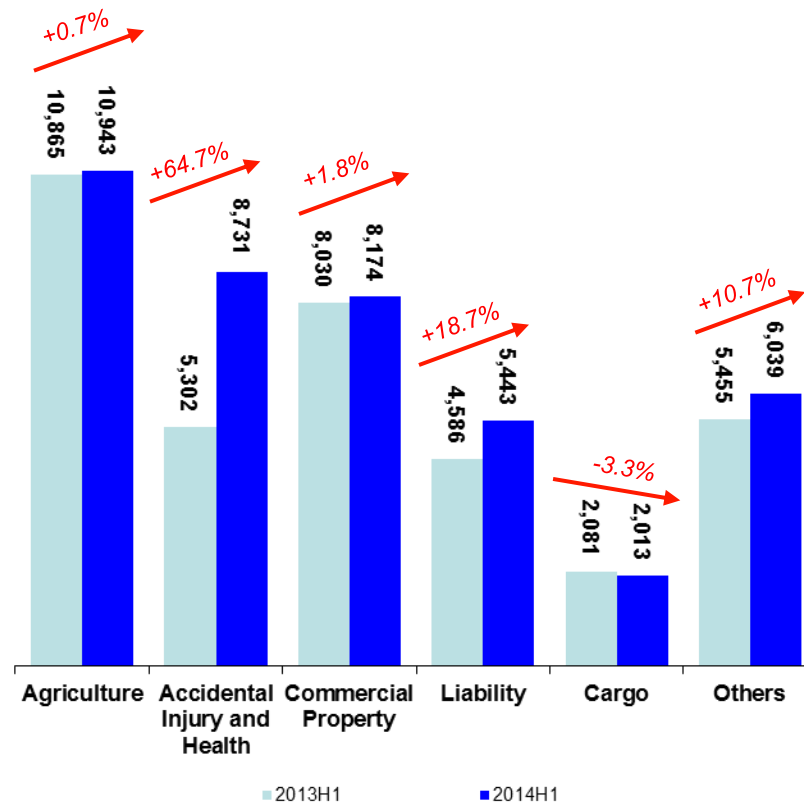
## Motor Vehicle Insurance

Turnover, RMB mm



## Non-motor Insurance

Turnover, RMB mm

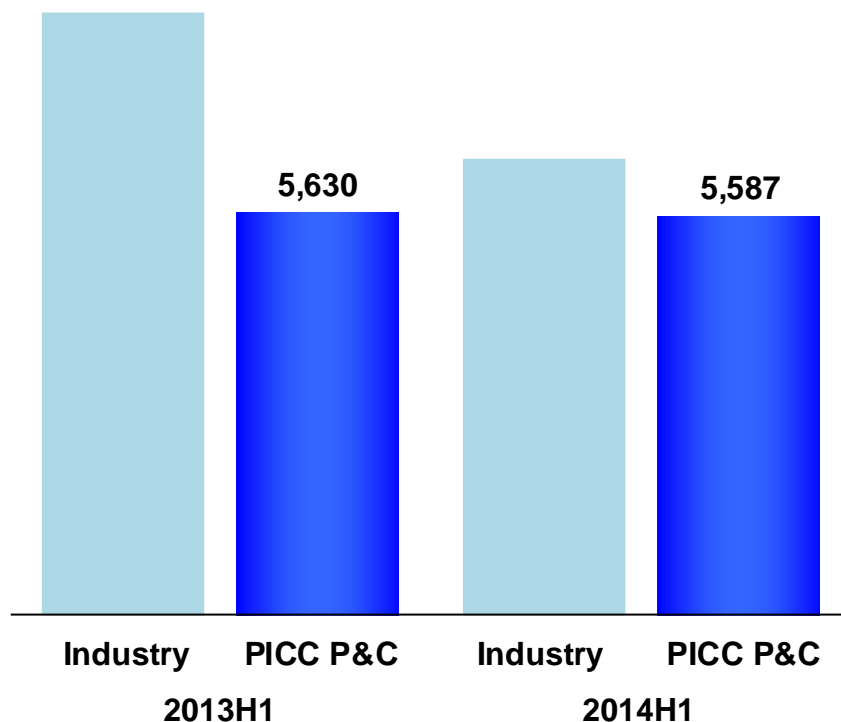


# Underwriting Profit Remained Stable, and Net Profit Reached a Record High

4

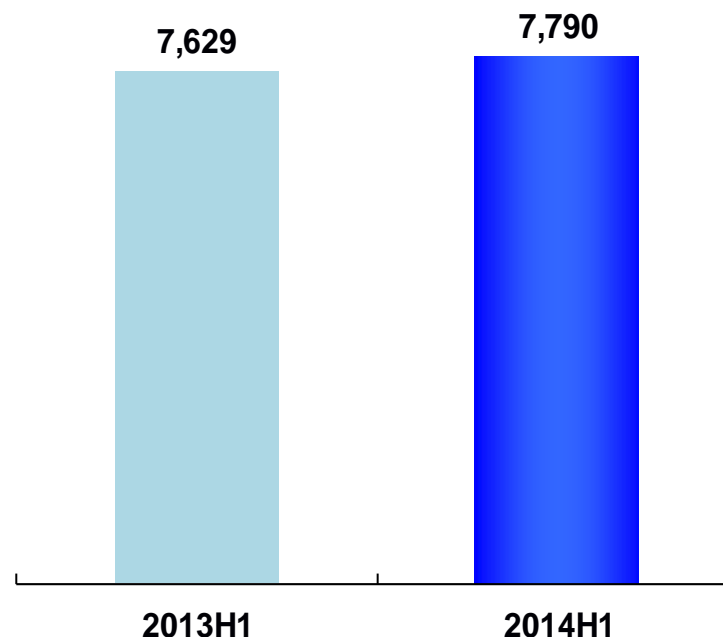
Underwriting Profit Remained stable,  
Market Share in Profit increased

RMB mm



Net Profit Reached a Record High

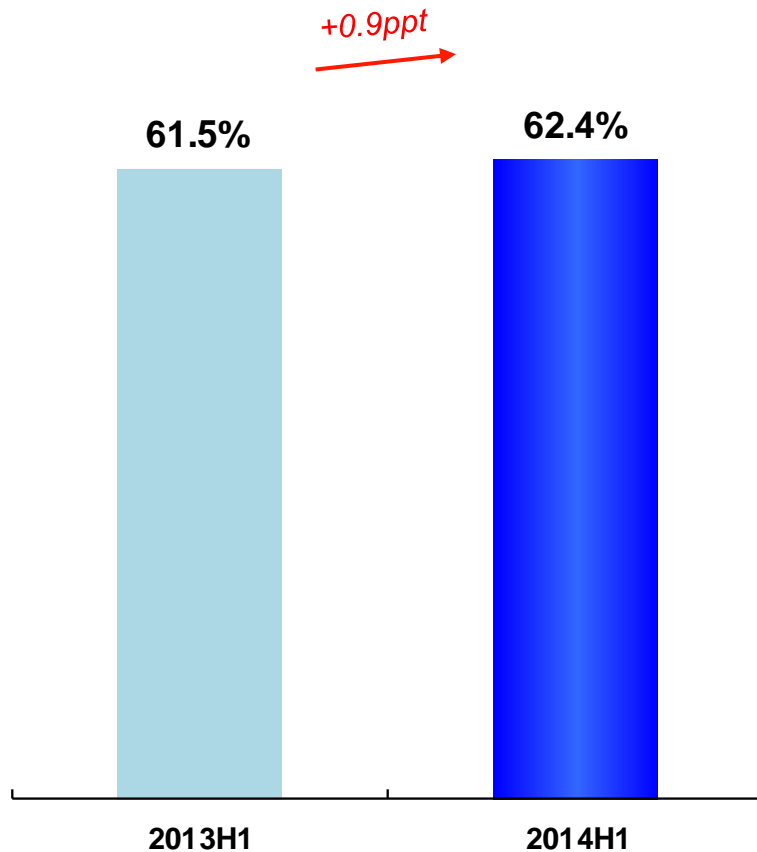
RMB mm



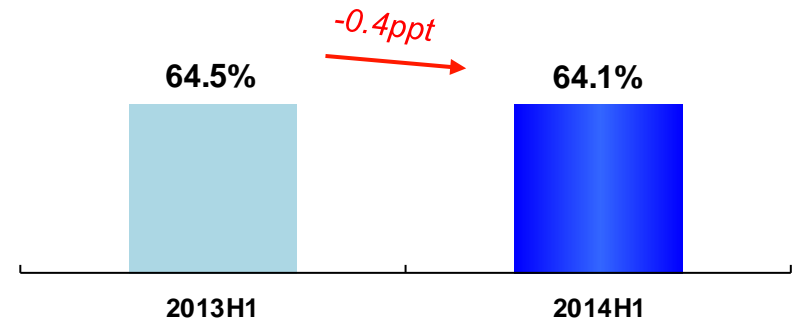
# Adhere to Profitable Development, Strictly Control of Claims Cost

5

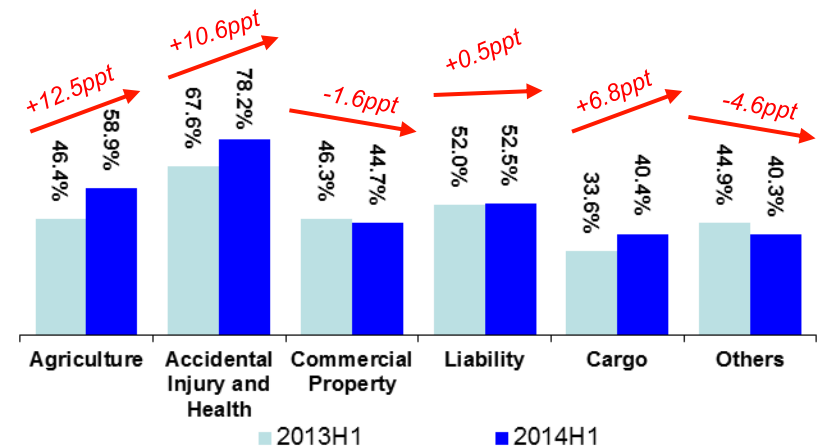
## Overall Loss Ratio



## Loss Ratio for Motor Vehicle Insurance

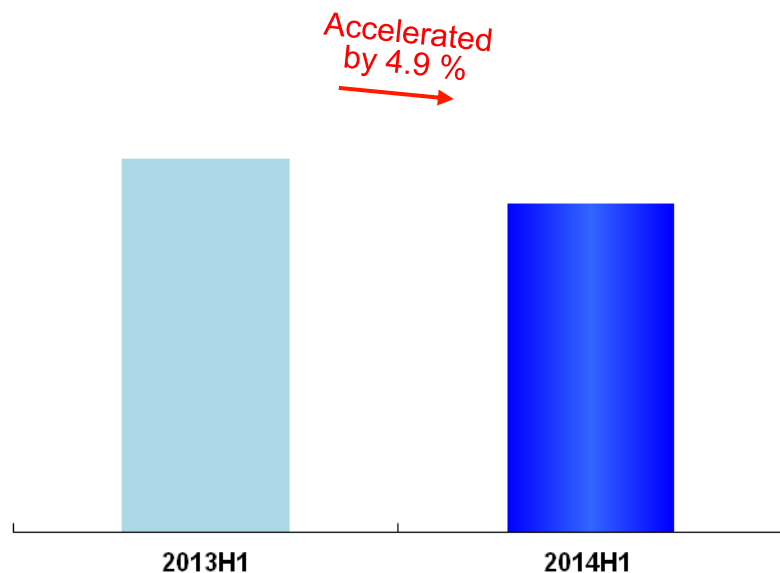


## Loss Ratio for Non-motor insurance

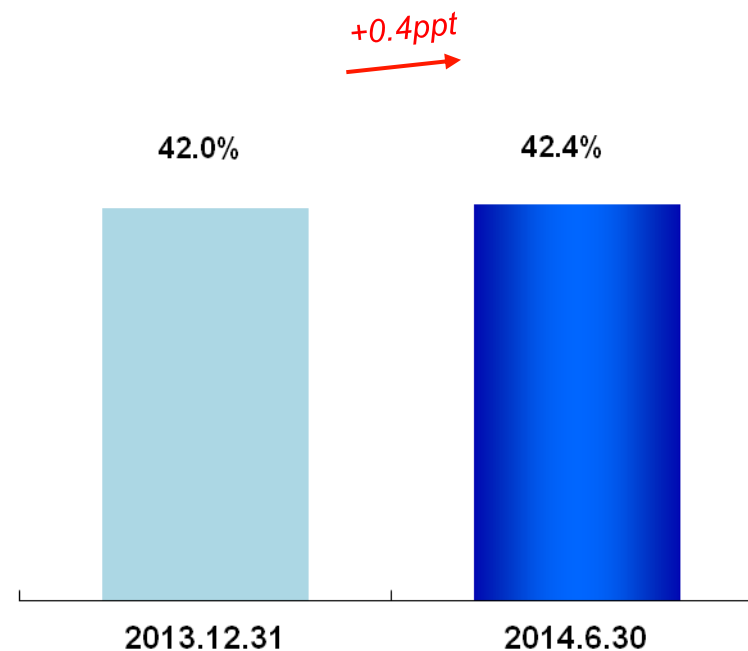


# Loss and Loss Adjustment Expense Reserves 6

Claims Cycle



Net Loss Reserves Ratio



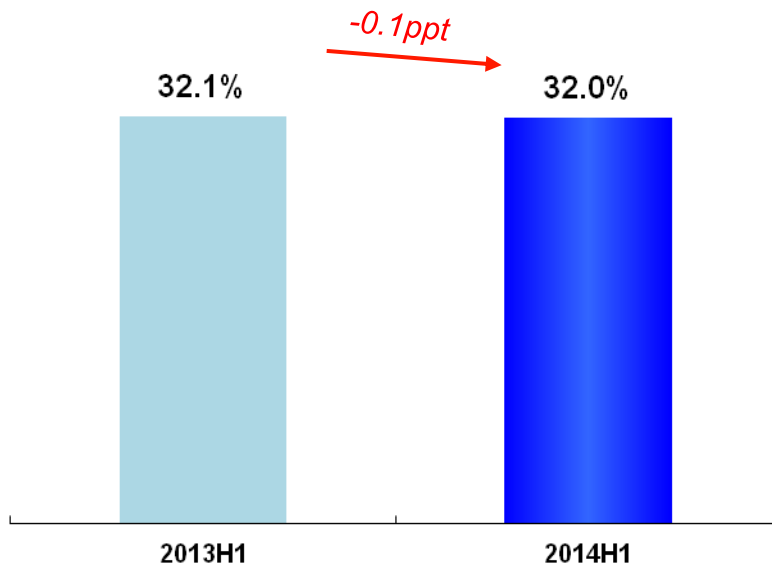
Note: Net Loss Reserves ratio = Net Loss and Loss Adjustment Expense Reserves by the end of the period / LTM net premiums earned



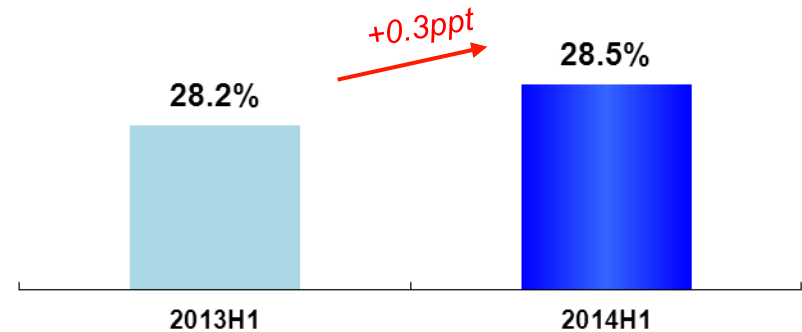
# Strictly Controlled Operating Cost , Expense Ratio Remained Stable

7

## Overall Expense Ratio

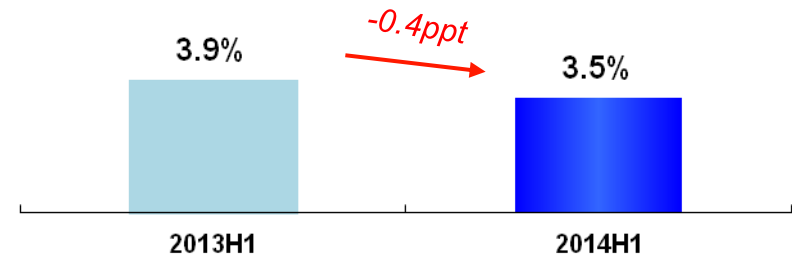


## Underwriting Expense Ratio



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

## Administrative Expense Ratio



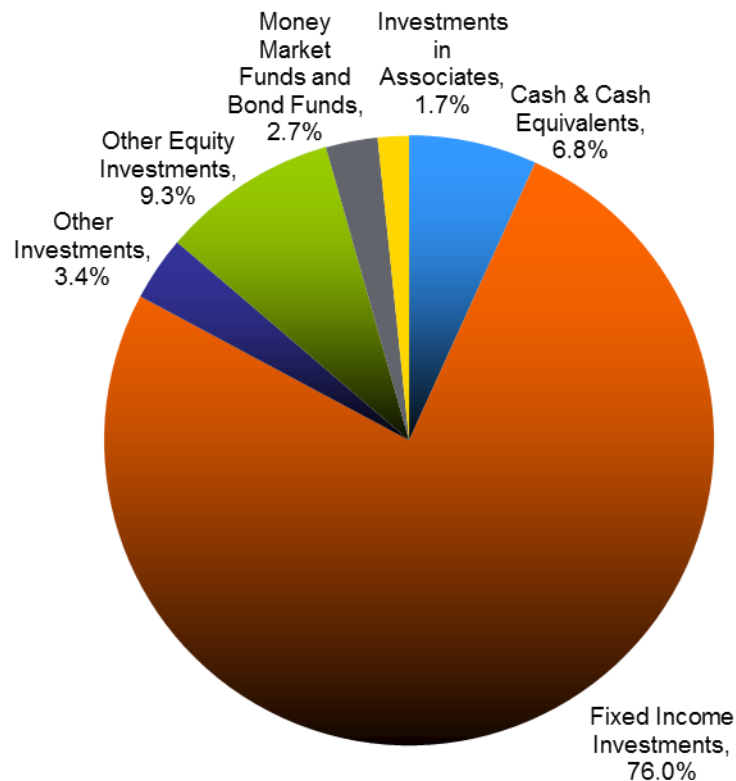
Note: Administrative expense ratio = General and administrative expenses/Net premiums earned

# Investment Portfolio Further Optimized

8

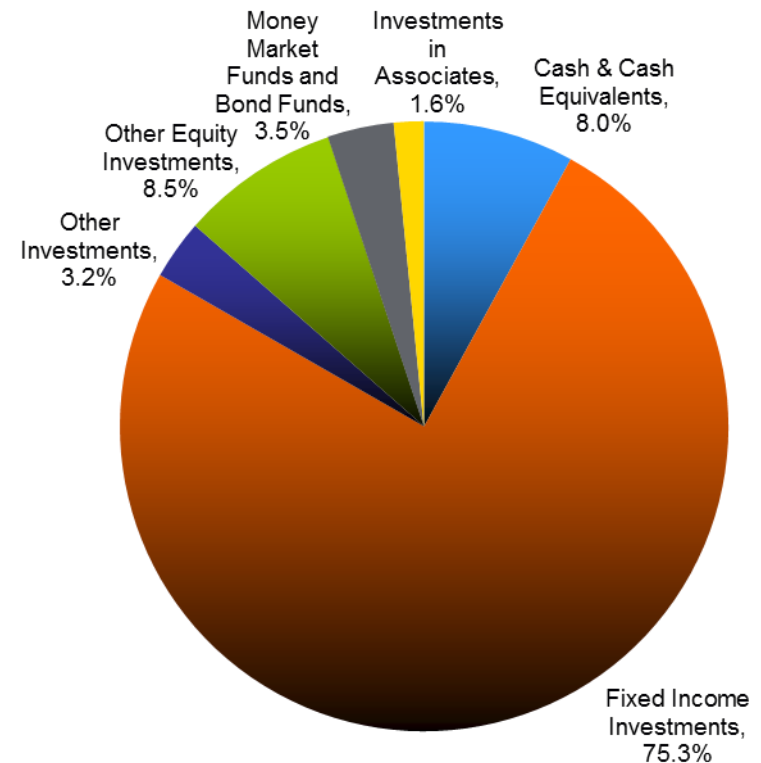
**As of December 31, 2013**

**Total Investment Assets: RMB239.49bn**



**As of June 30, 2014**

**Total Investment Assets: RMB266.04bn**



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 properties derivative financial assets, statutory deposits, etc.

做人民满意的保险公司

**PICC**

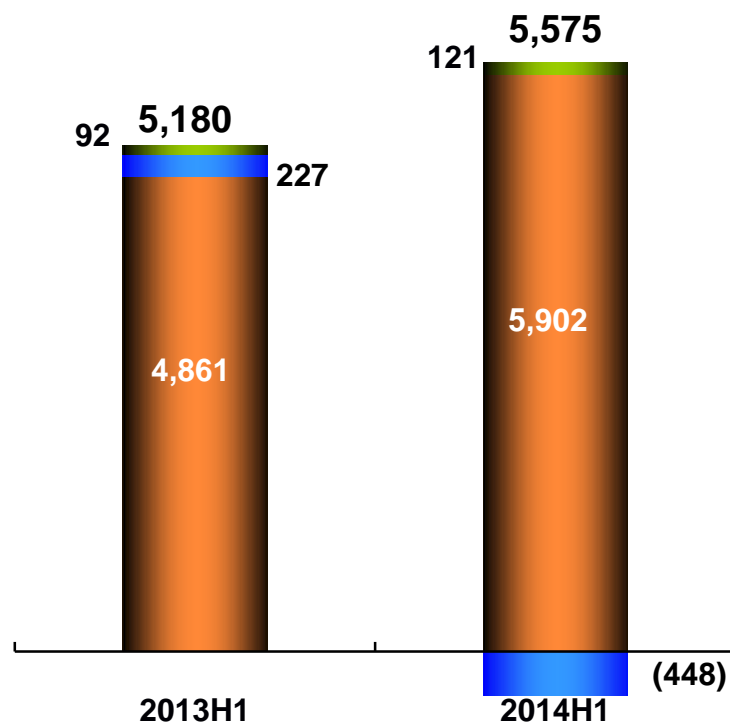
中国人民财产保险股份有限公司  
PICC PROPERTY AND CASUALTY COMPANY LIMITED

# Improvement in Investment Income

9

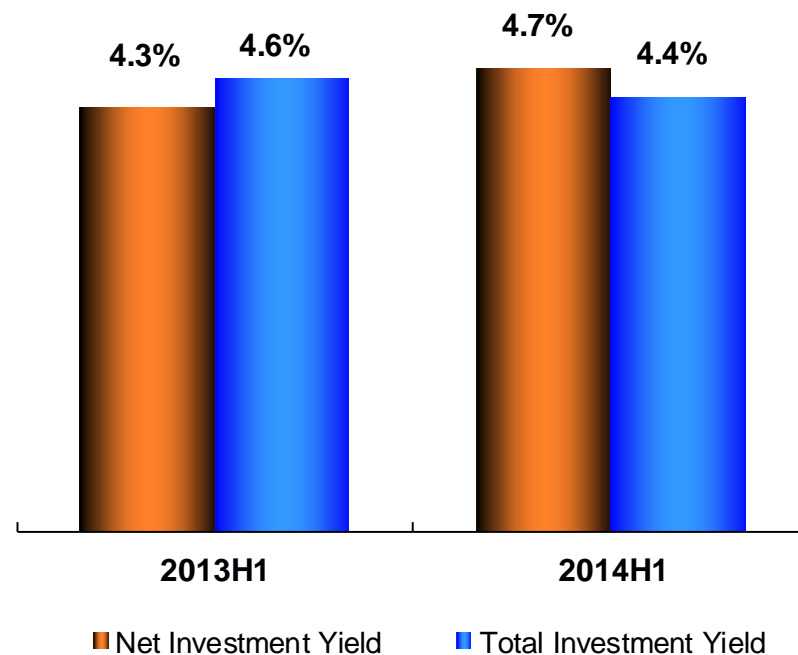
## Investment Income Mix

RMB mm



- Share of Profits of Associates
- Realized and Unrealized net Investment Income
- Interest, Dividend and Rental Income

## Annualized Investment Yields

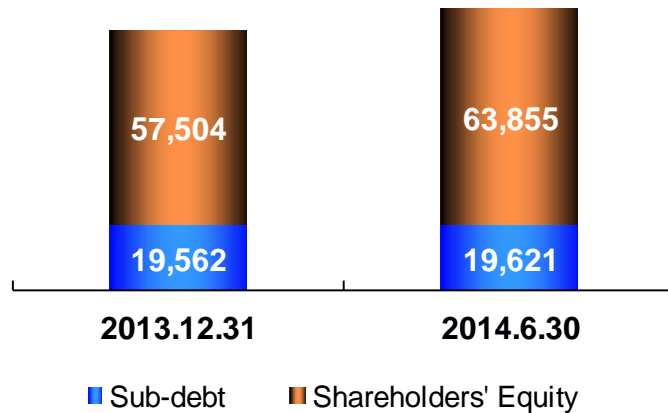


# Capital Base Remained Solid

10

## Shareholders' Equity/Leverage

RMB mm



2013.12.31

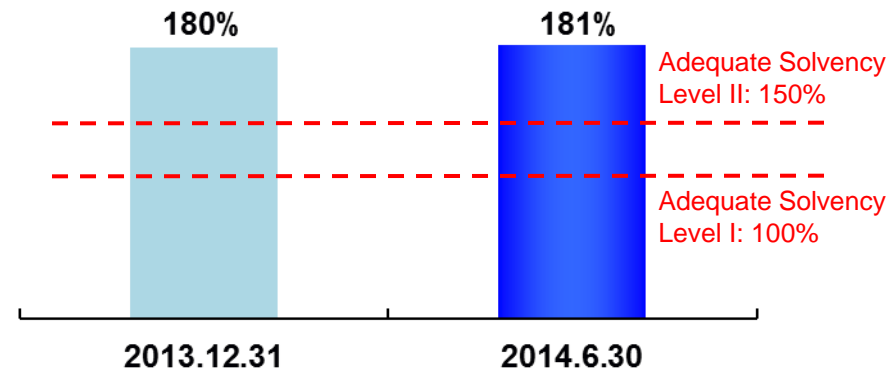
2014.6.30

2.5X

2.4X

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

## Solvency Margin Ratio

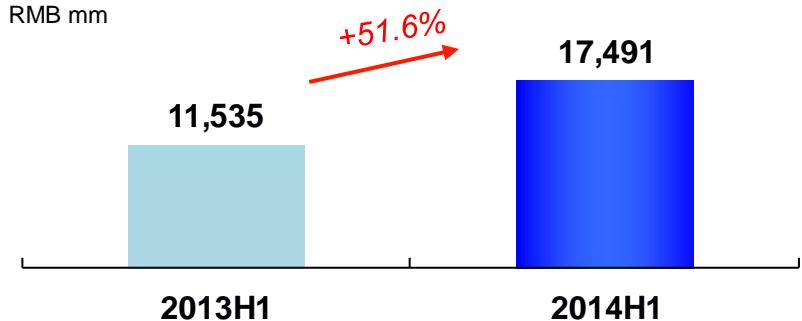


2013.12.31

2014.6.30

## Net Cash inflow from Operating Activities

RMB mm



2013H1

2014H1

# Key Initiatives in 2014H2

11

1

Benchmark with the industry, actively capture opportunities and maintain rapid business growth

2

Strengthen underwriting control, improve business quality, proactively react to deregulation of commercial motor vehicle insurance pricing

3

Strengthen management on claims and operating cost

4

Enhance disaster and loss prevention, ensure proper claims settlement

5

Adhere to prudent investment strategies, further optimize portfolio, strengthen risk control and improve investment income

6

Continue to improve internal control and compliance system, further improve the overall 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