

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

做人民满意的保险公司



# Disclaimer

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# 2014 Annual Performance Highlights

1

1

Net profit of RMB15.12bn, a YoY growth of 43.2%; ROE 21.1%, EPS of RMB1.061



2

Turnover of RMB253.04bn, a YoY growth of RMB29.51bn or 13.2%



3

Underwriting profit of RMB7.29bn, combine ratio of 96.5%, consistently outperforming the industry



4

Investment income of RMB13.77bn, a YoY growth of 42.3%; total investment yield of 5.2%



5

Net operating cash inflow of RMB31.47bn, a YoY growth of 47.0%



6

Total assets and net assets increased by 14.6% and 49.2% from the beginning of the year, respectively; solvency margin ratio of 239%



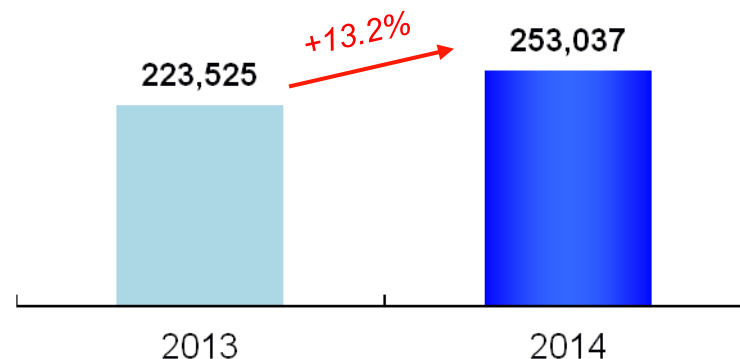
# Promoted Grass Roots Construction, Upgraded the Sales and Services System

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- 1** Optimized the resource allocation and enhanced the ability to acquire the high-quality motor vehicle insurance business, maintained the market leading position
- 2** Seized the development opportunities, strengthened the professional team building and improved sales and services capability, further promoted the development of non-motor insurance business
- 3** Continuously deepened the construction of urban and rural networks, established extensive network in rural area, increased comprehensive development and services capability of rural networks; consolidated telemarketing and internet marketing business, drove fast business growth
- 4** Development driven by improved services, enhanced customer experience, shortened the claims cycle, customer satisfaction further improved

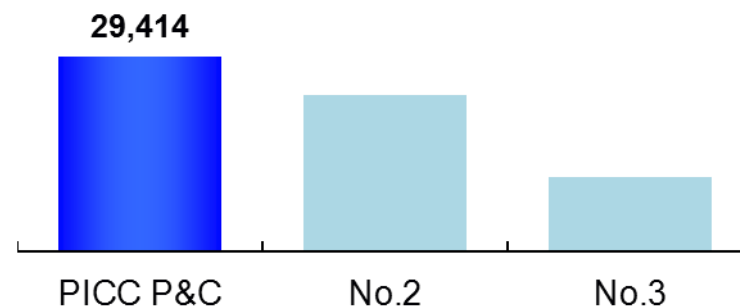
## Turnover of RMB 253.04bn

RMB mm



## Incremental Premiums Ranked No.1 in the industry

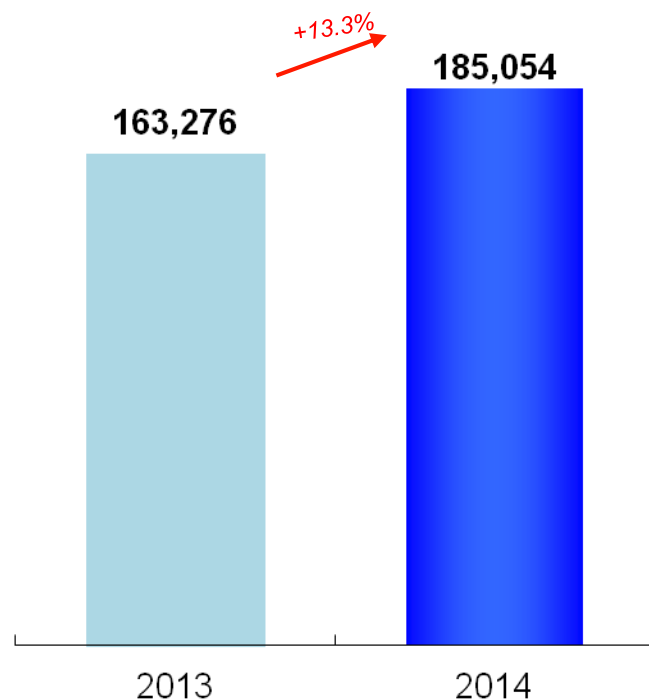
2014 Original Premium Income - 2013 Original Premium Income ,  
RMB mm



Source: CIRC

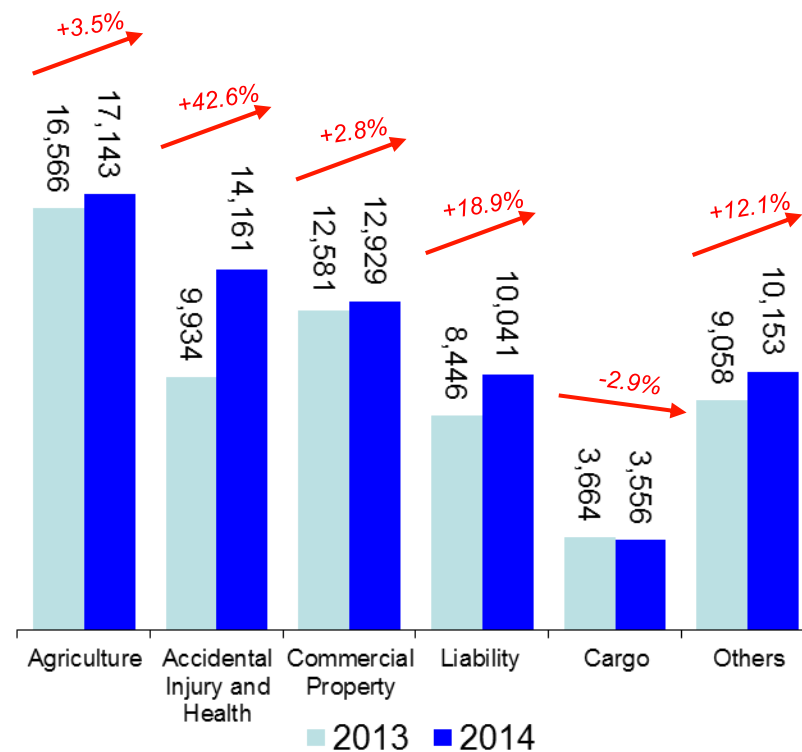
## Motor Vehicle Insurance

Turnover, RMB mm



## Non-motor Insurance

Turnover, RMB mm

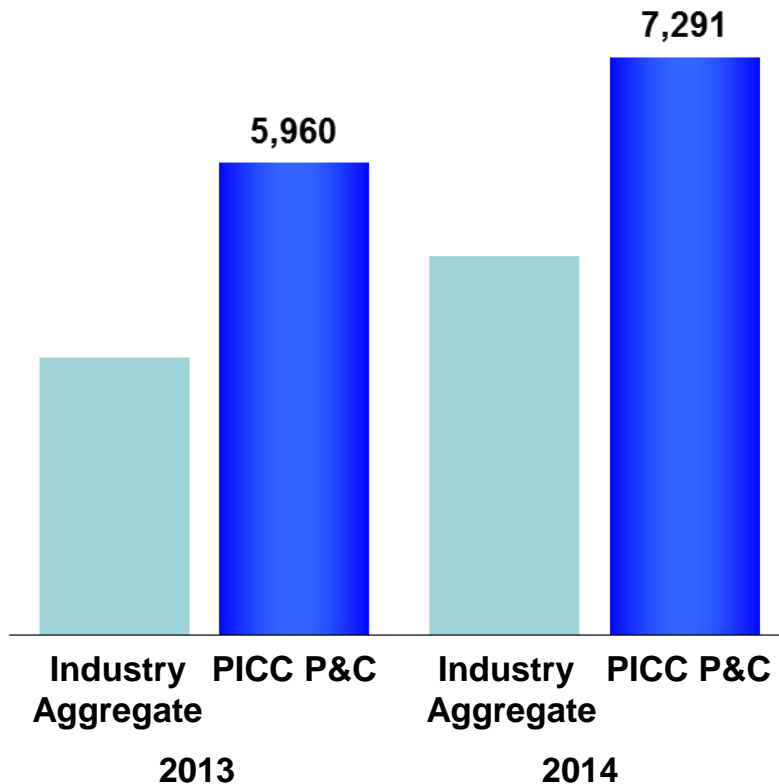


# Industry Leading Underwriting Profitability, Net Profit Reached a Record High

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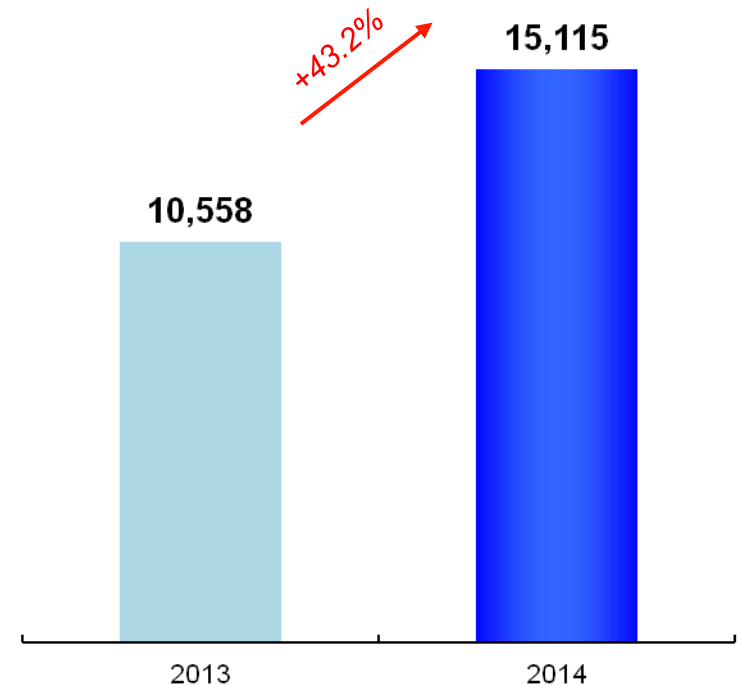
## Industry Leading Underwriting Profitability

Underwriting Profit, RMB mm



## Net Profit Reached a Record High

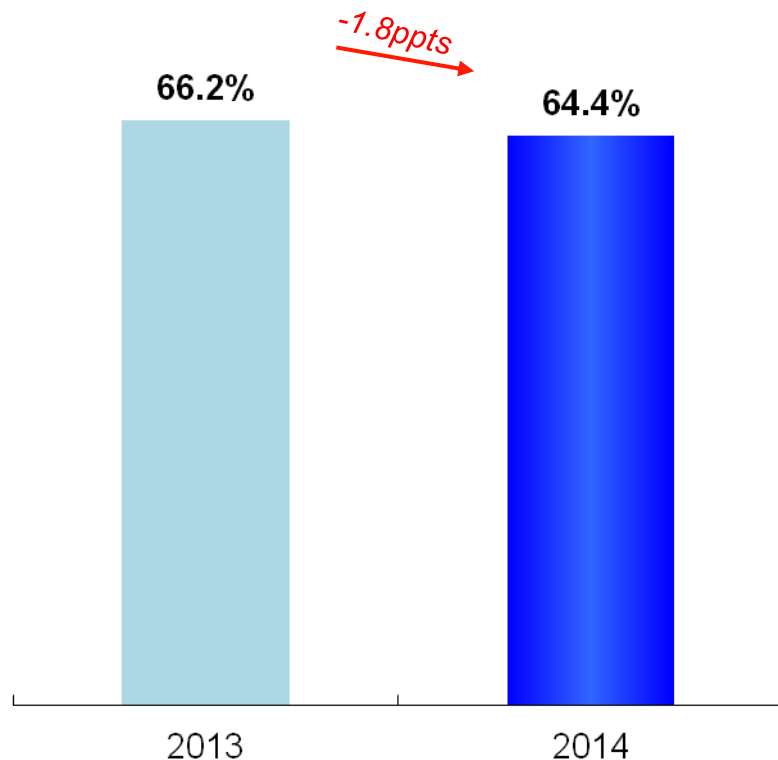
RMB mm



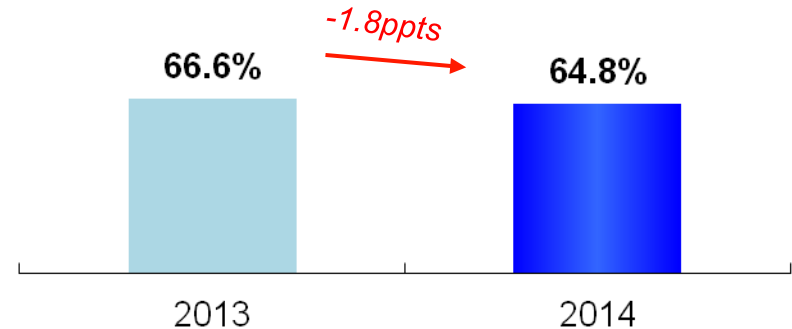
# Adhere to Profitable Development, Strictly Control Claims Cost, Loss Ratio Decreased

5

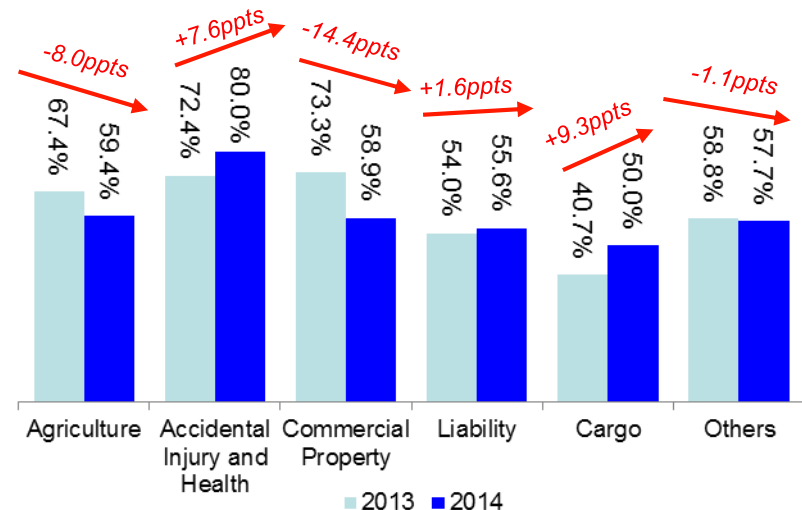
## Overall Loss Ratio



## Loss Ratio for Motor Vehicle Insurance

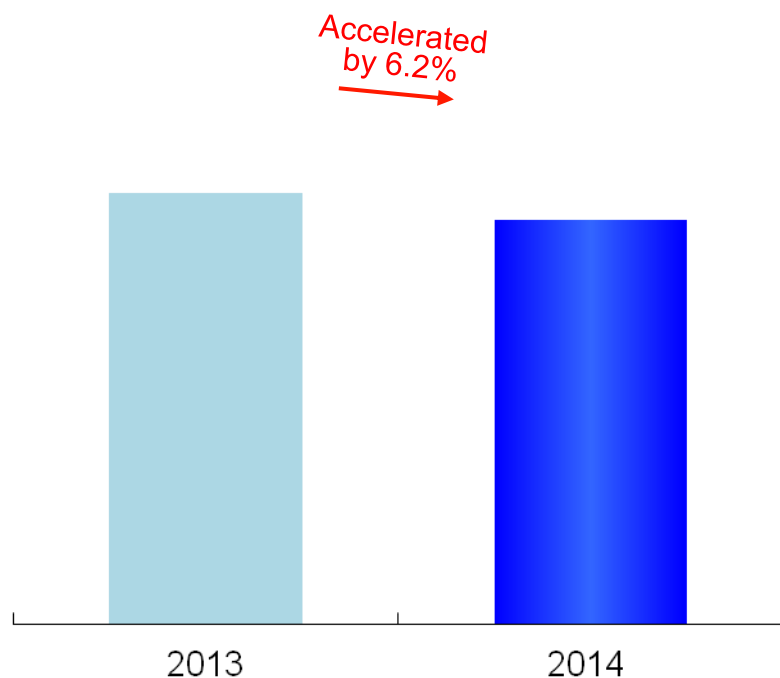


## Loss Ratio for Non-motor insurance

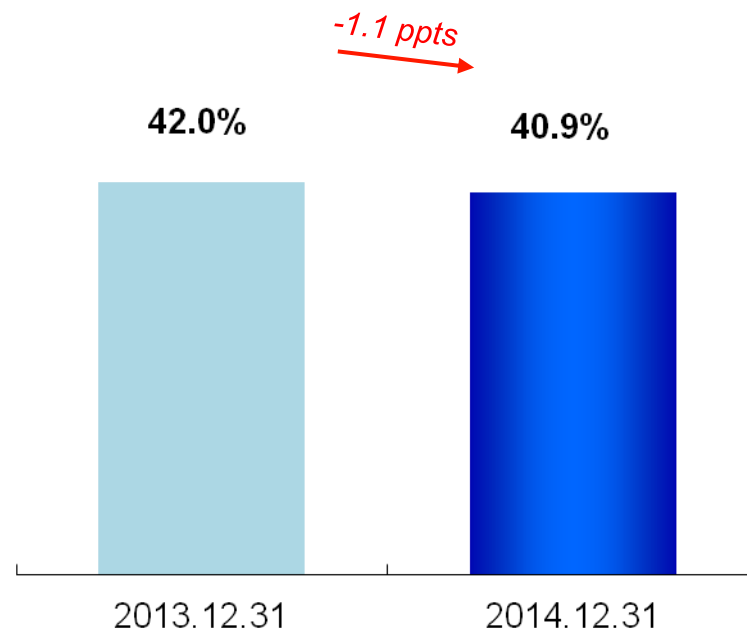


# Loss and Loss Adjustment Expense Reserves<sup>6</sup>

## Claims Cycle



## Net Loss Reserves Ratio



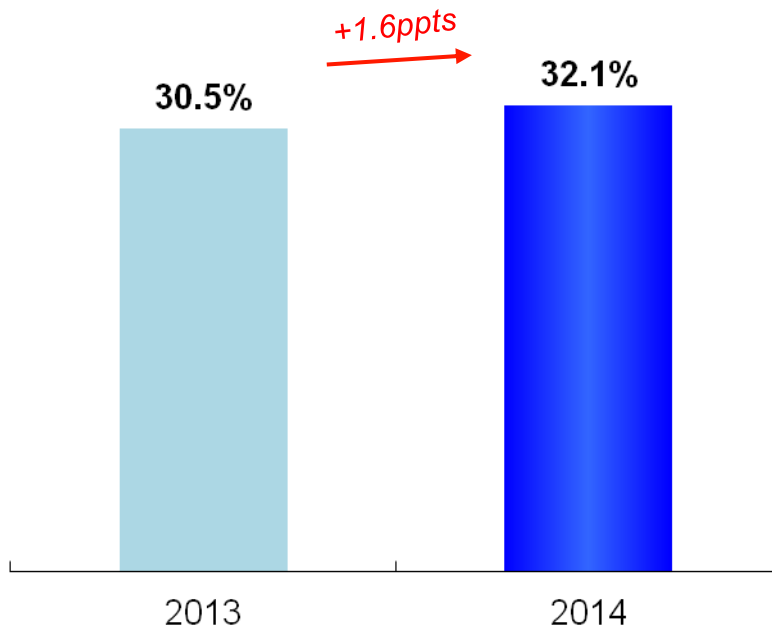
Note: Net Loss Reserves ratio = Net Loss and Loss Adjustment Expense Reserves by the end of the period / LTM net premiums earned



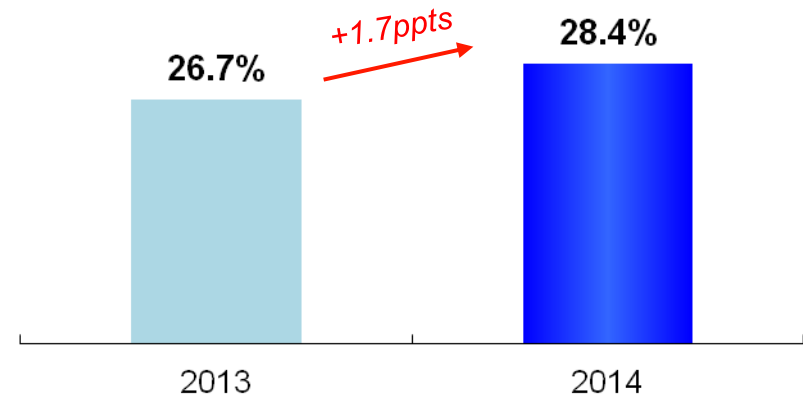
# Increased Sales Resources Input, Expense Ratio Rose

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## Overall Expense Ratio

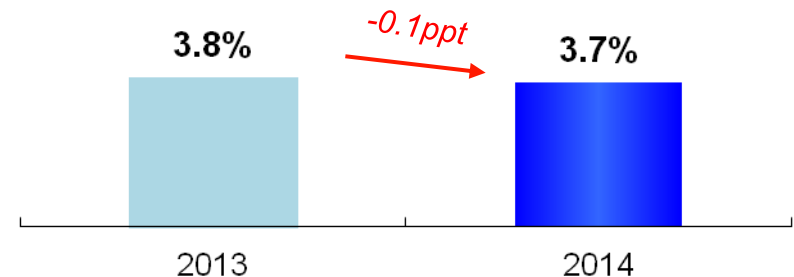


## Underwriting Expense Ratio



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

## Administrative Expense Ratio



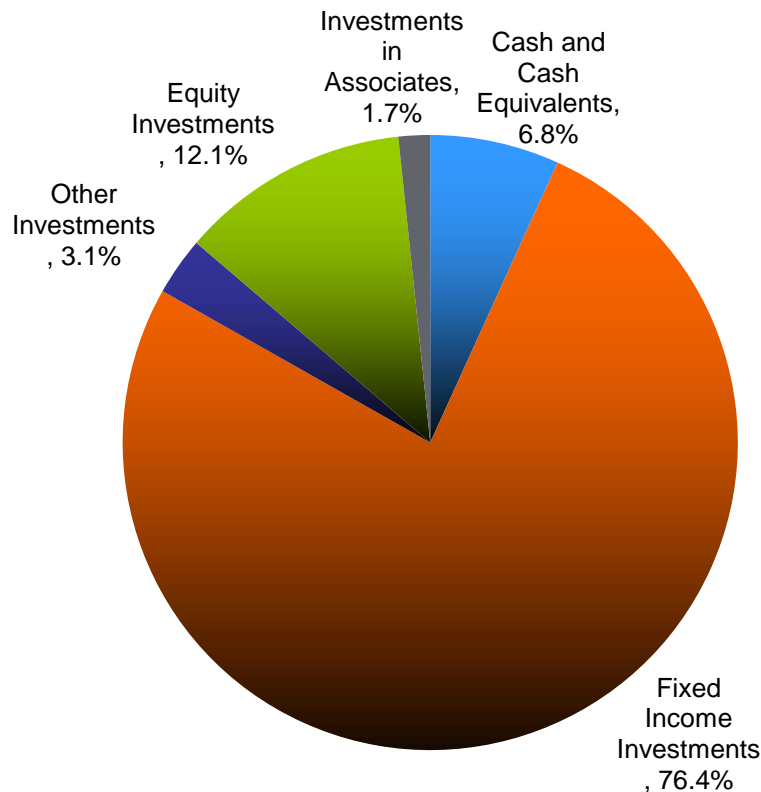
Note: Administrative expense ratio = Administrative expenses/Net premiums earned

# Investment Assets Increased, Investment Portfolio Further Optimized

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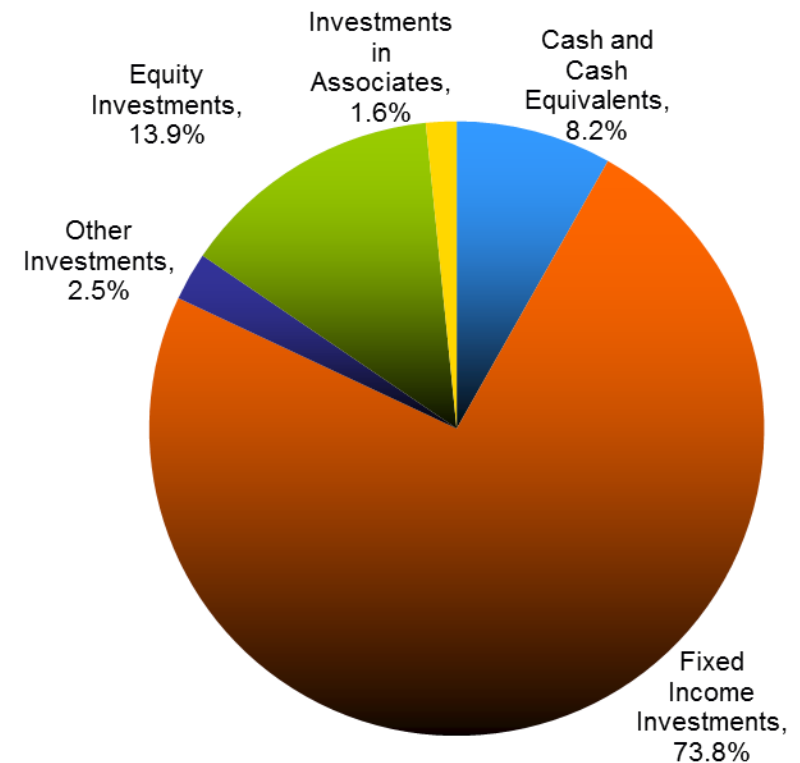
**As of December 31, 2013**

**Total Investment Assets: RMB 239.49bn**



**As of December 31, 2014**

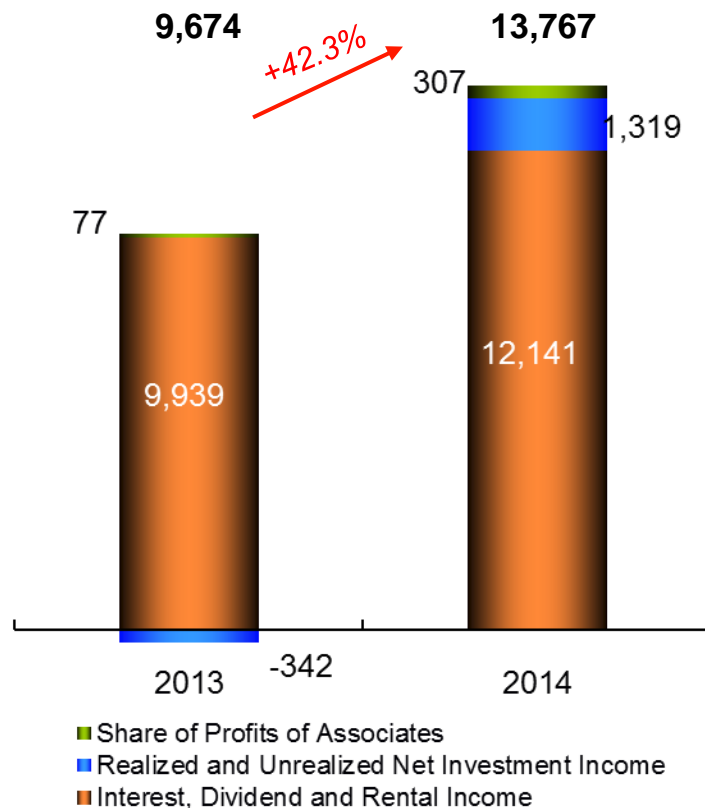
**Total Investment Assets: RMB 295.13bn**



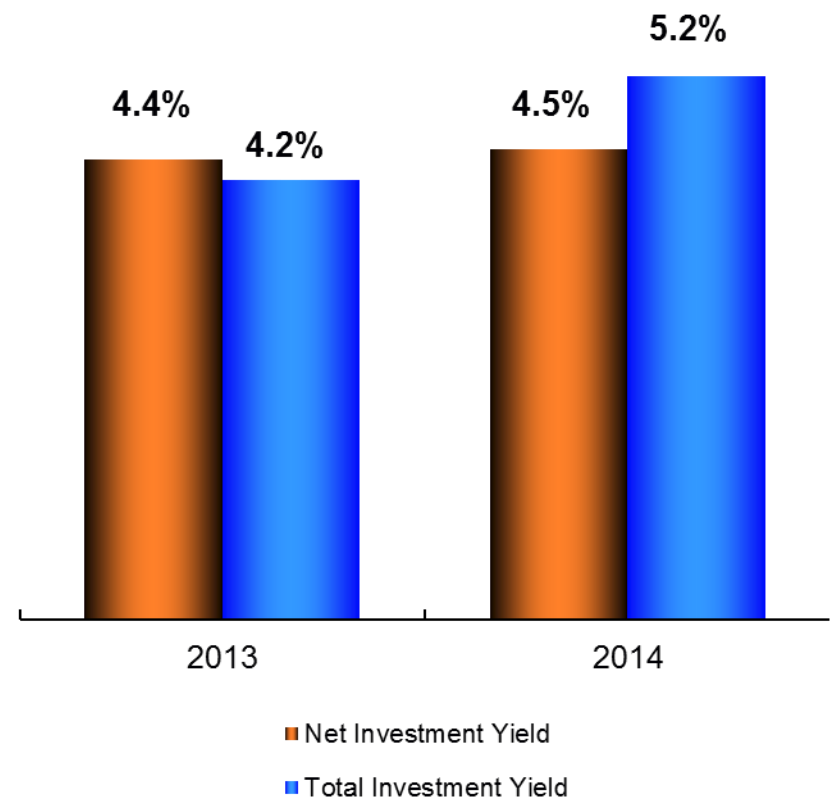
Note: Figures may not add up due to rounding; cash and cash equivalents are mainly denominated in RMB and exclude deposits from banks and other financial institutions with original maturities > 3 months and structured deposits in banks and other financial institutions; "other investments" include investment properties derivative financial assets, statutory deposits, etc.

## Substantial Increase in Investment Income

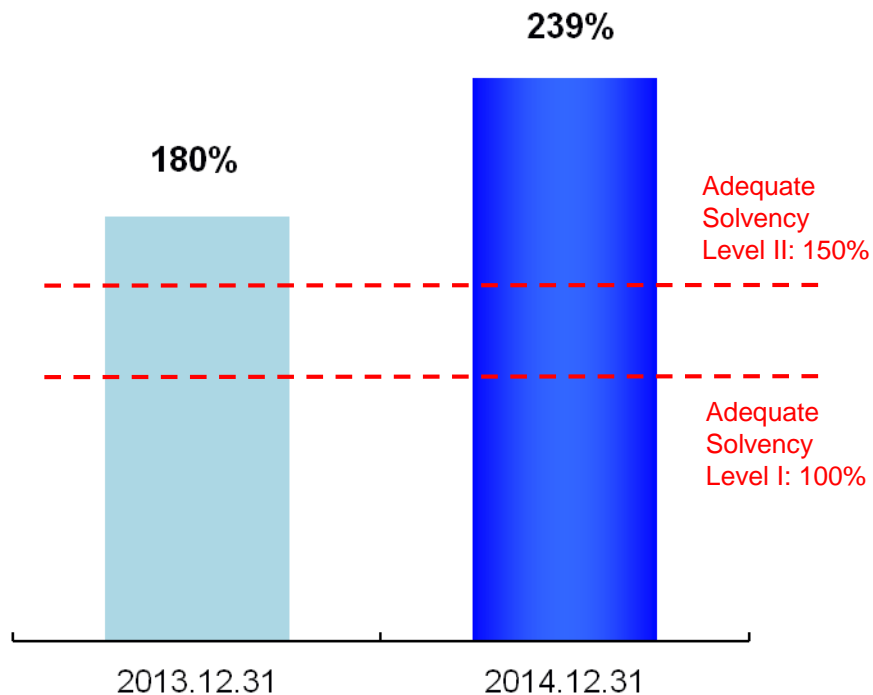
RMB mm



## Rise in Investment Yield

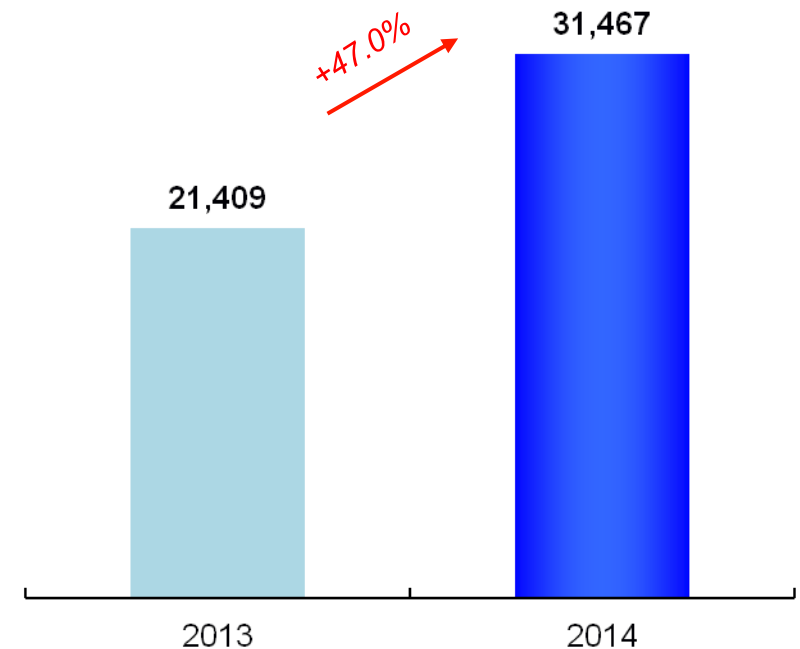


## Solvency Margin Ratio



## Net Cash inflow from Operating Activities

RMB mm



# Honors and Awards

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



**Best P&C Company**



**Property Insurance  
Company with Superior  
Competitiveness**



**Outstanding Chinese  
Enterprise in Corporate  
Social Responsibility**



**The Most Admired  
Knowledge Enterprise**



**Top 100 Hong Kong  
Listed Companies –  
2014**

# Key Initiatives in 2015

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1

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

2

**Strengthen underwriting control, improve pricing precision, actively react to the deregulation of commercial motor vehicle insurance pricing**

3

**Strengthen management on claims and operating cost, further solidify scale advantages and cost efficiency**

4

**Adhere to customer-oriented philosophy, promote internet insurance innovation and service upgrade**

5

**Adhere to prudent investment strategies, further optimize investment 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