

**PICC** 中国人民保险

**PICC P&C (2328.HK)**

**2016 Annual Results**

**March 27, 2017**



## Disclaimer

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# 2016 Annual Performance Highlights

- 1 Gross written premiums of RMB311.16bn, a YoY growth of RMB29.46bn or 10.5%, market share of 33.5%
- 2 Underwriting profit of RMB5.02bn, combined ratio of 98.1%, consistently outperforming the industry
- 3 Total investment income of RMB18.94bn, total investment yield of 5.2%, net investment yield of 4.2%
- 4 Net profit of RMB18.02bn, ROE of 15.8%, EPS of RMB1.215, proposed DPS of RMB0.309
- 5 Total assets and net assets increased by 13.2% and 9.5% from the beginning of the year, respectively; comprehensive solvency margin ratio of 287%

# Business Growth Outperformed the Industry, Dominant Market Position Further Enhanced

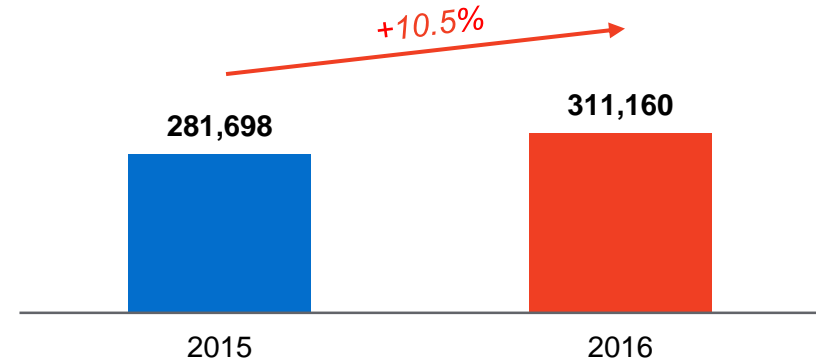
**1** Strengthened market benchmarking, adopted active market strategies, leveraged existing advantages, and accelerated the profitable development of motor vehicle insurance business

**2** Created innovative products and sales model, actively explored new areas, and promoted the development of non-motor insurance business

**3** Promoted development by enhancing service, continued to optimize service quality, and further improved customer satisfaction

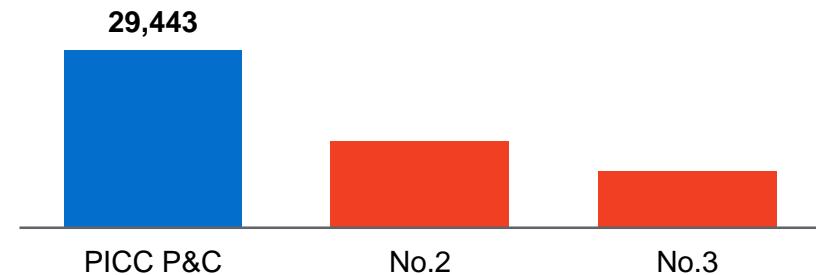
## Gross Written Premiums

RMB mm



## Incremental Premiums Ranked No.1

2016 Original Premium Income – 2015 Original Premium Income, RMB mm

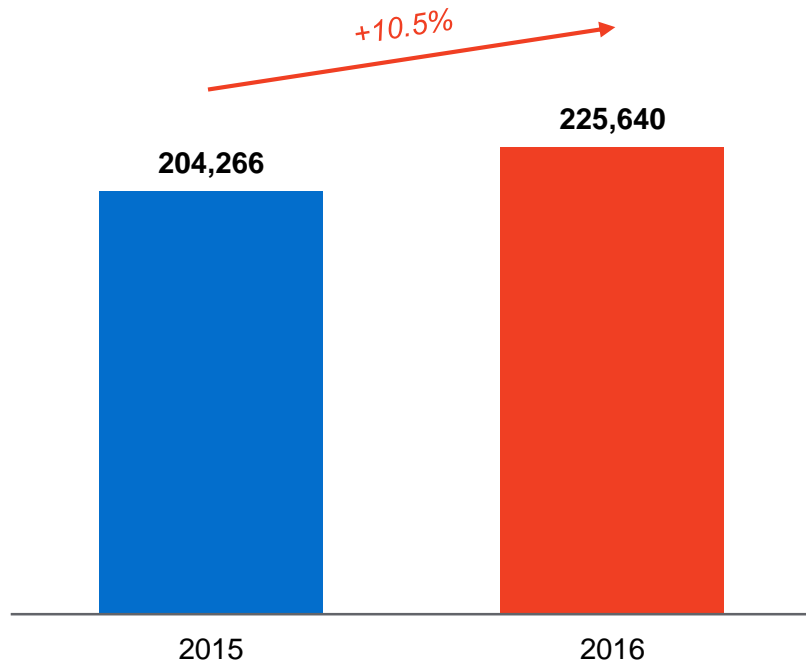


Source: CIRC

# Business Growth Outperformed the Industry

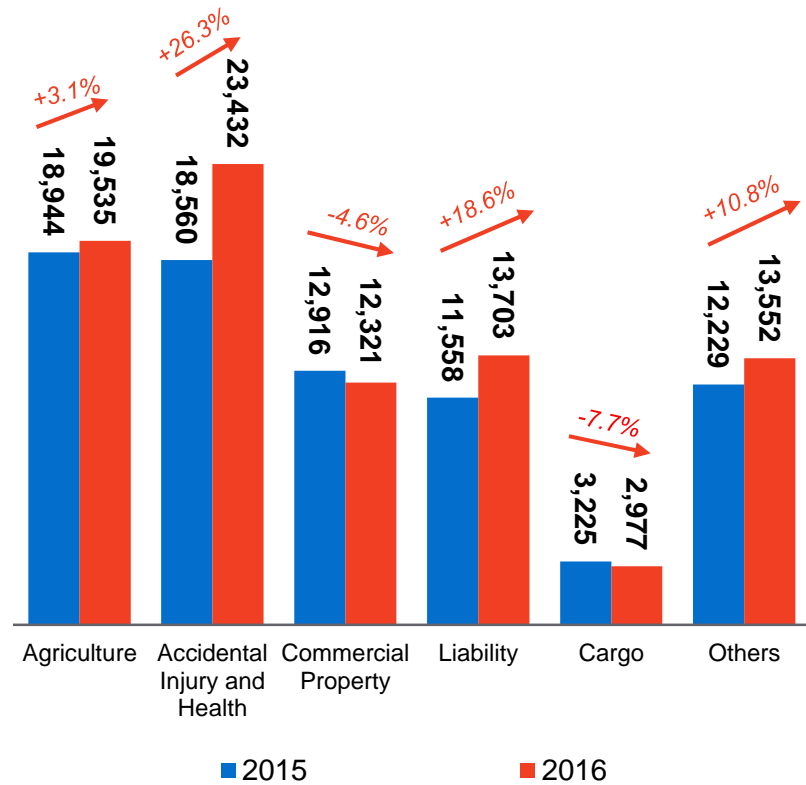
## Motor Vehicle Insurance

Gross written premiums, RMB mm



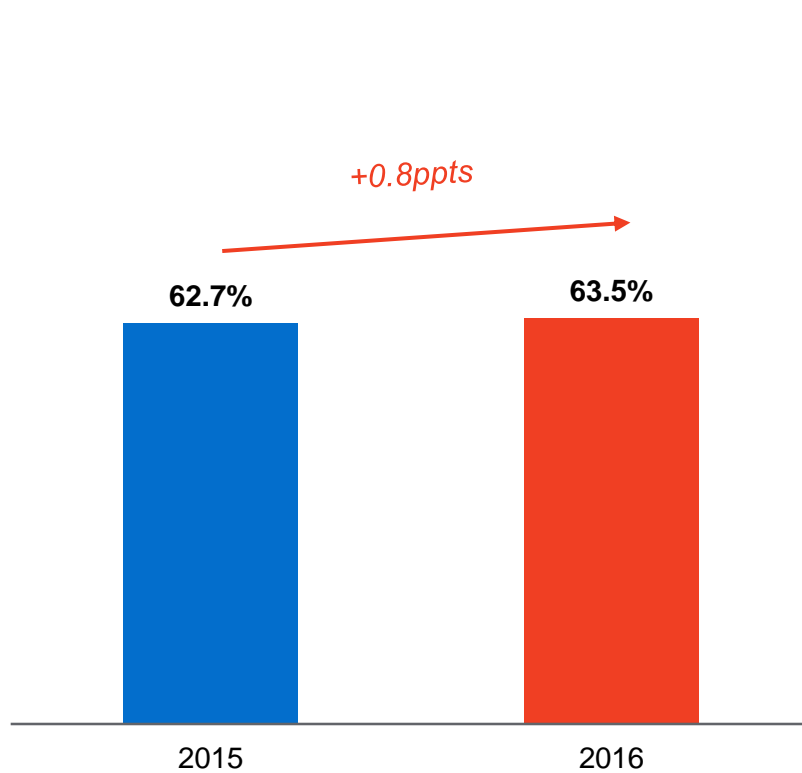
## Non-motor Insurance

Gross written premiums, RMB mm

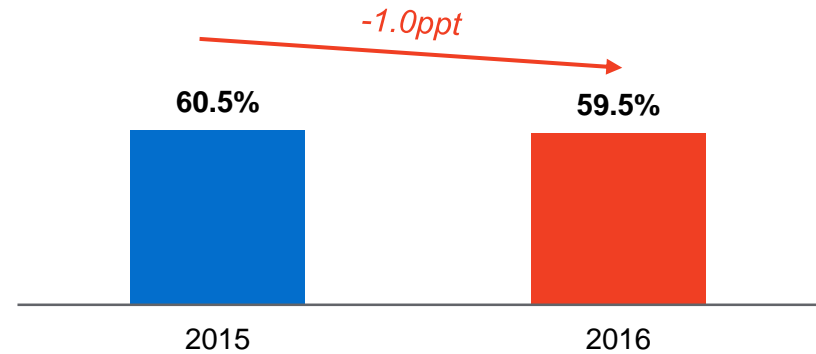


# Significant Increase in Loss from Catastrophes, Loss Ratio Increased

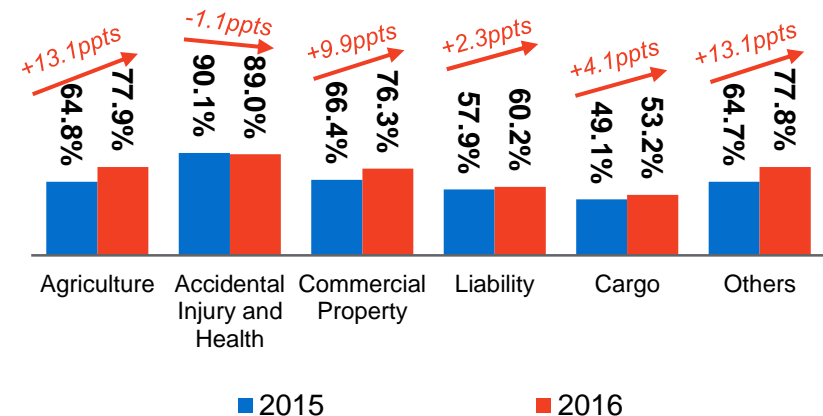
## Overall Loss Ratio



## Loss Ratio for Motor Vehicle Insurance

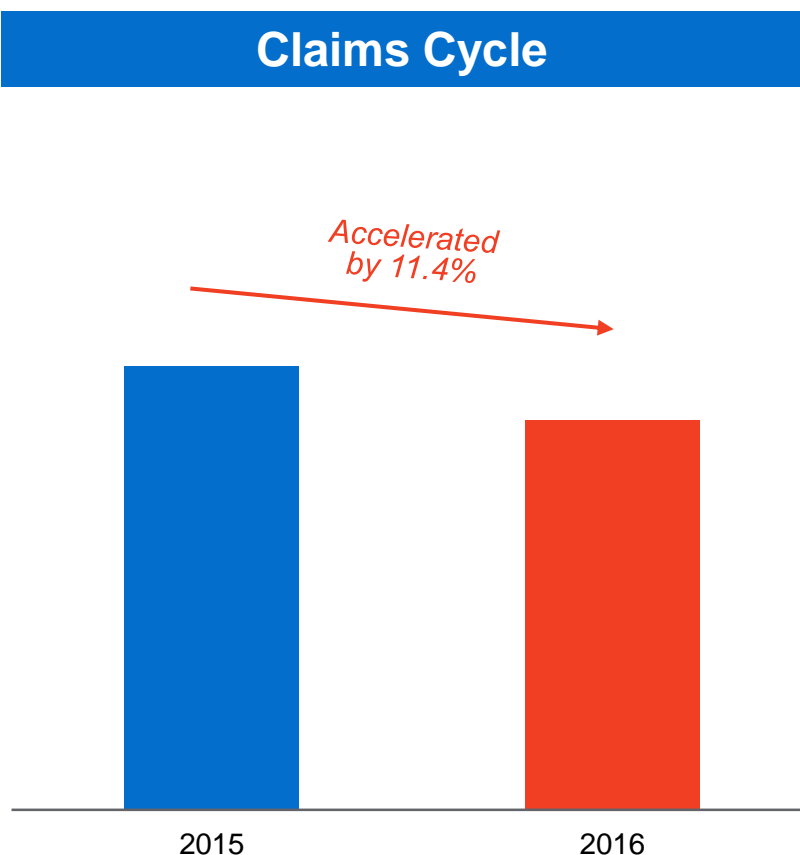


## Loss Ratio for Non-motor Insurance



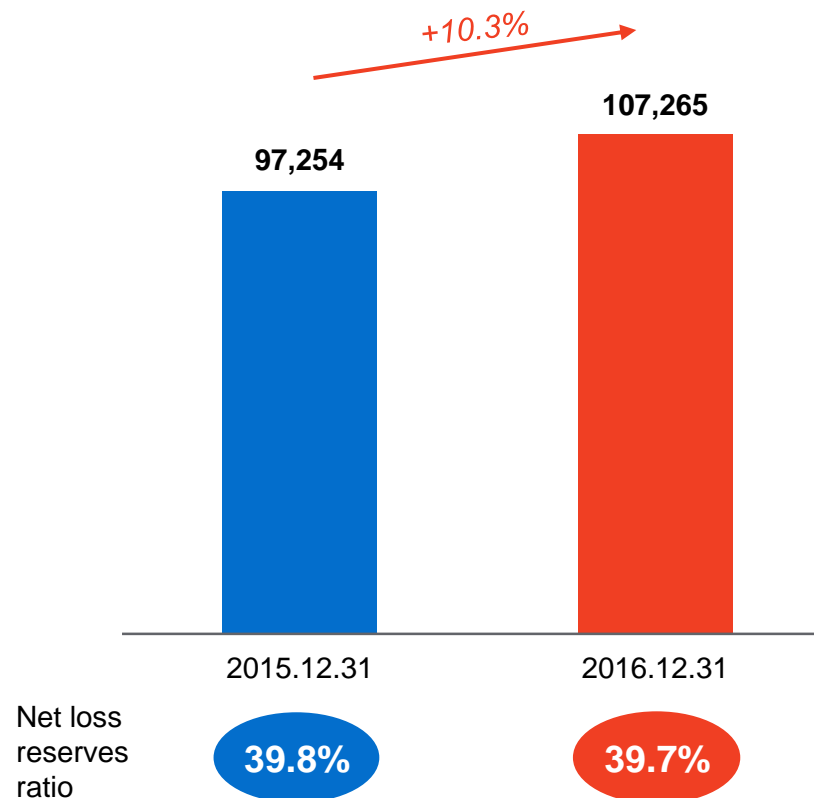
# Improved Claims Efficiency, Sufficient Appropriation of Loss and LAE Reserves

## Claims Cycle



## Net Loss and LAE Reserves

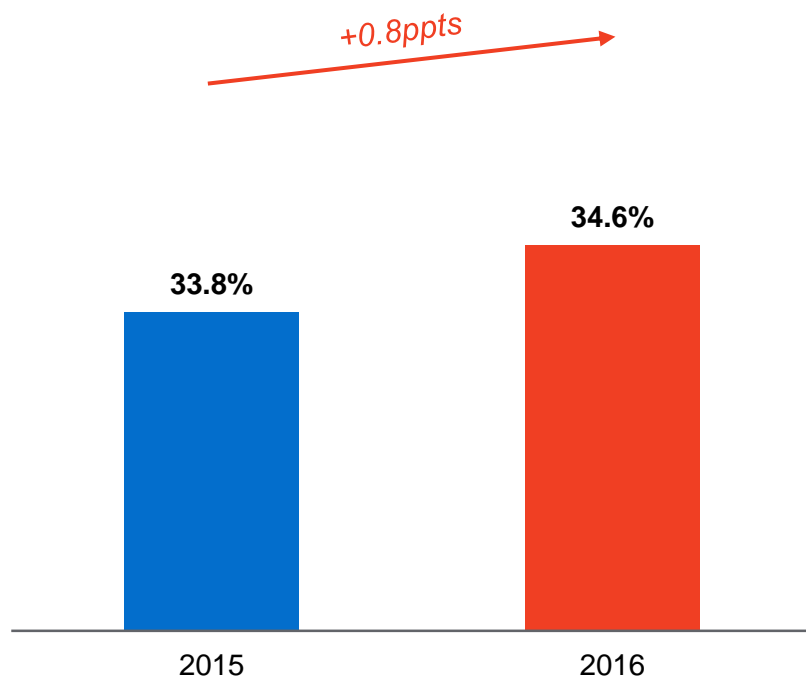
RMB mm



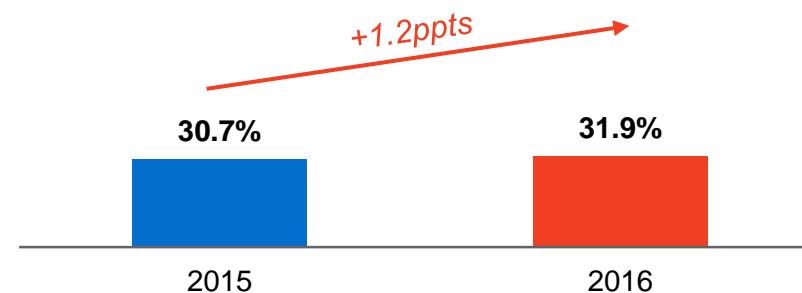
Note: Net Loss Reserves ratio = Net Loss and Loss Adjustment Expense Reserves by the end of the period / Net premiums earned in the past 12 months

# Increased Sales Resources Input, Expense Ratio Rose

## Overall Expense Ratio

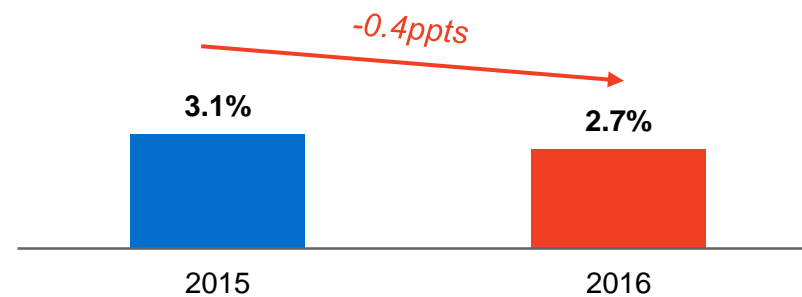


## Underwriting Expense Ratio



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

## Administrative Expense Ratio

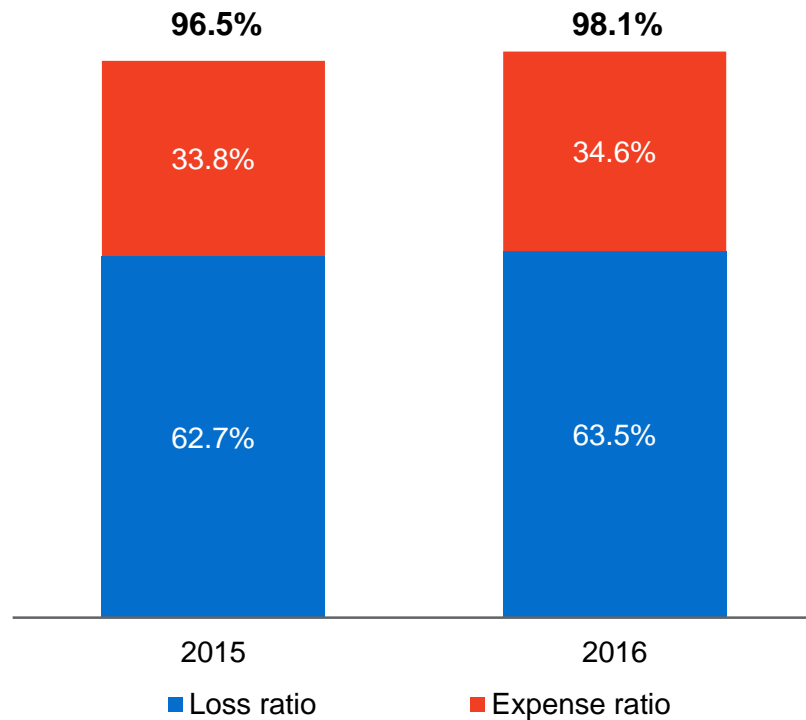


Note: Administrative expense ratio = administrative expenses/Net earned premiums



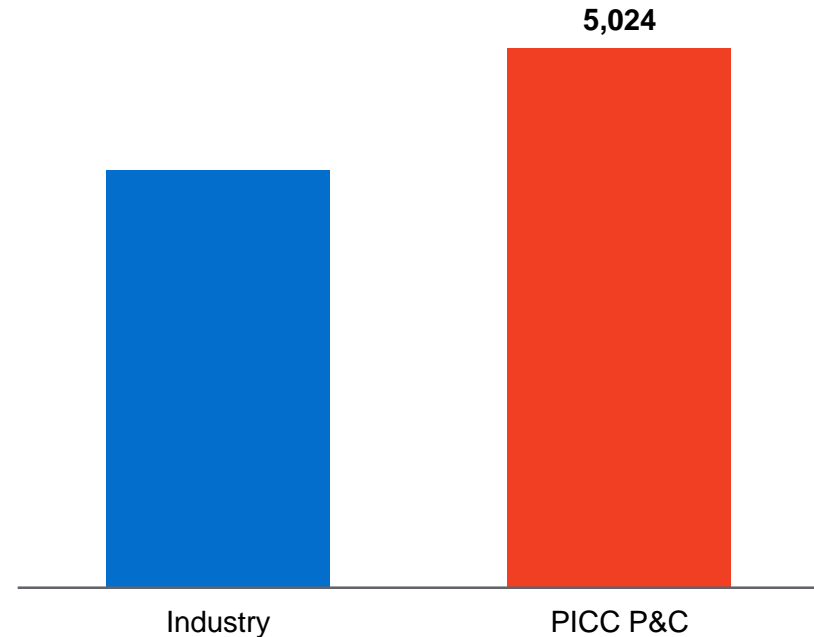
# Underwriting Profit Continued to Outperform the Industry

## Combined Ratio



## Underwriting Profit

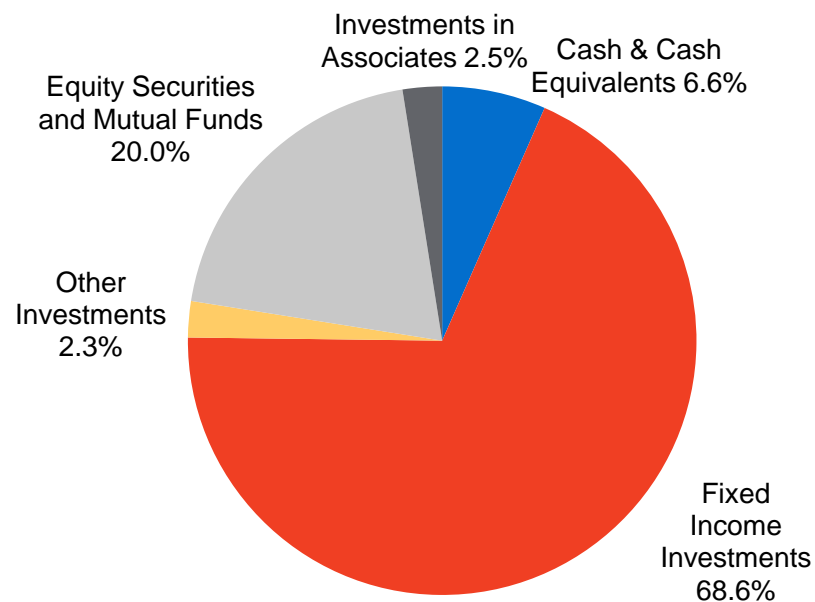
RMB mm



# Prudent Investment Strategy, Investment Portfolio Further Optimized

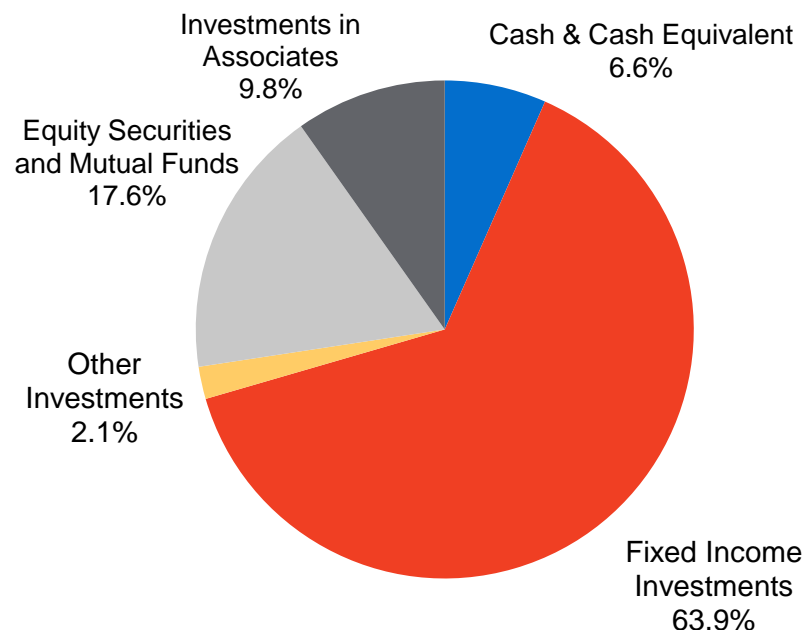
As of December 31, 2015

Total Investment Assets:  
RMB344.03bn



As of December 31, 2016

Total Investment Assets:  
RMB379.98bn

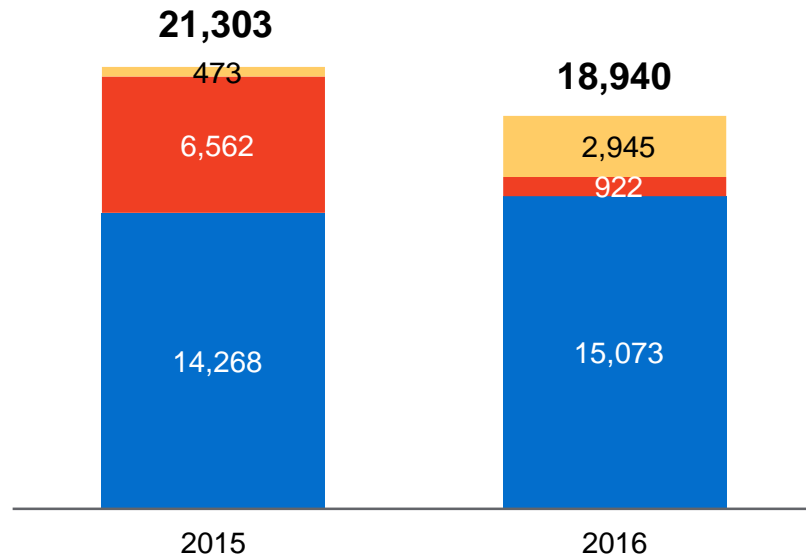


Note: Figures may not add up due to rounding; cash and cash equivalents are mainly denominated in RMB and exclude deposits from banks and other financial institutions with original maturities > 3 months and structured deposits in banks and other financial institutions; "other investments" include investment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

# Investment Income Decreased

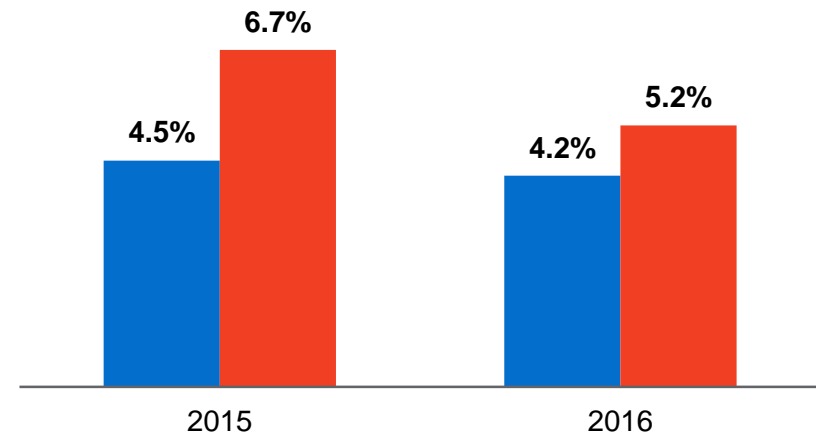
## Investment Income Mix

RMB mm



- Share of Profits of Associates
- Realised and Unrealised Net Investment Income
- Interest, Dividend, and Rental Income

## Investment Yields

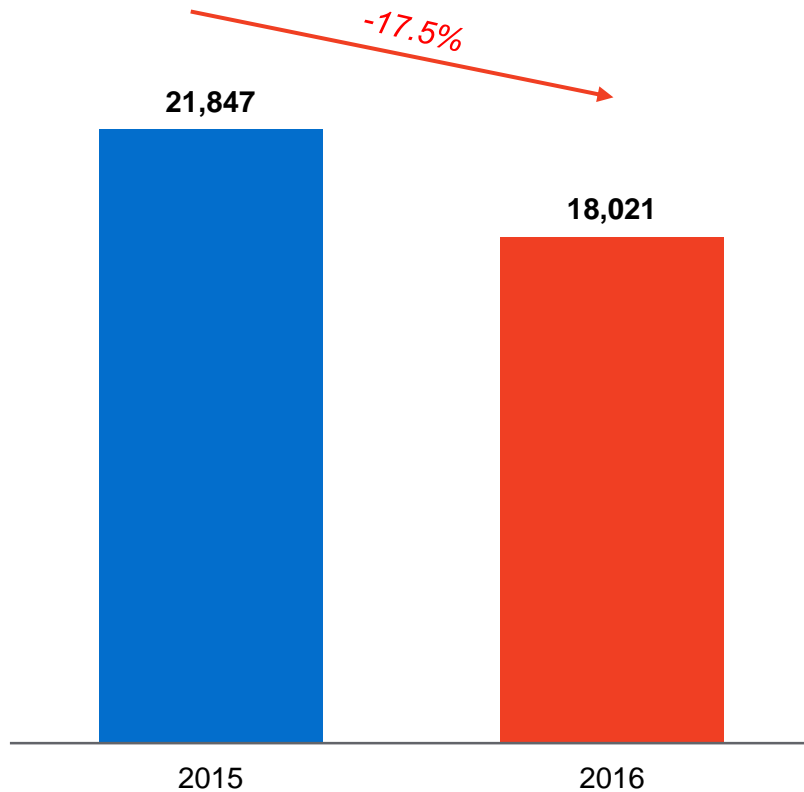


- Net investment yield
- Total investment yield

# Capital Position Further Strengthened, Solvency Margin Remained Adequate

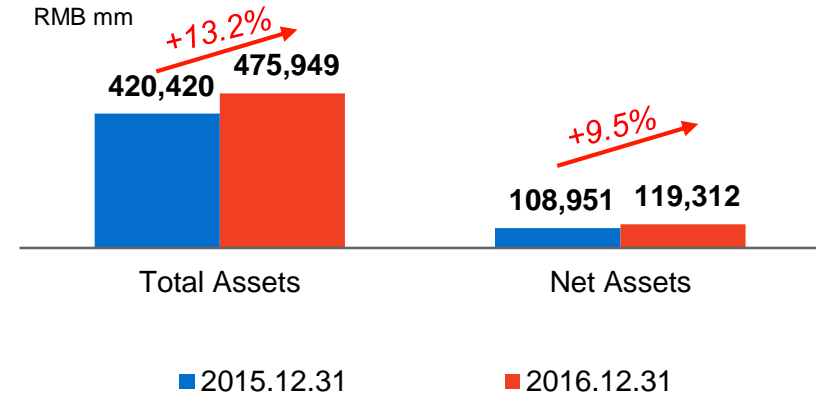
## Net Profit of RMB18.02bn

RMB mm

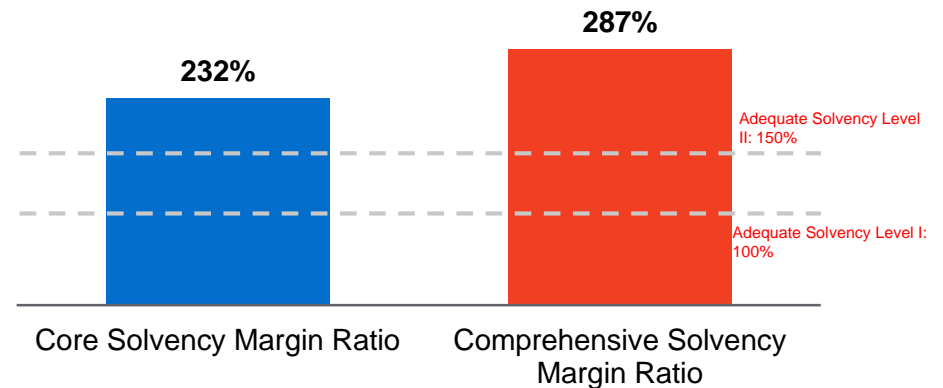


## Rapid Growth in Total Assets and Net Assets

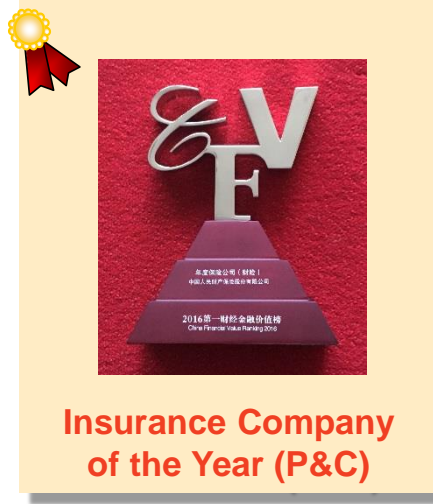
RMB mm



## Solvency Margin Ratio Remained Stable



# Honors and Awards



# Key Initiatives in 2017

- 1 Benchmark with the industry, improve the positioning of motor vehicle insurance and non-motor insurance business, and promote sustained business growth
- 2 Strengthen underwriting control, improve pricing precision, strengthen both underwriting pricing and resources allocation
- 3 Enhance claims management and operating costs control, strengthen leading cost advantages through refined management
- 4 Accelerate the layout of internet strategy, and promote transformation towards a customer-oriented business mode
- 5 Adhere to prudent investment strategies, improve professional investment capabilities, and seize market opportunities, improve investment profitability
- 6 Continue to improve internal control and compliance system, further enhance risk management capability

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**Q & A**

