

PICC 中国人民保險

PICC P&C (2328.HK)

2017 Interim Results

August 28, 2017



Disclaimer

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2017 Interim Performance Highlights

- 1 Gross written premiums of RMB179.68bn, a YoY growth of 11%, market share of 34%, maintaining dominant position
- 2 Underwriting profit of RMB6.52bn, combined ratio of 95.5%, consistently outperforming the industry
- 3 Total investment income of RMB9.97bn, a YoY growth of 31.2%, annualized total investment yield of 5.1%, annualized net investment yield of 4%
- 4 Net profit of RMB12.08bn, a YoY growth of 13.5%, EPS of RMB0.815, annualized ROE of 19.6%
- 5 Total assets and net assets increased by 11.6% and 7% from the beginning of the year, respectively; net cash flow from operating activities increased by 70.7% YoY; comprehensive solvency margin ratio of 290%

Business Achieved Rapid Growth, Maintaining Dominant Position

1

Strengthened market benchmarking, adopted active financial policies, expanded the authorization to lower level branches, fully releasing the grassroots' creativity and initiative and promoted rapid development

2

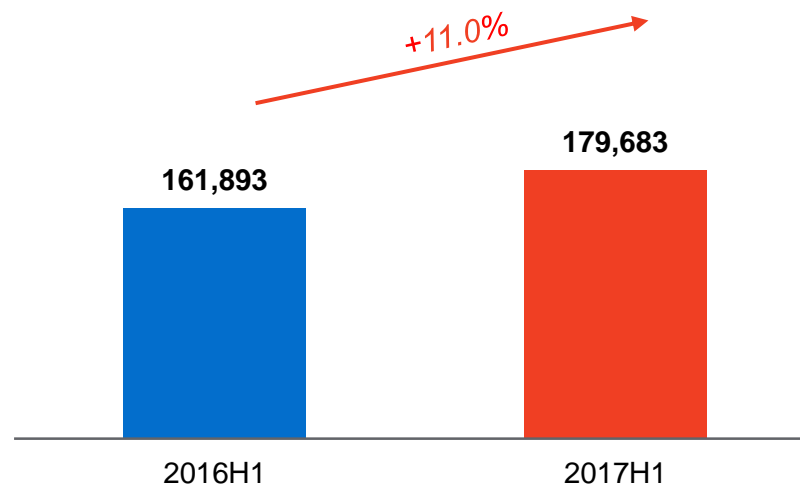
Seized opportunities, upgraded product supply, actively expanded service areas, promoted the construction of policy-supported business operation platforms, carried out agricultural financing pilot and further consolidated the dominant market position in policy-supported business

3

Refined the lay out of distribution channels, expanded rural sales teams, and strengthened sales processes management

Gross Written Premiums

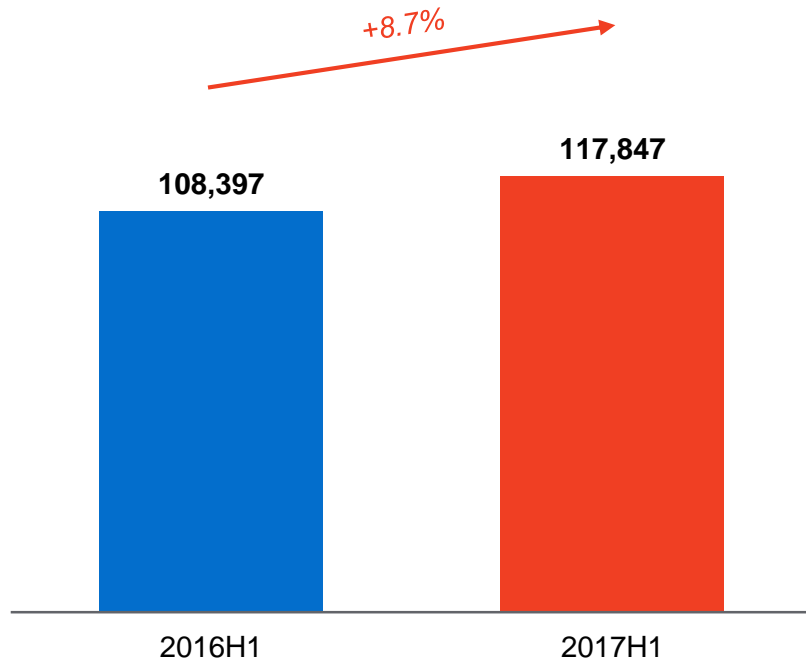
RMB mm



Business Maintained Rapid Growth

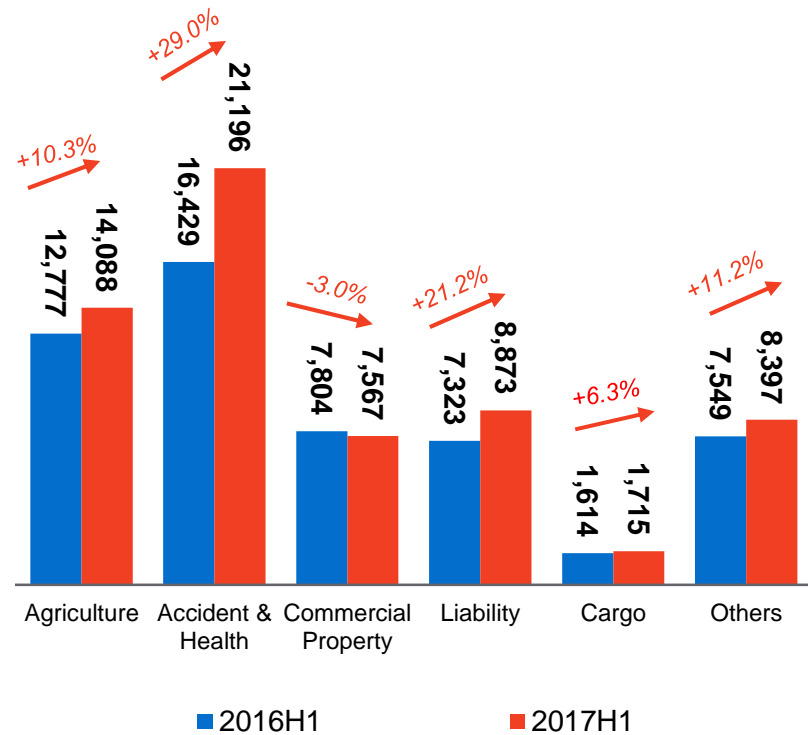
Motor Vehicle Insurance

Gross written premiums, RMB mm



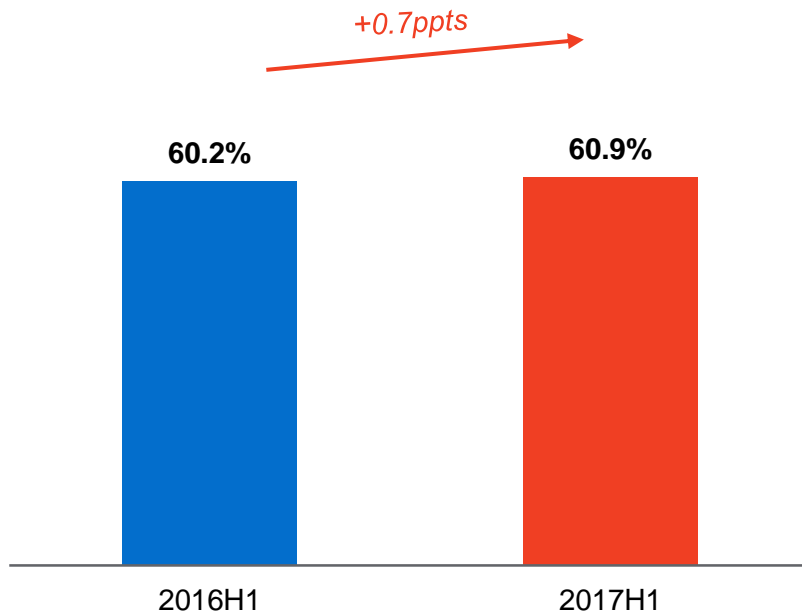
Non-motor Insurance

Gross written premiums, RMB mm

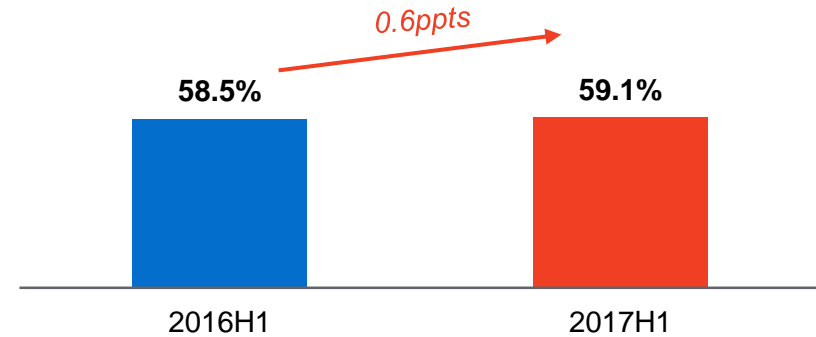


Loss Ratio Increased

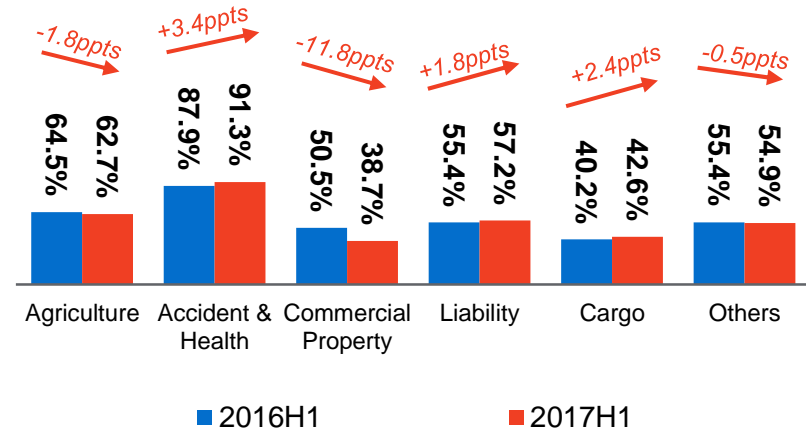
Overall Loss Ratio



Loss Ratio for Motor Vehicle Insurance



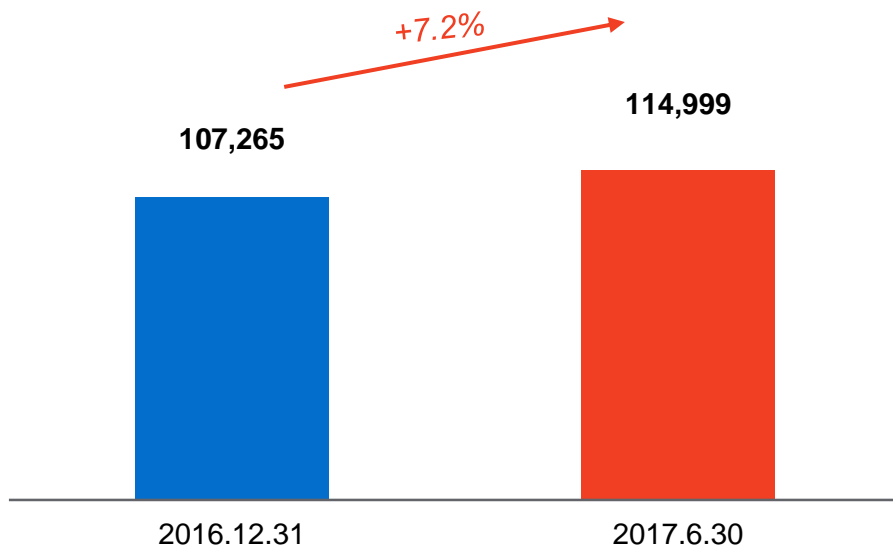
Loss Ratio for Non-motor Insurance



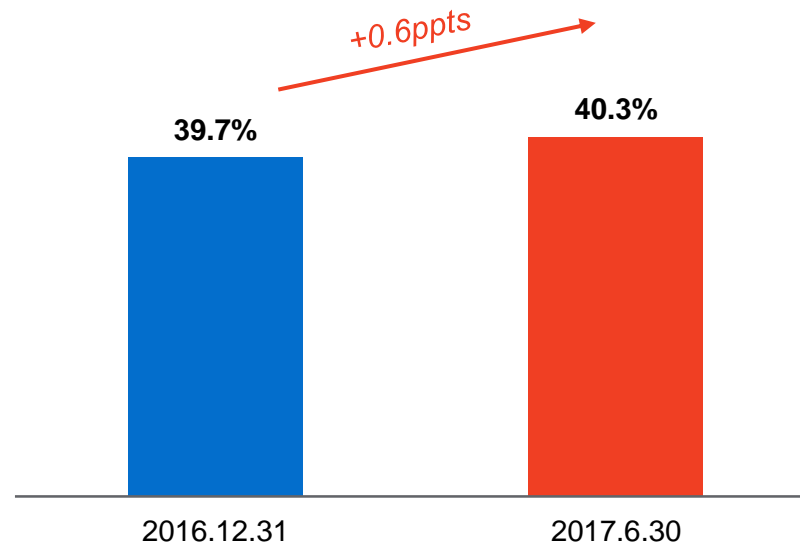
Sufficient Appropriation of Loss and LAE Reserves

Net Loss and LAE Reserves

RMB mm



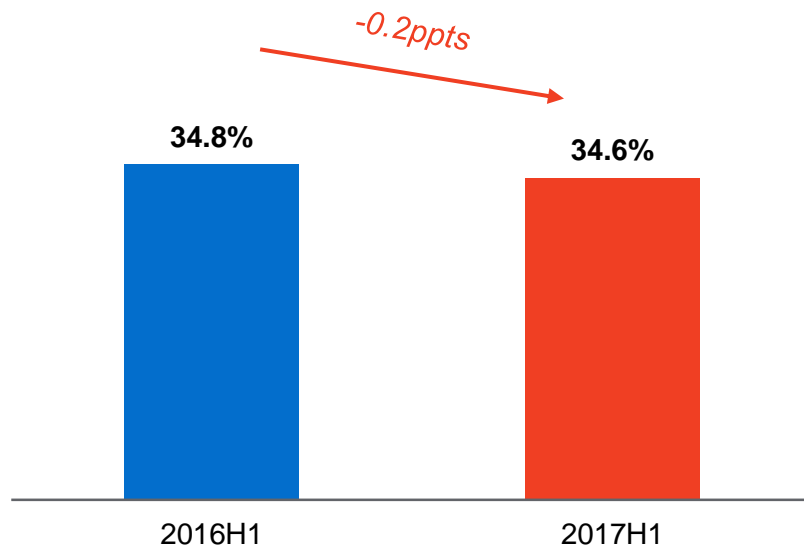
Net Loss and LAE Reserves Ratio



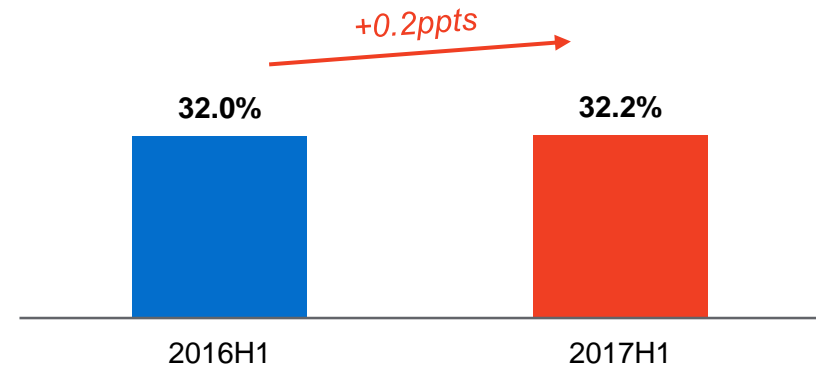
Note: Net Loss Reserves ratio = Net Loss and Loss Adjustment Expense Reserves by the end of the period / Net premiums earned in the past 12 months

Expense Ratio Declined

Overall Expense Ratio

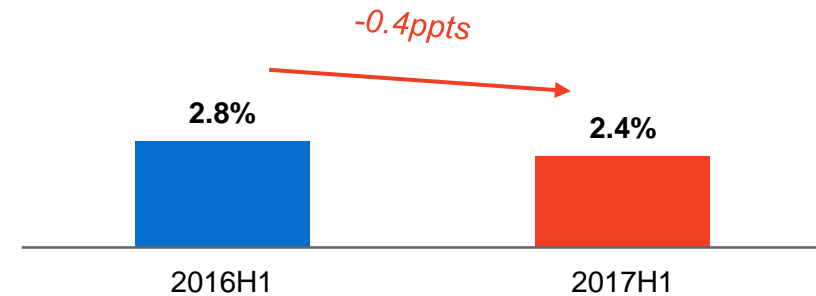


Underwriting Expense Ratio



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

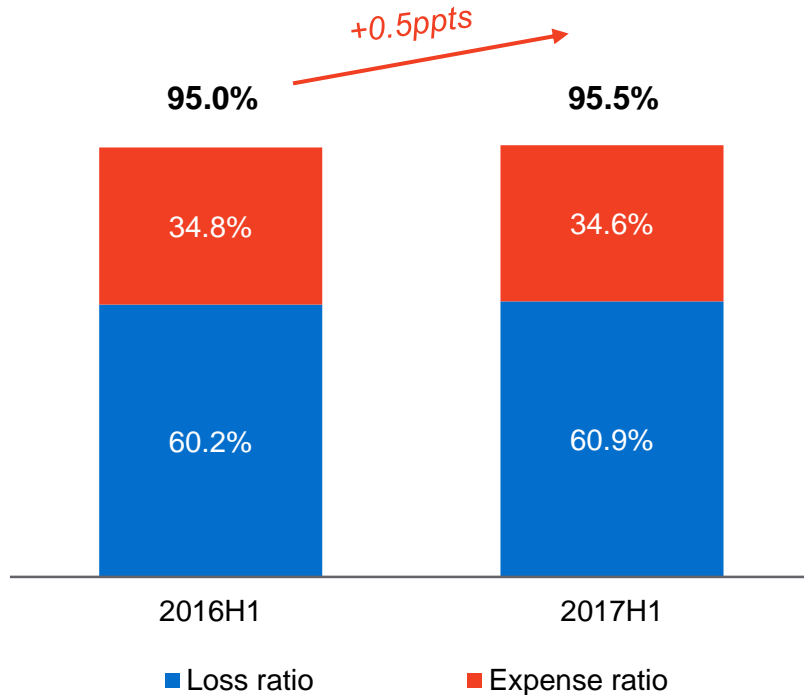
Administrative Expense Ratio



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

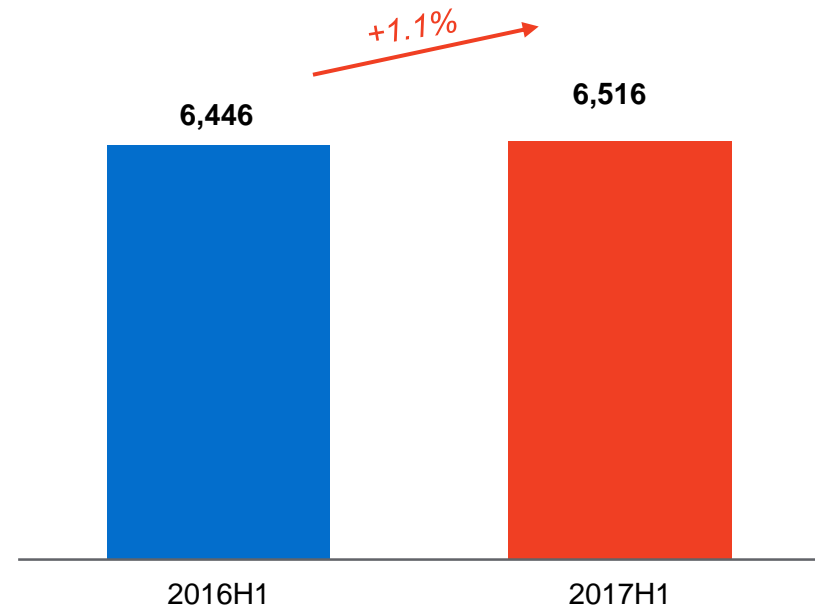
Underwriting Profitability Continued to Outperform the Industry

Combined Ratio



Underwriting Profit

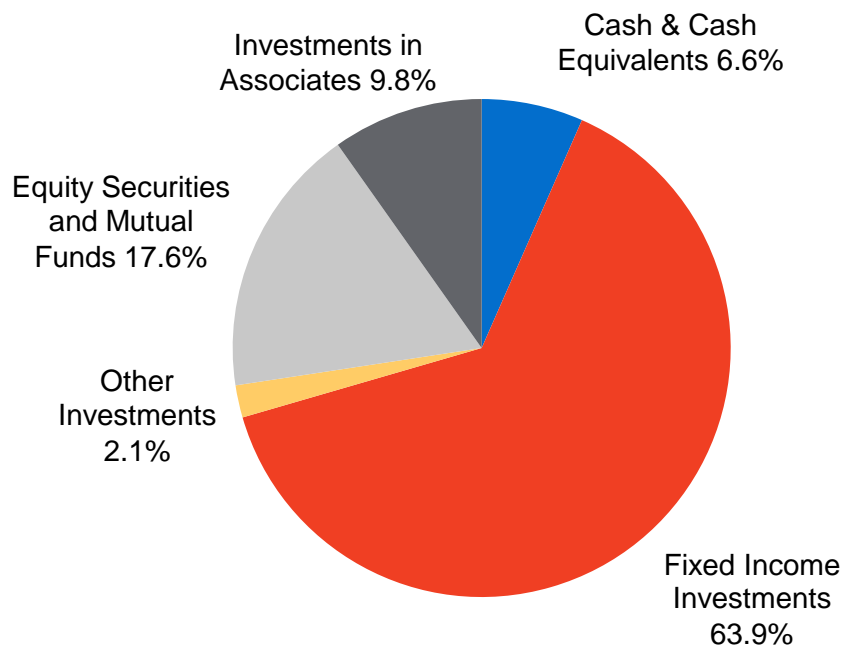
RMB mm



Investment Strategy Remained Prudent, Investment Portfolio Optimized

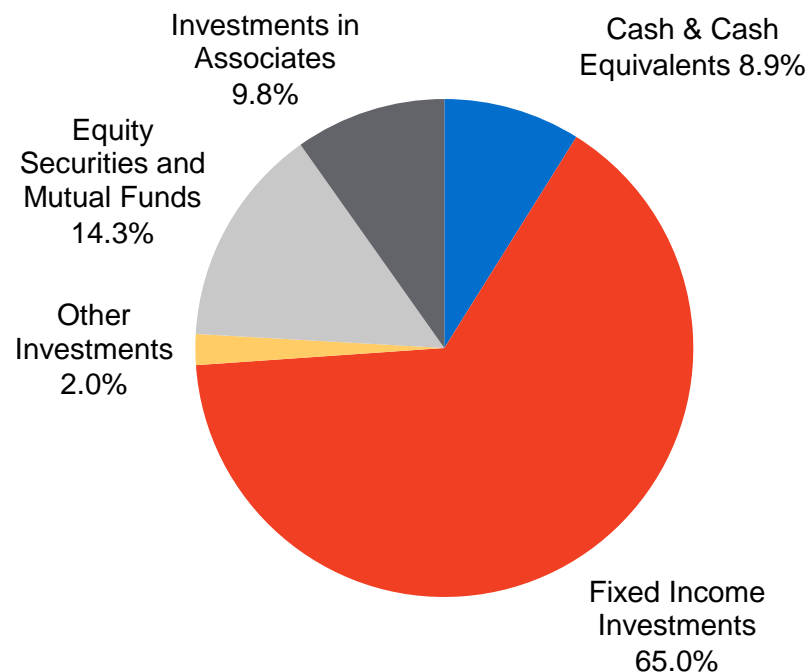
As of December 31, 2016

Total Investment Assets: RMB379.98bn



As of June 30, 2017

Total Investment Assets: RMB396.06bn

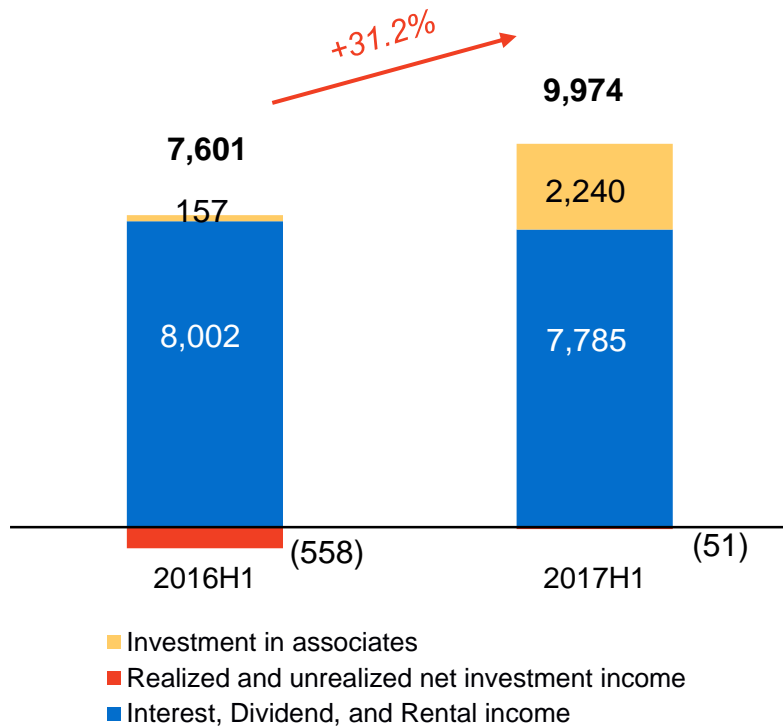


Note: Figures may not add up due to rounding; cash and cash equivalents are mainly denominated in RMB and include financial assets purchased under resale agreement with original maturity of less than three months; "other investments" include investment properties, derivative financial assets, statutory deposits, etc.

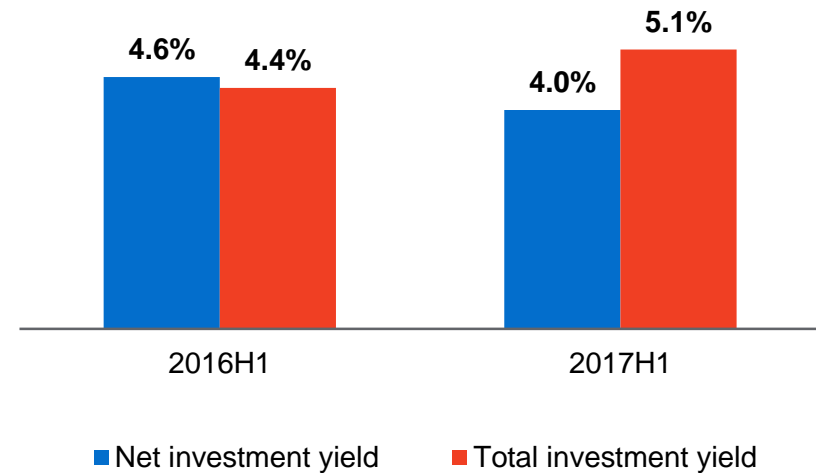
Investment Income Increased

Investment Income

RMB mm



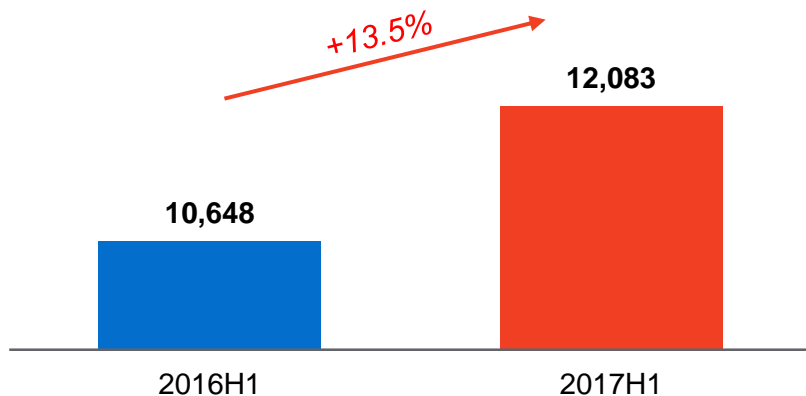
Annualized Investment Yield



Net Profit Increased, Capital Position Further Strengthened

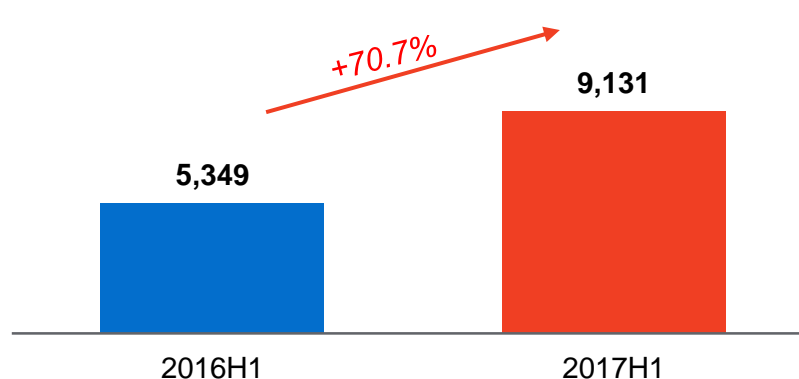
Net Profit

RMB mm



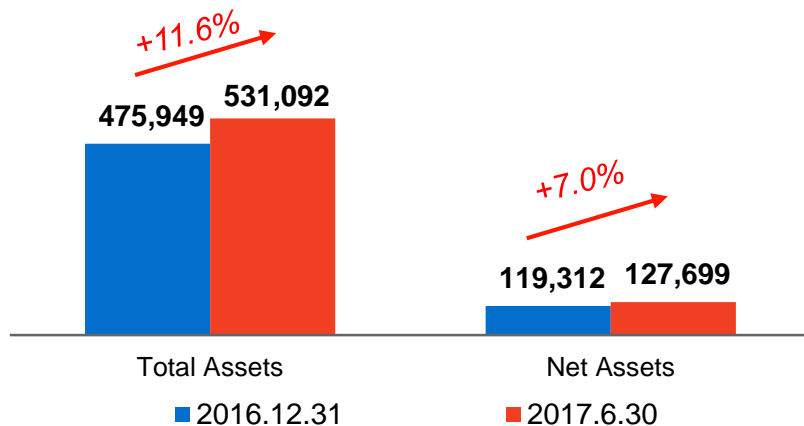
Net Cash Flow from Operating Activities

RMB mm

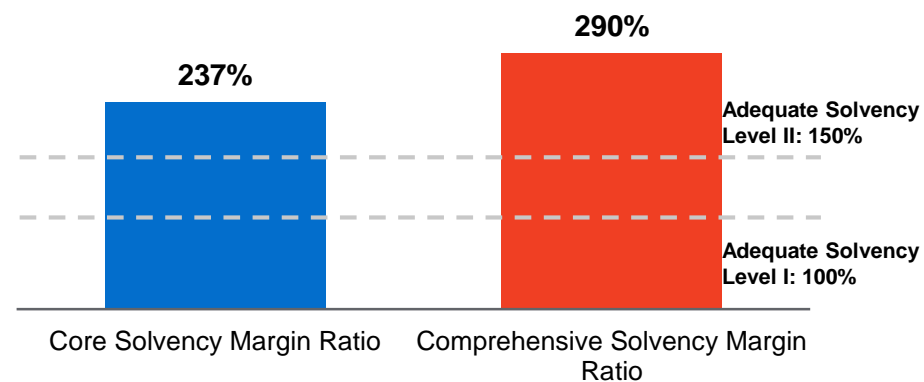


Total Assets and Net Assets

RMB mm



Solvency Margin Ratio



Key Initiates in the Second Half of the Year

- 1 Benchmark with the industry, further enhance management, promote profitable development of motor vehicle insurance business
- 2 Capture development opportunities, innovate services model, upgrade insurance supply, promote development of non-motor insurance business
- 3 Strengthen underwriting and claims management, further improve pricing, enhance cost advantage, improve underwriting profitability
- 4 Implement the internet strategy, increase the financial technology applications, promote innovative development
- 5 Adhere to prudent investment strategy, strictly control risks, capture market opportunities, increase investment income
- 6 Continue to improve internal control and compliance system, further enhance risk management capabilities

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Q & A

