

# PICC P&C (2328.HK) 2016 Interim Results

做人民满意的保险公司



# Disclaimer

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# 2016 Interim Performance Highlights

1

1

Turnover of RMB161.89bn, a YoY growth of RMB15.66bn or 10.7%, exceeding industry growth

2

Underwriting profit of RMB6.45bn, a YoY growth of 4.1%, combined ratio of 95.0%, consistently outperforming the industry

3

Investment income of RMB7.60bn, annualized total investment yield of 4.4%, annualized net investment yield of 4.6%

4

Net profit of RMB10.65bn, a YoY decrease of 26.2%, EPS of RMB0.718

5

Total assets and net assets increased by 7.5% and 3.0%, respectively, from the beginning of the year, comprehensive solvency margin ratio of 280%

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

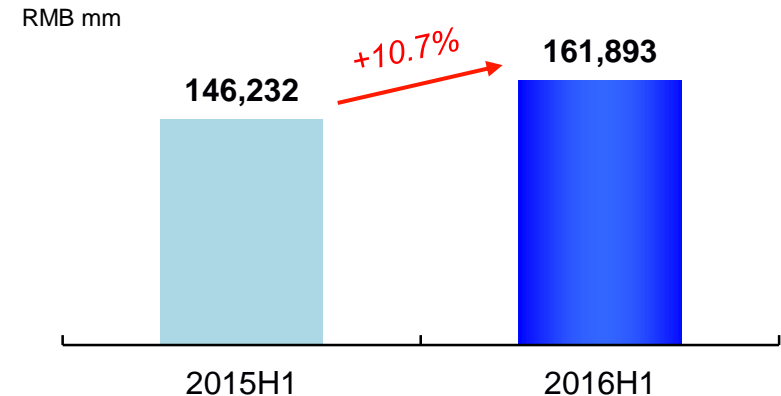
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**1** Strengthened market benchmarking, adopted active market strategies, and promoted the profitable development of motor vehicle insurance business

**2** Innovated product supply and sales model, actively explored new areas, and promoted the development of non-motor insurance business

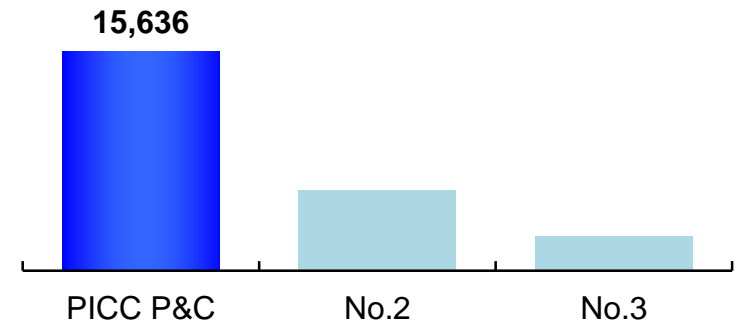
**3** Promoted development by enhancing service, and further improved customer satisfaction

## Turnover of RMB161.89bn



## Incremental Premiums Ranked No.1 in the Industry

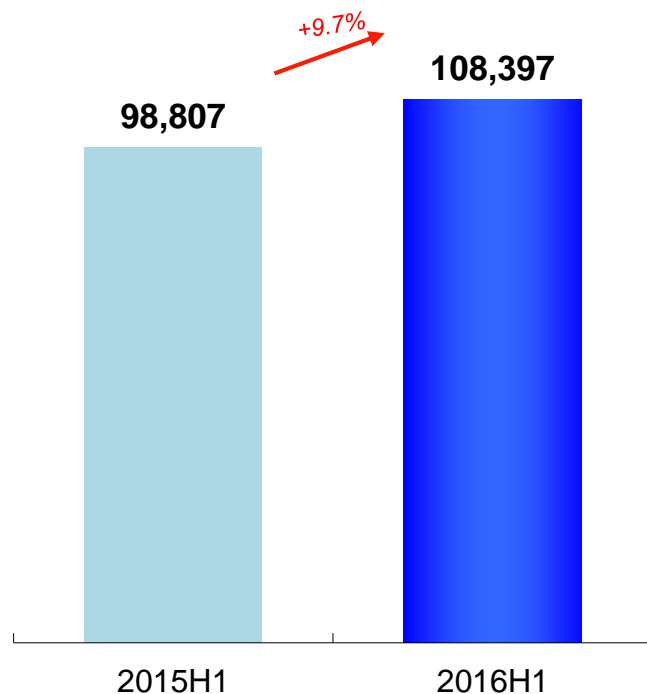
2016H1 Original Premium Income – 2015H1 Original Premium Income, RMB mm



Source: CIRC

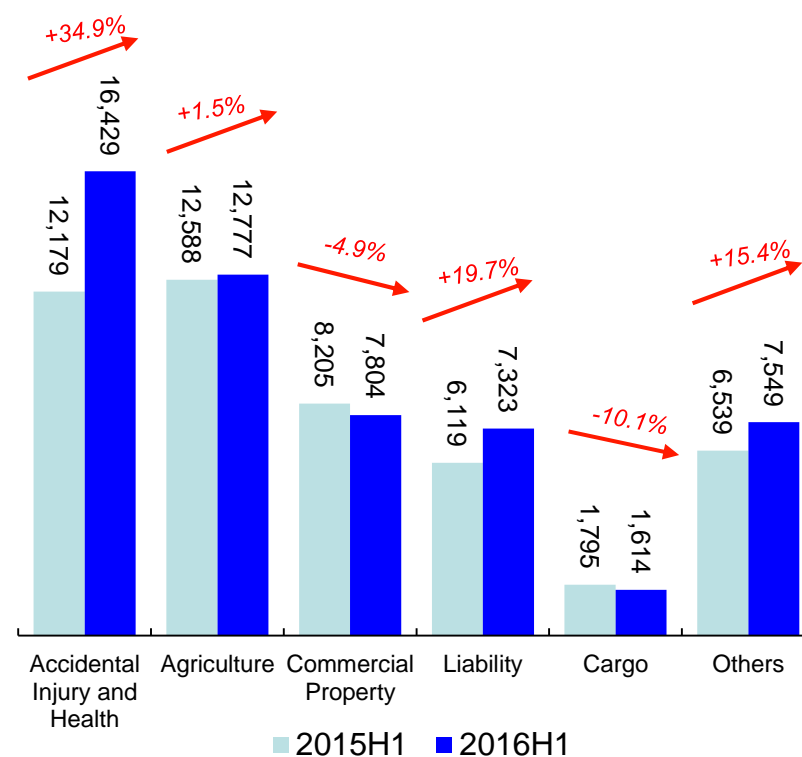
## Motor Vehicle Insurance

Turnover, RMB mm



## Non-motor Insurance

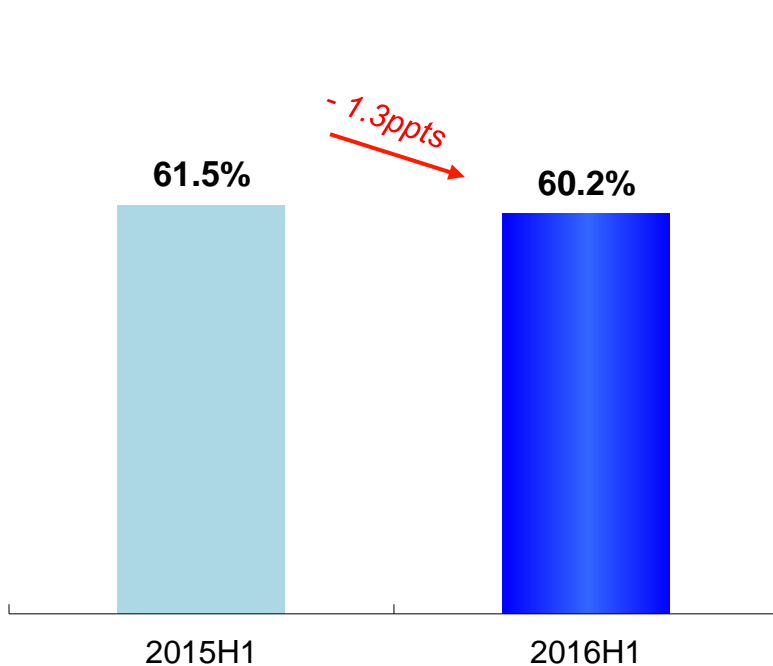
Turnover, RMB mm



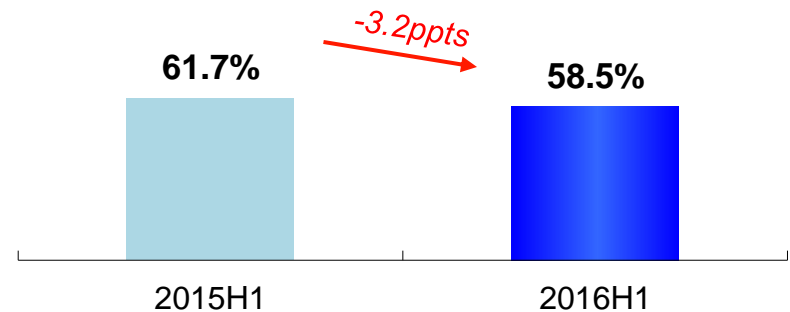
# Strict Control of Claims Cost, Loss Ratio Decreased

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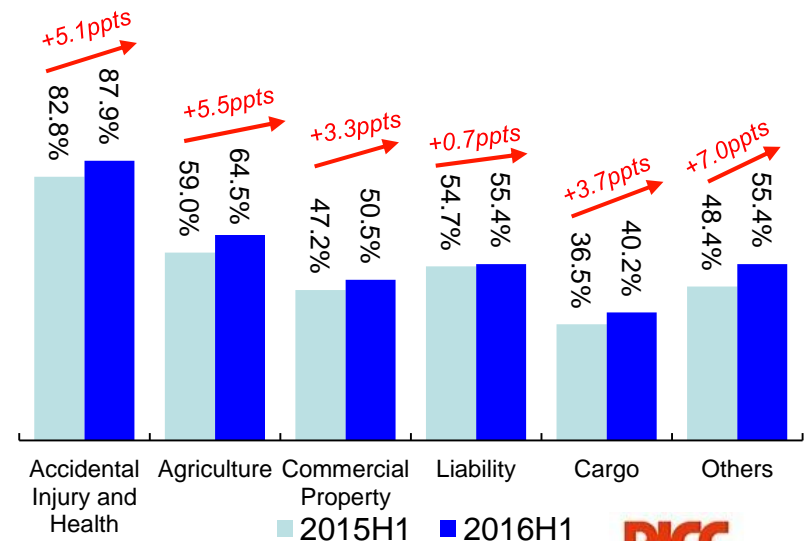
## Overall Loss Ratio



## Loss Ratio for Motor Vehicle Insurance



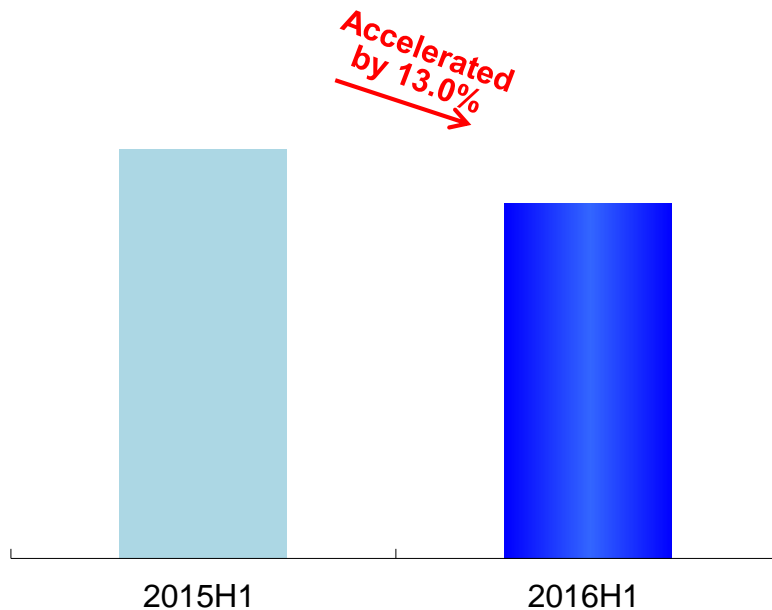
## Loss Ratio for Non-motor Insurance



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

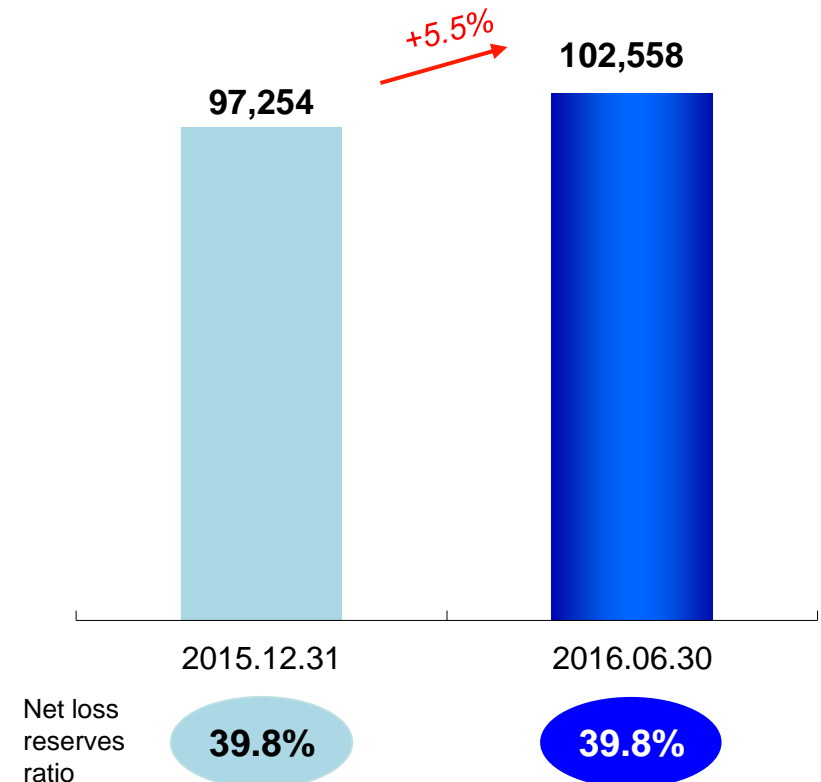
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## Claims Cycle



## Net Loss and LAE Reserves

RMB mm

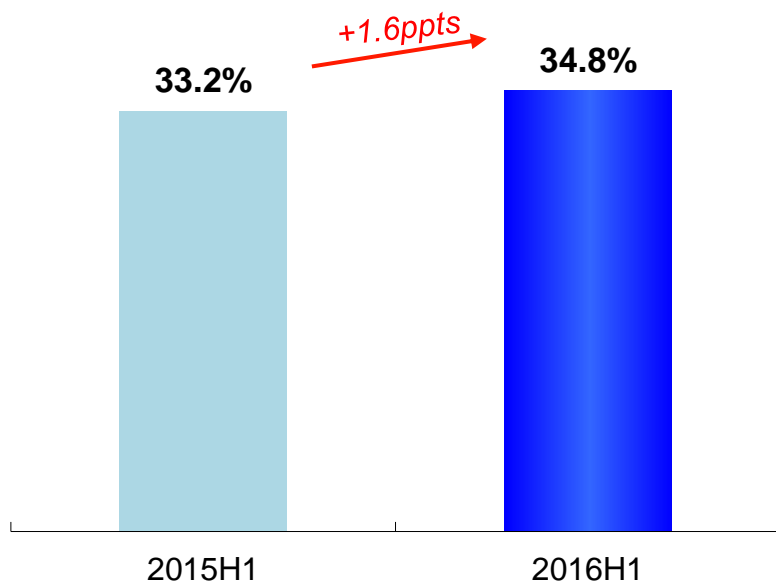


Note: Net Loss Reserves ratio = Net Loss and Loss Adjustment Expense Reserves by the end of the period / LTM Net Premiums Earned in the past 12 months

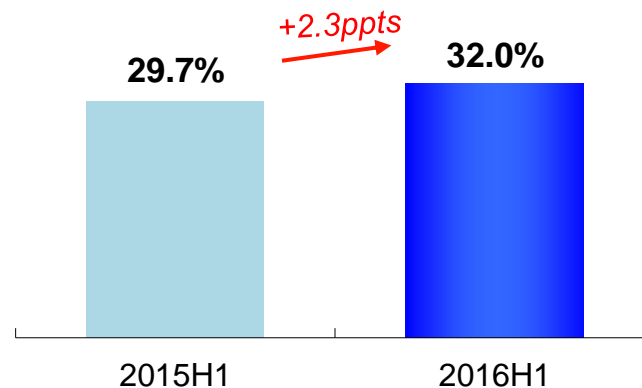
# Increased Sales Resources Input, Expense Ratio Rose

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## Overall Expense Ratio

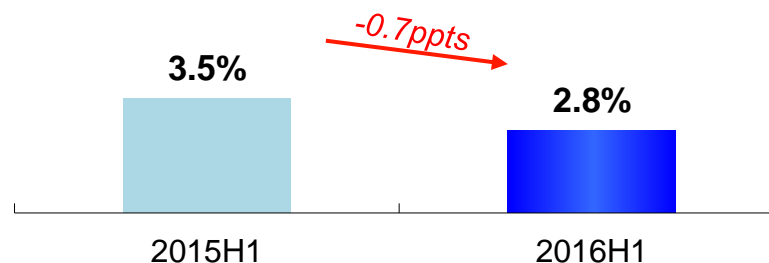


## Underwriting Expense Ratio



Note: Underwriting Expense Ratio = (Net Policy Acquisition cost + Other Underwriting Expenses) / Net Premiums Earned

## Administrative Expense Ratio

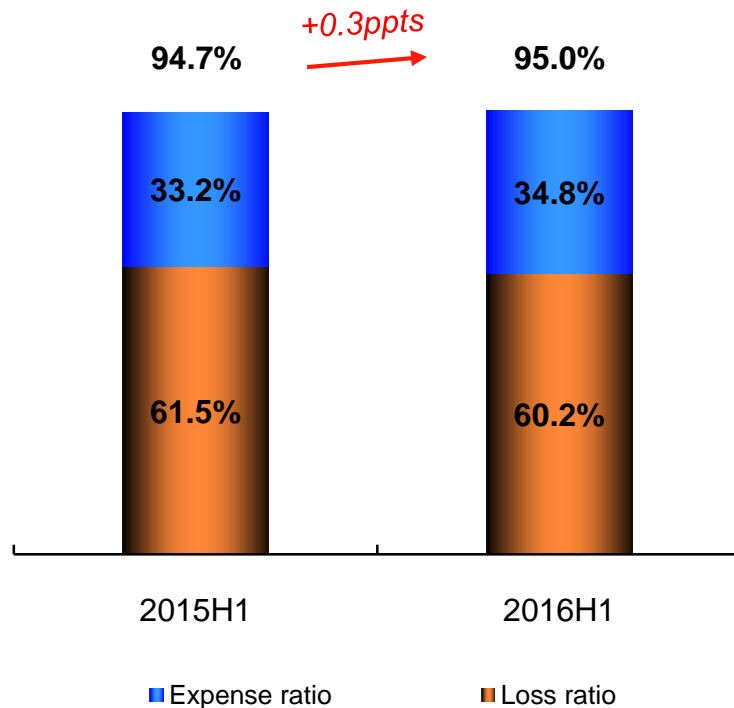


Note: Administrative Expense Ratio = Administrative Expenses/Net Premiums Earned

# Underwriting Profit Increased and Profitability Continued to Outperform the Industry

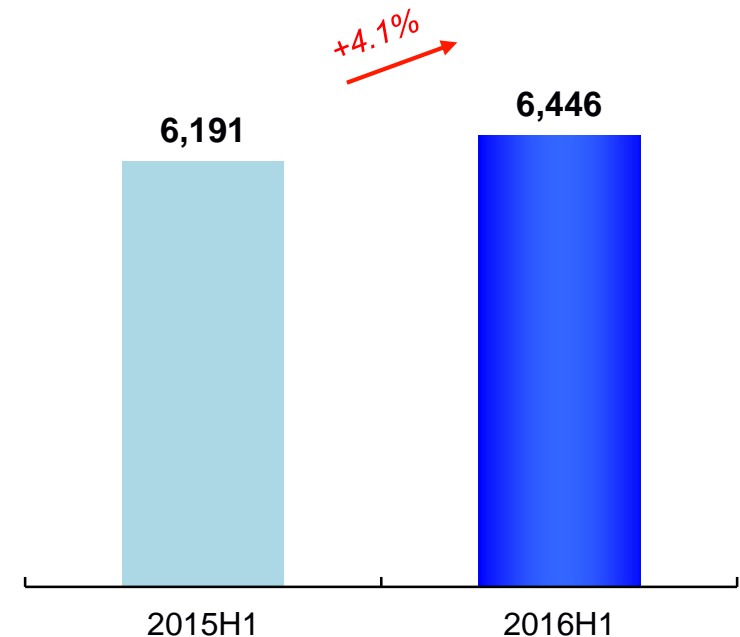
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## Combined Ratio



## Underwriting Profit

RMB mm

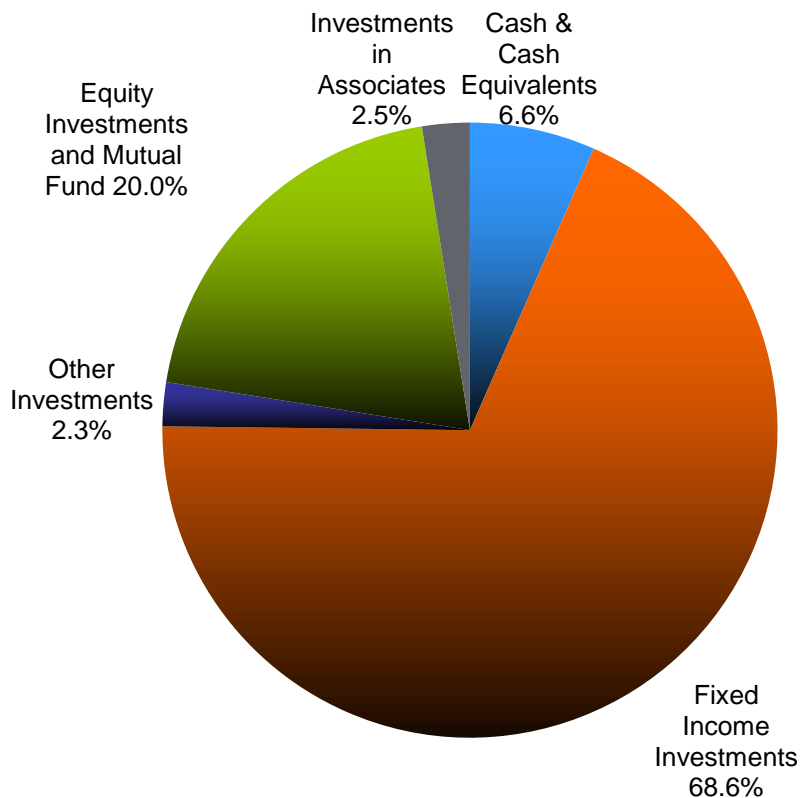


# Prudent Investment Strategy, Investment Portfolio Further Optimized

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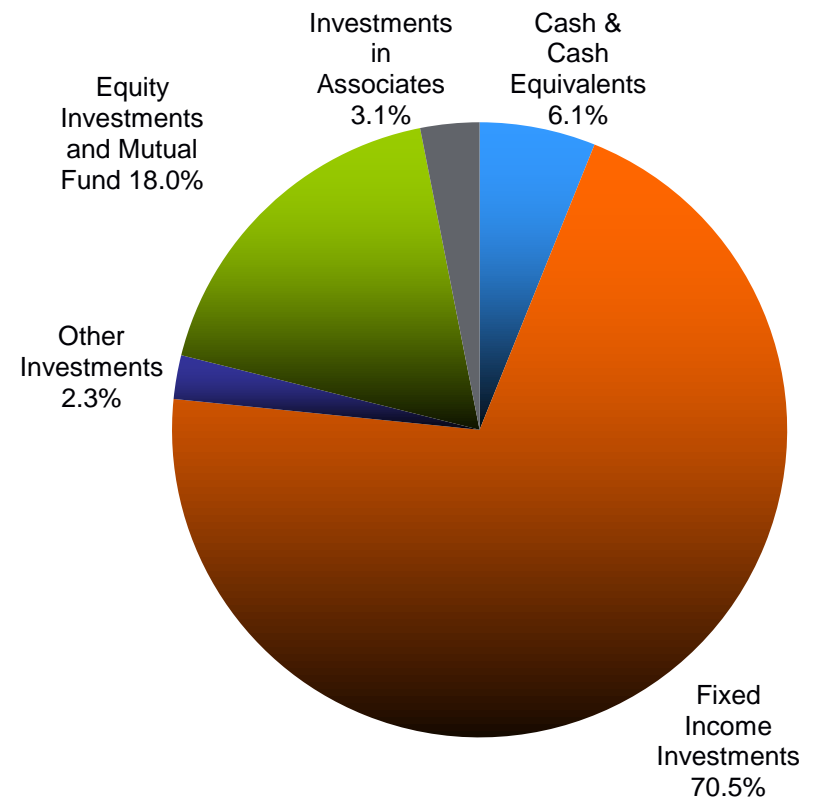
**As of December 31, 2015**

**Total Investment Assets: RMB344.03bn**



**As of June 30, 2016**

**Total Investment Assets: RMB345.34bn**



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.

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**PICC**

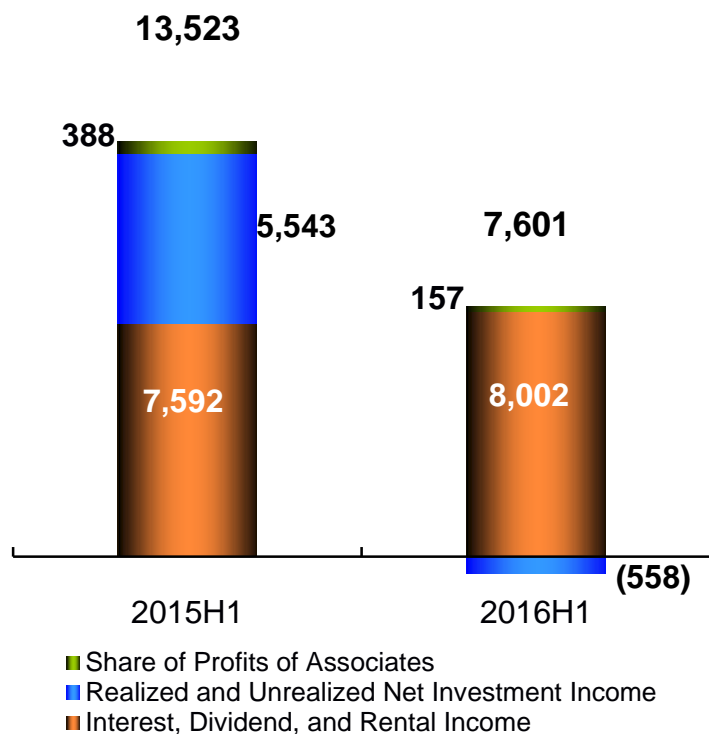
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# Decrease in Investment Income

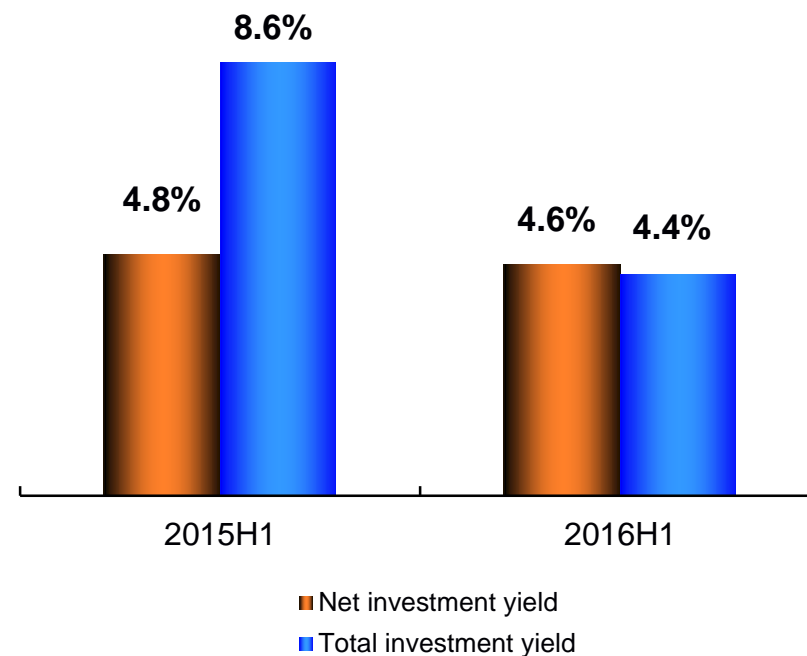
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## Investment Income Mix

RMB mm



## Annualized Investment Yields

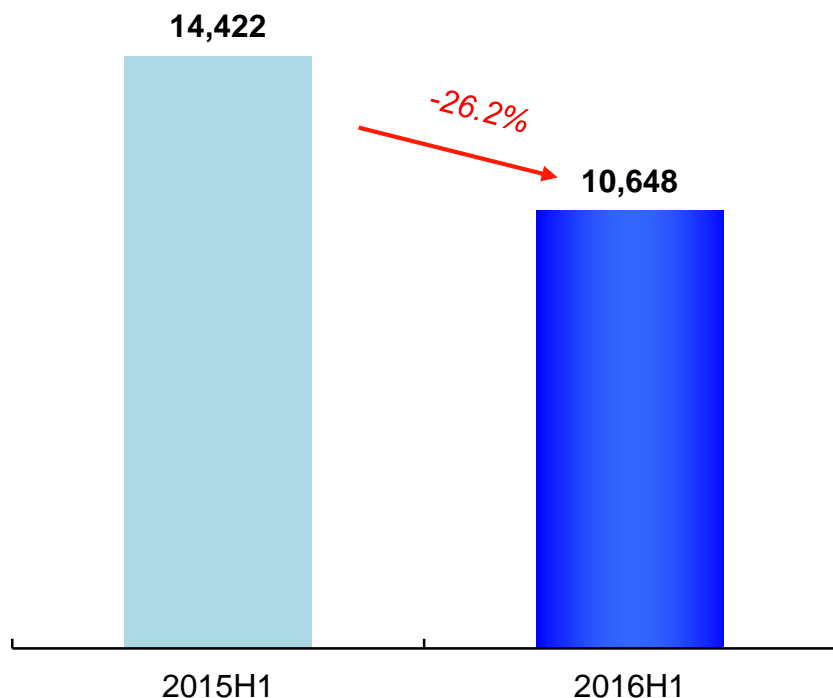


# Capital Position Further Strengthened, Solvency Margin Remained Adequate

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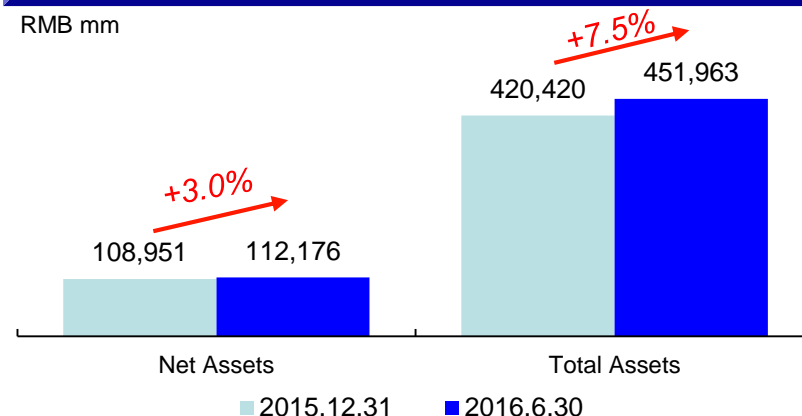
## Net Profit

RMB mm

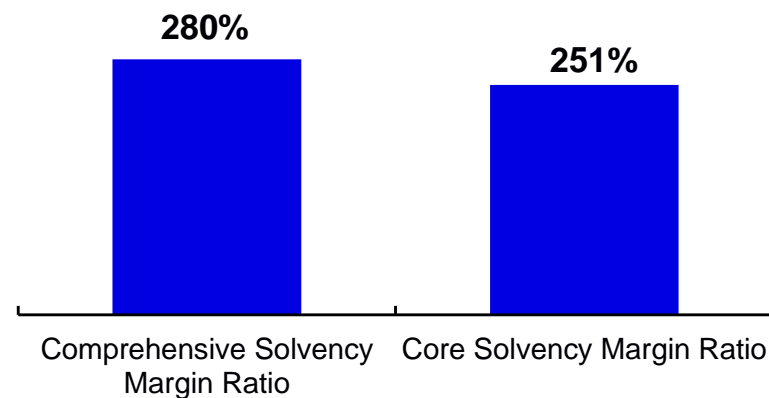


## Steady Growth in Total Assets and Net Assets

RMB mm



## Solvency Margin Ratio as of June 30, 2016



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, enhance resources allocation efficiency, and improve business quality

3

Strengthen claims management and operating costs control, enhance disaster and loss prevention, and ensure proper disaster claims settlement

4

Promote product and service innovation, accelerate the layout of internet strategy, and explore new business areas

5

Adhere to prudent investment strategies, strictly control investment risks, and optimize investment portfolio

6

Continue to improve internal control and compliance system, further enhance risk management capability



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# Q & A