

PICC P&C (2328.HK) 2015 Annual Results

做人民满意的保险公司



Disclaimer

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2015 Annual Performance Highlights

1

1

Net profit of RMB21.85bn, a YoY growth of 44.5%; ROE 22.4%; EPS of RMB1.473; Proposed DPS of RMB0.304



2

Turnover of RMB281.70bn, a YoY growth of RMB28.66bn or 11.3%



3

Underwriting profit of RMB8.60bn, a YoY growth of 18.0%; combined ratio of 96.5%, consistently outperforming the industry



4

Investment income of RMB21.30bn, a YoY growth of 54.7%; total investment yield of 6.7%



5

Total assets and net assets increased by 14.8% and 27.0% from the beginning of the year, respectively; solvency margin ratio of 226%



Benchmarked with the Industry, Consistently Enhanced Business Development Capabilities

2

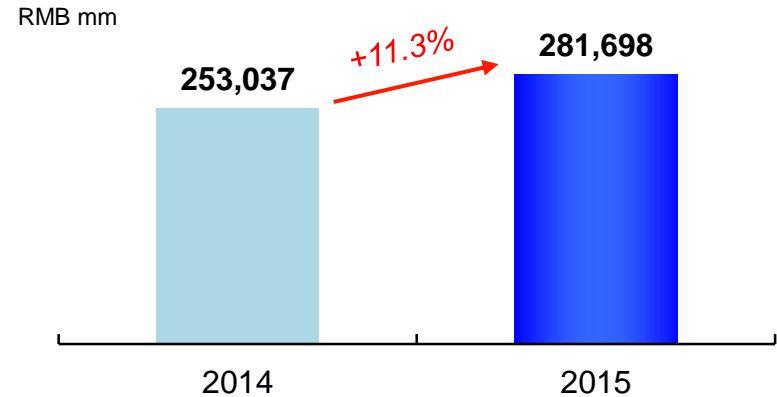
1 Strengthened market benchmarking, adopted active market strategies, and promoted the profitable development of motor vehicle insurance business

2 Intensified the efforts in product and sales innovation, and promoted the development of non-motor insurance business

3 Improved the sales and service system, upgraded telemarketing and internet marketing, extended the market layout in rural areas, strengthened the competitiveness in rural areas

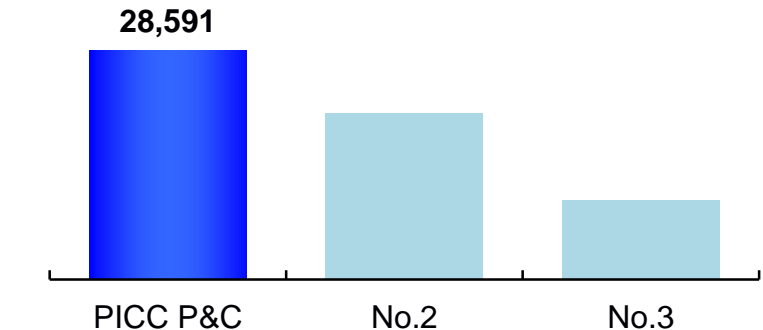
4 Accelerated the layout of internet strategy, improved customer experience, further shortened claims cycle, customer satisfaction improved

Turnover of RMB281.70bn



Incremental Premiums Ranked No.1 in the Industry

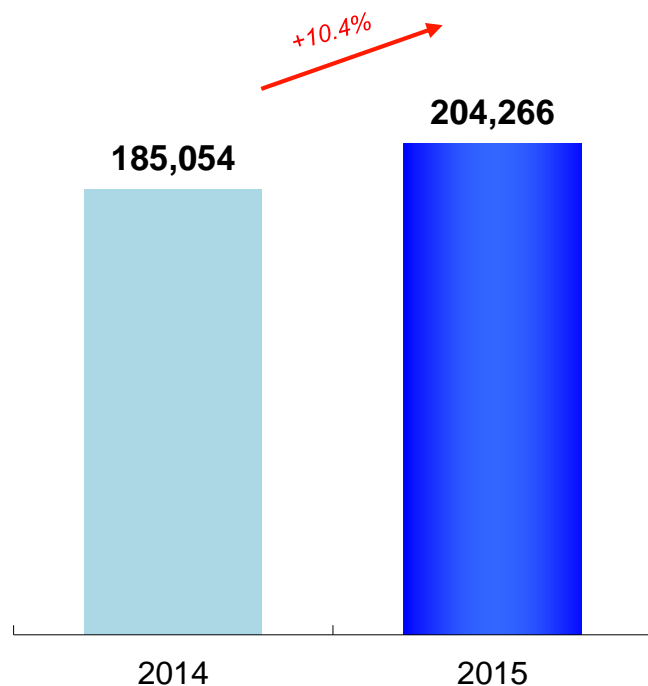
2015 Original Premium Income – 2014 Original Premium Income, RMB mm



Source: CIRC

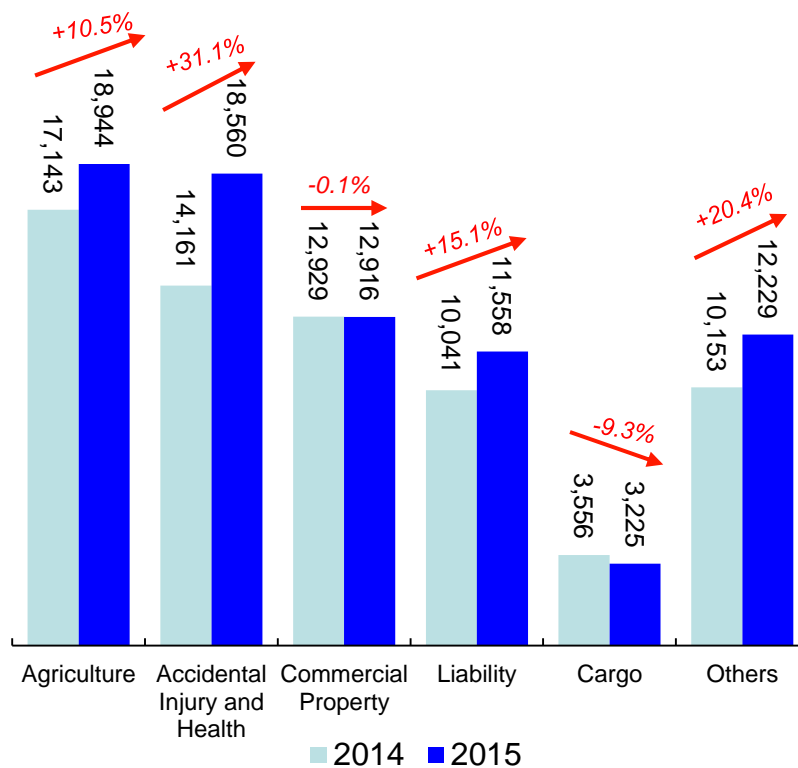
Motor Vehicle Insurance

Turnover, RMB mm



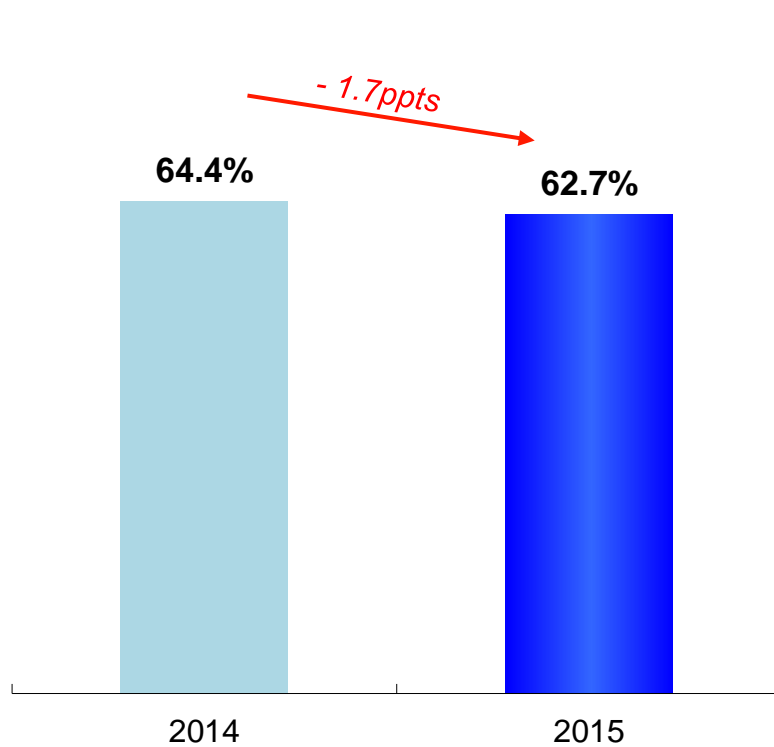
Non-motor Insurance

Turnover, RMB mm

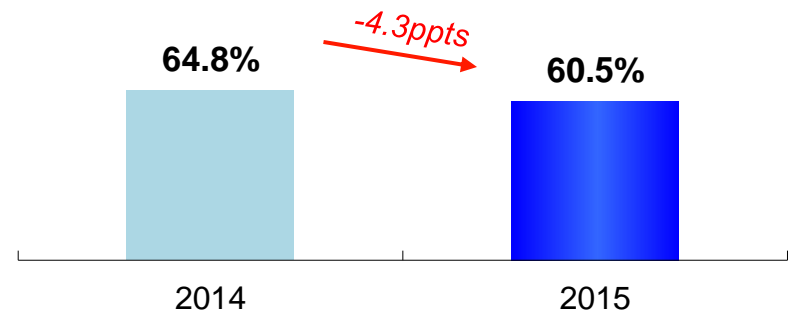


Strictly Control of Claims Cost, Loss Ratio Decreased

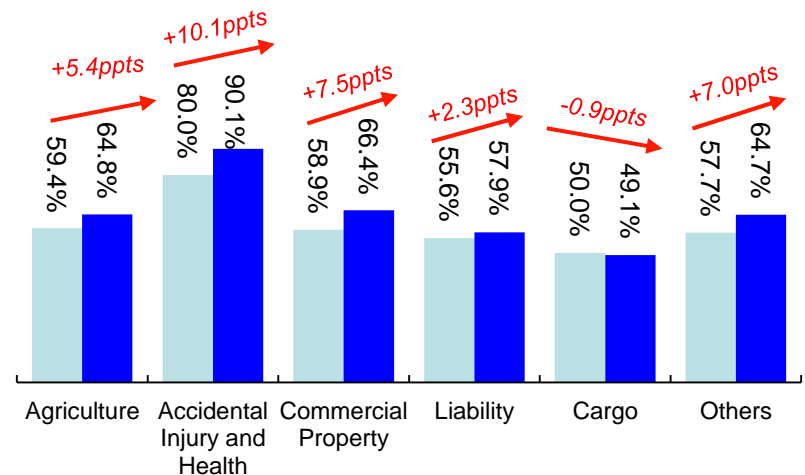
Overall Loss Ratio



Loss Ratio for Motor Vehicle Insurance

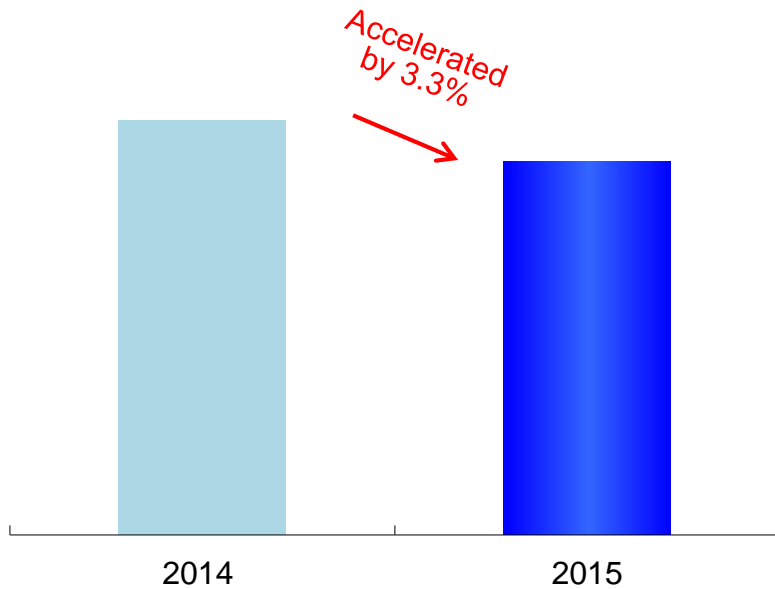


Loss Ratio for Non-motor Insurance



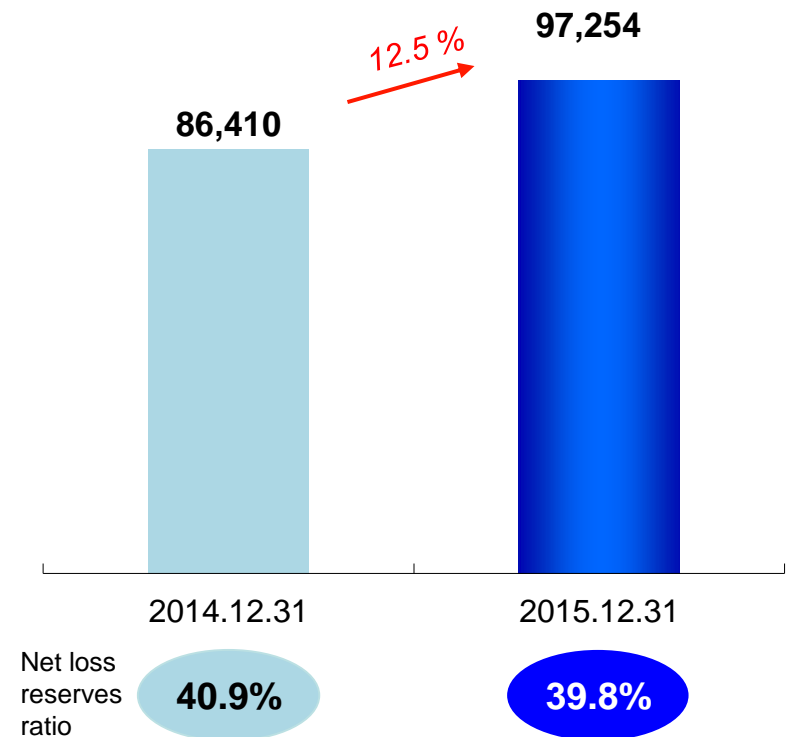
Improved Claims Efficiency, Sufficient Appropriation of Loss and LAE Reserves

Claims Cycle



Net Loss and LAE Reserves

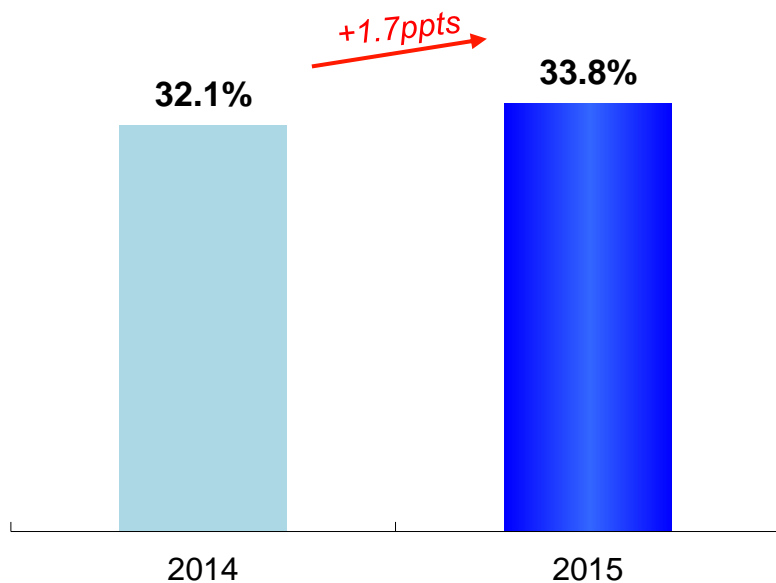
RMB mm



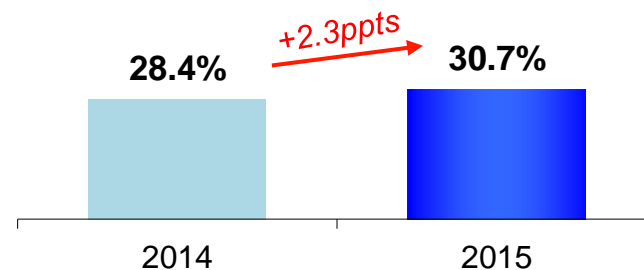
Note: Net Loss Reserves ratio = Net Loss and Loss Adjustment Expense Reserves by the end of the period / LTM net premiums earned in the past 12 months

Increased Sales Resources Input, Expense Ratio Rose Modestly

Overall Expense Ratio

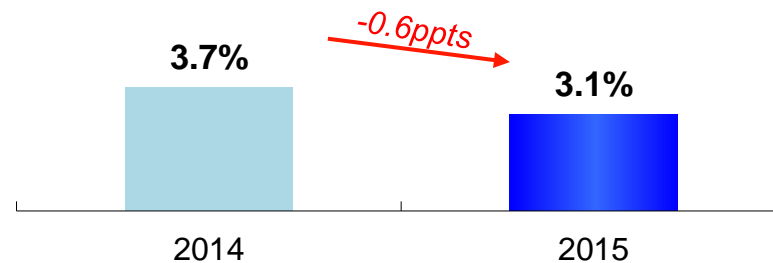


Underwriting Expense Ratio



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

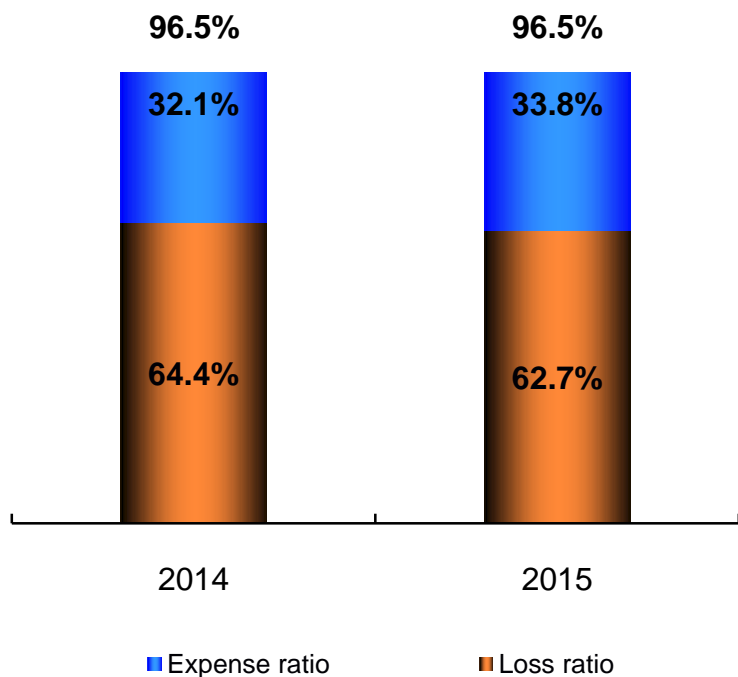
Administrative Expense Ratio



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

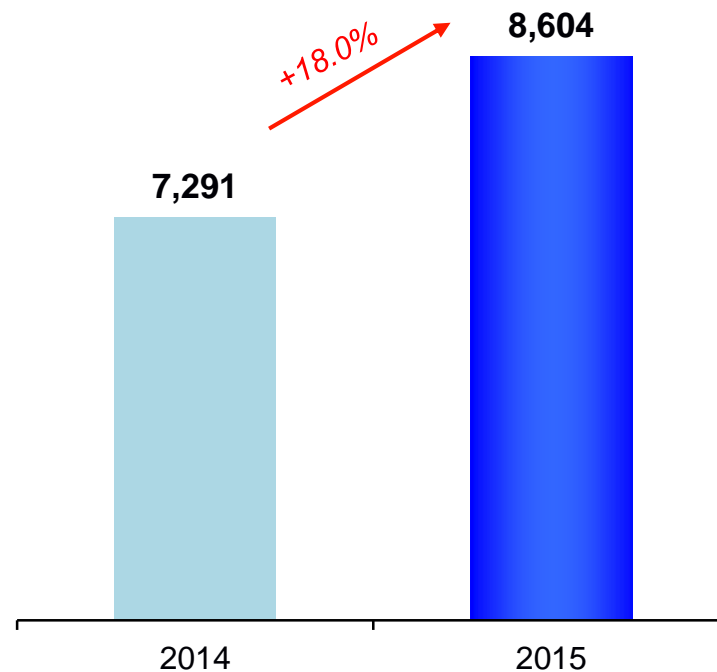
Underwriting Profit Increased and Profitability Continued to Outperform the industry

Combined Ratio Remained Stable



Underwriting Profit Grew

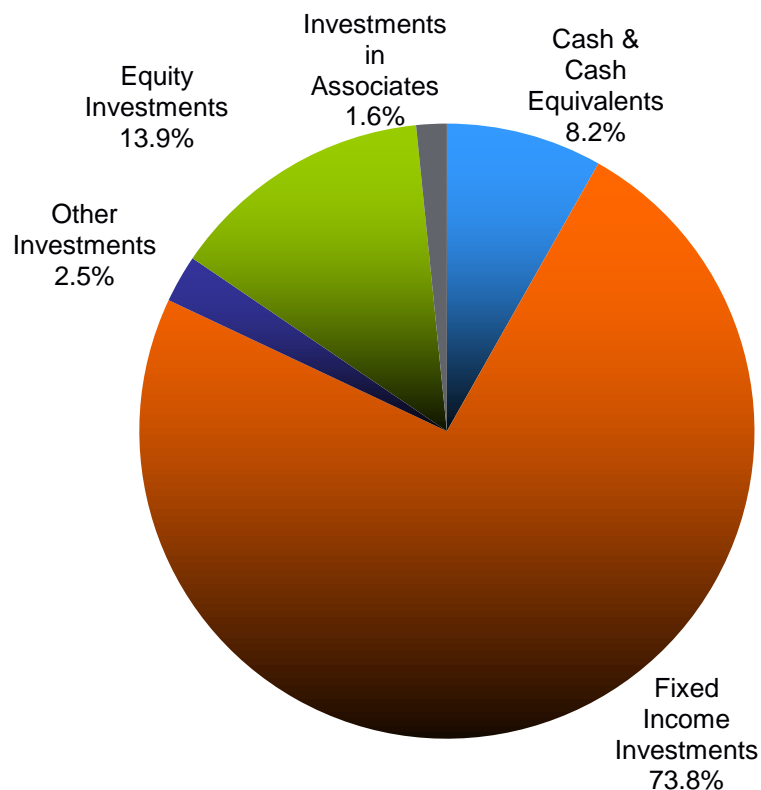
RMB mm



Prudent Investment Strategies Investment Portfolio Further Optimized

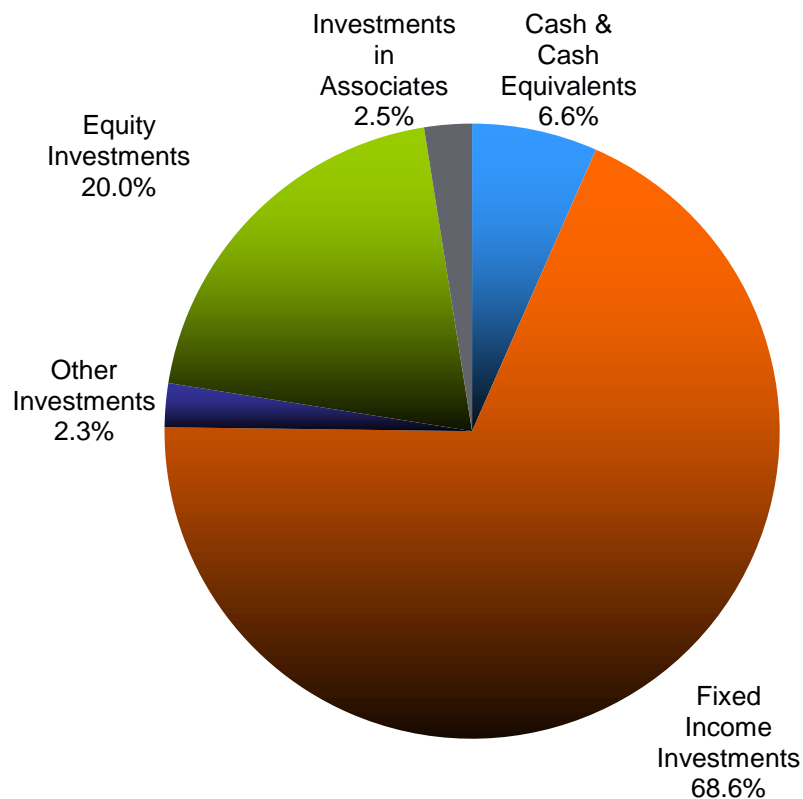
As of December 31, 2014

Total Investment Assets: RMB295.13bn



As of December 31, 2015

Total Investment Assets: RMB344.03bn

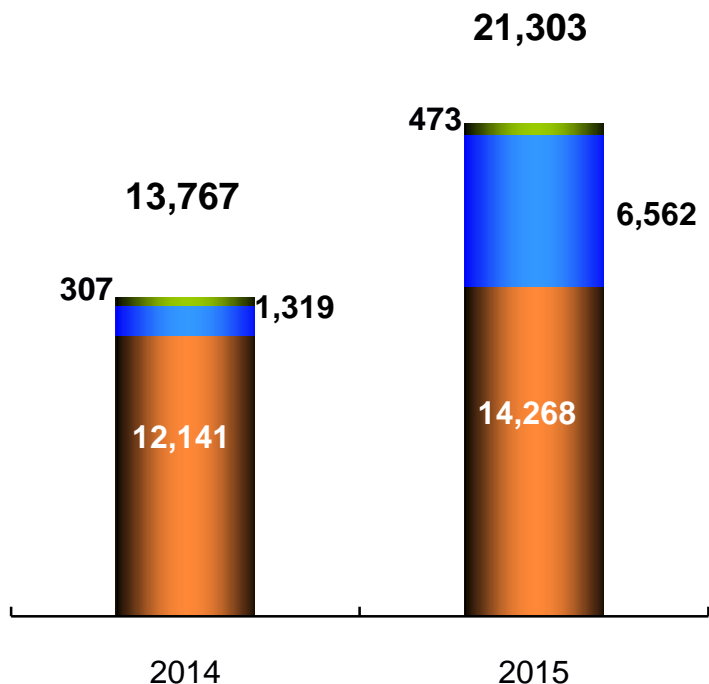


Note: Figures may not add up due to rounding; cash and cash equivalents are mainly denominated in RMB and exclude deposits from banks and other financial institutions with original maturities > 3 months and structured deposits in banks and other financial institutions; "other investments" include investment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

Substantial Increase in Investment Income

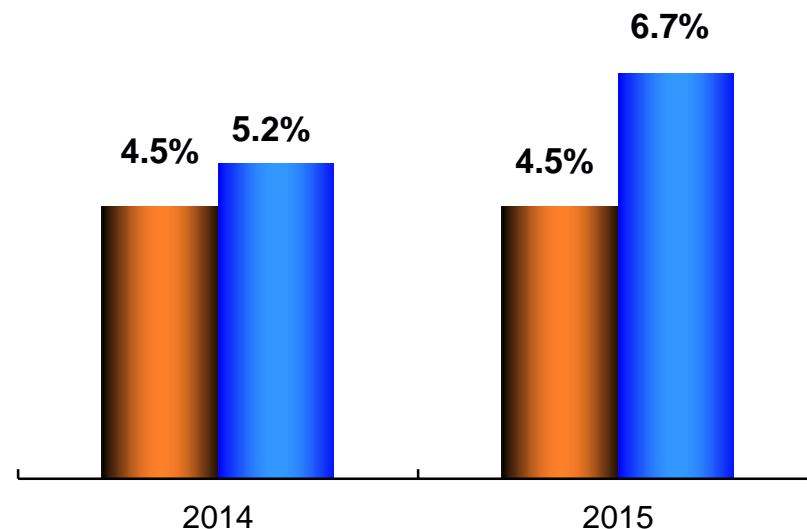
Investment Income Mix

RMB mm



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

Investment Yields

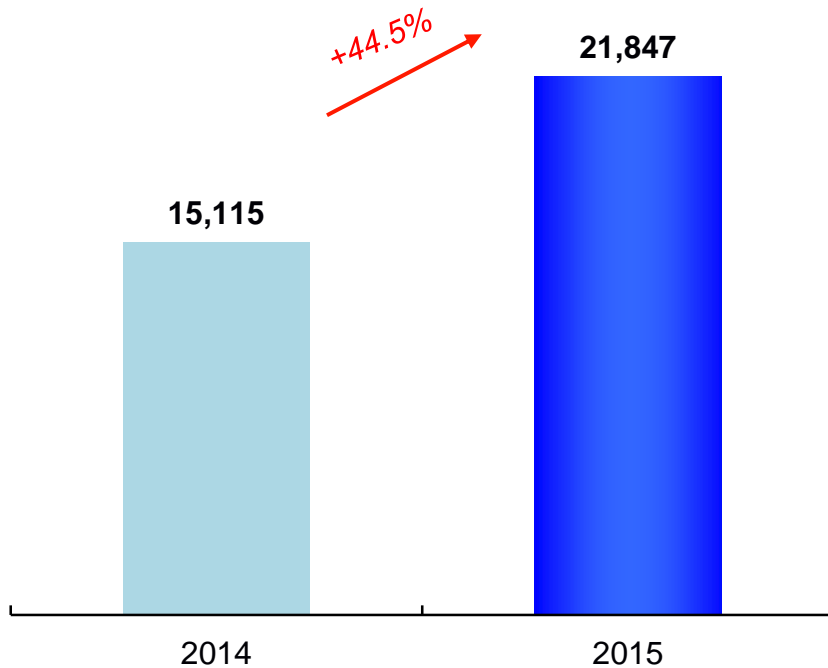


- Net Investment Yield
- Total Investment Yield

Net Profit Hit Record High, Capital Position Further Strengthened

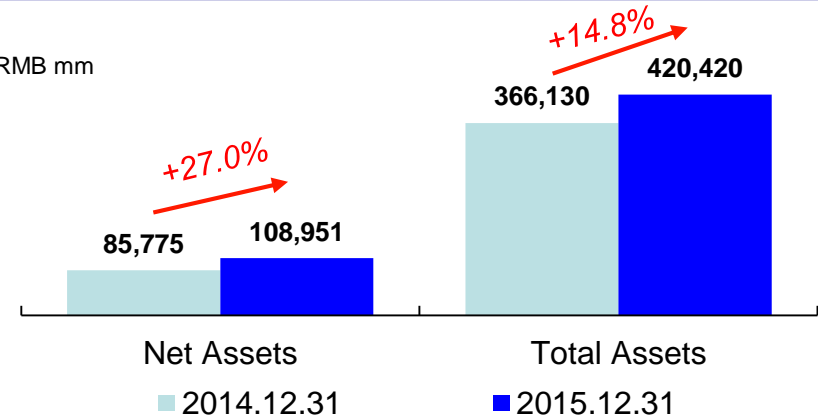
Net Profit Hit Record High

RMB mm

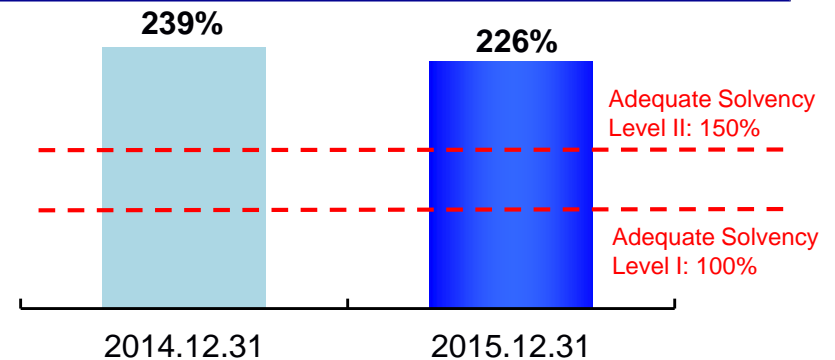


Steady Growth in Total Assets and Net Assets

RMB mm



Stable Solvency Margin Ratio





Highest Financial Strength Rating (Aa3) for China Mainland Enterprises by Moody's



Best P&C Insurance Company in Asia



Property Insurance Company with Superior Competitiveness



Best Customer Contact Center in China



Excellence in Innovation Management

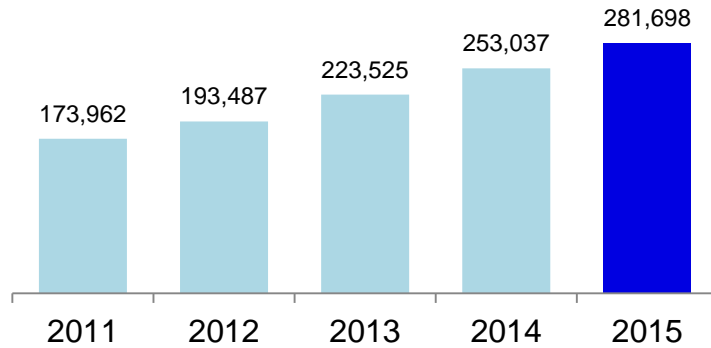


Top 100 Hong Kong Listed Companies -2015

Performance Review —— “12th Five-Year Plan” Period 12

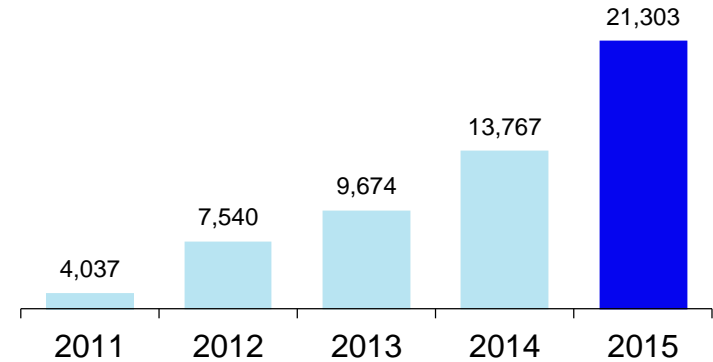
Turnover

RMB mm



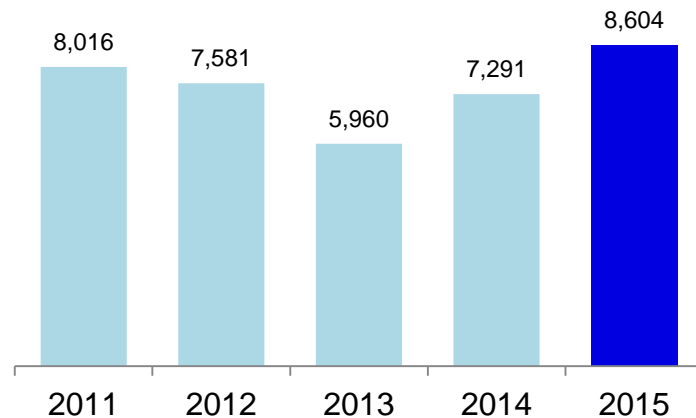
Investment Income

RMB mm



Underwriting Profit

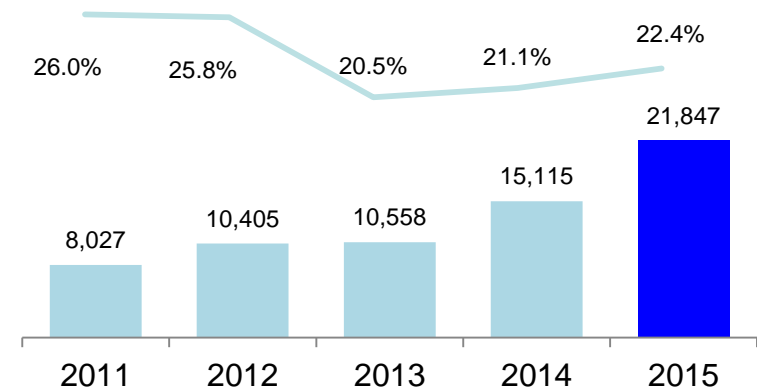
RMB mm



Net Profit and ROE

RMB mm

ROE



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, refine the differentiation in resources allocation, and improve business quality

3

Strengthen claims management and operating cost control, further reinforce the leading advantage in underwriting profit

4

Promote internet insurance strategy, enhance innovation, deepen transformation on all fronts towards a customer-oriented business mode

5

Adhere to prudent investment strategy, seize the market opportunities, strictly control investment risks, steadily improve investment income

6

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

The logo for PICC, consisting of the letters 'PICC' in a bold, red, sans-serif font.

中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

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