

PICC 中国人民保险

PICC P&C (2328.HK)

2018 Annual Results

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2018 Annual Results Highlights

Market Share

33.0%

Net Profit

RMB 15.49bn

ROE

11.3%

Underwriting Profit

RMB 5.30bn

Combined Ratio

98.5%

Net Investment Yield

3.9%

Net Assets

RMB141.50bn

**Proposed Dividend of
RMB2.72 per 10 shares**

Solvency Ratio

275%

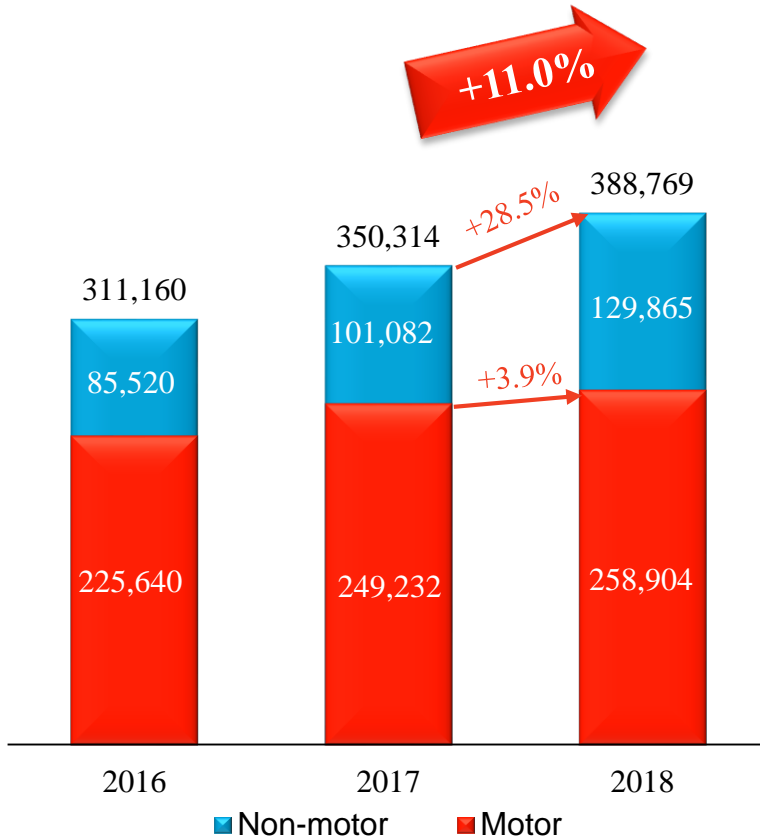
2018 Annual Results Highlights

- 1 Gross written premiums of RMB388.77bn, a YoY growth of 11.0%; incremental premiums ranked NO.1 in the industry, market share of 33.0%
- 2 Underwriting profit of RMB5.30bn , combined ratio of 98.5%, consistently outperforming the industry
- 3 Total Investment income of RMB19.15bn, total investment yield of 4.5%, net investment yield of 3.9%
- 4 Net profit of RMB15.49bn, EPS of RMB0.696, ROE of 11.3%, proposed dividend of RMB2.72 per 10 shares
- 5 Total assets and net assets increased by 5.0% and 6.3% from the beginning of the year, respectively; comprehensive solvency ratio of 275%



Gross Written Premiums

(RMB mm)



- Household-owned motor insurance business accounted for **69.7%** of the motor premiums income, up by **0.7** ppts YoY



- Renewal and transferred-in rate grew **0.5** ppts YoY to **106.8%**



- 81.1%** of the renewed commercial motor insurance customers had not filed any claims, up **2.2** ppts YoY

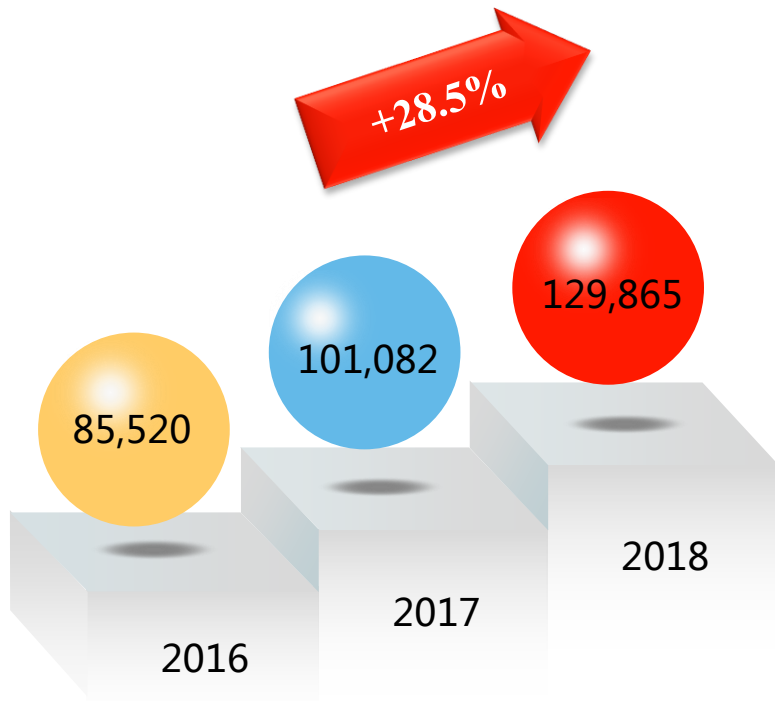


- Percentage of customer purchasing both compulsory and commercial motor policies reached **80.6%**, up **2.3** ppts YoY

Non-Motor Insurance Business Grew Rapidly

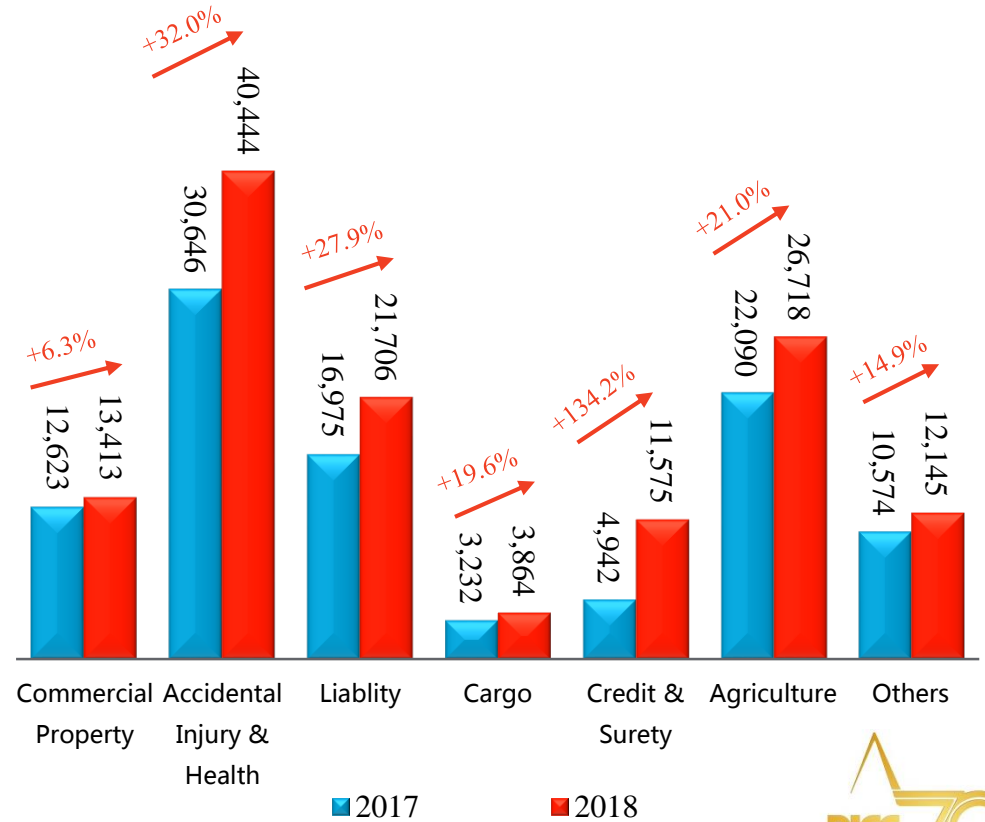
Non-Motor Insurance

(Gross Written Premiums, RMB mm)



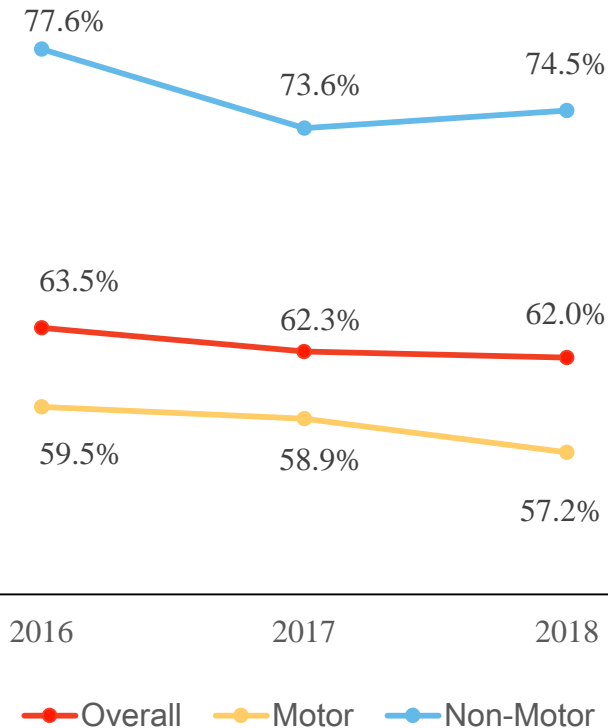
Non-Motor Insurance, By Product Line

(Gross Written Premiums, RMB mm)

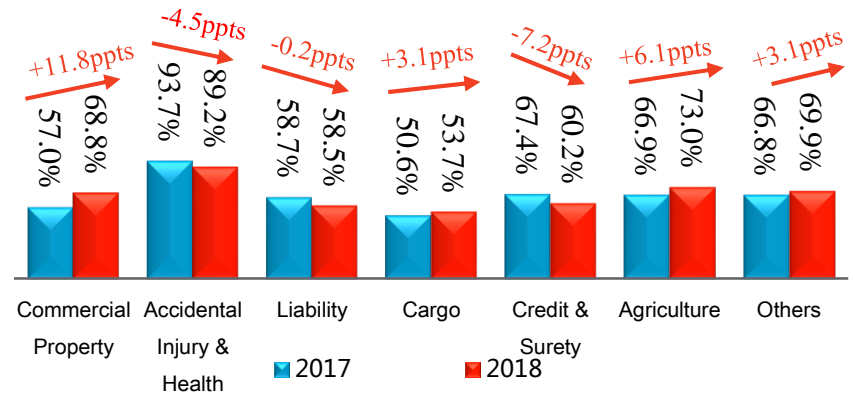


Loss Ratio Decreased

Loss Ratio



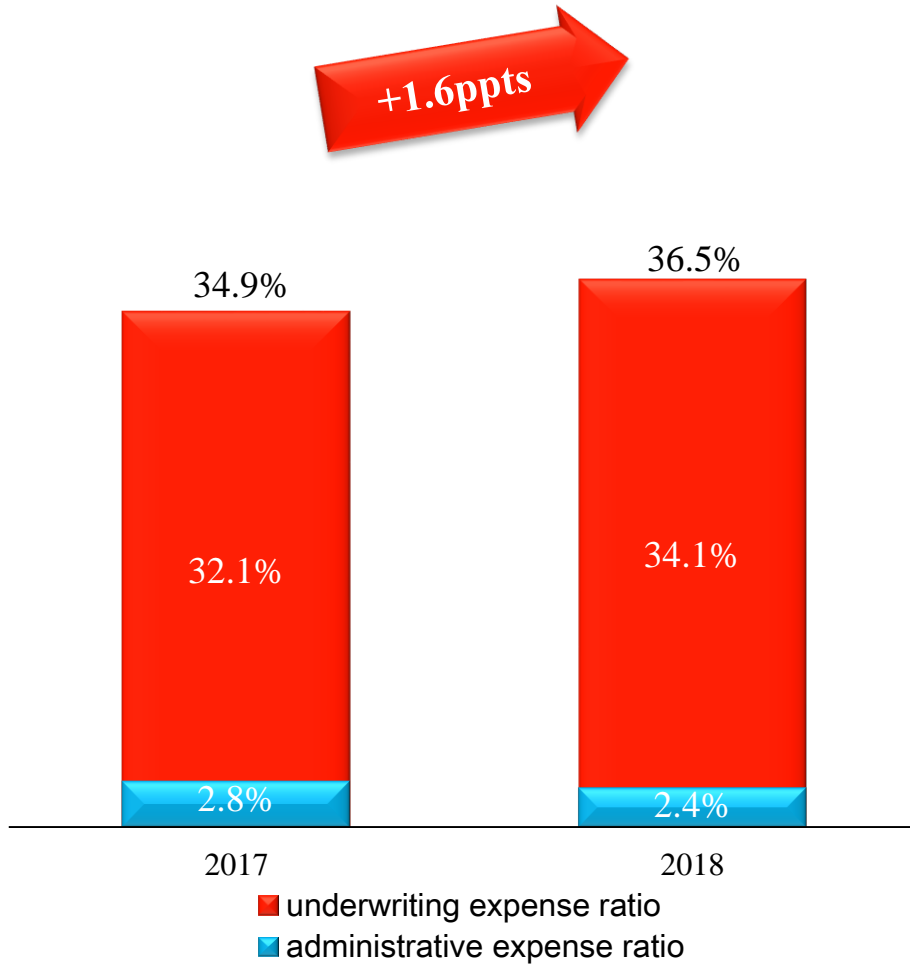
Loss Ratio for Non-Motor Insurance



Impact of Catastrophes on Loss Ratio for Non-Motor Business

Catastrophes led to an estimated net loss of **RMB5.67bn** for non-motor insurance business, an increase of **RMB2.44bn** or **75.3%** YoY, driving up the loss ratio of non-motor insurance by **6.0** ppts.

Expense Ratio Increased



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

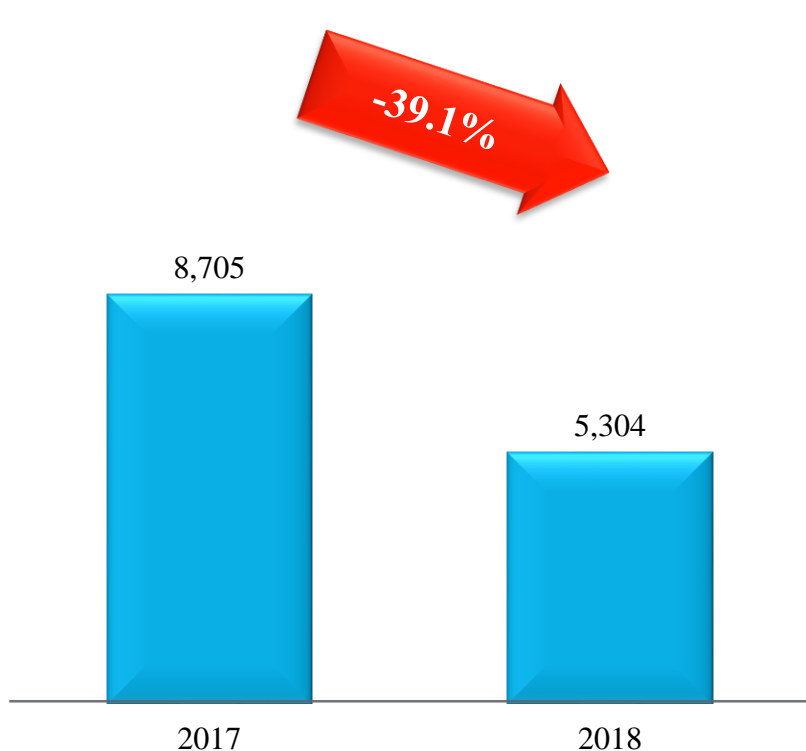
Note: Administrative expense ratio = Administrative expenses / Net earned premiums



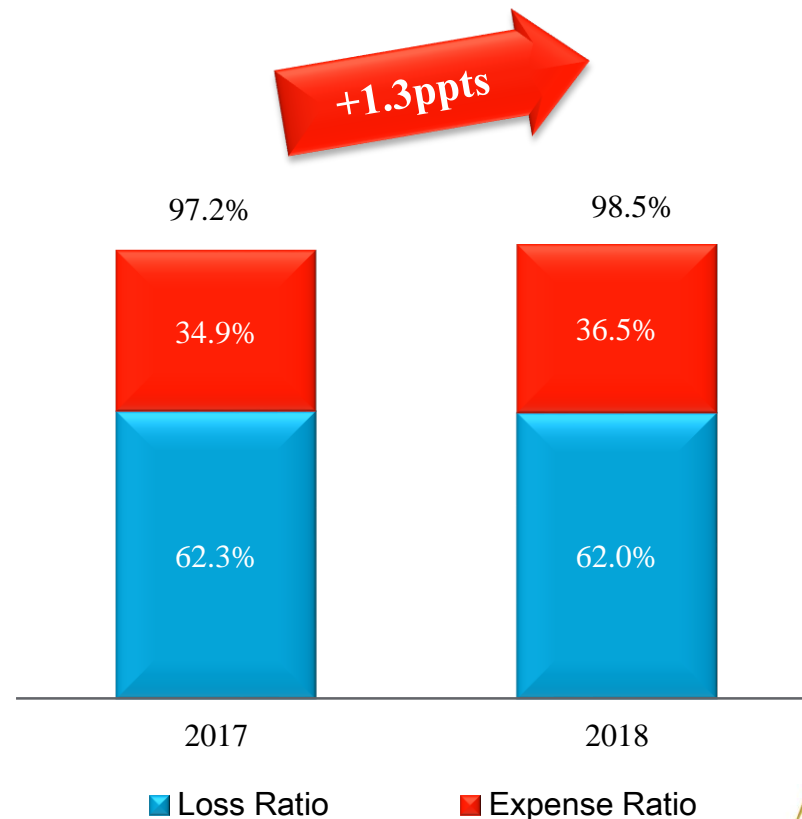
Underwriting Profitability Continued to Outperform the Industry

Underwriting Profit

(RMB mm)



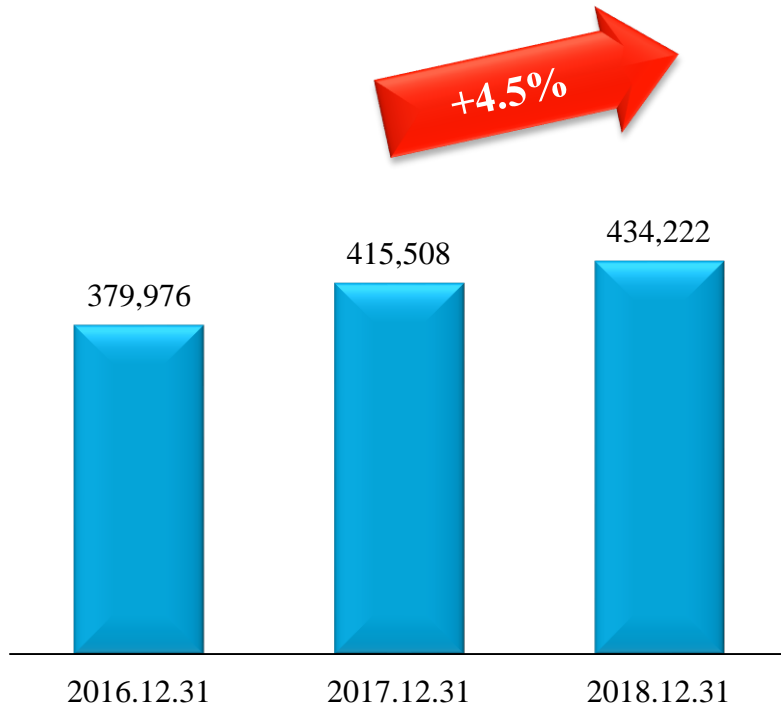
Combined Ratio



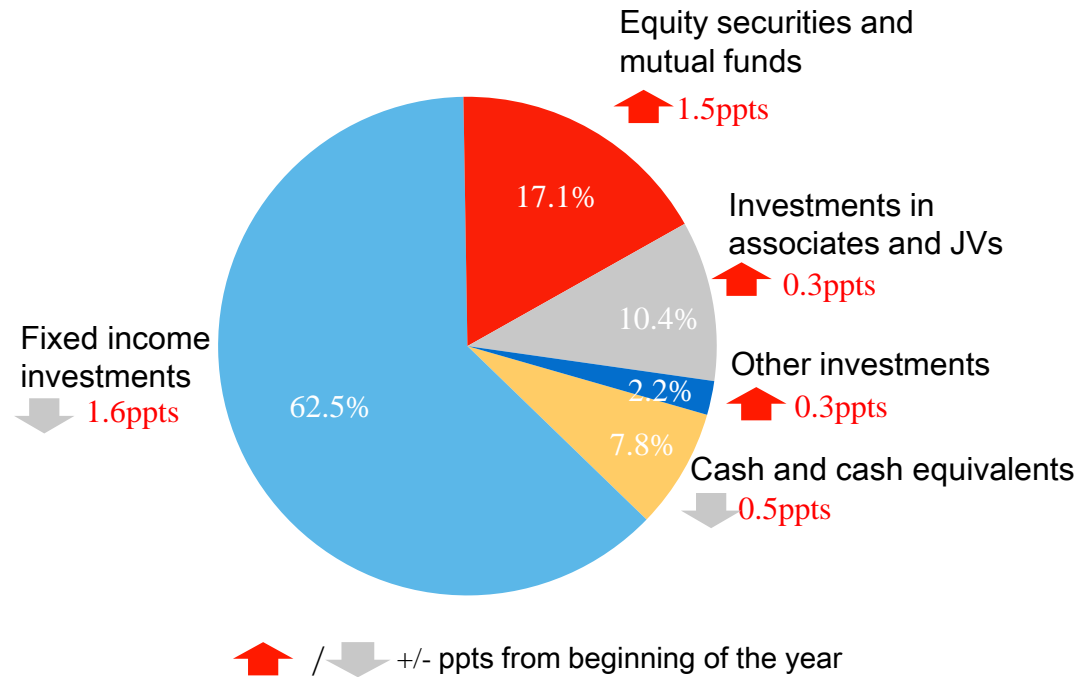
Investment Portfolio Remained Stable

Total Investment Assets

(RMB mm)



Investment Portfolio

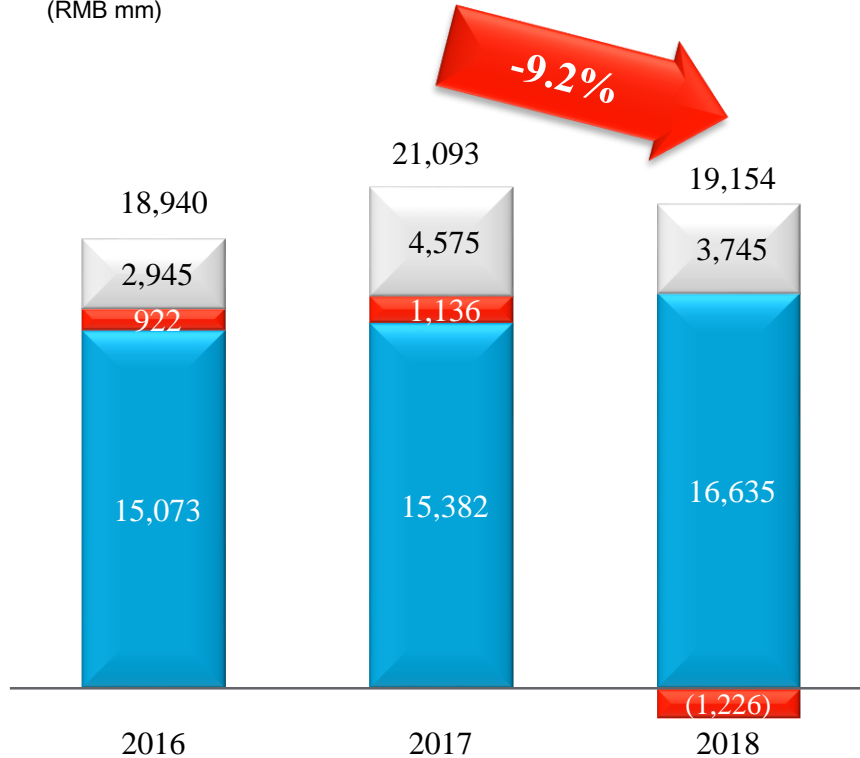


Note: 1) Round-off difference may exist; the cash and cash equivalents are mainly RMB denominated, including financial assets purchased under resale agreements within 3 months;
 2) "Other investments" include investment properties, derivative financial assets, and restricted statutory deposits

Investment Income Decreased

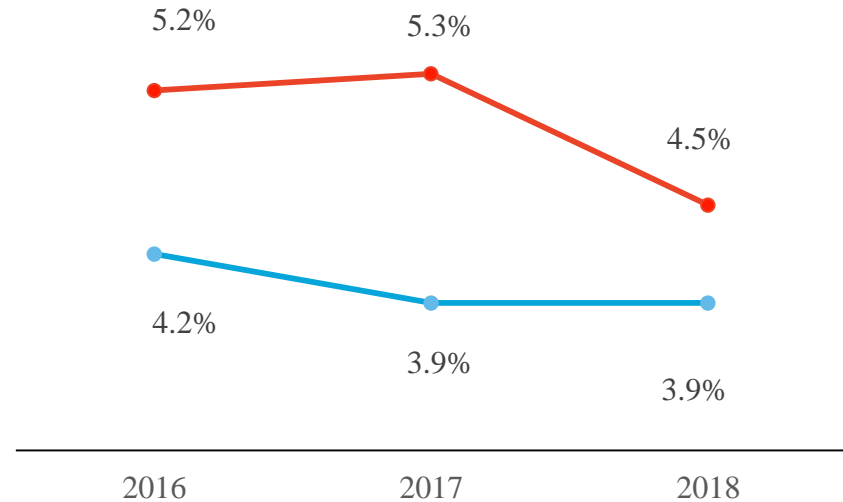
Investment Income

(RMB mm)



- Investments in Associates
- Realized and Unrealized Net Investment Income
- Income Interest, Dividends and Rental Income

Investment Yield

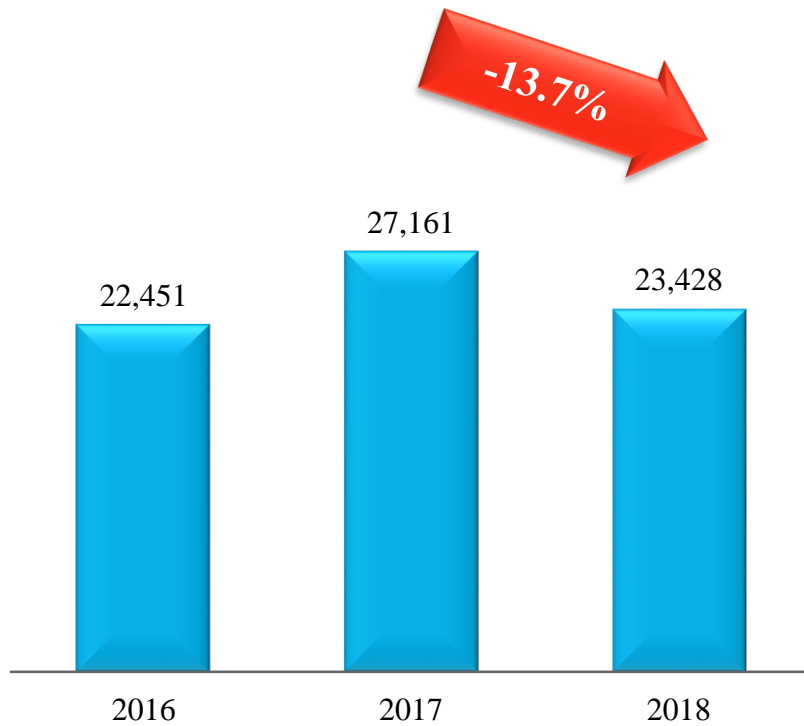


- Total Investment Yield
- Net Investment Yield

Net Profit Decreased

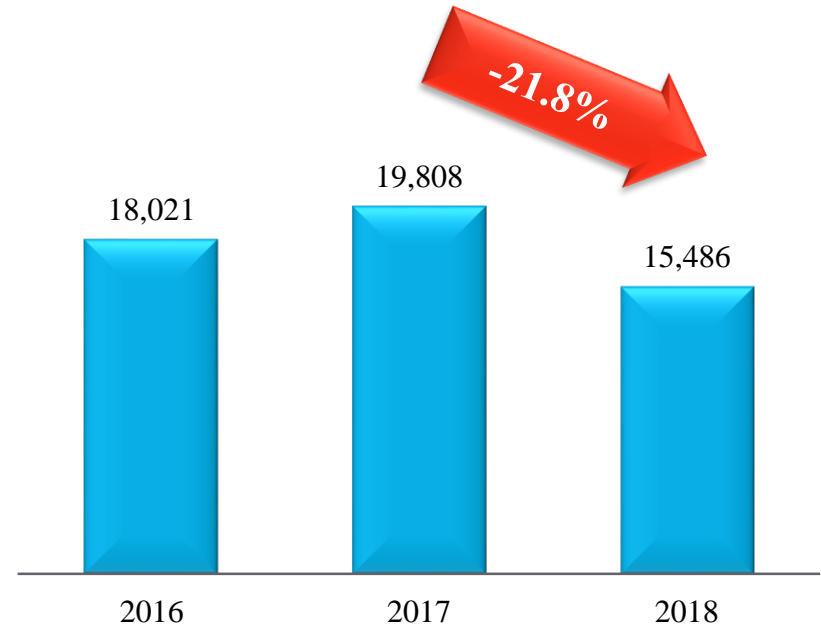
Profit Before Tax

(RMB mm)



Net Profit

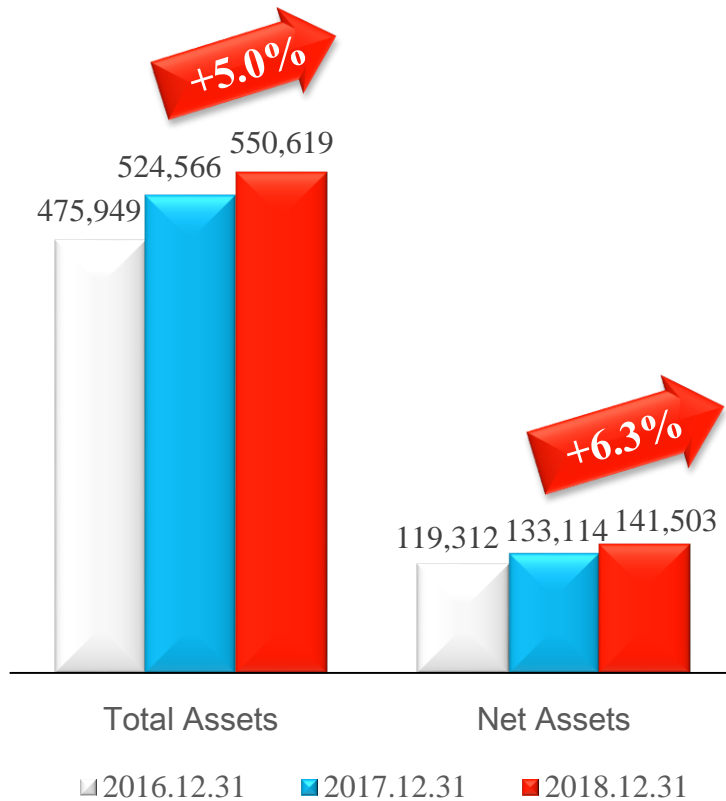
(RMB mm)



Capital Position Further Strengthened

Total and Net Assets

(RMB mm)



Solvency Ratio

By the End of 2018

Core Solvency Ratio **229%**

Comprehensive Solvency Ratio **275%**



- Retained the highest service rating of **“AA”** for insurers in 2018
- Award as the **“2018 Insurance Company with High Quality Development in Chinese Insurance Industry”** in the 2018 China Insurance Ark Awards
- Awarded as the **“40th Anniversary of Reform and Opening up Outstanding Property Insurance Company”** in the 2018 China Insurance Ranking
- Conferred the **“Insurance Technology Award of the Year”** in the 2018 China Financial Value Ranking
- Chosen as the **“Excellent Insurance Protection Brand of the Year 2018”** in the Golden Wealth Management Awards
- Chose as **“Property Insurance Company of the Year in the 2018”** Golden Cicada Awards
- Recognized as an **“Outstanding Property Insurance Company”** in the 2018 Piloting China annual award
- Awarded as the **“Best Property Insurance Company of the Year in Asia”** topped the Asian Financial Competitiveness Ranking as for the 10th consecutive year



▶ Key Initiatives in 2019



To innovate operating model, conduct internet-oriented organisational renovation, improve operating efficiency and push forward the transition of the Company from level by level hierarchical operation to digitally intelligent operation.



To implement the regional strategy to serve both urban and rural markets, and implement the internationalisation strategy to push forward the transition of the Company from a domestic insurer to a global one.



To adhere to prudent investment, optimize assets allocation and improve investment return.



To adhere to compliance with laws and regulations, enhance comprehensive risk management and uphold the bottom line of no systemic risks.