



PICC 中国人保财险

北京2008年奥运会保险合作伙伴
OFFICIAL INSURANCE PARTNER OF THE BEIJING 2008 OLYMPIC GAMES

2007 Interim Results Presentation

Aug 22 2007

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Chairman

Mr. Wang Yi

Vice Chairman, President & CEO

Mr. Wang Yincheng

Executive Director, Executive VP & CFO

Ms. Liu Zhenghuan

Executive Director, Executive VP & Board Secretary

Agenda

Performance Highlights and Development Strategy

Business Overview and H2 07 Key Initiatives

Financial Results

2007 interim Results Highlights



Rapidly growing premium income



Significantly improved underwriting profit



Substantially increased investment gains



Continuously strengthened profitability



Constantly enhanced capital strength

*The Best
performance
since the
listing of
PICC*



PICC 中国人保财险

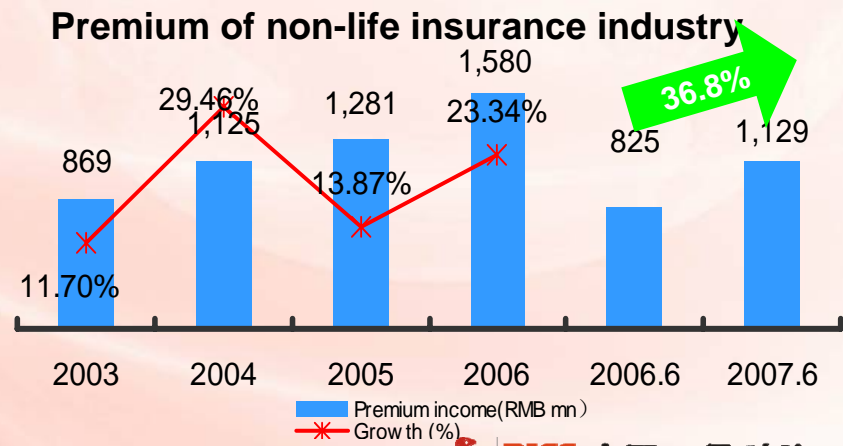
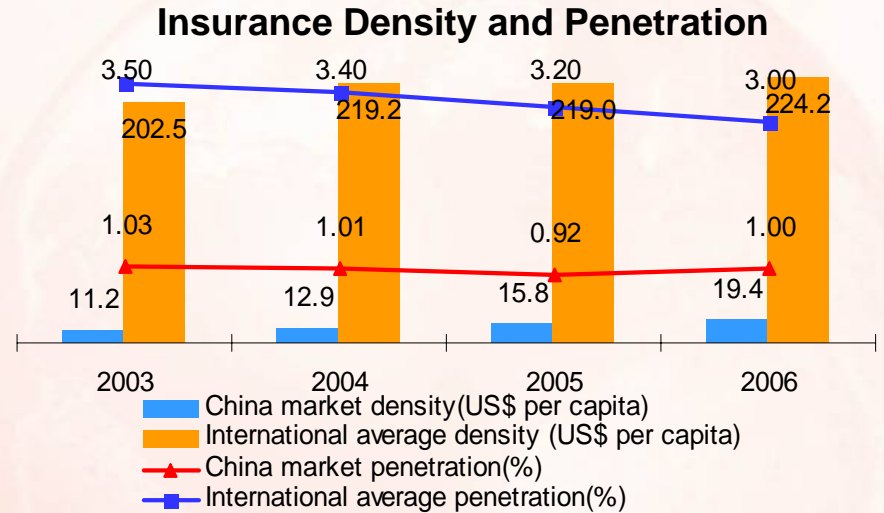
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Positive Environment for PICC Development

Industrial development environment

- Strong macroeconomic growth in H1
- Government highly values the security effect of insurance industry
- Gradually disciplined in insurance market
- Increasingly expanded insurance demand
- Continuously positive development in capital market

Sustaining stable growth in non-life insurance



Stable Facilitation of Group Development Strategy

Establish development strategies and targets

- World-class large-cap modern financial insurance group
- Solidify and accelerate the development of the traditional principle activities as the foundation of business
- Develop life insurance with super conventional efforts as the measure to vitalize
- Explore the areas of asset management and capital operations as the path to excel

Facilitate reform and restructuring

- PICC Group provided good platform to facilitate group construction
- PICC implements the new strategy of solidifying urban market and expanding rural market based on the Group's development strategy
- PICC Life completed capital injection and reform
- The establishment of PICC Investment Holdings Co., Ltd. has been approved

Remarkable effect of strategy implementation

- All the subsidiaries of the Group achieved new breakthrough in business development
- The Group's internal strategic synergic mechanism has been preliminarily formed

New Progress in PICC Development Strategy



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H1 2007 Performance Overview

RMB mn	H1 2005	H1 2006 ⁽²⁾	H1 2007
Turnover	34,882	39,089	49,462
<i>Growth</i>		12.1%	26.5%
Net premiums earned	24,939	26,898	33,062
<i>Growth</i>		7.9%	22.9%
Underwriting profit	1,565	875	1,221
<i>Growth</i>		-44.1%	39.5%
Investment income	-36	1,659	4,325
<i>Growth</i>		-	160.7%
Including: interest, dividend and rental income	691	781	1,647
<i>Growth</i>		13.0%	110.9%
Profit before tax	1,374	2,186	5,041
<i>Growth</i>		59.1%	130.6%
Net income	889	1,332	3,188
<i>Growth</i>		49.8%	139.3%
EPS (RMB)⁽¹⁾	0.080	0.120	0.286
<i>Growth</i>		49.8%	139.3%

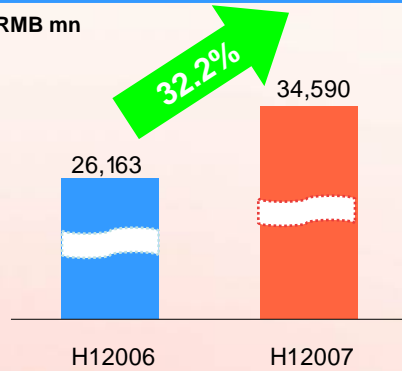
1. Based on no. of outstanding shares at the end of each period

2. The comparable data in 2006 has been restated based on 2007 accounting policy

Turnover by Segment

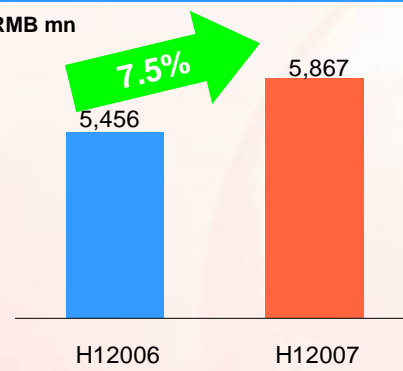
Motor Vehicle

RMB mn



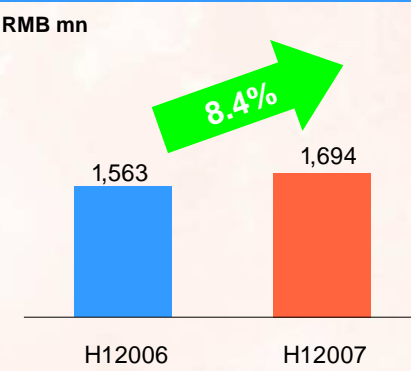
Commercial Property

RMB mn



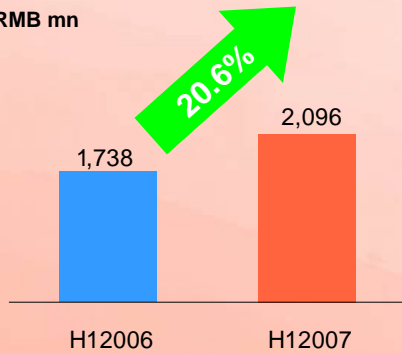
Cargo

RMB mn



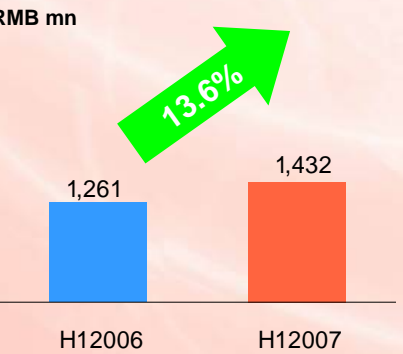
Liability

RMB mn



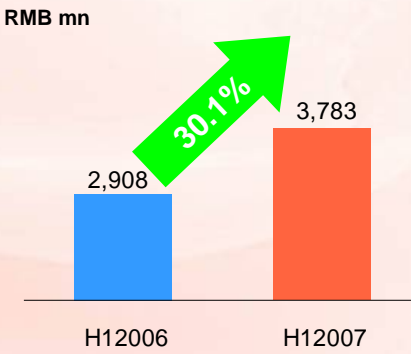
Accidental injury

RMB mn



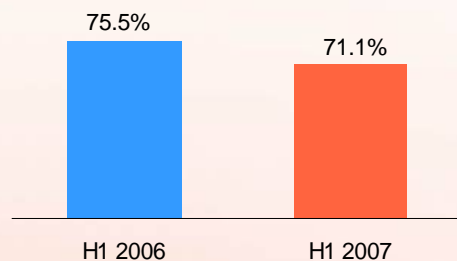
Others

RMB mn

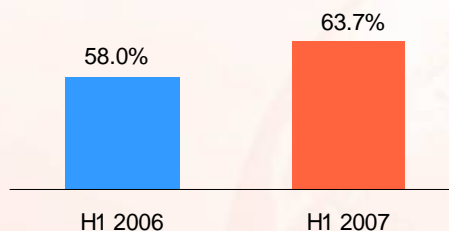


Loss Ratio by Segment

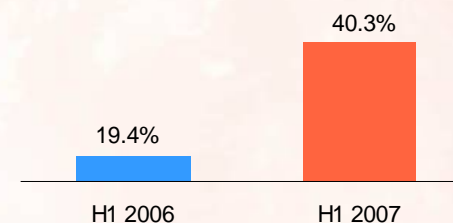
Motor Vehicle



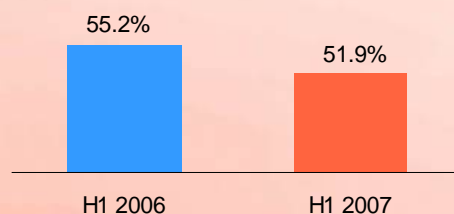
Commercial Property



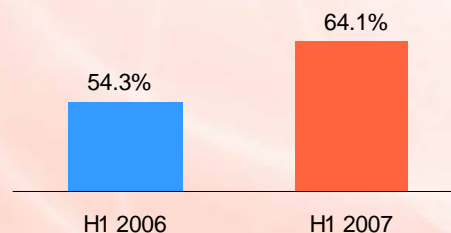
Cargo



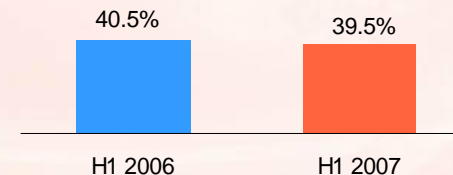
Liability



Accidental Injury

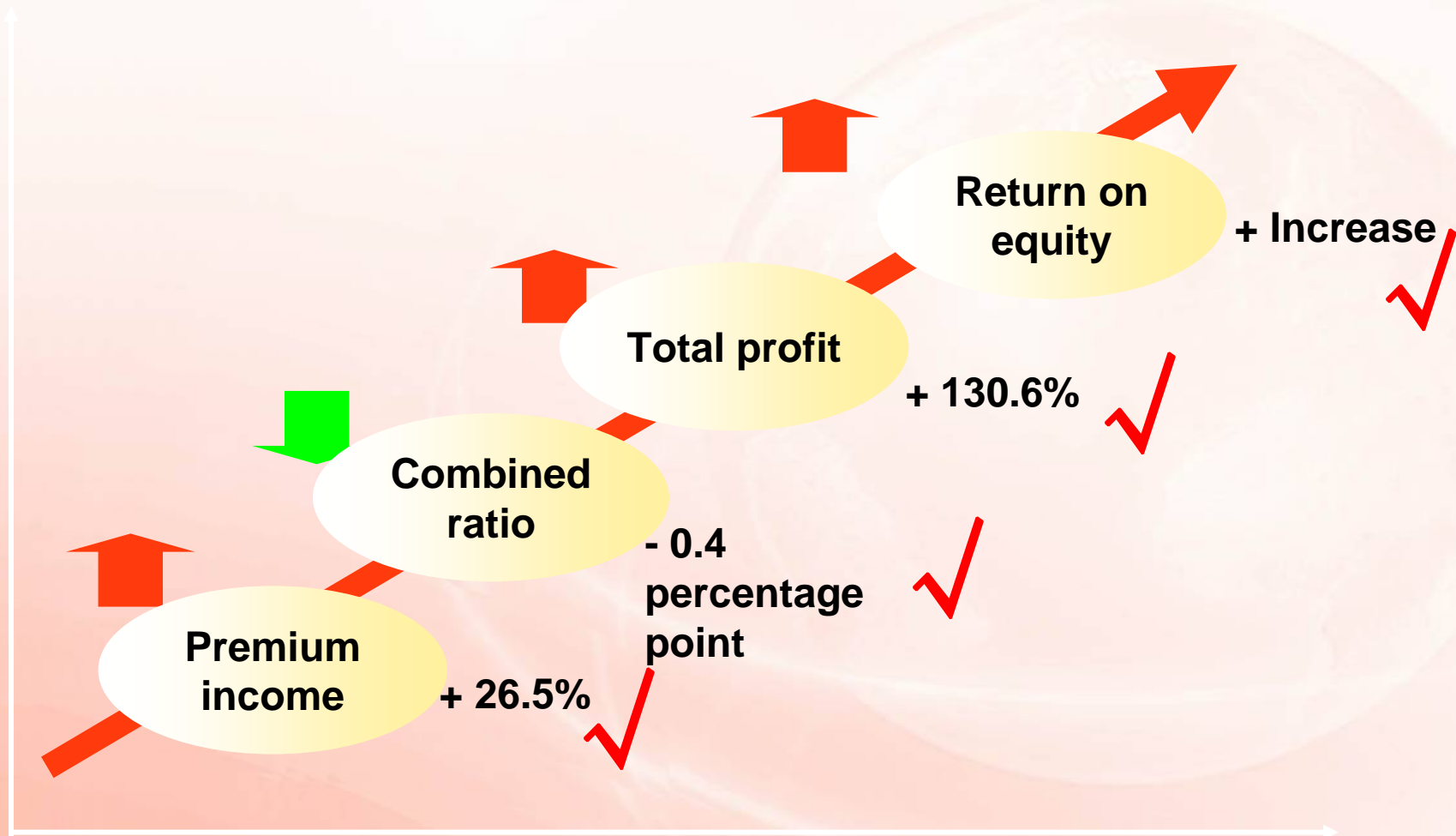


Others



	H1 2006	H1 2007	Change
Overall loss ratio	68.5%	67.1%	-1.4 percentage points

Gradually Achieving the Targets Set at the Beginning of Year



Key Business Development Initiatives of PICC in H2 2007

Closely monitor the market and accelerate development

- Strengthen channel development
- Enhance product innovation
- Implement P&C and life insurance cross-selling
- Strive to expand rural market

Strengthen underwriting and claim management

- Strengthen comprehensive underwriting cost-benefit analysis
- Enhance claim quality control and assessment mechanism

Enhance investment and capital operation

- Enhance risk control and actively participate in large state-owned enterprises A-share and H-share IPO
- Strengthen strategic assets allocation and focus on equity investment

Agenda

Performance Highlights and Development Strategy

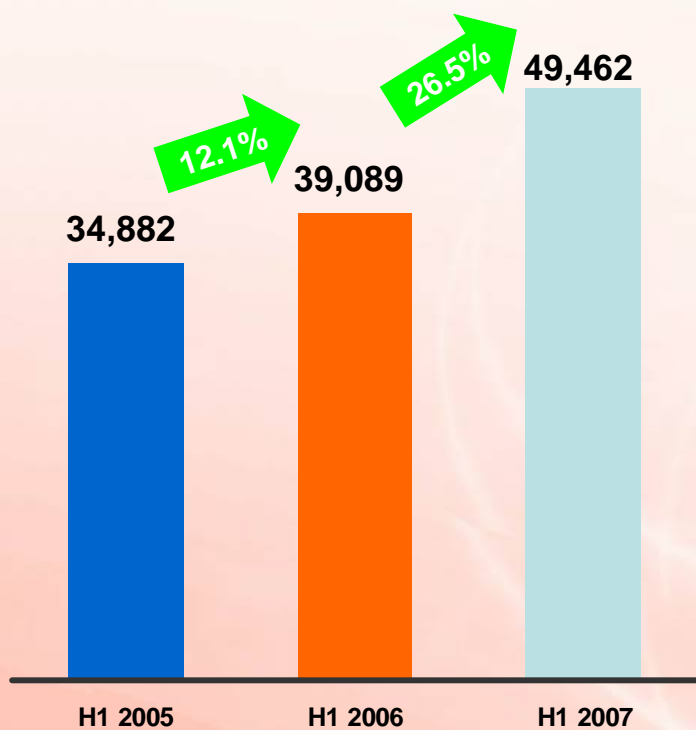
Business Overview and H2 07 Key Initiatives

Financial Results

Sustaining Rapid Growth in Premium Income

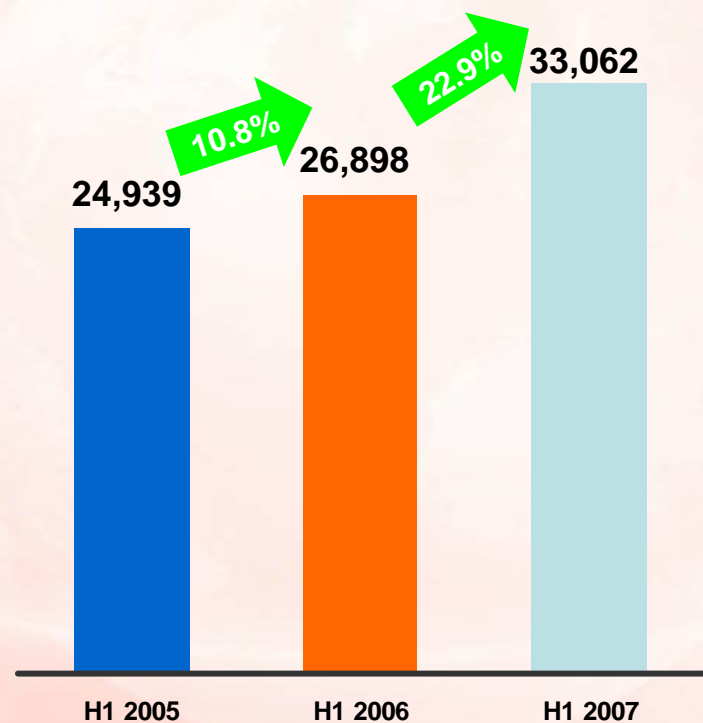
Turnover

RMB mn



Net Premiums Earned

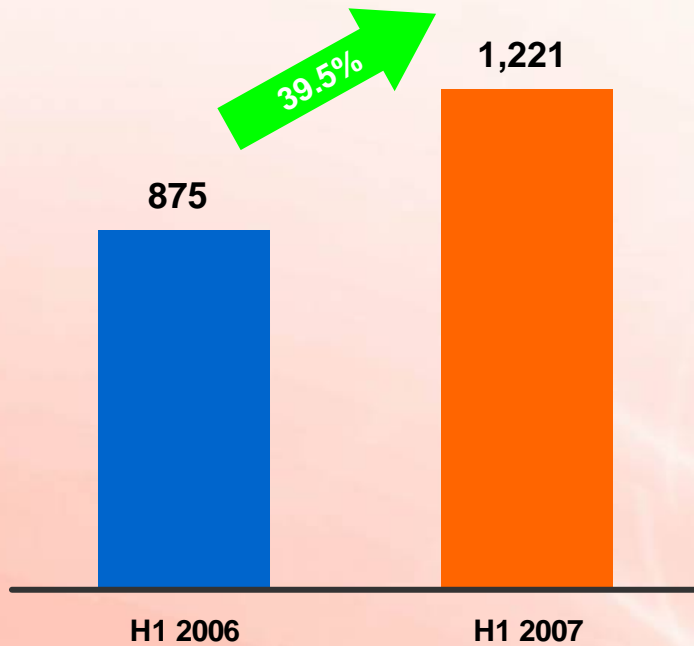
RMB mn



Underwriting Results

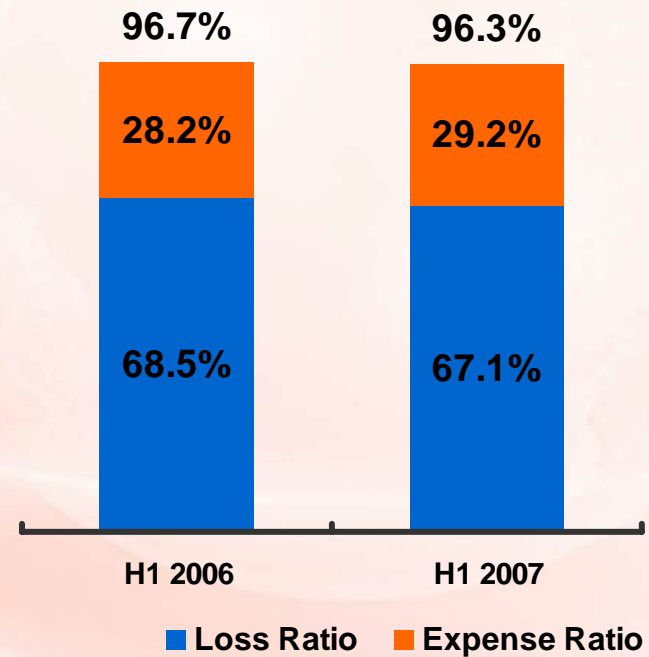
Underwriting Profit

RMB mm



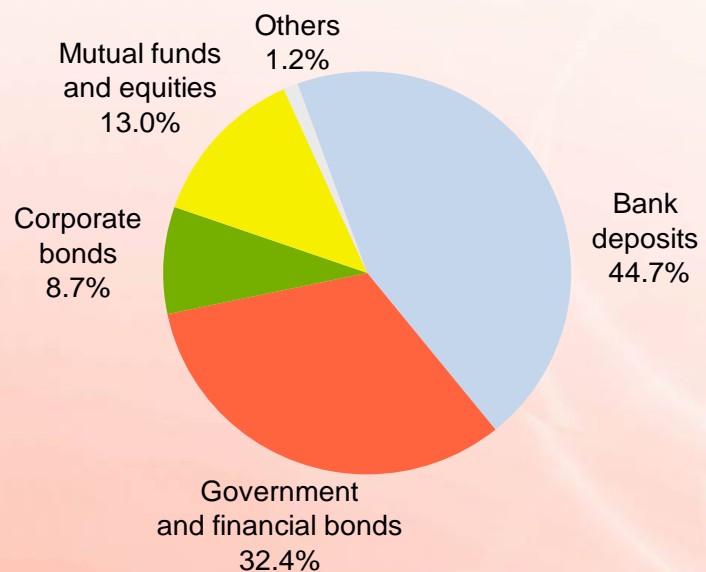
Combined Ratio

RMB mm

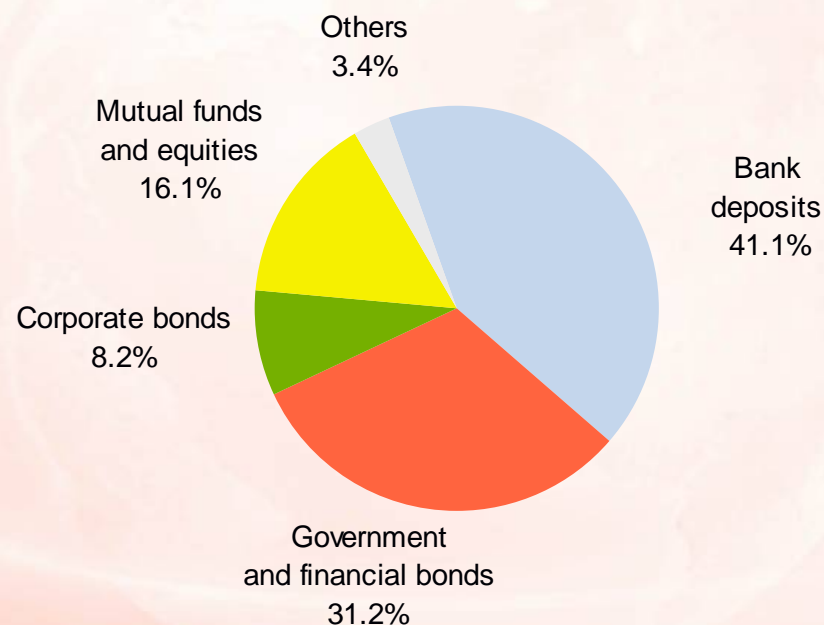


Optimized Investment Portfolio

Dec 31 2006 ⁽¹⁾



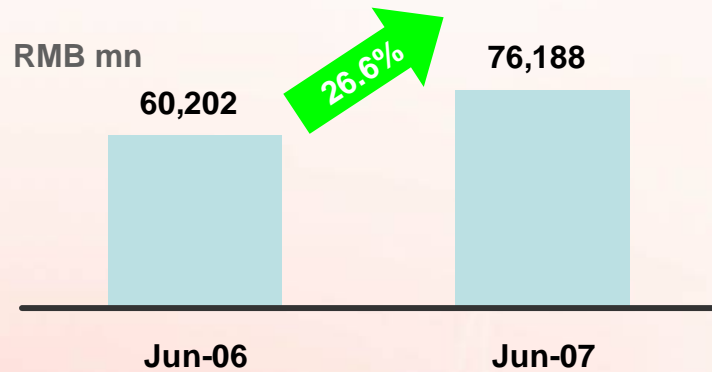
Jun 30 2007 ⁽¹⁾



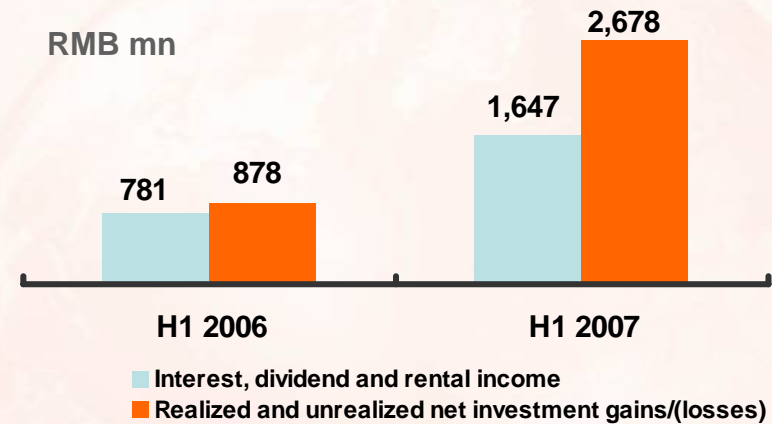
1. Percentages may not add up to 100% due to rounding.

Significantly Increased Investment Gains

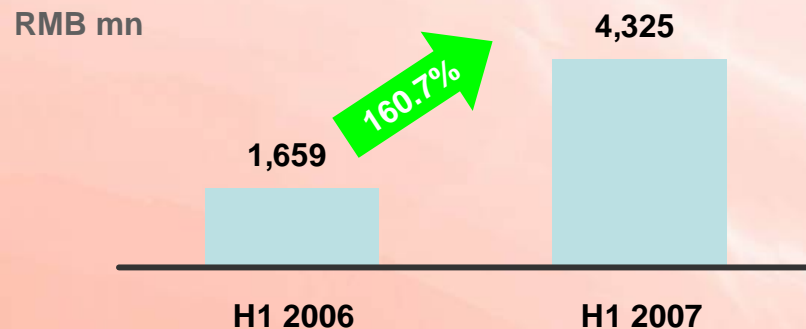
Investment Assets



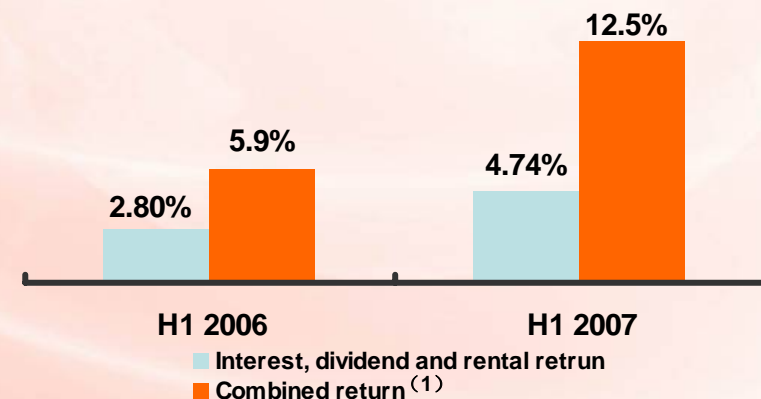
Investment Gains Breakdown



Investment Gains (1)



Return on Investment (2)



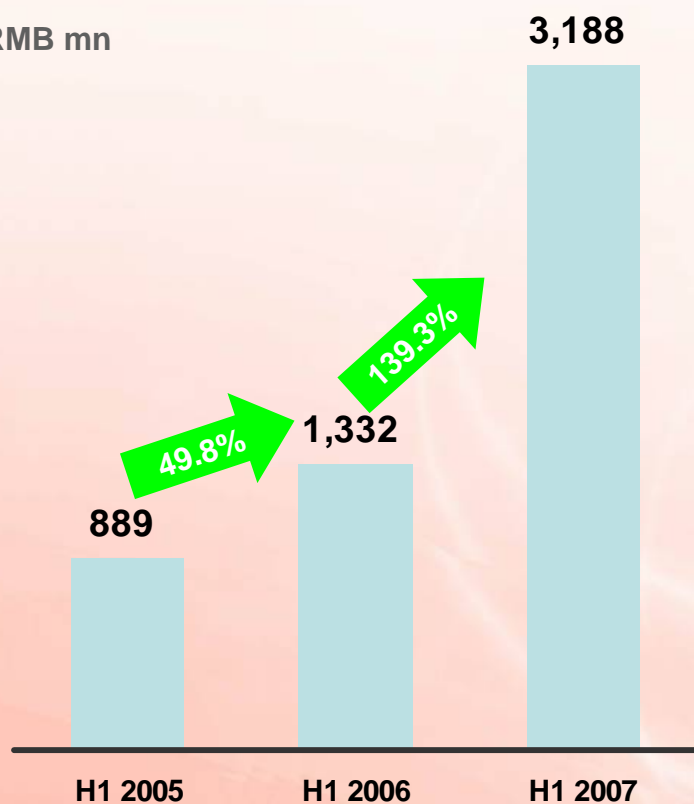
1. Including realized and unrealized net investment income/loss

2. Return on investment has been annualized

Substantially Strengthened Profitability

Net Profit

RMB mn



Earning per Share

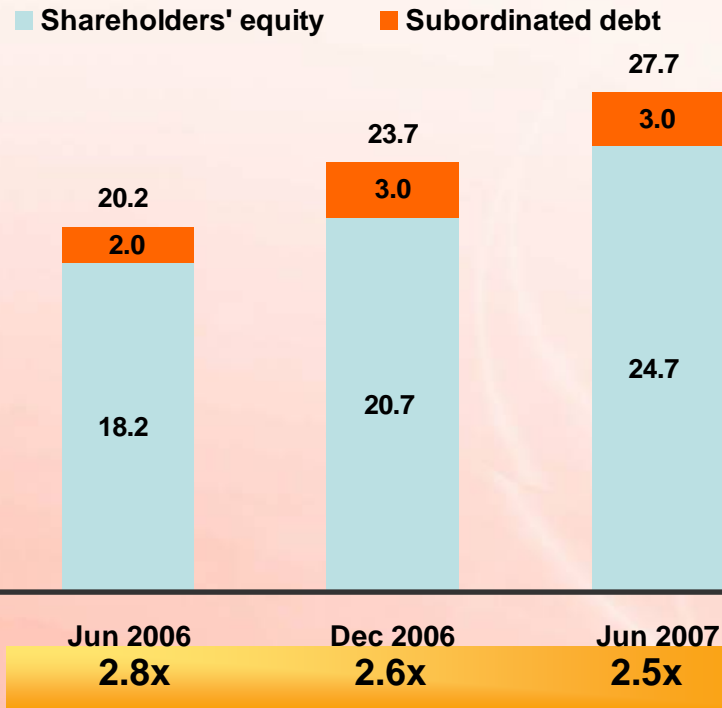
RMB/Share



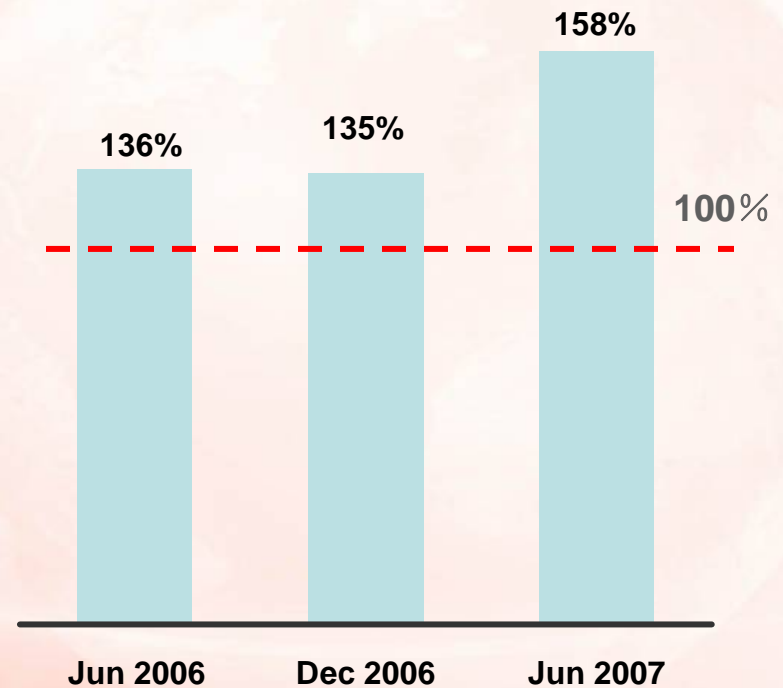
Continuously Steady Capital Strength

Capital Leverage

RMB bn



Solvency Margin



Net premium
(Shareholders' equity + Subordinated debt)



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Thank You!