



**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

## 2008 Interim Results Announcement

August 20, 2008

# Disclaimer



**This document has been prepared by PICC Property and Casualty Company Limited (hereinafter as the “PICC P&C” or the “Company”) and has not undergone independent verification.**

**In addition to statements of historical facts, this document may also contain certain forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, most of which go beyond the Company’s control.**

**The Company does not guarantee the accuracy, neutrality or completeness of information contained herein. The Company also undertakes no obligation to update or revise any forward-looking statements contained in this document in the future.**

# Management



**Mr. WU Yan**

**Chairman, Executive Director**

**Mr. WANG Yincheng**

**Vice Chairman, Executive Director,  
President**

**Ms. LIU Zhenghuan**

**Executive Director, Executive Vice President  
and Board Secretary**

**Mr. CHEN Donghui**

**Actuarial Expert**

# Agenda



## Performance Highlights & Business Development in 1H2008

### Financial Performance and 2H2008 Key Initiatives

# 2008 Interim results highlights

- 1 Rapid growth in premiums income
- 2 Effective cost control
- 3 Stable market share
- 4 Solid investment return
- 5 Insignificant operating loss due to catastrophes

# Solid developments in 1H2008

## New initiatives for business development

- ◆ Explore post-catastrophe opportunities
- ◆ Strengthen sales and service capabilities
- ◆ Exploit synergies

## Continuously strengthen cost control

- ◆ Enhance efficiency of resource allocation
- ◆ Strengthen internal cost-control process
- ◆ Impose stringent cost control

## Effectively streamline management

- ◆ Stringent underwriting management
- ◆ Overall process management of claim settlement
- ◆ Segmented control of financial management

# Solid developments in 1H2008 (Cont'd)

## Materialization of effective risk control

- ◆ Fully utilize leading reinsurance mechanisms for relieving claims pressure from serious disasters
- ◆ Strictly implement unified legal person authorization systems and effectively perform concentrated control of underwriting and claim settlement businesses at provincial level
- ◆ Prospective adjustments on investment portfolio

## Full commitment to disaster relief

- ◆ Promptly demonstrate our role as insurance protection and actively improve claim settlement services
- ◆ Establish contingency mechanism for disaster indemnity
- ◆ Open up “green channel” for claim settlement services

## Enhance protection for the Olympic Games with prominent service

- ◆ Implement special measures to ensure the business operation with regards to the Olympic Games
- ◆ Strengthen efforts in interactive publicity with media
- ◆ Boost up brand influence

# Overcome difficulties, solidify confidence, confirm new key focus tasks and strive for annual development targets

- 1 Southern snow disaster at the beginning of 2008
- 2 May 12<sup>th</sup>'s extraordinary serious Wenchuan earthquake
- 3 Flooding in different regions with various severity
- 4 Capital market's major correction

Promote developments

Ensure profitability

Prevent risks

*Achieve the annual development targets as determined at the beginning of 2008*

# Agenda



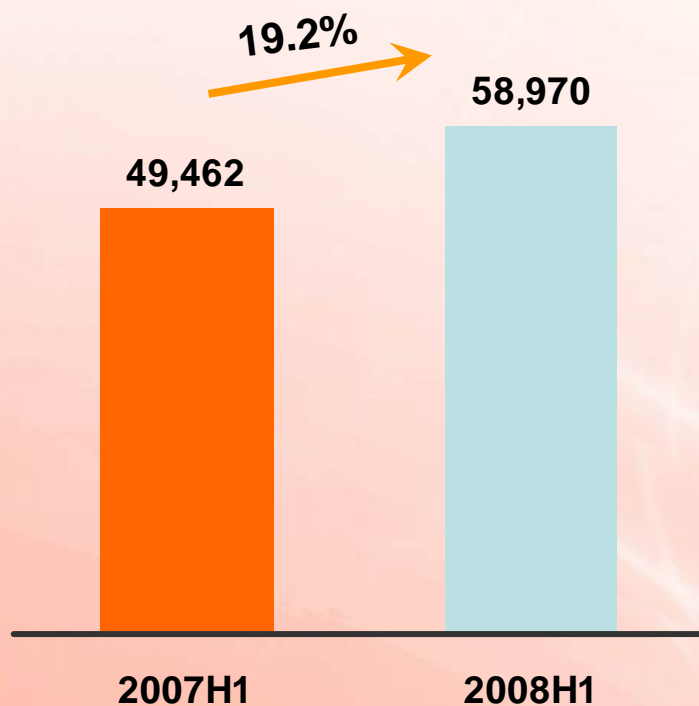
**Performance Highlights and Business Development in 1H2008**

**Financial Performance and Key Initiatives for 2H2008**

# Rapid and steady premium growth

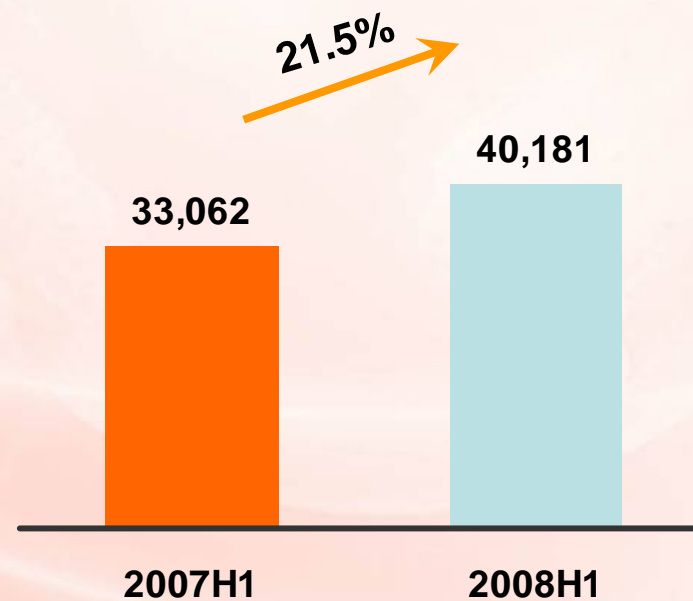
## Turnover

RMB million



## Net premiums earned

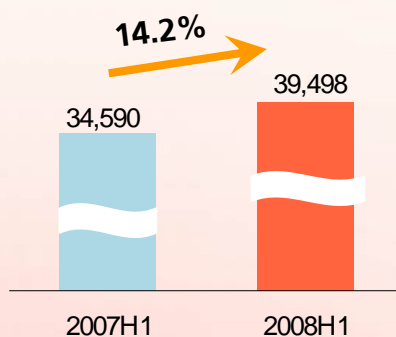
RMB million



# Turnover by segments

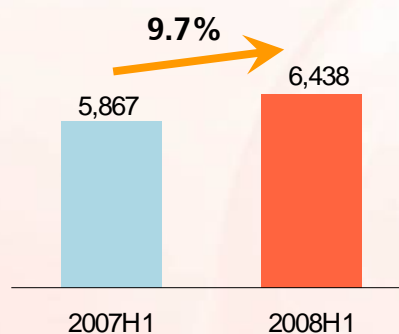
## Motor Vehicle

RMB million



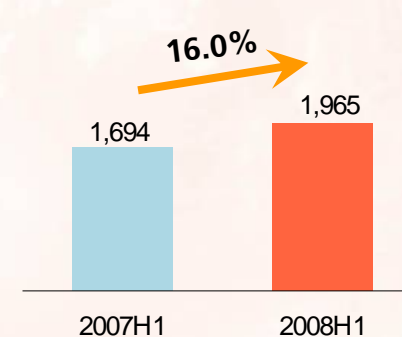
## Commercial Property

RMB million



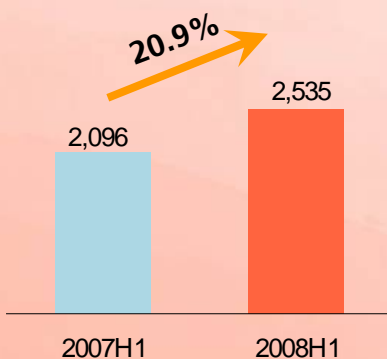
## Cargo

RMB million



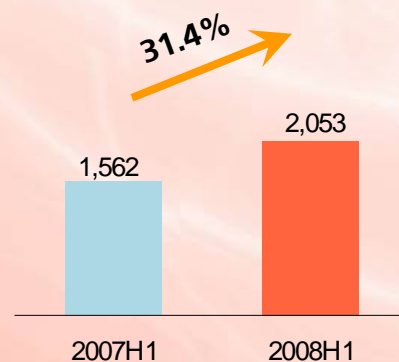
## Liability

RMB million



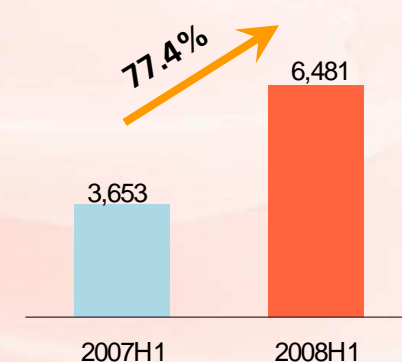
## Accidental Injury and Health

RMB million



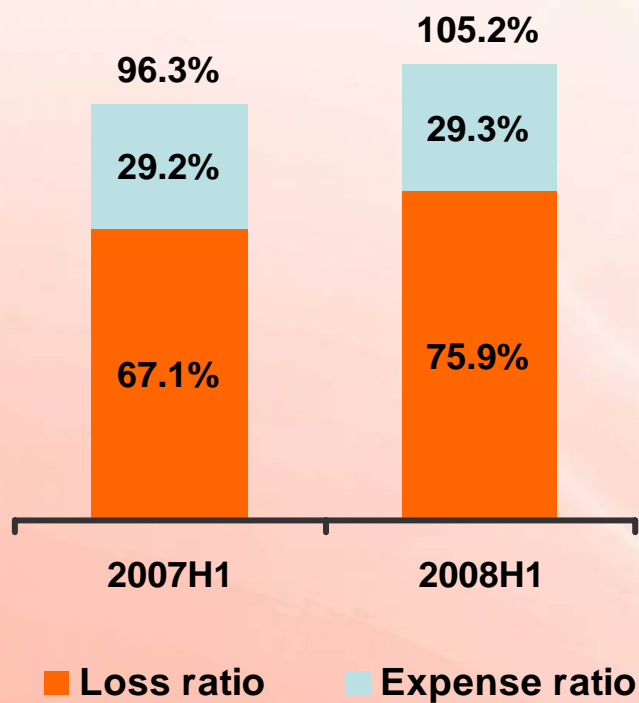
## Others

RMB million



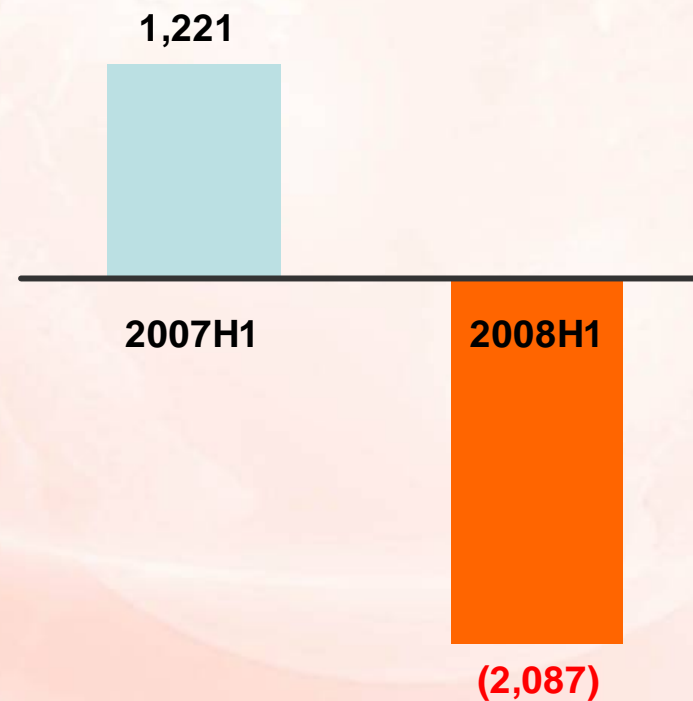
# Underwriting business result

## Combined ratio



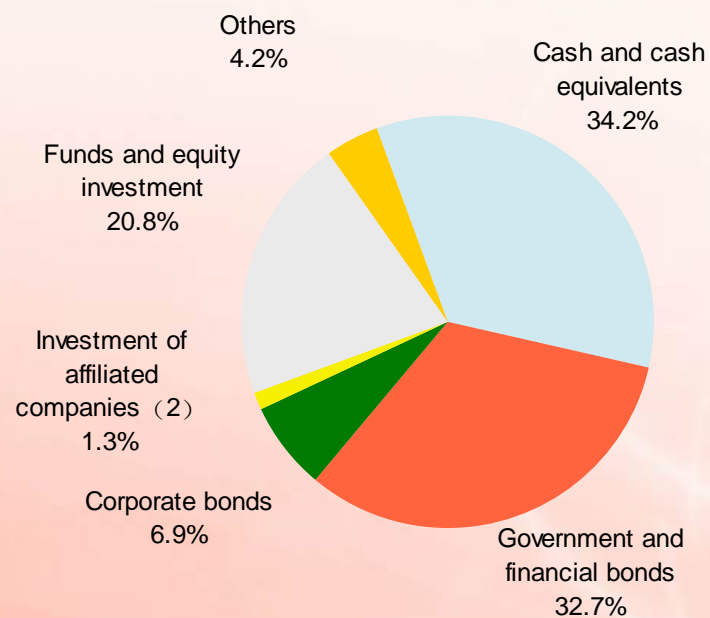
## Underwriting profit/(loss)

RMB million

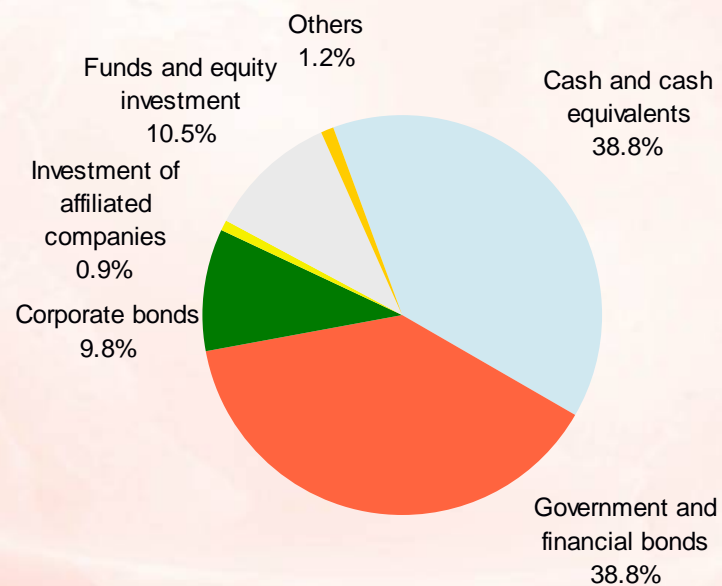


# Proper adjustments of investment portfolio and effective control of market risks

December 31, 2007 (1)



June 30, 2008 (1)



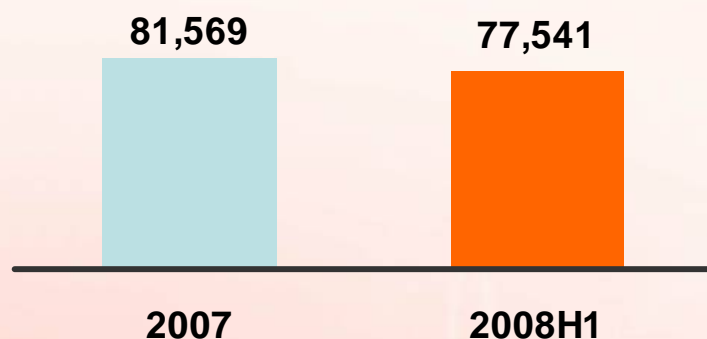
1. Since the arrears are deleted, the added percentages can't make 100%

2. The investment of affiliated companies are PICC Life and PICC AMC

# Outstanding investment return

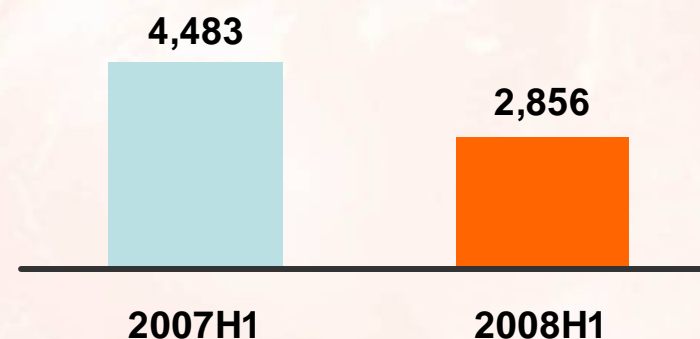
## Investment assets

RMB million

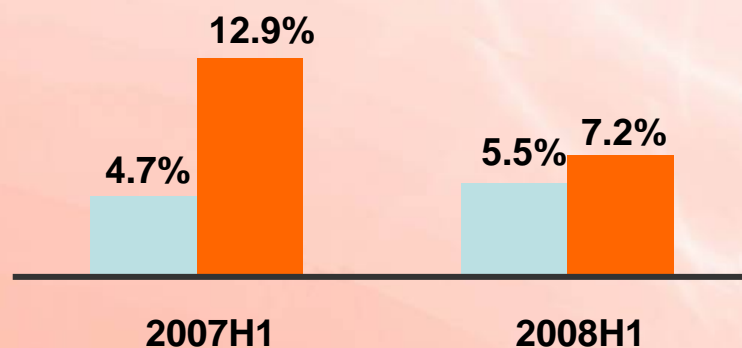


## Investment gains (1)

RMB million



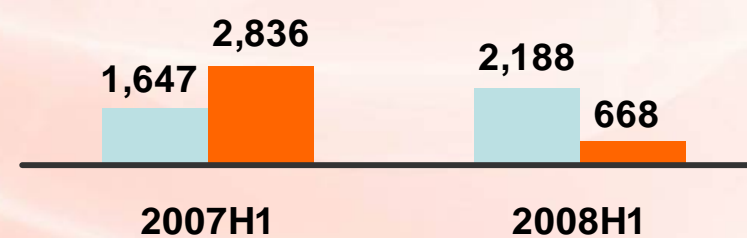
## Return on investment (2)



■ Interest and dividend yield ratio ■ Combined return on investment

## ROI breakdown

RMB million



■ Income from interests, dividends and rent ■ Realized and unrealized net return on investment

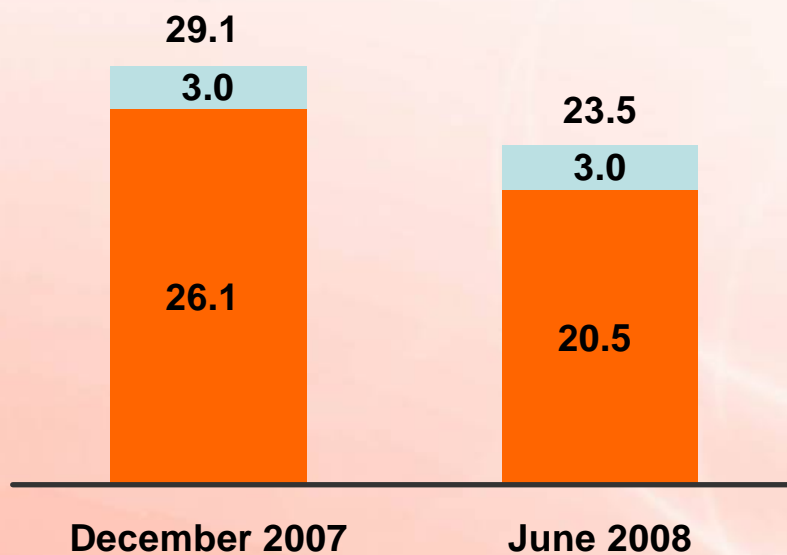
1. Include realized and unrealized net return on investment  
2. Annualized return on investment

# Constantly satisfactory capital strength

## Shareholders' equity

RMB million

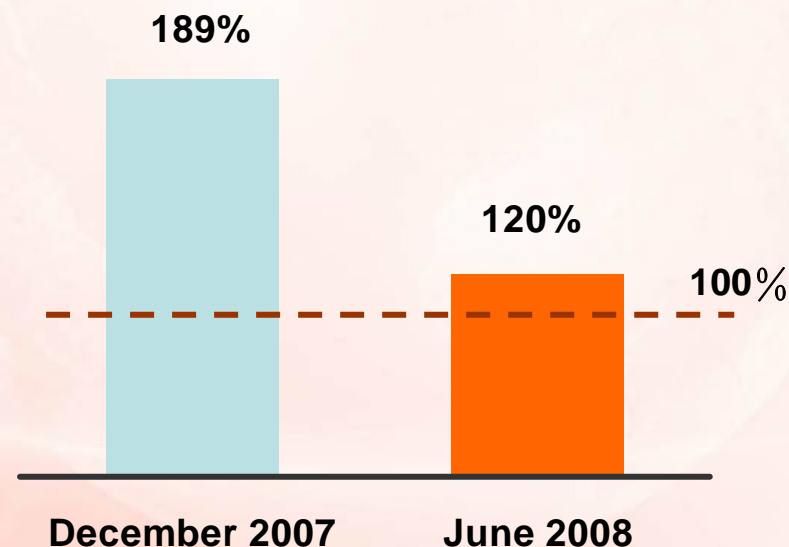
■ Shareholders' equity   
 ■ Sub-debt



**2.6x**
**3.5x**

**Net premiums earned**  
**(Shareholders' equity+ subdebt)**

## Solvency margin



# Key initiatives for 2H2008





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**Thank you!**