

PICC P&C 2010 Interim Results

August 18, 2010



PICC 中国人保

中国2010年上海世博会全球合作伙伴
Global Partner of Expo 2010 Shanghai China

中国人民财产保险股份有限公司

Disclaimer

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Performance Highlights and Business Review

Financial Performance and 2H2010 Initiatives

1 Net profit of RMB2.65 bn, Up by 32.1x, EPS of RMB0.237

2 Turnover of RMB81.63 bn, YOY increased by RMB14.58 bn and at 21.7%

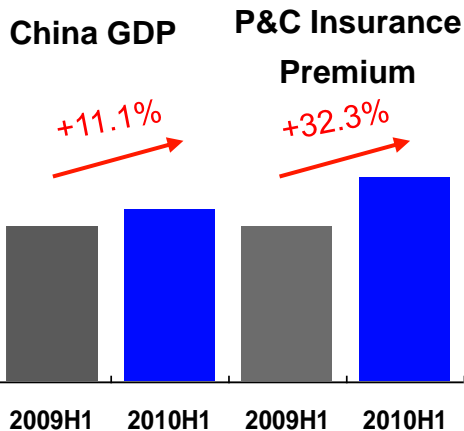
3 Underwriting profit of RMB1.90 bn, combined ratio at 96.7%, YoY decreased by 6.8ppt

4 Net cash flow from operating activities continued to grow substantially to RMB19.41 bn with YoY growth at 58.7%

5 Steady growth of assets up to RMB186.29 bn and increased by 12.6% YTD

Fast Growth of Chinese Economy

- Chinese economy kept healthy development momentum in general with high growth and low inflation
- Unitary development of urban and rural areas and increase in consumption level drove demand for insurance to grow

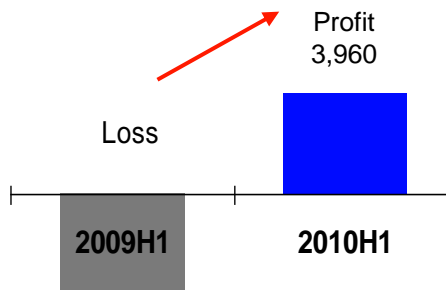


Source: National Bureau of Statistics, CIRC

Non-life Underwriting Turned Profitable

- Market order of the industry continued to improve and profitability was enhanced
- The P&C insurance industry as a whole achieved underwriting profit

P&C insurance industry underwriting results (RMB MM)

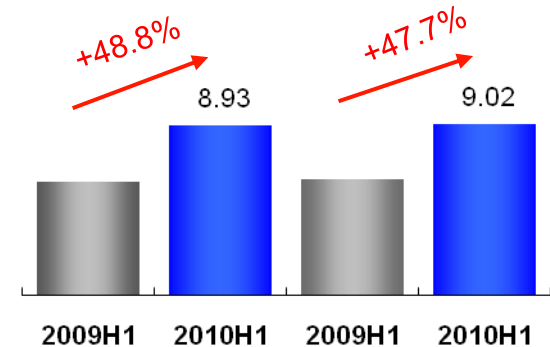


Source: CIRC

Substantial and Continuous Growth of Auto Production & Sales

- Auto production and sales continued to grow substantially in 1H
- China remained the world's largest auto market

Auto Production Auto Sales (Units in MM)



Source: China association of automobile manufacturers

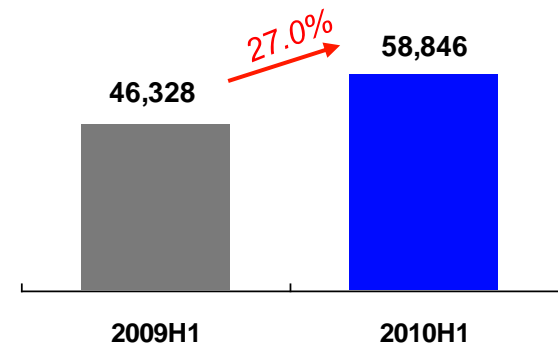
1 Further implement the market strategy of “consolidating positions in cities and further exploring rural markets ”

2 Enhance professional management and operation of motor business to achieve fast growth

3 Seize the opportunity of macro economy recovery to actively develop non-motor business

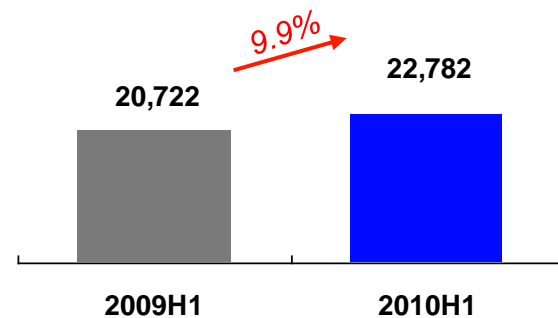
Motor Turnover

(RMB MM)



Non-Motor Turnover

(RMB MM)

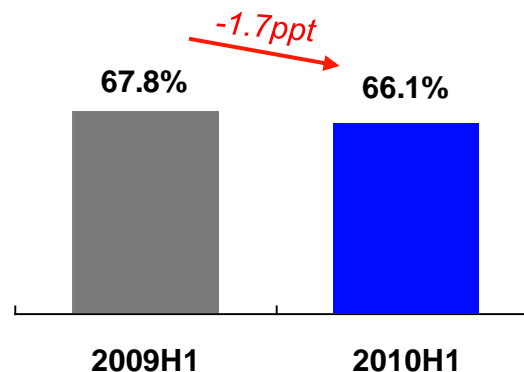


1 Enhance underwriting management
implement selective underwriting
optimize business structure
increase premium adequacy

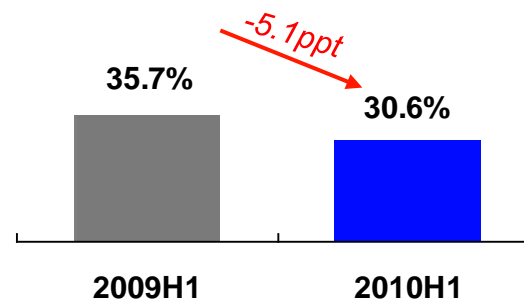
2 Strengthen claims
settlement control and
enhance centralized
management

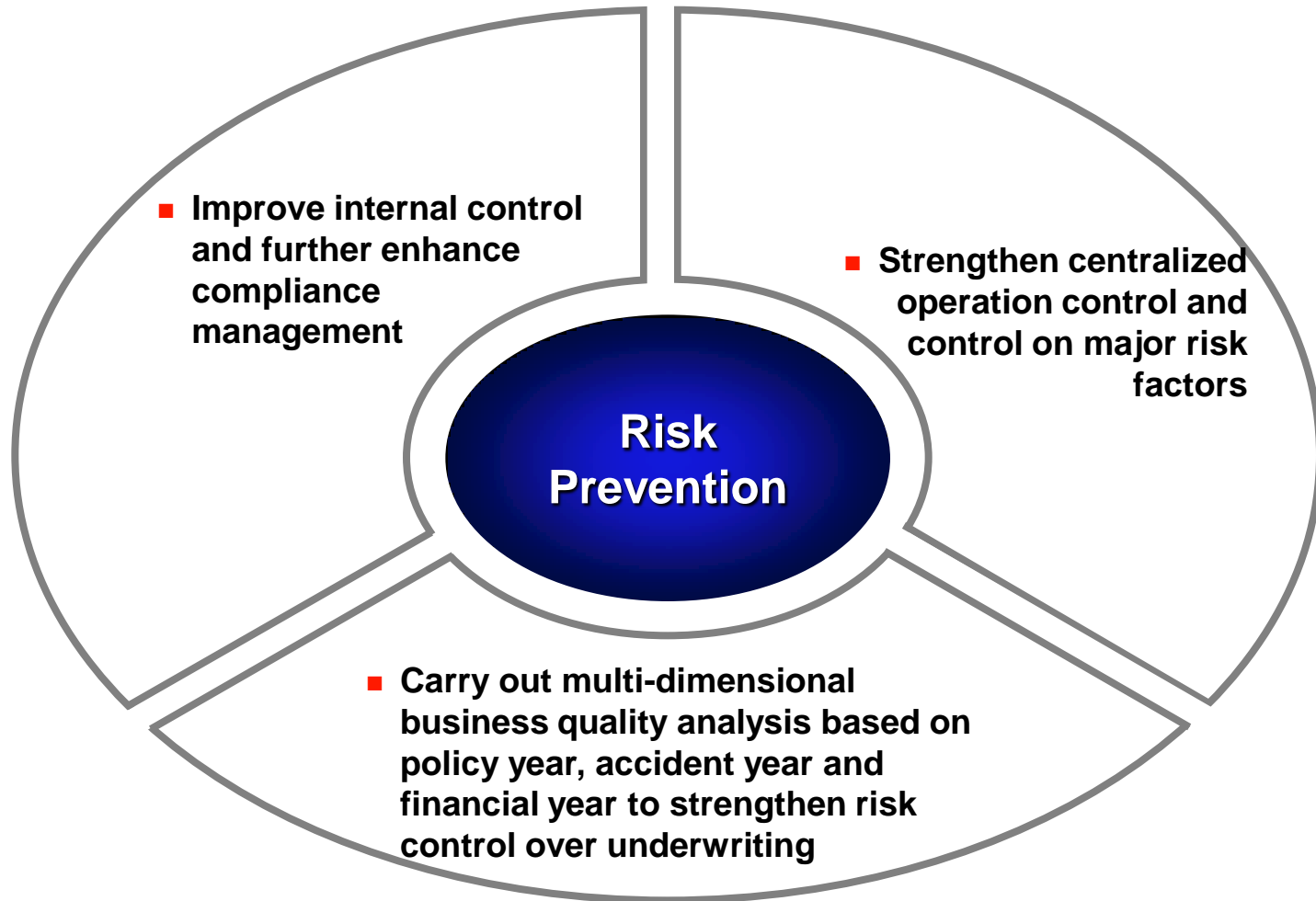
3 Further strengthen expense
control

Loss Ratio



Expense Ratio





Opportunities

- Chinese economy will continue to grow rapidly
- Non-life business environment continues to improve and industry profitability witnesses steady enhancement
- Investment channels for insurance companies are further expanded

Challenges

- Increasing competition in regional markets
- Uncertainty to losses caused by natural disasters
- More volatility in the capital market

With more support from PICC Group as it was successfully listed on Fortune 500, ranking at 371, PICC P&C will take the opportunity and rise to the challenges to continuously improve the Company's internal quality and maintain sustainable and healthy development.

Performance Highlights and Business Review

Financial Performance and 2H2010 Initiatives

Profitability Substantially Enhanced




9

RMB MM	2009H1 (Restated)	2010H1	Change	
Turnover	67,050	81,628	21.7%	↑
Net premiums earned	43,447	57,679	32.8%	↑
Underwriting profit	(1,534)	1,900	<i>n.m.</i>	↑
Investment income	1,822	1,824	0.1%	↑
Net profit	80	2,645	3206.3%	↑
EPS (RMB)	0.007	0.237	3206.3%	↑
Net cash flow from operating activities	12,231	19,406	58.7%	↑

Note: Data for 2009H1 were restated according to the new PRC GAAP. Same below.

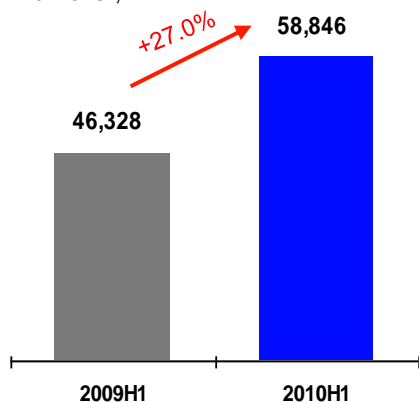
Steady Asset Growth

10

RMB MM	Dec 31, 2009	Jun 30, 2010	Change	
Total Assets	165,383	186,291	12.6%	
Investment Assets	109,940	131,990	20.1%	
Net Assets	21,763	22,311	2.5%	

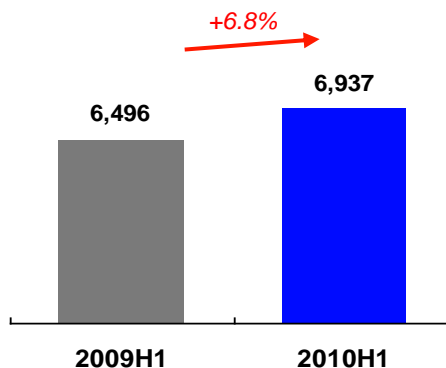
Motor

Turnover, RMB MM



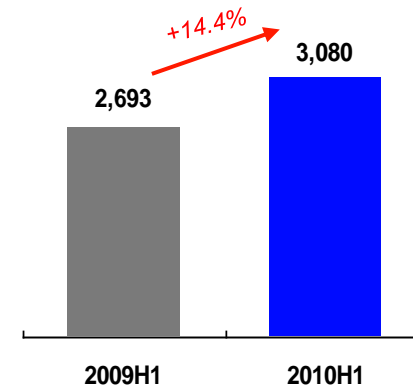
Commercial Property

Turnover, RMB MM



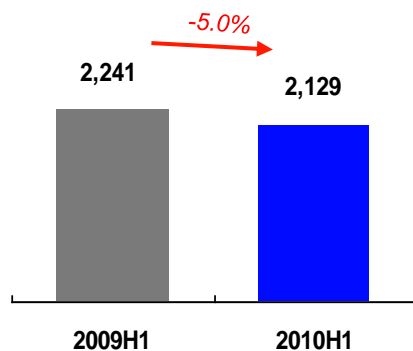
Liability

Turnover, RMB MM



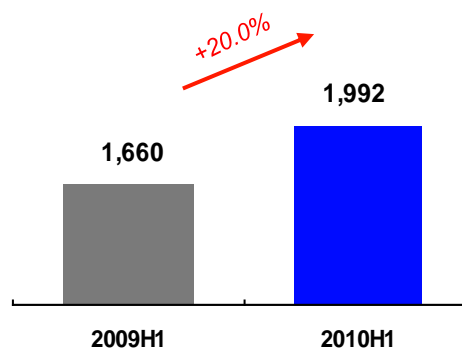
Accident & Health

Turnover, RMB MM



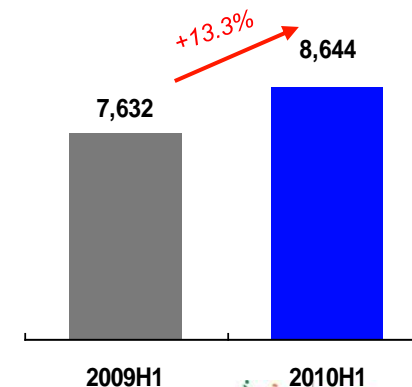
Cargo

Turnover, RMB MM

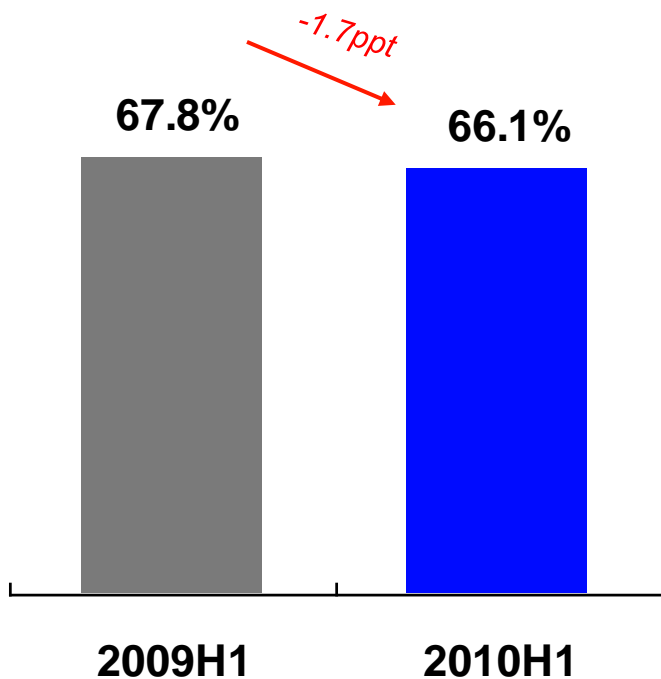


Others

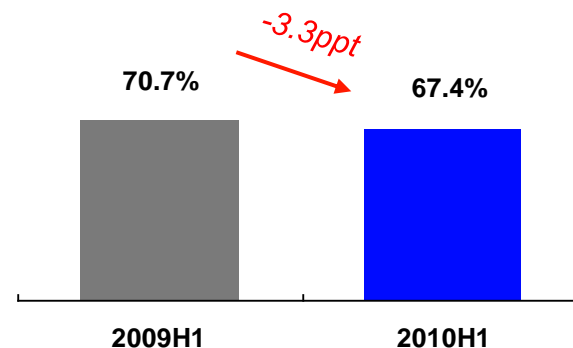
Turnover, RMB MM



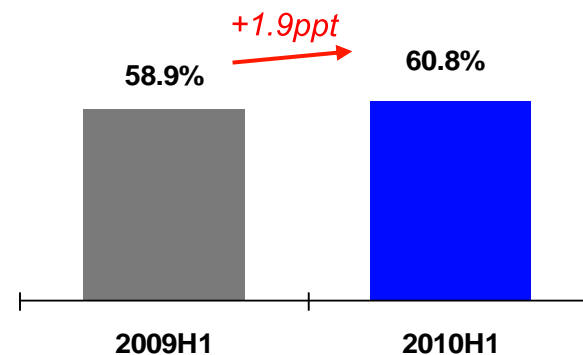
Loss Ratio



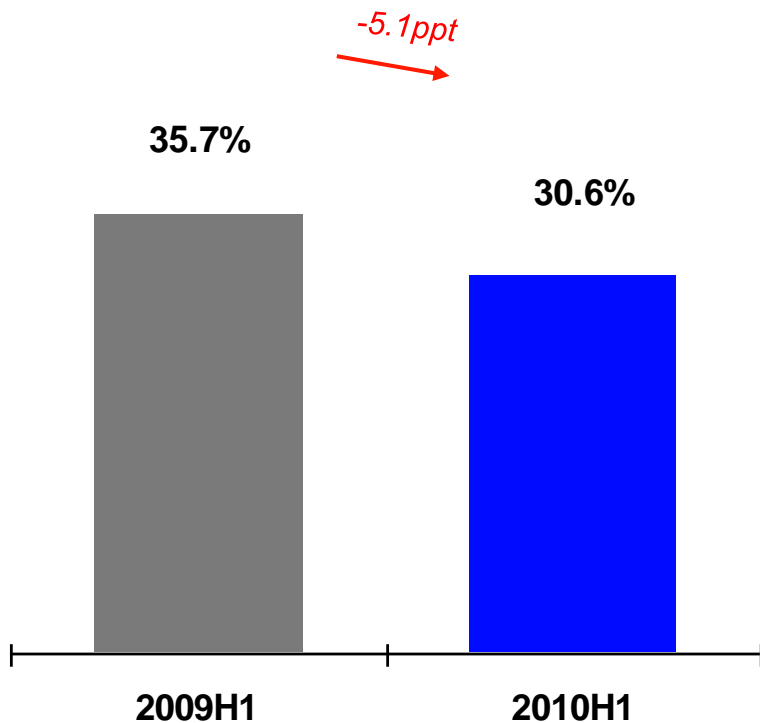
Motor Loss Ratio



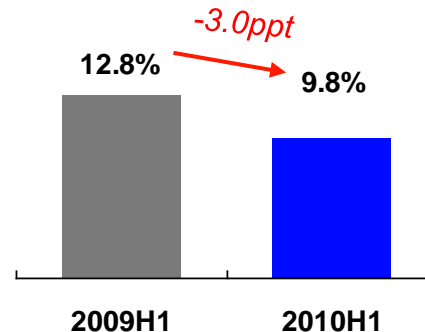
Non-Motor Loss Ratio



Expense Ratio

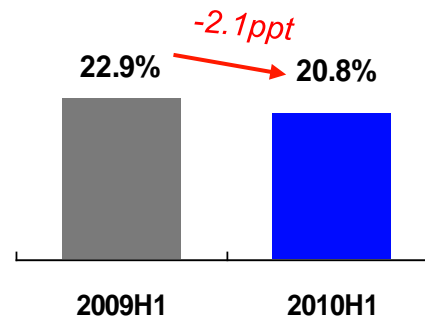


Administrative Expense Ratio



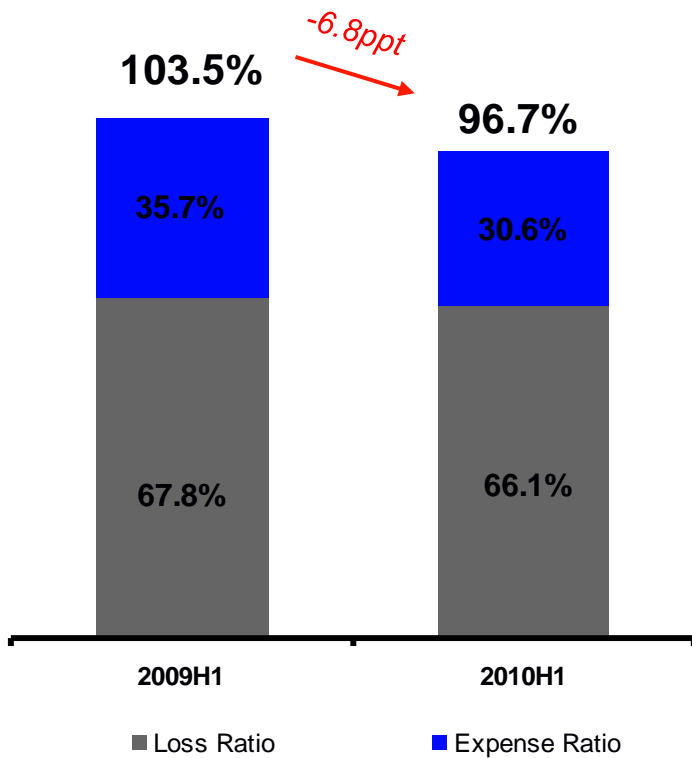
Administrative expense ratio = G&A expenses/Net premiums earned

Underwriting Expense Ratio



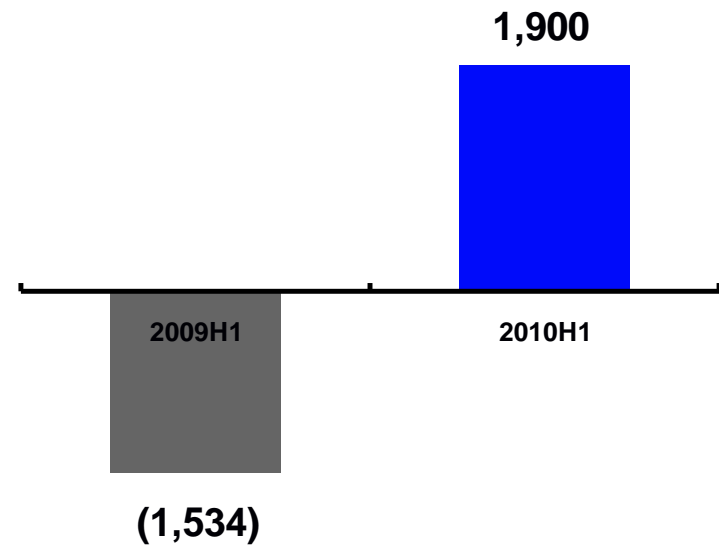
Underwriting expense ratio=acquisition cost and other underwriting expenses/Net premiums earned

Combined Ratio



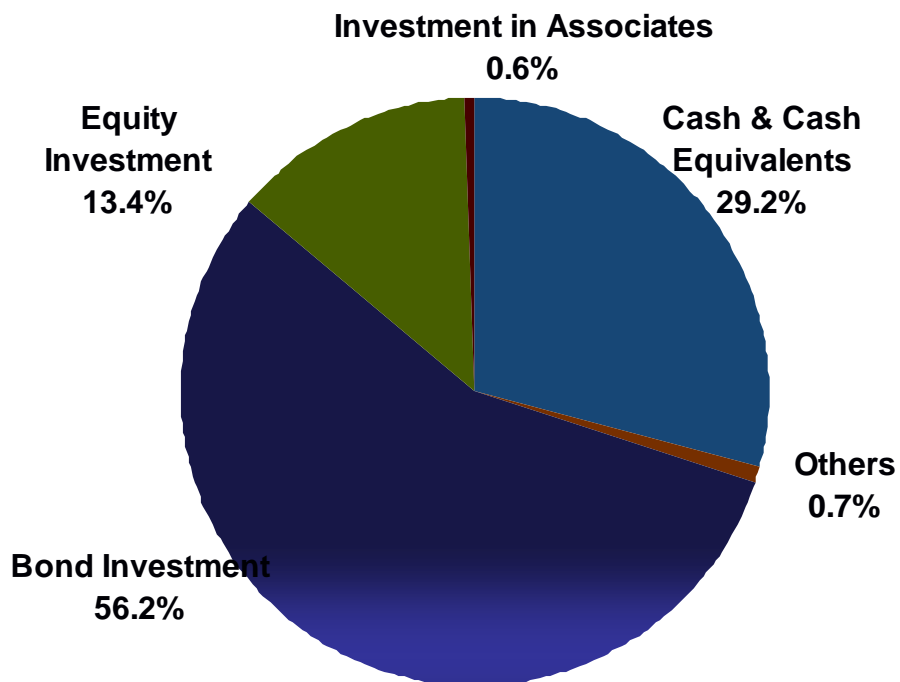
Underwriting Profit

RMB MM



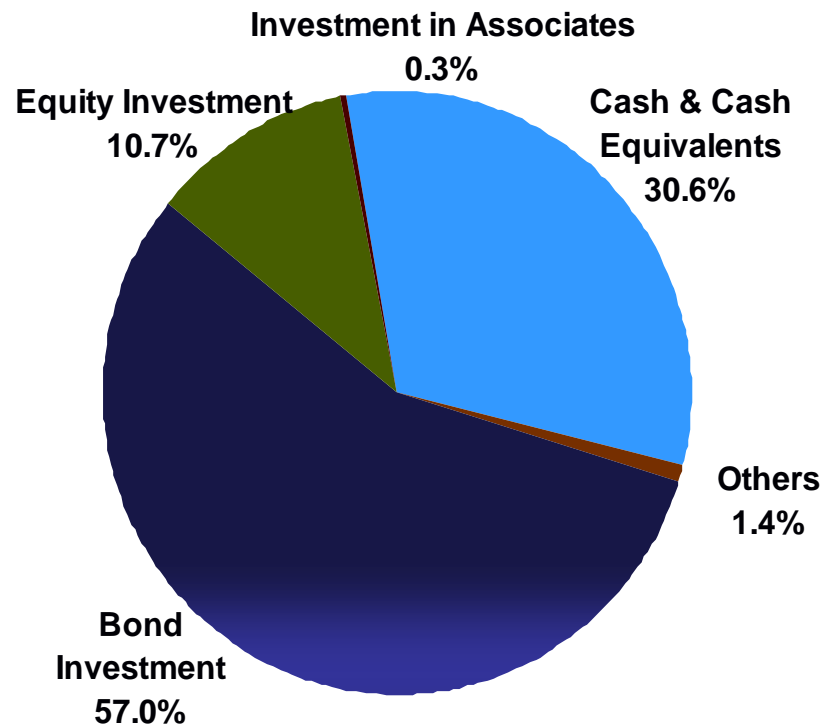
Dec 31, 2009

Investment Assets: RMB109.94 bn



Jun 30, 2010

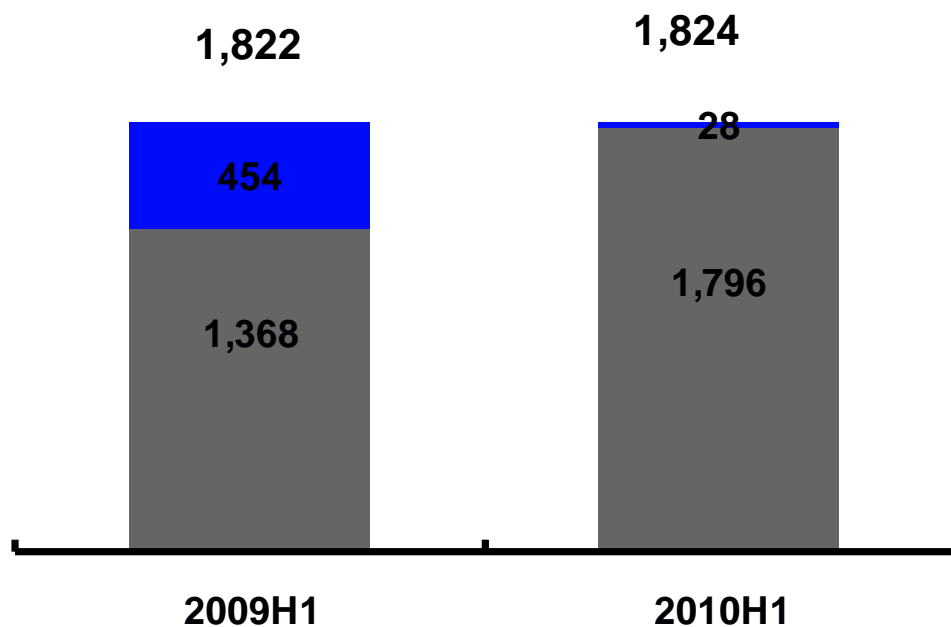
Investment Assets: RMB131.99 bn



Note: The sum may not be 100% due to the omit of mantissa

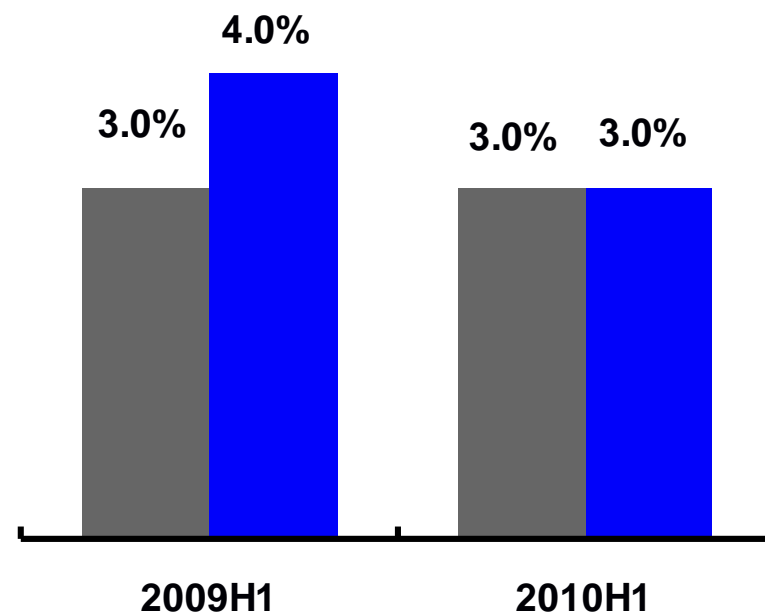
Investment Income Mix

RMB MM



- Net realized and unrealized investment gains
- Interests, dividend and rental income

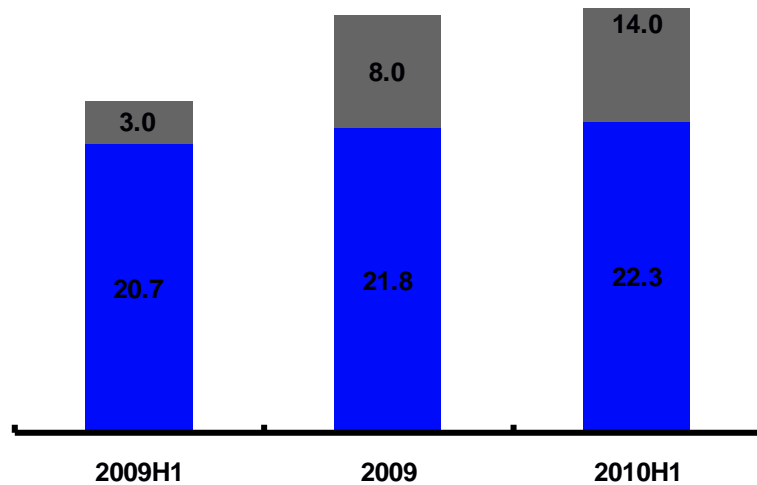
Annualized Investment Yield



- Interest, Dividend and Rental Yield
- Gross Investment Yield

Leverage Ratio

RMB Bn



■ Shareholder equity ■ Sub-debts

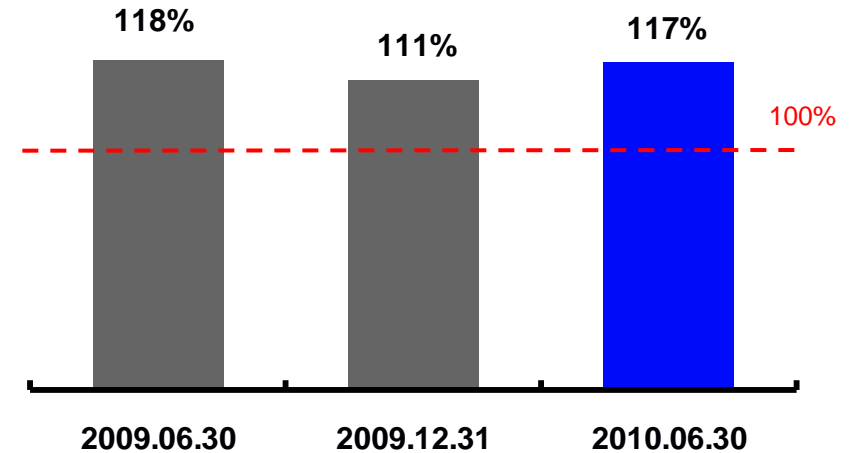
3.6X

3.5X

3.3X

$$\text{Leverage ratio} = \frac{\text{Net Premiums Underwritten}}{\text{(Shareholder equity + sub-debts)}}$$

Solvency Ratio



1

Further strengthening of sales capability and acceleration of profitable growth

2

Efforts to control prices and costs and improve underwriting profitability

3

Promotion and use of advanced management tools to increase the level of refined management

4

Continued promotion of centralized management to establish an integrated operating platform

5

Active efforts to seize investment opportunities in economic transformation and improve return on investment

Thank You!



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