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Forging Ahead

2014 Annual Results Presentation
China Pacific Insurance (Group) Co., Ltd.

March 30, 2015

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Optimising Insurance-based Portfolio

Government policies such as Opinions on Accelerating the Development of Modern Insurance Industry and Opinions on Accelerating the Development of Commercial Health Insurance present an important window of opportunity for insurance, and in particular, for pension, health and agricultural insurance.



太保安联
CPICAllianz



太保安联健康保险股份有限公司
CPIC Allianz Health Insurance Co., Ltd.

Provides professional health products and services to mid and high-end customers



长江养老保险股份有限公司
CHANGJIANG PENSION INSURANCE CO.,LTD.

Enhances resources-sharing with other subsidiaries of CPIC Group



安信农业保险股份有限公司
ANXIN AGRICULTURAL INSURANCE CO.,LTD.

Strengthens our capabilities, expertise and competitive edge in agricultural insurance

太平洋保险养老产业投资管理有限责任公司
Pacific Insurance Aging Industry Investment Management Co., Ltd.

Provides professional care to mid and high-end customers

Transitioning Initiatives Delivered Tangible Benefits

Customer needs	Data mining	Products & services innovations	Customer resources-sharing
	<ul style="list-style-type: none"> ◆ Group customers 84.627 million ◆ Marketable customers grew by 15.6% 	<ul style="list-style-type: none"> ◆ <i>Caifu Ubao</i> clients 80 thousand ◆ No. of existing customers up-sold grew by 56.9% 	<ul style="list-style-type: none"> ◆ No. of customers shared over 3 million ◆ No. of branches on motor insurance customer-sharing 21
Customer interface	On-line platform	Brick-and-mortar outlets	Dedicated teams
	<ul style="list-style-type: none"> ◆ www.ecpic.com.cn 82 products ◆ On-line visits 50 million 	<ul style="list-style-type: none"> ◆ Integrated stores 556 ◆ Innovative outlets in operation 37 	<ul style="list-style-type: none"> ◆ <i>Jinyulan</i> program 8 cities ◆ Team members 1000
Customer experience	Sales end optimisation	Fast claims payment	POS innovations
	<ul style="list-style-type: none"> ◆ <i>Shenxing Taibao</i> terminals in use 120000 ◆ Serving customers 16 million 	<ul style="list-style-type: none"> ◆ Fast-track claims system coverage 80.4% ◆ Serving customers over 12 million 	<ul style="list-style-type: none"> ◆ Simplified renewal procedure for motor insurance 2 steps ◆ Welcome call on <i>Wechat</i> over 360 thousand

Steady Growth of Life and Asset Management, with Underwriting Losses for Property and Casualty

**Steady
Growth of Life
and Asset
Management**

A fundamental shift in the mode of value growth for life

5-year
compound
average
growth of NBV

+9.4%

Share of
individual
business

92.5%

Share of
regular
premiums

85.1%

Enhanced competitiveness in asset management

5-year Group
AuM
compound
growth rate

+18.3%

Third-party
AuM growth
YoY

+80.7%

Management
fees from
third-party
business
YoY

+77.6%

**Underwriting
losses for P/C**

Persisting in underwriting profits and sustainable development

GWPs growth
of property
and casualty
YoY

+13.8%

Combined
ratio

103.8%

Net profits

-59.6%

Note: The property and casualty insurance on this slide includes both CPIC P/C and CPIC HK

Performance Analysis

Sustained Value Growth

Unit: RMB million

	KPIs	2014	Change(%)
Sustained Value Growth	Group embedded value ⁽¹⁾	171,294	18.6
	Group value of in-force business ⁽¹⁾⁽²⁾	74,064	18.6
	One-year new business value	8,725	16.3
	Combined ratio ⁽³⁾	103.8%	4.3pt
	Growth of Group net investment asset value	8.8%	4.5pt
Sound Financial Results	Operating revenue ⁽⁴⁾	219,778	13.8
	Gross written premiums	191,805	8.4
	Net profits ⁽⁵⁾	11,049	19.3
	Earnings per share(RMB yuan) ⁽⁵⁾	1.22	19.3
	Net profits ⁽¹⁾⁽⁵⁾	117,131	18.4
	Weighted average ROE ⁽⁵⁾	10.3%	0.8pt
Strong Solvency Ratios	CPIC Group ⁽¹⁾	280%	(3pt)
	CPIC Life ⁽¹⁾	218%	27pt
	CPIC P/C ⁽¹⁾	177%	15pt

Note: (1) As at 31 December 2014

(2) Based on Group's share of CPIC Life's VIF after solvency

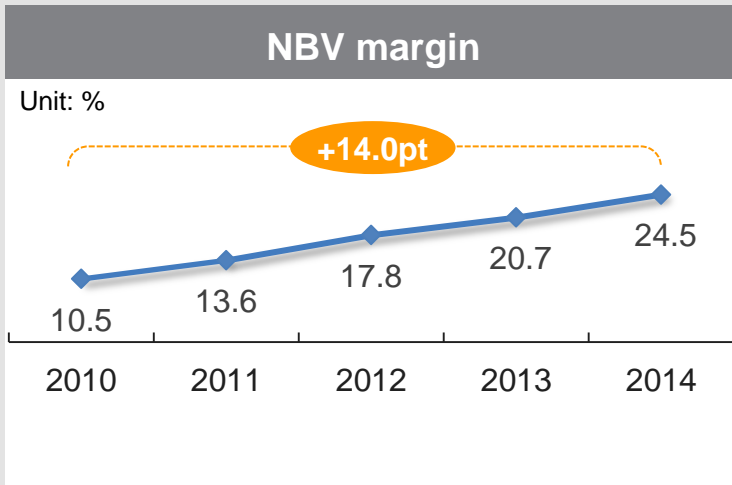
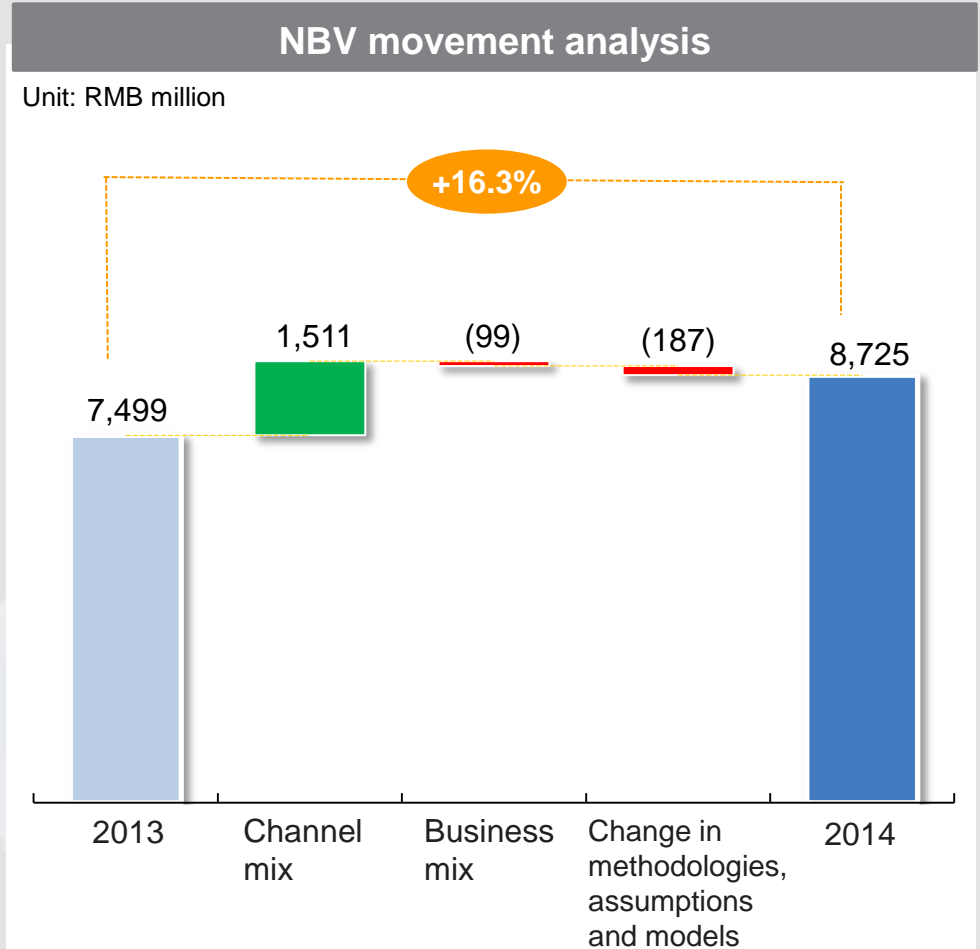
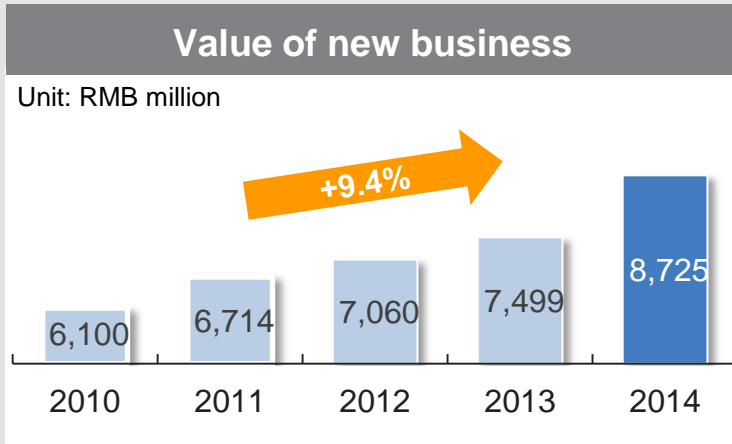
(3) Includes both CPIC P/C and CPIC HK

(4) Based on PRC GAAP

(5) Attributable to shareholders of the parent

Life Business(1/3)

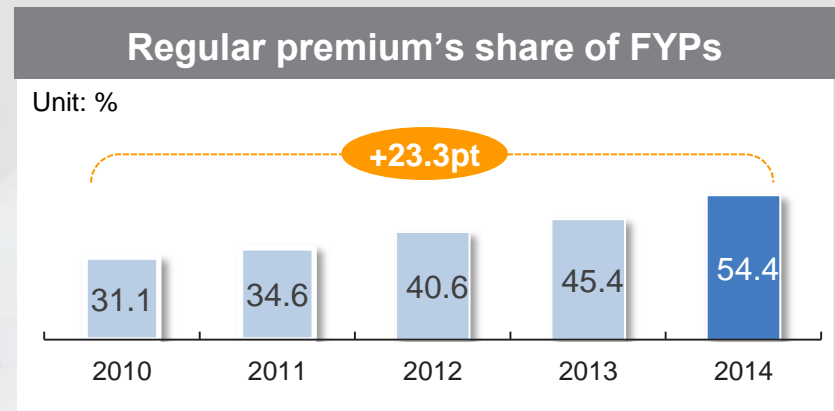
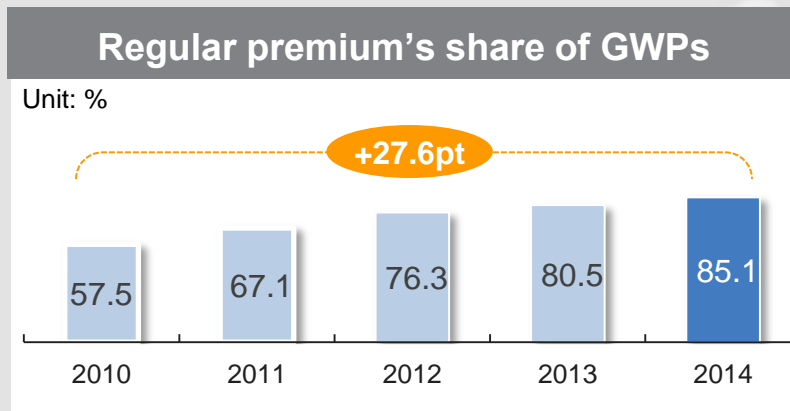
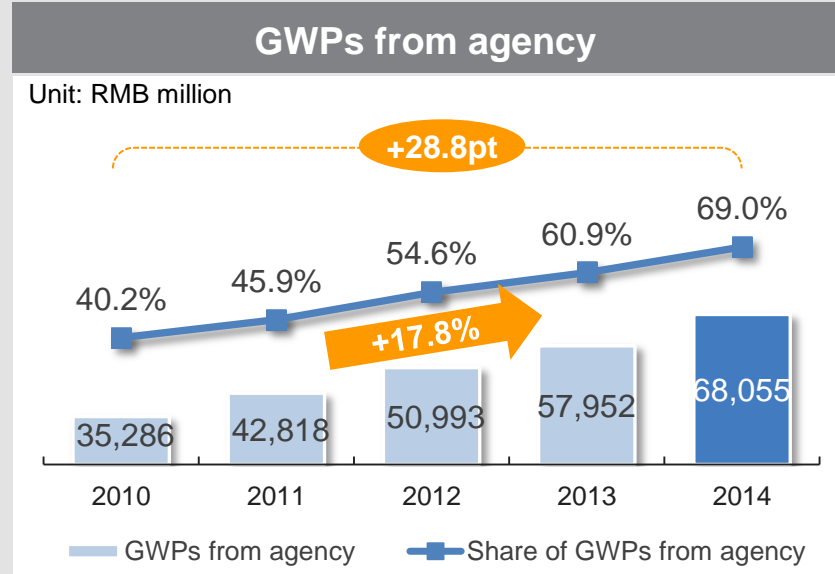
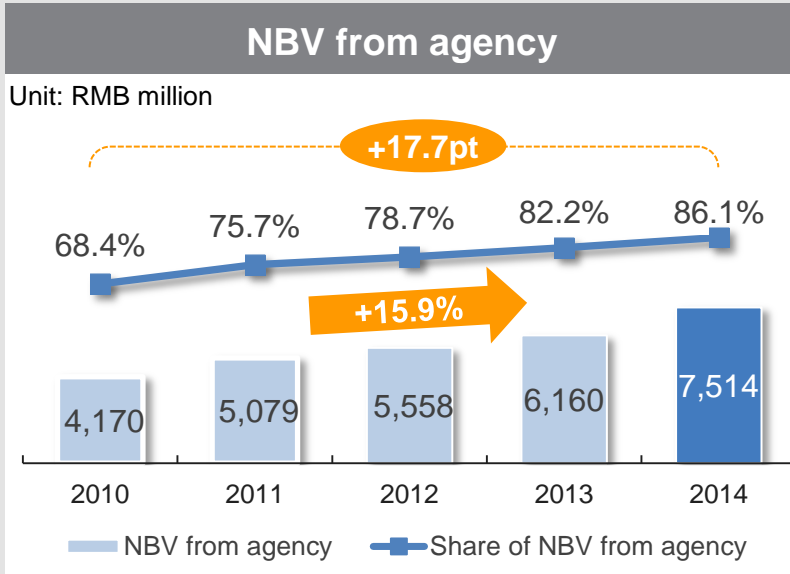
NBV grew by 16.3%, with NBV margin increasing by 3.8 percentage points



- Note: (1) NBV margin = NBV/annualized first year premiums
 (2) Change in methodologies, assumptions and models covers the period of January 1, 2014 and December 31, 2014
 (3) Sum of parts may not totally add up due to rounding.

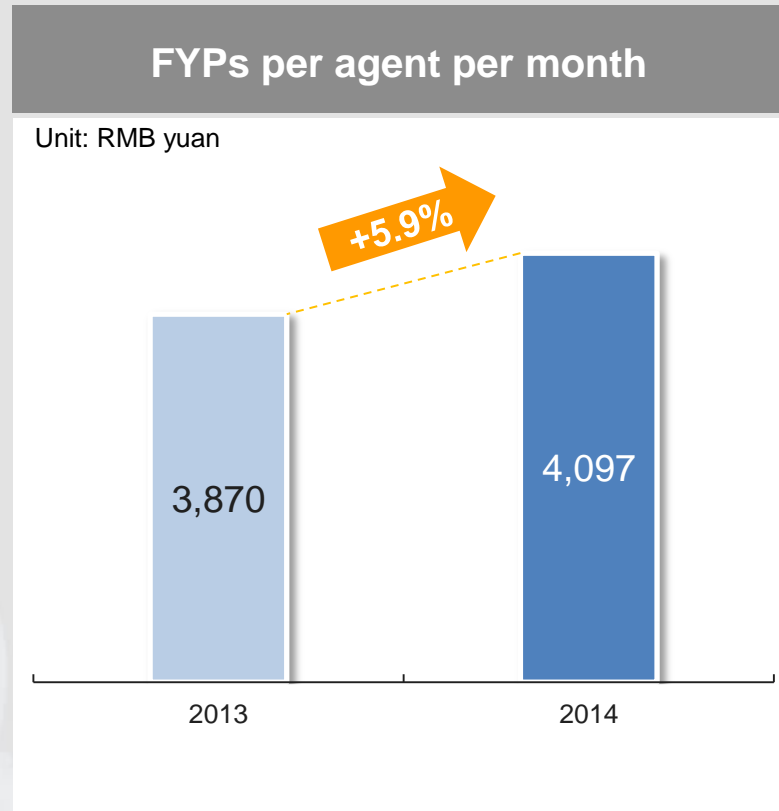
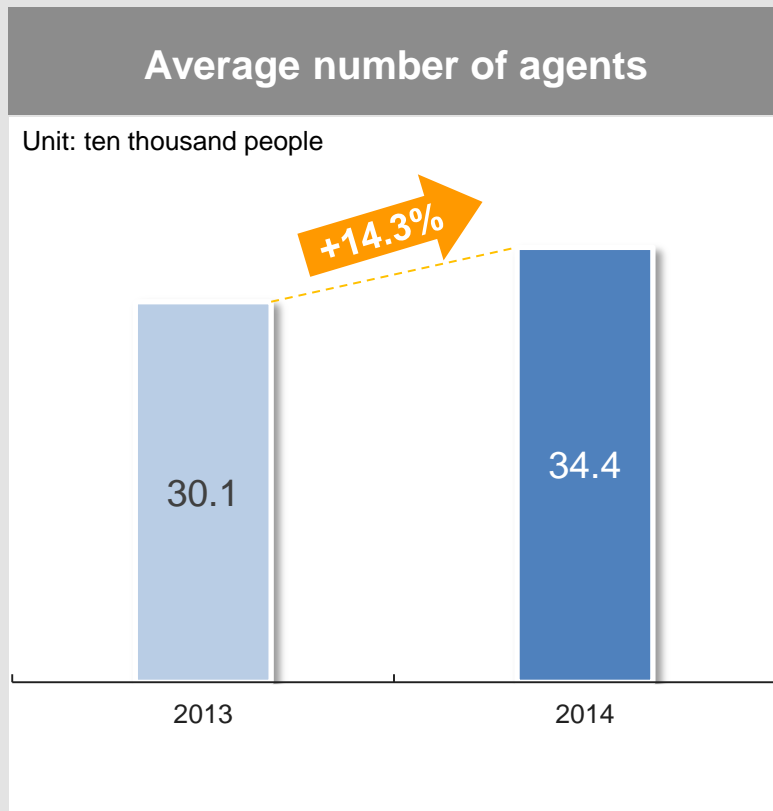
Life Business(2/3)

NBV from agency grew by 22.0%, with share of regular premiums reaching 85.1%



Life Business(3/3)

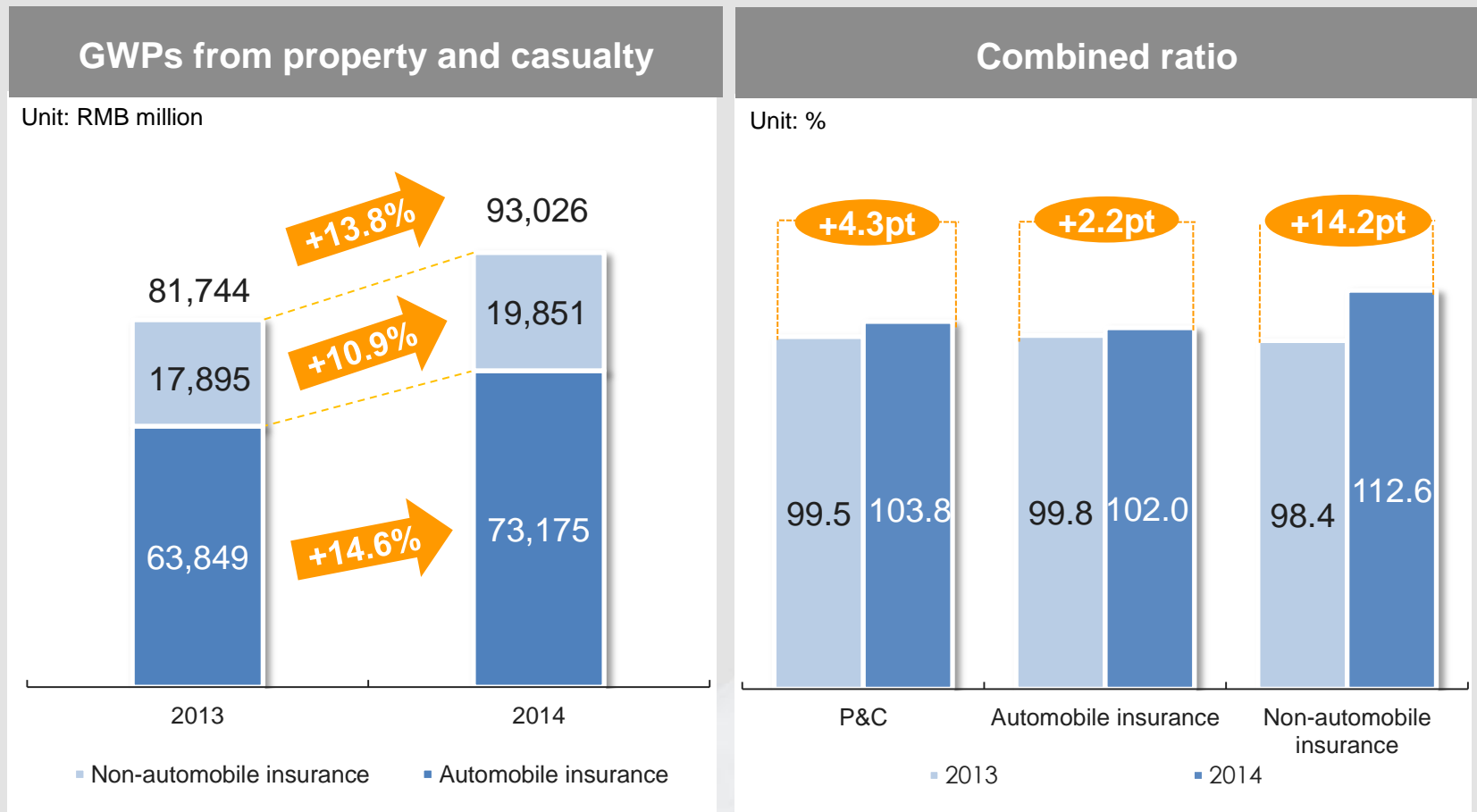
Average number of agents grew by 14.3%, with productivity increasing by 5.9%



Note: Figures for 2013 have been restated.

Property and Casualty Business(1/3)

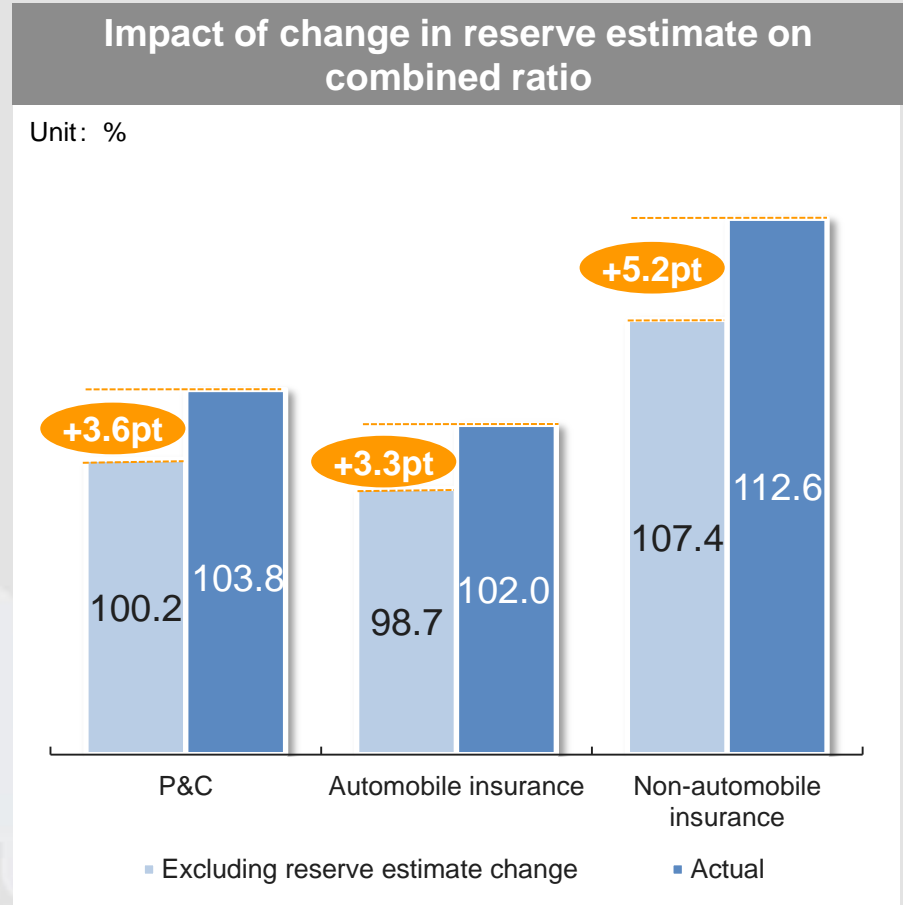
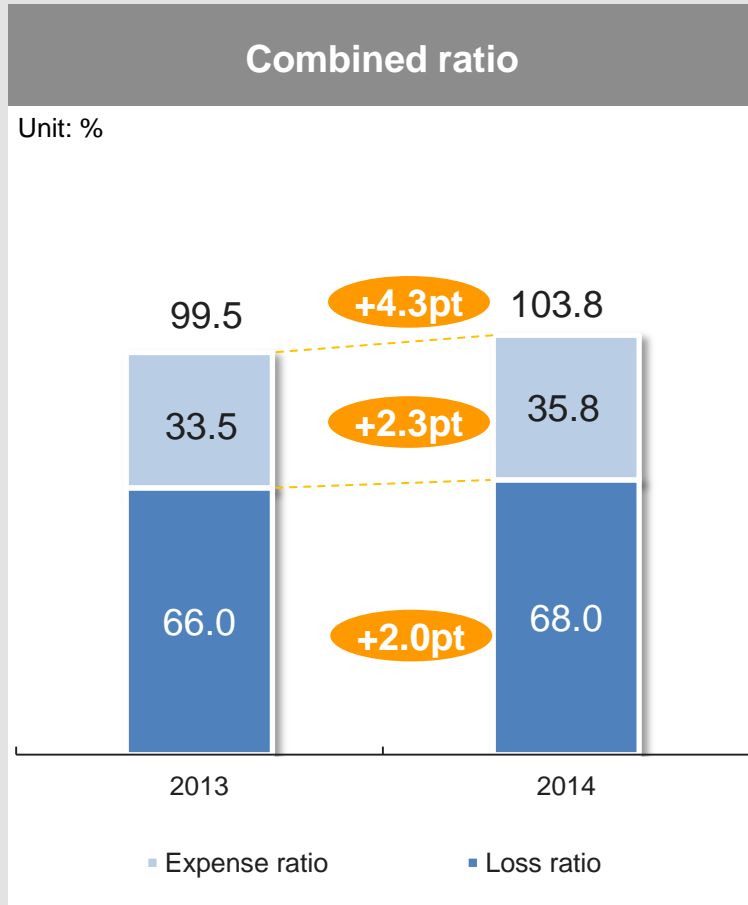
GWPs grew by 13.8%, with combined ratio reaching 103.8%



Note: The property and casualty business on this slide only refers to CPIC P/C.

Property and Casualty Business(2/3)

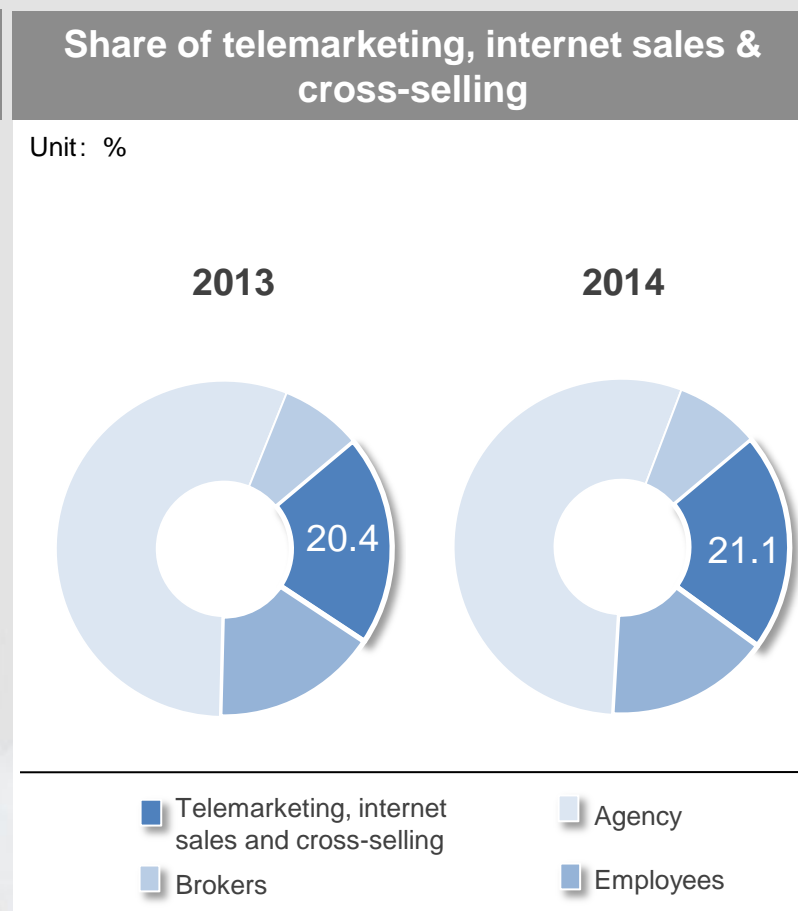
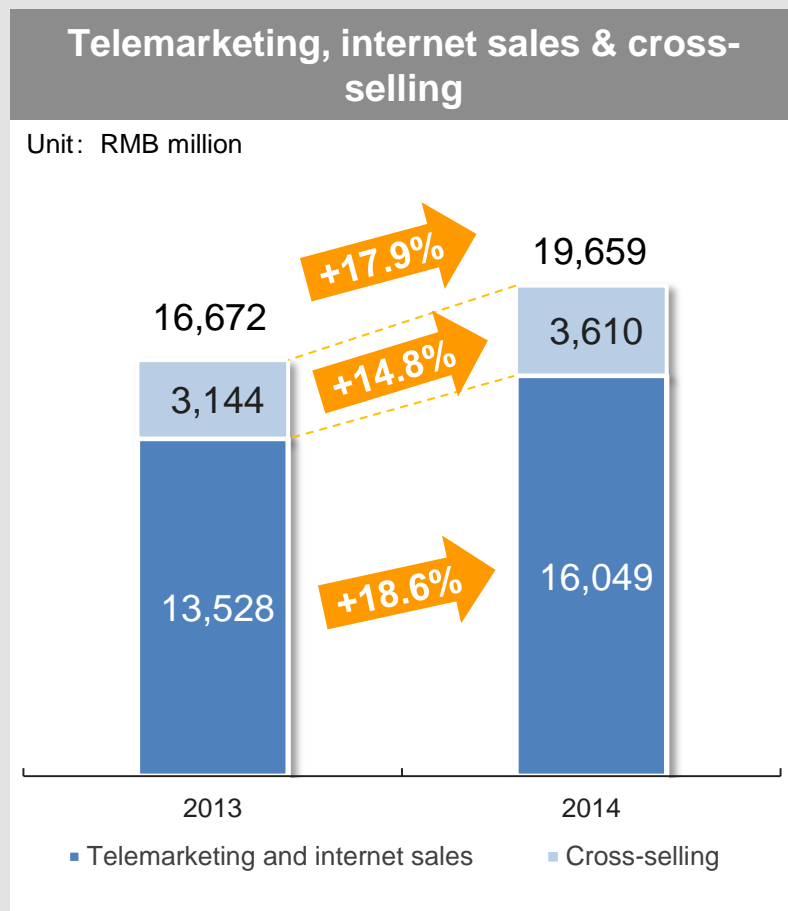
Reserve adjustment drove up combined ratio by 3.6 percentage points



Note: The property and casualty business on this slide only refers to CPIC P/C

Property and Casualty Business(3/3)

Telemarketing and internet sales grew by 17.9%, with the channel's share rising by 0.7 percentage points

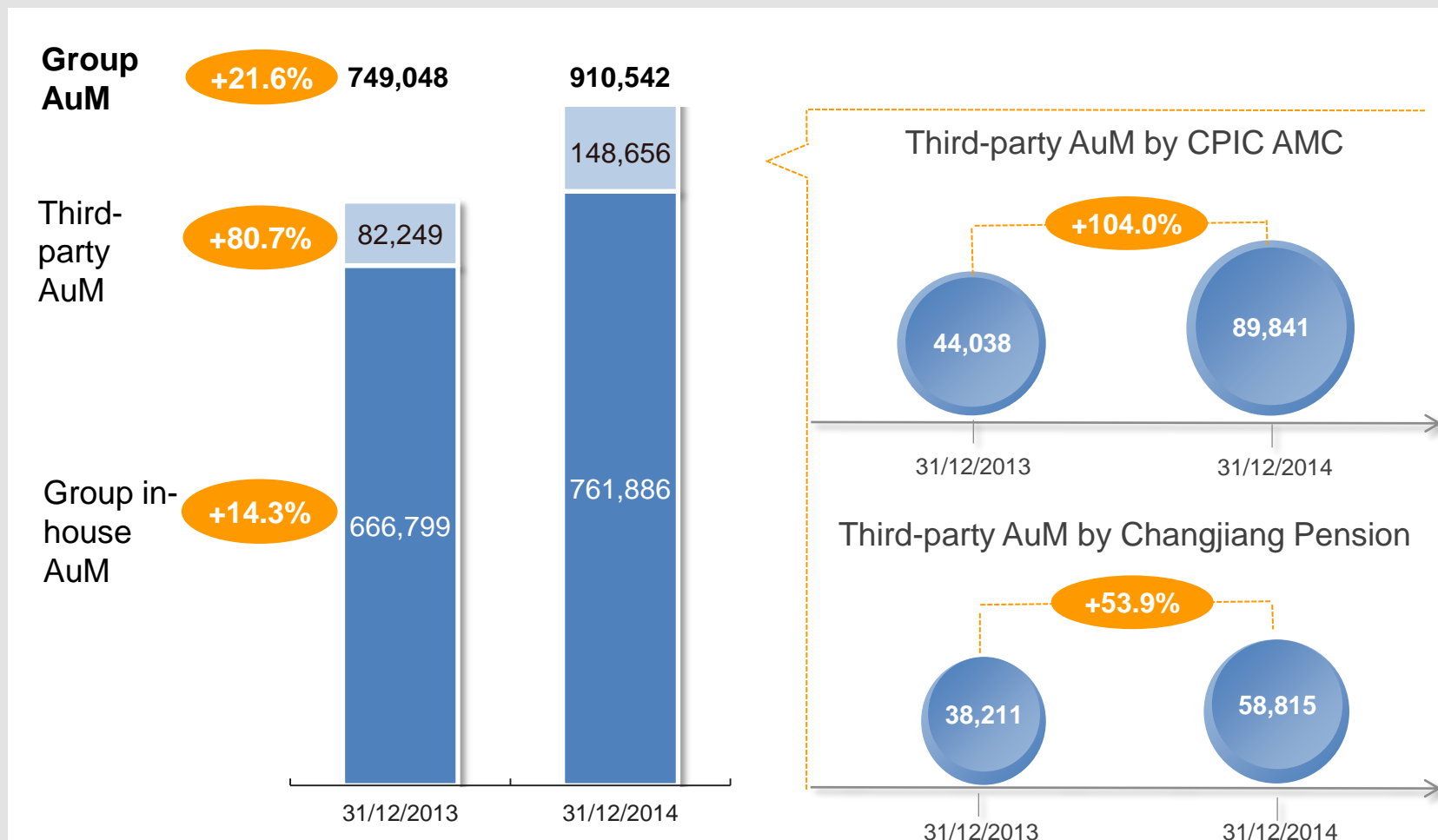


Note: The property and casualty business on this slide only refers to CPIC P/C.

Asset Management (1/2)

Group in-house AuM grew by 14.3% versus end of 2013. Third-party AuM increased by 80.7%.

Unit: RMB million



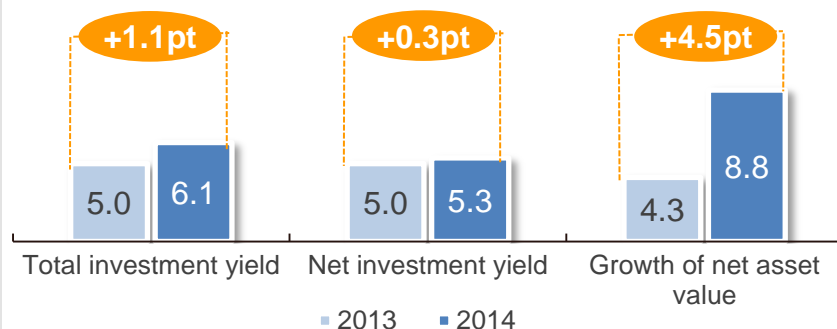
Note: Figures for 2013 were restated.

Asset Management(2/2)

Rapid growth of investment income

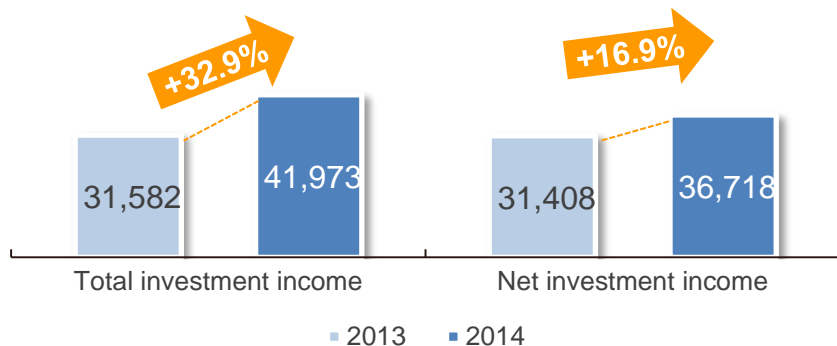
Investment yields on Group in-house AuM

Unit: %



Group investment income

Unit: RMB million



In-house AuM allocation

	31/12/2014(%)	Change (pt)
Fixed Income	86.7	1.9
Bonds	55.2	(0.8)
Term deposits	21.7	0.1
Debt investment plans	6.3	1.1
WMPs ⁽¹⁾	1.2	1.0
Other fixed income ⁽²⁾	2.3	0.5
Equity	10.6	(0.7)
Funds ⁽³⁾	4.4	(0.6)
stocks	3.8	(0.9)
WMPs ⁽¹⁾	1.0	0.7
Other equity investments ⁽⁴⁾	1.4	0.1
Investment Property	0.9	(0.1)
Cash and cash equivalents	1.8	(1.1)

Note: 1. Wealth management products mainly include wealth management products issued by commercial banks, collective trust plans by trust firms, special asset management plans by securities firms and loans-backed securities by banks.

2. Other fixed income investments include restricted statutory deposits and policy loans.

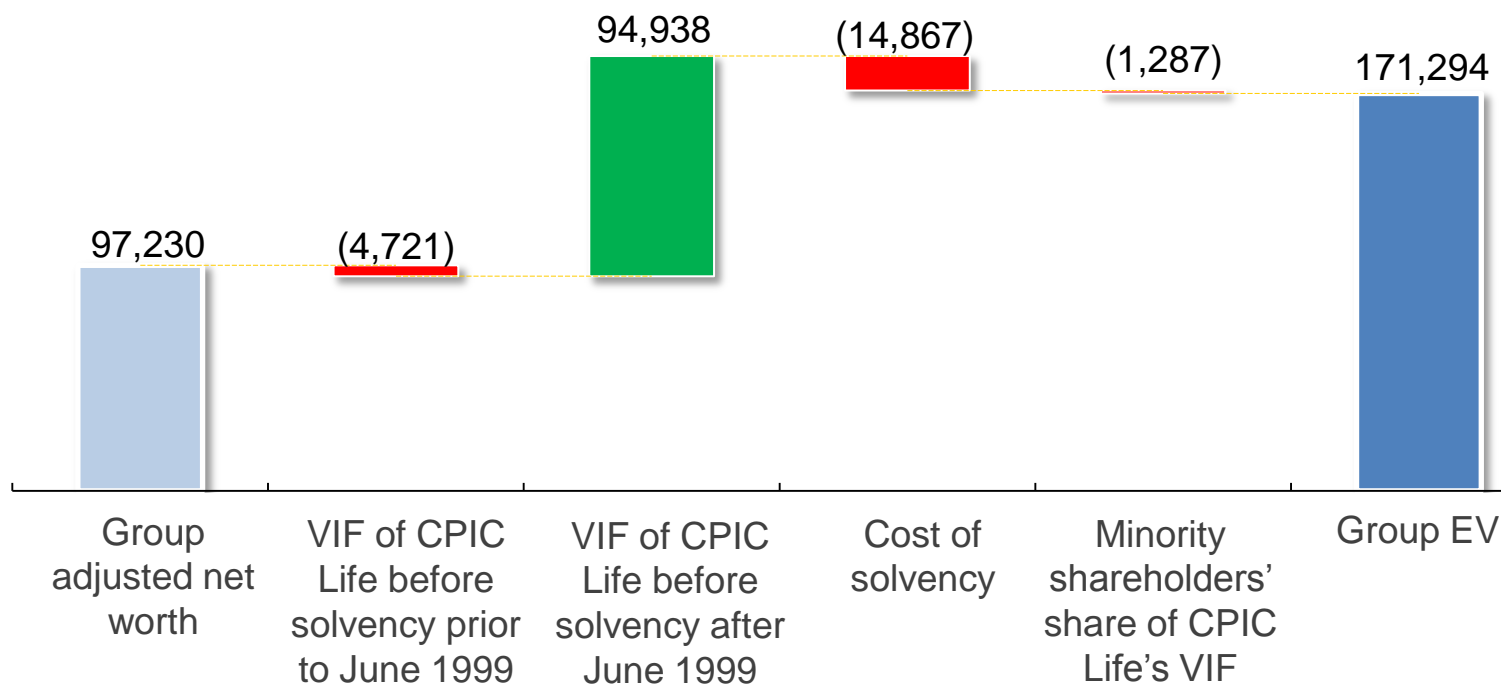
3. Of this, the aggregate amount of bond funds and money market funds as at 31 December 2014 and 31 December 2013 was RMB17.453 billion and RMB16.812 billion, respectively.

4. Other equity investments include unlisted equities, etc.

Embedded Value(1/2)

Composition of EV as at 31 December 2014

Unit: RMB million

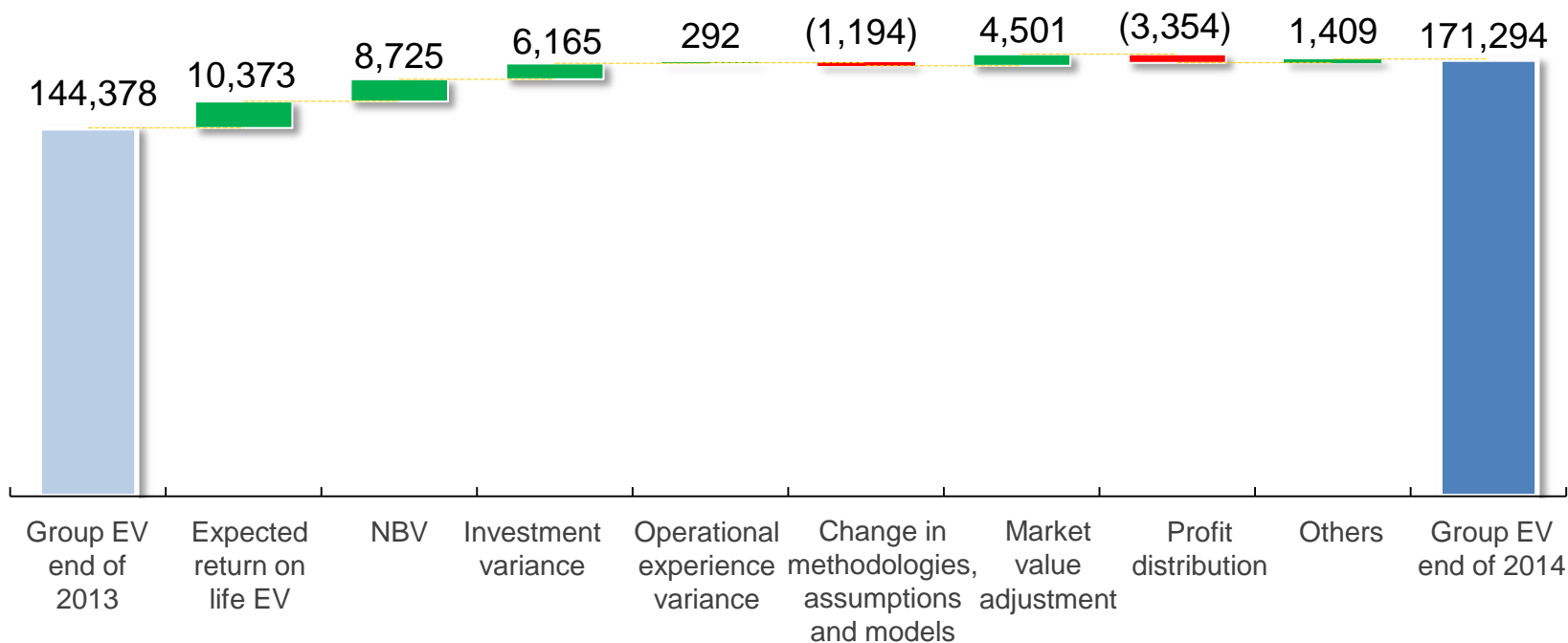


Note: The sums of parts may not totally add up due to rounding

Embedded Value(2/2)

Movements of EV in 2014

Unit: RMB million



Note: The sums of parts may not totally add up due to rounding

Outlook

Against the backdrop of the “new normalcy”, we will stay focused on insurance and pursue sustainable value growth while forging ahead with transitioning initiatives.

Value Growth

- ◆ NBV growth for life
- ◆ Control of combined ratio for P/C
- ◆ Enhancing investment capabilities
- ◆ Foster competitiveness for health
- ◆ Pension-related asset management & operation of elderly care facilities

Transitioning Initiatives

- ◆ Roll-out of pilot programs
- ◆ Strengthen ability to pursue sustainable development



Q & A