

CPIC (SH601601, HK02601)
Stock Data (ending June 30, 2015)

Total equity base(in million)	9,062
A-share	6,287
H-share	2,775
Total Cap (in RMB million)	272,429
A-share	189,742
H-share (in HK dollar million)	103,230
6 month highest/lowest (in RMB)	
A-share	36.96/28.19
H-share (HK dollar)	44.1/35.45

Investor Relation Calendar

Aug 31,2015
 2015 Interim Analyst Briefing
 Shanghai and Hong Kong

Investor Relation Department

Tel: 021-58767282
 Fax: 021-68870791
 Email: ir@cpic.com.cn
 Add: 40F, 190 Central Yincheng Rd.
 Shanghai, PR China, 200120
Contacts: Wendy Zhang
 Tel: 021-33961196
 Email: zyy@cpic.com.cn

Disclaimer

China Pacific Insurance Company (the "Company") abides by the disclosure obligations by securities regulators and stock exchanges in accordance with the law. The newsletter is for information purpose only and do not constitute investment suggestion in any circumstances. The Company nor has any liability for any loss howsoever arising from any information contained in the newsletter. All copyrights are reserved by the Company. The newsletter belongs to non-public information. Without written authorization by the Company, none part of the newsletter could be copied or substituted to others in any circumstance.

Contents
• Briefing

A Snapshot of Product Innovations ((page 2-3)

• Regulatory Updates

CIRC relaxes caps on blue chips investment(page 3)

CIRC tightens regulation on governance of insurance companies in preparatory stage (page 3)

CIRC expands pilot of specialized internet insurers to boost innovations in the context of "internet+"(page 4)

• Company Updates

CPIC awarded Best Investor Relations in the Insurance Sector for 2 consecutive years (page 4)

CPIC brand valued at RMB33.665 billion, among the top 3 of the industry (page 4)

CPIC P&C joins the International Credit Insurance and Surety Association (ICISA) (page 4)

CPIC AMC awarded Insurance Asset Management Company of the Year for 2015(page 5)

Premium Income (Unit: in RMB million)

Indicator	Jan. to June	Changes	June	Changes
Premium Income				
-P&C	48,253	0.3%	7,809	(3.5%)
-Life	62,465	3.8%	10,999	16.0%

Briefing:

A Snapshot of Product Innovations

[Editor: As part of its transformation efforts, CPIC has been extending its product line-up based on customer segmentation. In the previous issue of this newsletter, we offered a glimpse of the product innovations on the life side. This issue focused on the new products and services offered by our P&C operation.]

*** New Product Development for Corporate Clients**

1. New product development in response to the risk transfer needs of emerging industries . An example. Given the demand for GAP insurance, we developed a liability insurance product for vehicle swap contracts, which helps us make foray into post-vehicle market and the non-motor business via the channel of car dealerships.

2. Development of dedicated products to satisfy demand of our major accounts. Based on studies of the operational model and risk profiles of the solar industry, we carried out in-depth discussions with producers, investors, operators and reinsurers, and successfully developed a liability product for PV modules, becoming one of the first group of insurers offering cover for special risks in the PV sector.

3. Closely following the trends of government policies and developing products to facilitate their implementation. An example. We studied the exposure draft of the amendment of the Food Safety Law and developed a liability product dedicated to online food ordering platforms.

4. Identifying emerging needs for insurance and developing tailor-made products. In the context of the rapid development of China's health-care sector, the P/C company worked closely with our health subsidiary and jointly developed a suite of short-term health products for the employee benefits programme of our corporate clients.

*** Closely following the developments of local government policies and regulations and actively participating in government-sponsored programmes.**

1. Focusing on key public services and assisting governments in public administration in elderly provisions, well-being and health care.

Given recent developments of favourable government policies in care for the elderly, we successfully developed a liability product for elderly care facilities in Qingdao of Shandong Province. The first phase of the programme covers 60 local facilities.

As for health care, on the back of existing administration programmes for local governments, we developed group supplementary accident hospitalization coverage for Hebei and Hu'nan Provinces.

2. In response to needs for regional blanket insurance coverage, we developed dedicated liability products in environmental pollution, health care

malpractice, health-care accidents, campus safety and work-site safety, which enables us to participate in public tendering for such coverage in Hai'nan, Jiangsu, Shandong and Guangdong Provinces.

3. Involved in the pilot programmes of catastrophe insurance in Ningbo of Zhejiang Province, with suitable products in the pipeline.

*** For personal lines, on the basis of customer profiles, we seek to extend the product line-up to enhance customer acquisition.**

1. Developing products tailor-made for distribution channels based on the life-styles, consumption behaviours and risk exposures of target customer segments. We began to offer a comprehensive coverage for cruise trips covering visa rejection, journey cancellation and flight delay. We also developed a plastic surgery accident product, the first of its kind on the market, which would help with customer acquisition in direct sales.

2. Offering internet-specific products targeting travelling, payment processing and on-line shopping. As an example, we developed a hotel reservation cancellation insurance product and an account loss product to create opportunities of co-operation with third-party e-commerce platforms and drive the growth of our own direct sales channels.

3. Developing products compulsory for certain distribution channels. We got approval for a performance surety bond product for housing mortgages dedicated to the funding by mandatory housing provident fund in Xinjiang, which helps to boost the growth of bank channels.

Regulatory Updates

● CIRC relaxes caps on blue chips investment (20150708)

On July 8, the CIRC issued a circular on the easing of caps on blue chips investments. Under the new regulation, the concentration cap on a single blue chip was raised to 10% from the previous 5% for eligible insurers, and the overall cap on equity from 30% to 40%, provided that the additional investment is in blue chips. The new rules also lowered capital charges for such investments.

The circular also calls for intensified efforts to monitor equity investment risks on the part of insures, with a specific requirement for stress tests on a regular basis.

● CIRC tightens regulation on governance of insurance companies in preparatory stage (20150707)

Recently, CIRC issued a circular to step up regulation on the preparation of insurance companies through sound governance and risk management. Under the new rule, chairman and CEO cannot be the same person. There will also be a review mechanism for the selection of senior managers. The circular also requires that the Articles of Association specify the succession plan in the event of inability of chairman or CEO to perform their duties. The rule also seeks to close the loopholes in the review of the shareholders'

qualifications.

● **CIRC expands pilot of specialized internet insurers to boost innovations in the context of “internet+”(20150702)**

In response to the Opinions on Accelerating the Development of Modern Insurance Industry by the State Council and the national strategy of “internet+”, the insurance regulator has been boosting the roll-out of pilot internet insurance companies, and in particular, the extension of product and service offerings of Zhong’An Online Insurance Co. Ltd., the first of its kind in China. The company became operation in November, 2013 and has been considered an example of differentiation for the insurance sector.

The regulator recently gave the green-light for the establishment of another 3 internet insurers. It is now working on specific regulatory rules for internet insurance companies.

Company Updates

● **CPIC awarded Best Investor Relations in the Insurance Sector for 2 consecutive years (20150708)**

The company won the award in the 2015 All-Asia Executive Team rankings by Institutional Investor. The votes came from 820 institutional investors and 625 sell-side analysts. The company garnered more votes this year, especially from the buy side.

Institutional Investor is an affiliate of Euromoney Institutional Investor.

● **CPIC brand valued at RMB33.665 billion, among the top 3 of the industry (20150617)**

The World Brand Lab released the latest rankings of China’s top 500 brands for 2015, and CPIC brand value set new records, growing by 27%, ranking 71 on the list and 3rd among insurers. Of the 8 insurers on the list, CPIC rise was the fastest, and 2015 marks the 11th consecutive year of its ranking, a reflection of the company’s success in business development and branding. The company commits itself to be with you throughout your life’s journey.

● **CPIC P&C joins the International Credit Insurance and Surety Association (ICISA) (20150707)**

The accession will help CPIC P&C keep tabs on the latest market trends, leverage international expertise and gradually put in place its own risk management system for credit insurance and surety. The association also serves as a platform for exchanges and cooperation amongst its members, and this will help to consolidate CPIC’s position as a major provider of credit insurance solutions.

ICISA, established in 1928 and headquartered in Paris, now has 52 member companies covering five continents, representing 95% of the global

credit and surety bond business. PICC and Ping An are also its members.

● **CPIC AMC awarded Insurance Asset Management Company of the Year for 2015 (20150629)**

The award was granted by The Securities Daily. The company also won the Real Estate Investment Plan of the Year award on the same occasion.

In 2014, CPIC AMC focuses on product innovations and strives to enrich its offerings. In 2014, it issued 33 asset management products, covering 8 categories such as cash management, equity, bonds, hybrid, FOF, and index.