



# 2015 Interim Results Presentation China Pacific Insurance (Group) Co., Ltd.

2015.08.31

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# Business Performance at a Glance

(Unit: RMB million)

KPIs		H1 2015	Change(%)
<b>Sustained Value Growth</b>	Group Embedded Value <sup>(1)</sup>	193,866	13.2
	New Business Value	7,227	38.2
	Combined Ratio <sup>(2)</sup>	99.4%	(0.1pt)
	Group AuM <sup>(1)</sup>	1,058,923	16.3
	Annualized Growth Rate of Group Investments' Net Asset Value	8.0%	2.7pt
<b>Solid Financial Results</b>	Net Profit <sup>(3)</sup>	11,295	64.9
	Operating Revenue <sup>(4)</sup>	134,514	17.8
	Gross Written Premiums	110,891	2.3
	EPS (RMB yuan) <sup>(3)</sup>	1.25	64.9
	Weighted Average ROE <sup>(3)</sup>	9.1%	2.5pt
<b>Strong Capital Positions</b>	CPIC Group <sup>(1)</sup>	295%	15pt
	CPIC Life <sup>(1)</sup>	225%	7pt
	CPIC P/C <sup>(1)</sup>	201%	24pt

Note: (1)As at 30 June 2015

(2)The property and casualty business includes CPIC P/C and CPIC Hong Kong

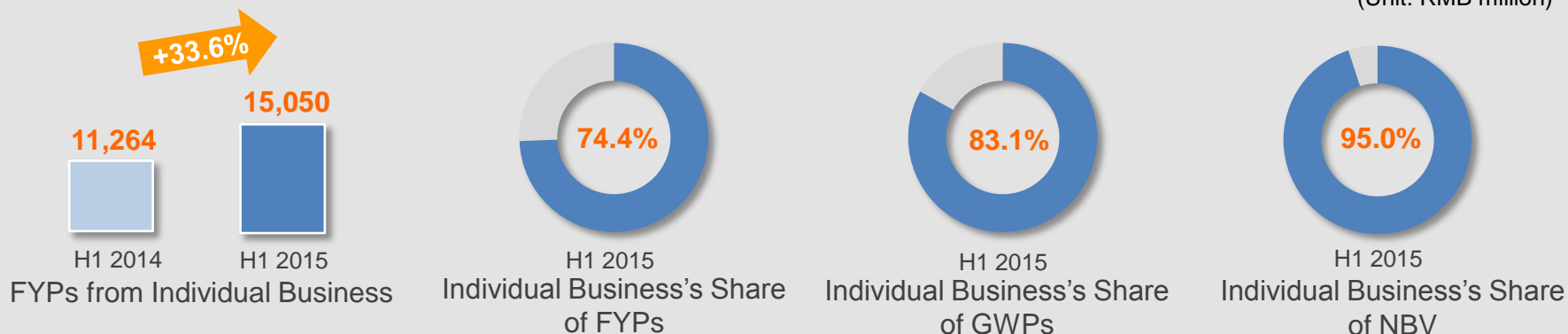
(3)Attributable to equity holders of the parent

(4)Based on PRC GAAP

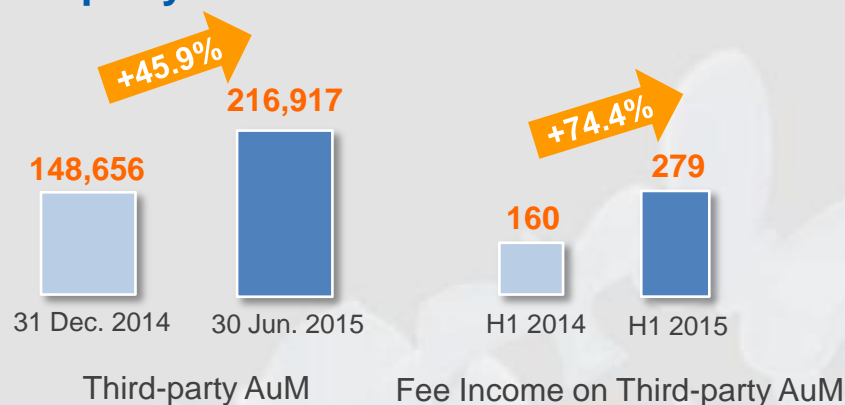
# Continued Focus on Value Growth & Progress in Transformation

## Life: Individual Business Key Driver of Value and Volume Growth, Prompting a Fundamental Shift in Mode of Value Growth

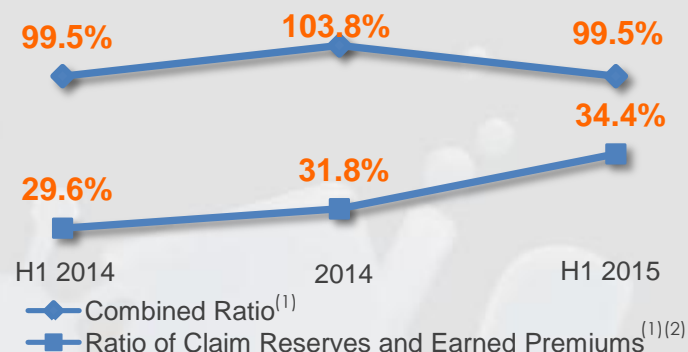
(Unit: RMB million)



## Asset Management: Vigorously Expanding Third-party Business



## P/C: Committed to Underwriting Profitability & Pursuing Sustainable Growth



Note: (1) The property and casualty business on this slide only refers to CPIC P/C

(2) Based on numbers as of the end of the reporting period and computed as (claim reserves – reinsurers' share of claim reserves) / rolling 12 month earned premiums

# New Business Units Further Integrated



## CPIC Allianz Health

Put in place mechanisms for distribution channel sharing with CPIC Life and CPIC P/C.

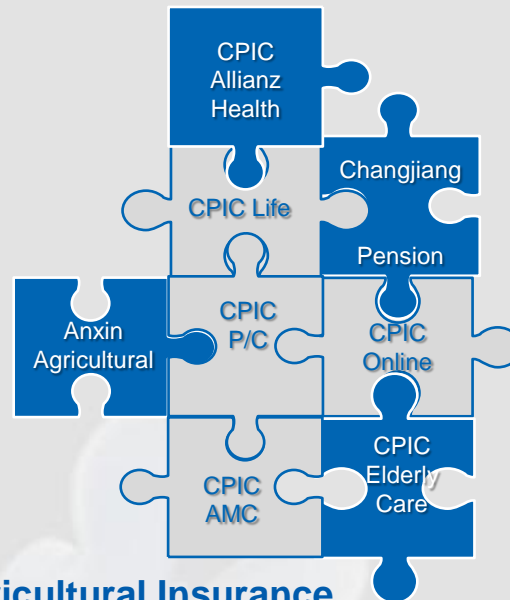
Launched an innovative product – *Xin Anyi*, targeting mid and high end customers.



## Changjiang Pension

Stepped up business expansion across the country in collaboration with CPIC Life.

Launched its first pension product for individual customers, and participated in employee ownership schemes of SOEs under central government.



## Anxin Agricultural Insurance

Leveraged expertise in products development and launched innovative agricultural insurance products.

Enhanced integration with CPIC P/C to expand nation-wide geographical reach.

## Elderly Care Investment Management

Inaugurated *Nanshanju* – the brand for old-age care facilities

The first specialized old-age care facility located in Shanghai's center was recently established.



# Transformation in Progress

## Customer-oriented Dual-driver Model in Place



Group number of customers over **90 million**.



Number of customers acquired by individual business of CPIC Life grew by **41.4%**



Up-sell premiums from **633,000** existing customers who previously had only one insurance policy amounted to **9.64 billion yuan**



*Yinfa Ankang*, a cancer protection product specifically for the elderly population offered **higher sum assured and relaxed age limits**.

## Increased Use of New Technologies



Our e-commerce platform responded to **5.61 million** service requests, with total registered users of **6.31 million**.



Our *Wechat* platform attracted **3.68 million** users.



**100%** of individual business policies are issued via *Shenxing Taobao*.



Mobile APP for post-sale customer service handled **30%** of total requests, up from only **4.9%** at the end of last year.

# Outlook

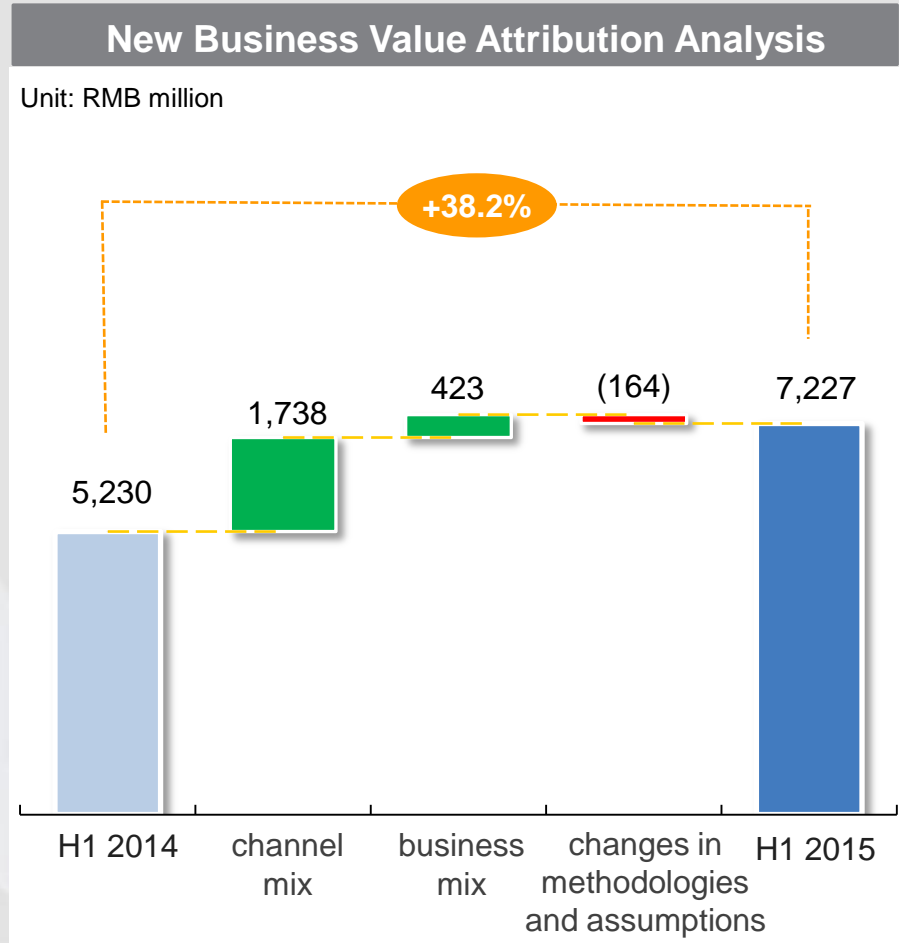
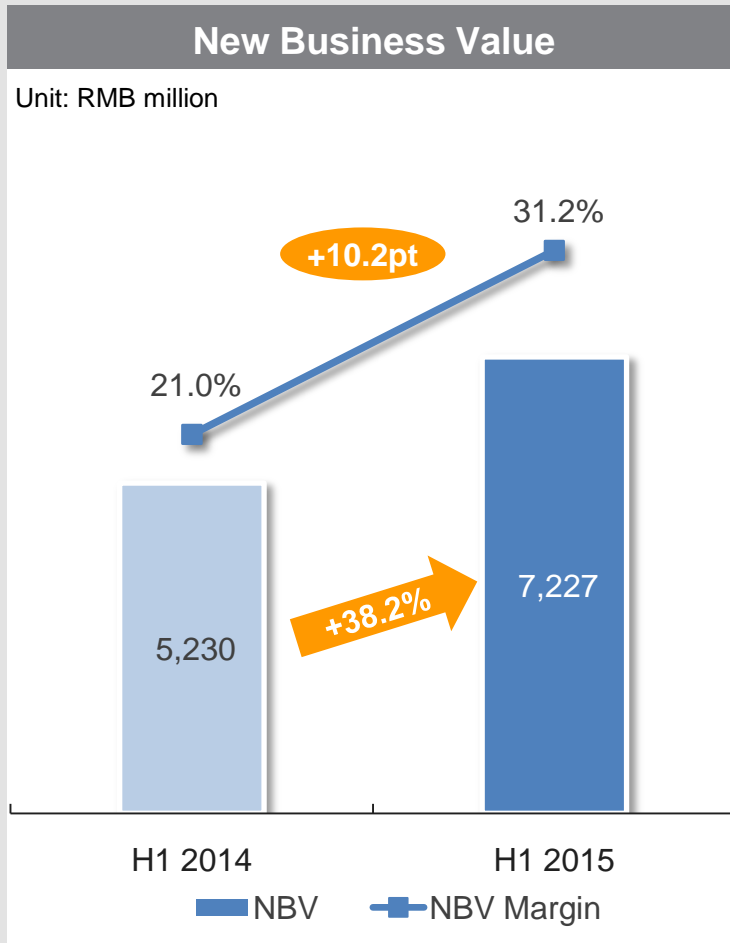
Looking ahead, in the context of the new *Guo Shi Tiao*, we are seeing a confluence of catalysts for the industry. We'll seize opportunities in emerging areas such as health, pension and agricultural insurance, and at the same time promote the integration of traditional insurance and new technologies.

# Performance Analysis



# Life Insurance(1/4)

NBV grew by 38.2%, with NBV margin up by 10.2 percentage points

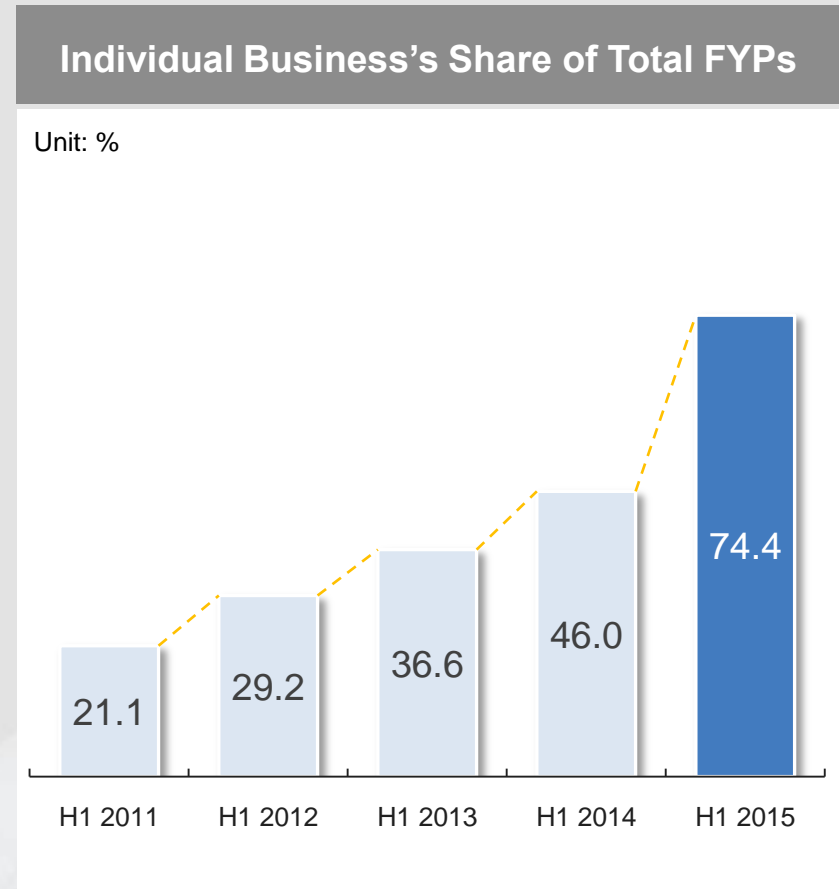
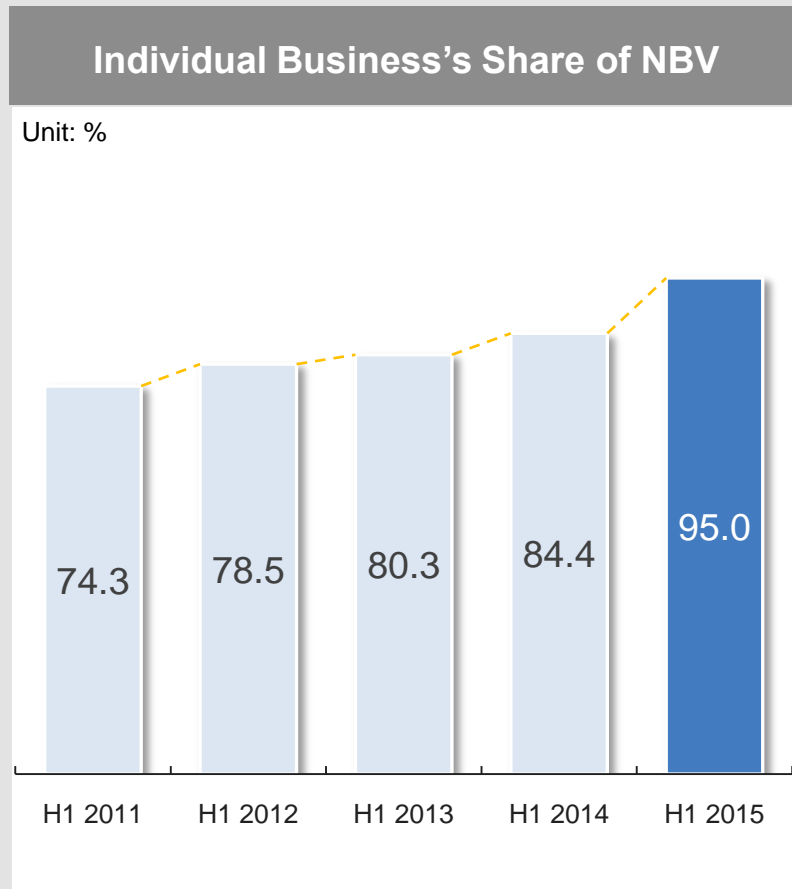


Note: (1) NBV margin=NBV / first year annualized premiums

(2) Changes in methodologies and assumptions for the New Business Value Attribution Analysis cover the period from July 1, 2014 to June 30, 2015

# Life Insurance(2/4)

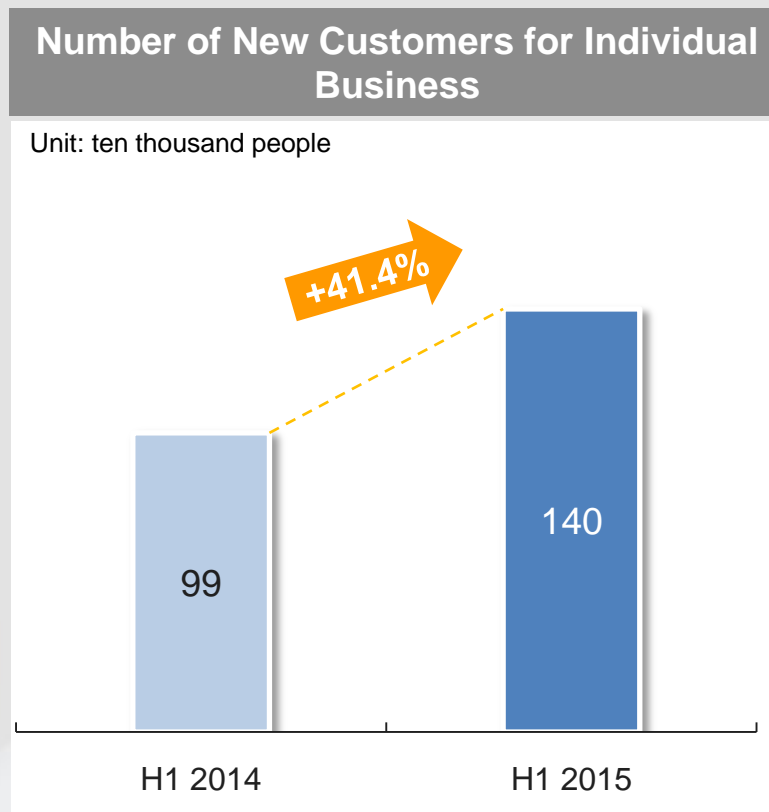
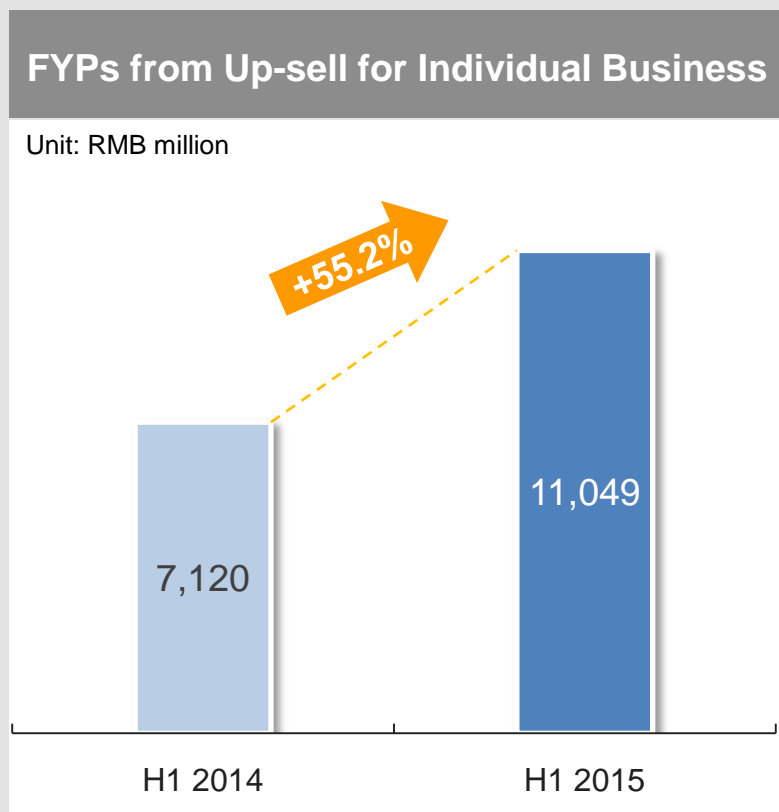
## Individual Business Core Driver of Both Value and Volume Growth



Note: Numbers for the first half of 2011 to 2014 refer to the agency channel, while those for the first half of 2015 refer to the individual business after the organizational restructuring

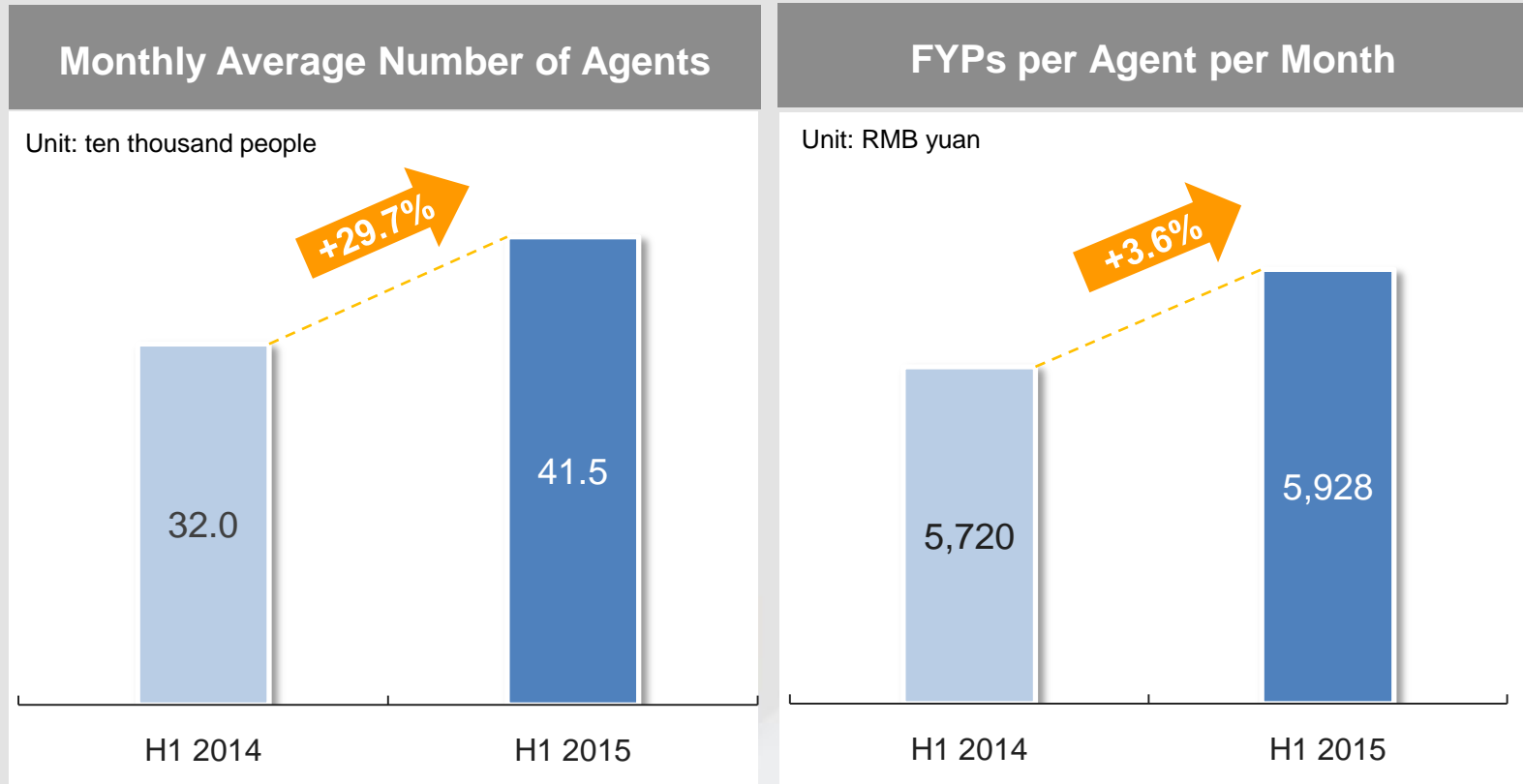
# Life Insurance(3/4)

## Customer-oriented Dual-driver Model for Individual Business in Place



# Life Insurance(4/4)

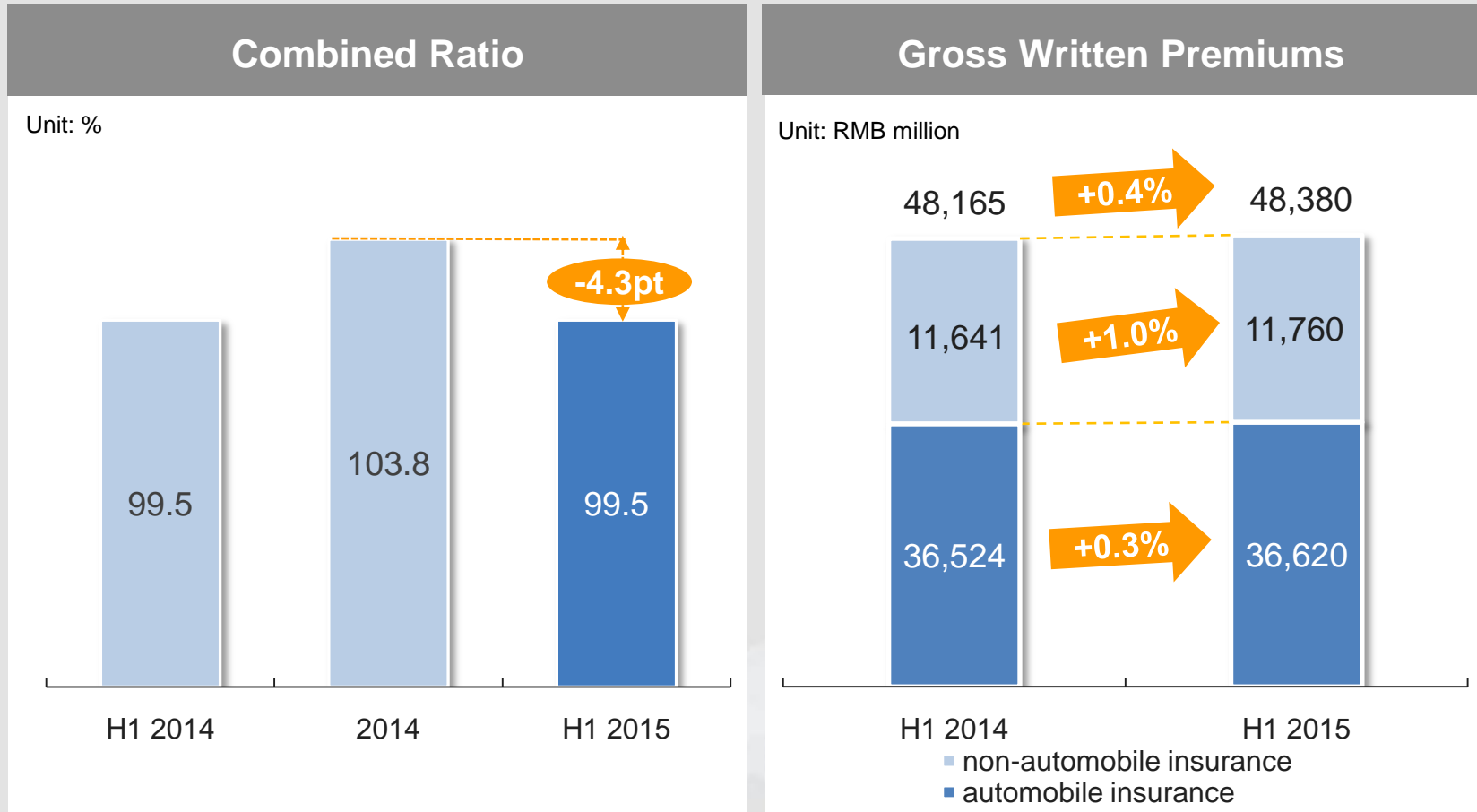
## Fast Agent Headcount Growth in tandem with Sustained Productivity Gains



Note: Numbers for the same period last year have been restated

# Property and Casualty(1/3)

## Underwriting Turn-around despite Top-line Growth Slowdown

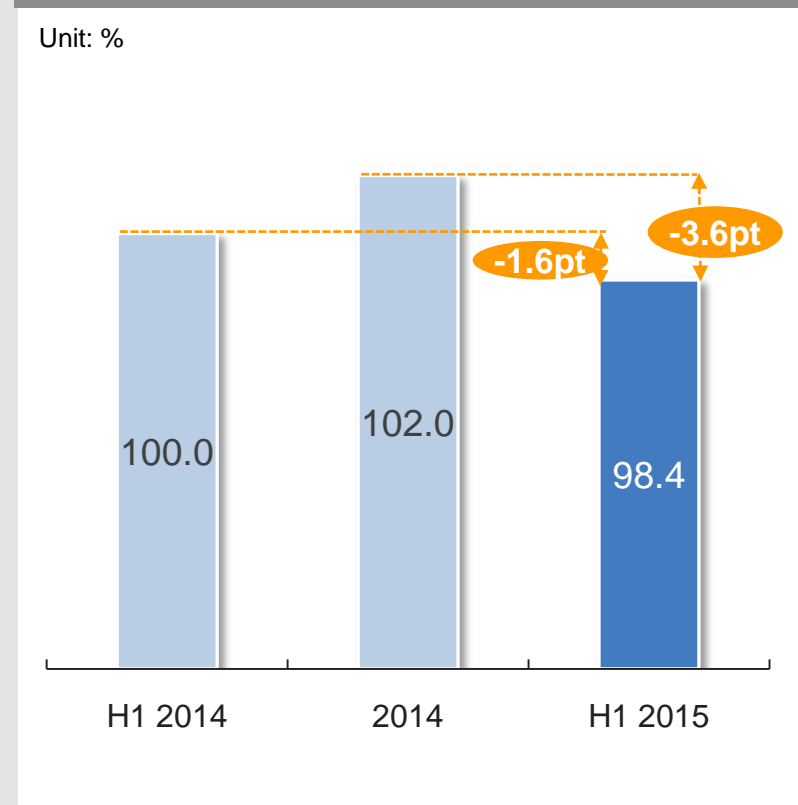


Note: The property and casualty insurance on this slide only refers to CPIC P/C

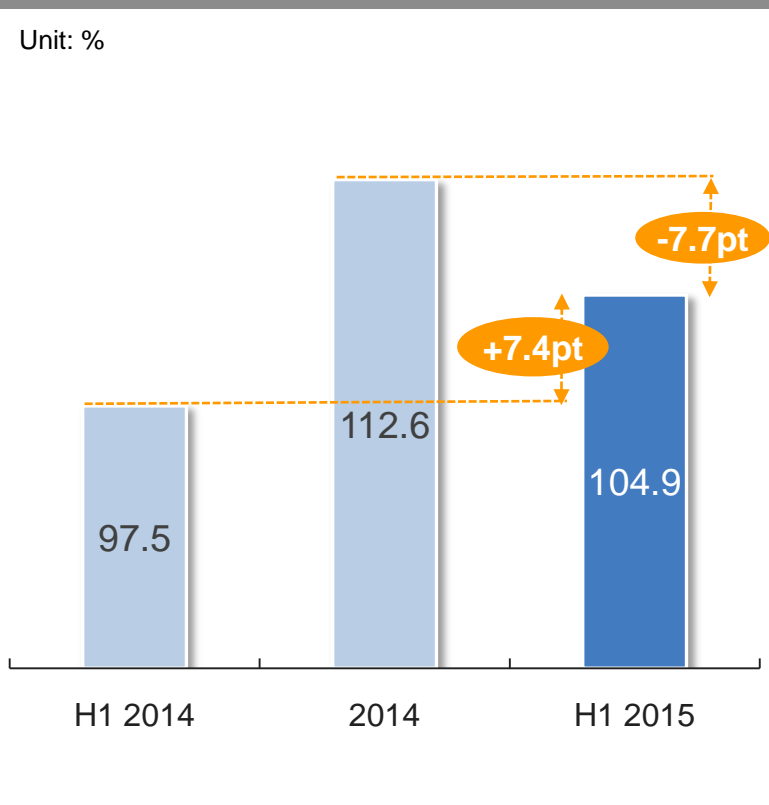
# Property and Casualty(2/3)

## Improved Underwriting Profitability for Automobile Business, whereas Non-auto Faced Challenges

### Combined Ratio for Automobile Business



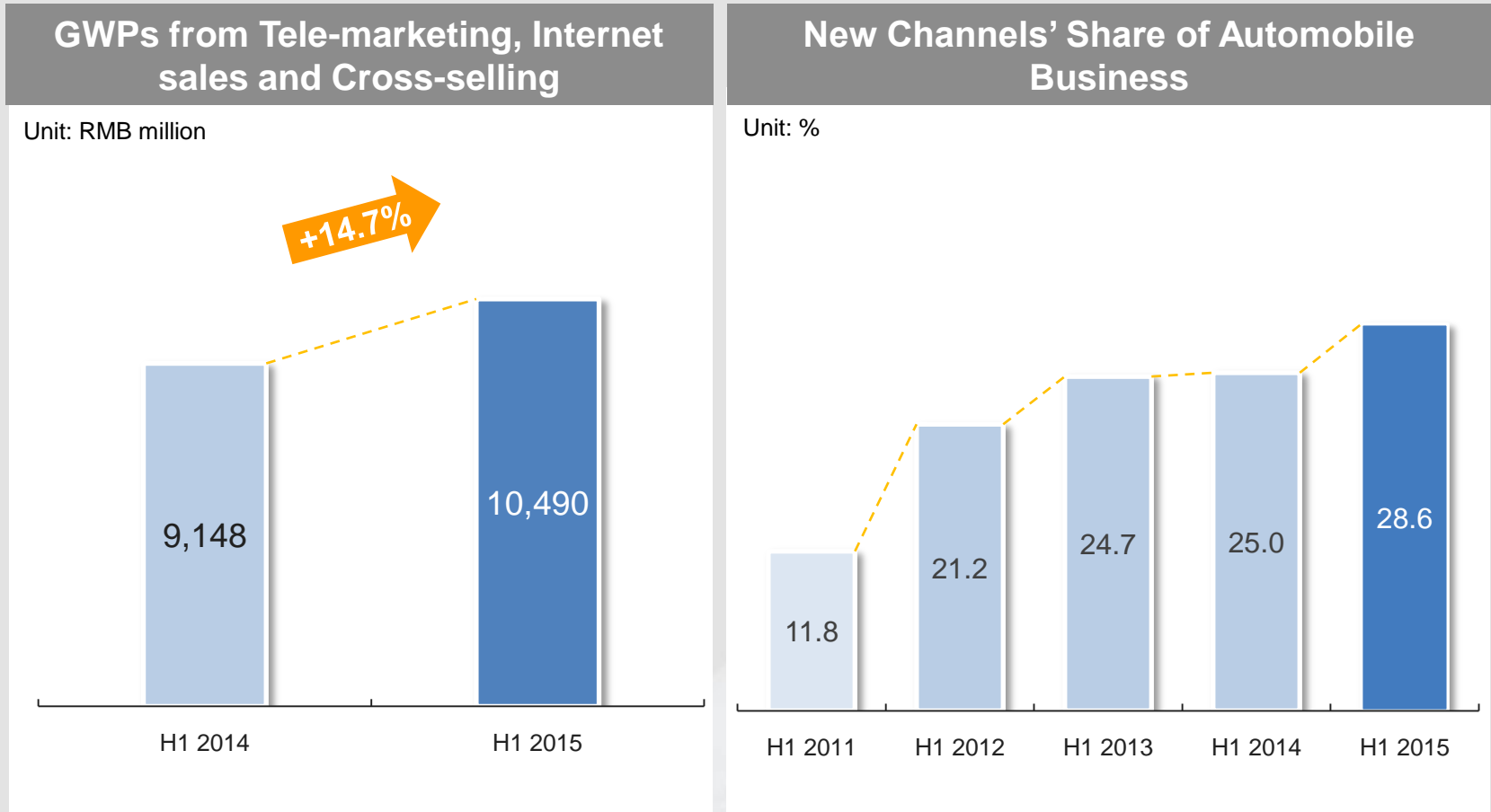
### Combined Ratio for Non-auto Business



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

# Property and Casualty(3/3)

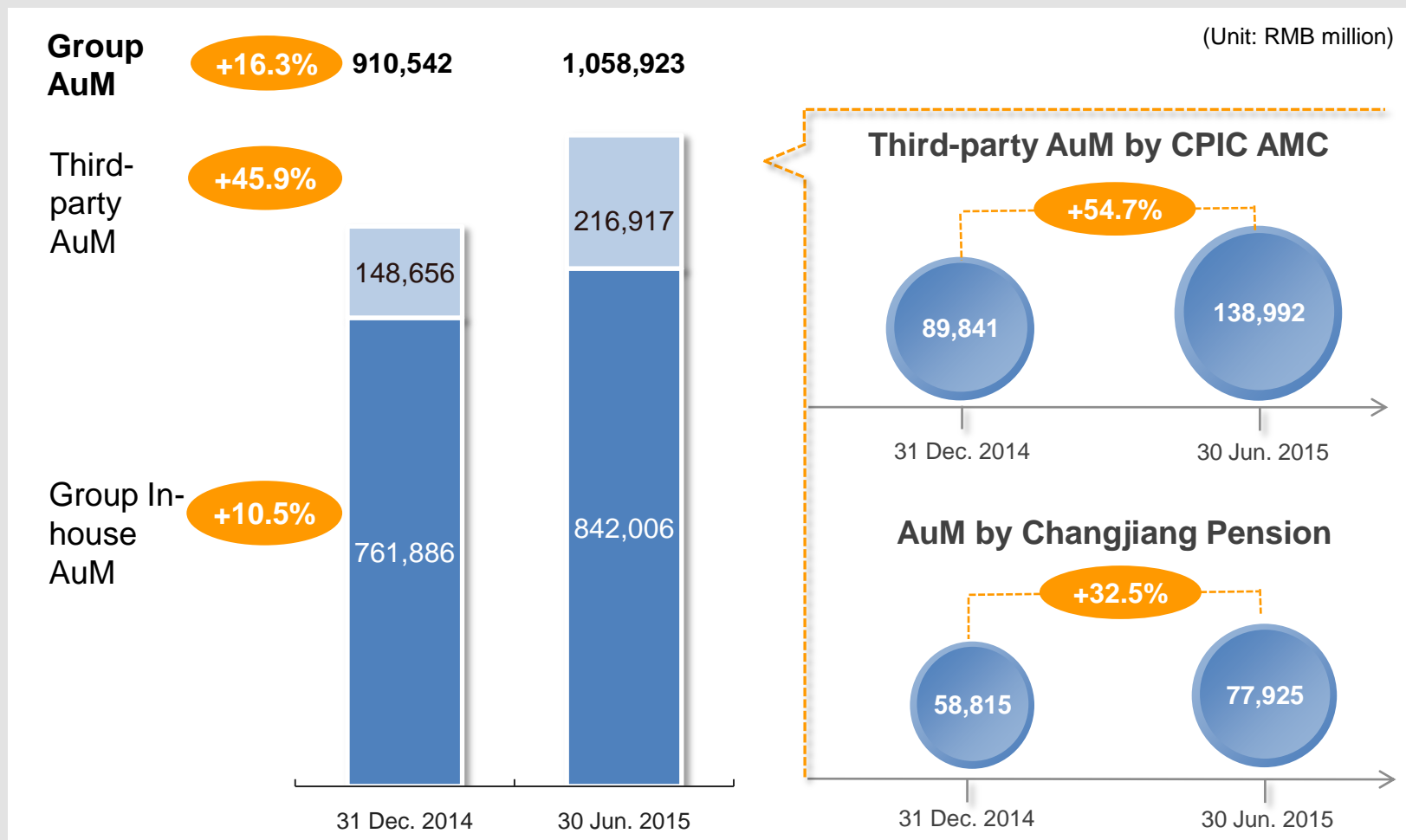
## New Channels of Automobile Insurance Showing Strong Momentum



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

# Asset Management Business(1/2)

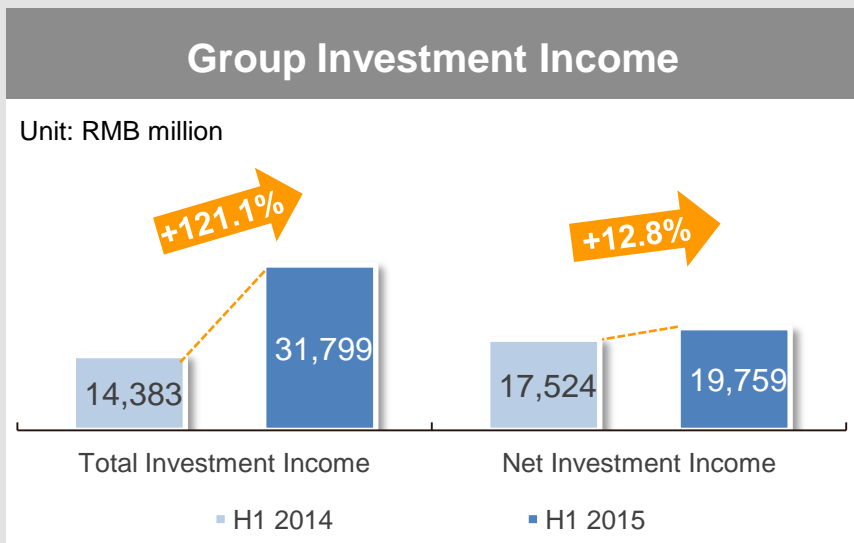
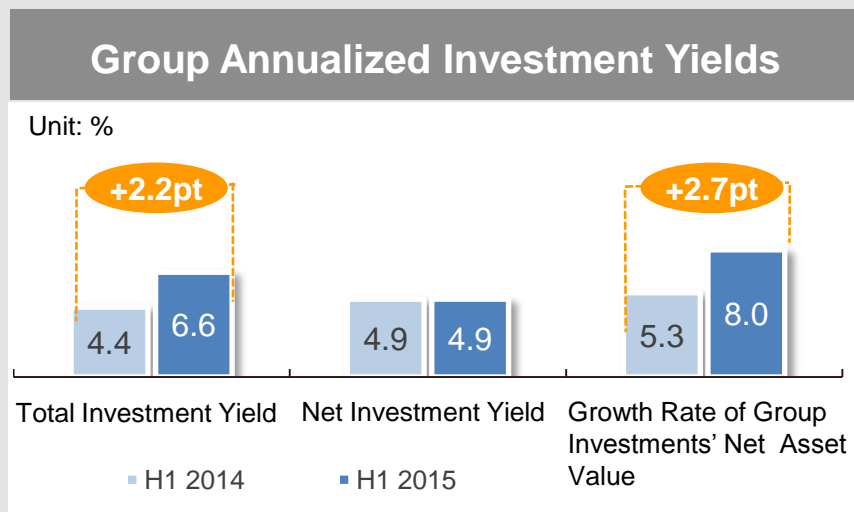
Group In-house AuM up 10.5%, with Third-party AuM Growing by 45.9% from End of 2014





# Asset Management Business(2/2)

## Fast Growth of Investment Income



Group Investment Portfolio	30 Jun. 2015(%)	Change (pt)
<b>Fixed Income Assets</b>	<b>82.5</b>	<b>(4.2)</b>
Bonds	50.5	(4.7)
Term Deposits	20.8	(0.9)
Debt Investment Schemes	6.0	(0.3)
Wealth Management Products <sup>(1)</sup>	2.6	1.4
Preferred Shares	0.1	0.1
Other Fixed Income Investments <sup>(2)</sup>	2.5	0.2
<b>Equity</b>	<b>14.5</b>	<b>3.9</b>
Funds <sup>(3)</sup>	6.1	1.7
Stocks	4.3	0.5
Wealth Management Products <sup>(1)</sup>	2.3	1.3
Preferred Shares	0.2	0.2
Other Equity Investments <sup>(4)</sup>	1.6	0.2
<b>Investment Property</b>	<b>0.8</b>	<b>(0.1)</b>
<b>Cash &amp; Cash Equivalents</b>	<b>2.2</b>	<b>0.4</b>

Note:

(1)Wealth management products include wealth management products issued by commercial banks, collective trust plans by trust firms, special asset management plans by securities firms and loan assets backed securities by banking institutions, etc.

(2)Other fixed income investments include restricted statutory deposits and policy loans, etc.

(3)The aggregate amounts of bond funds and money market funds as at 30 June 2015 and 31 December 2014 were RMB 14.902 billion and RMB17.453 billion, respectively.

(4)Other equity investments include unlisted equities, etc.



# Q & A