

# 2017 Interim Results Presentation

## China Pacific Insurance (Group) Co., Ltd.

August 29, 2017



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# Performance Overview

(Unit: RMB million)

Indicators		January to June 2017	Change(%)
<b>Value Growth</b>	Group Embedded Value <sup>(1)</sup>	271,454	10.4
	New Business Value <sup>(2)</sup>	19,746	59.0
	Combined Ratio <sup>(3)</sup>	98.7%	(0.6pt)
	Group AuM <sup>(1)</sup>	1,339,219	8.4
	Third-party AuM <sup>(1)</sup>	307,910	4.9
<b>Financial Results</b>	Operating Revenue <sup>(4)</sup>	177,556	22.7
	Gross Written Premiums	163,785	24.5
	CPIC Life	110,551	34.4
	CPIC P/C	52,485	6.6
	Net Profits <sup>(5)</sup>	6,509	6.0
<b>Capital Strength</b>	CPIC Group <sup>(1)</sup>	297%	3pt
	CPIC Life <sup>(1)</sup>	257%	-
	CPIC P/C <sup>(1)</sup>	272%	(24pt)

Note: (1)As at 30 June, 2017

(2)Figures for the same period 2016 have been restated

(3)Includes CPIC P/C , Anxin Agricultural and CPIC Hong Kong

(4)Based on Chinese GAAP

(5)Attributable to shareholders of the parent company

# Focusing on the core business of insurance, fulfilling corporate social responsibilities in an all-around way

Adhering to the unique value proposition of insurers as the provider of long-term risk management and protection, both “doing well” and “doing good”



## Serving China’s real economy

- Providing diversified risk protection to strategic and emerging sectors such as high-end manufacturing, environmental protection to support the development of the real economy.
- Funding the development of the real economy, with investments covering China’s key infrastructural projects such as highways, energy, tunnels and bridges, as well as community resettlement, land reserve and affordable housing.
- Registered **19** debt investment schemes in the first half of 2017, raising **RMB43.8 billion**.



## Participated in innovation of social governance

- Focused on people’s well-being and meet the demand of social governance, signing **98** contracts for government-sponsored programmes, ranging from critical illness, administration of social security health insurance, supplementary medical insurance and long-term care, serving over **70 million** people.



## Promoted people’s well-being

- CPIC Life provided protection to **85.67 million** customers, an average of **164,000** in sum assured per customer via pension, accident and critical illness insurance, **2.8** times that for 2012

# Customer-orientation and continued innovation in insurance products and service



## A wide range of life/health protection

- Jinyou Rensheng* Whole life insurance with critical illness protection
- Aiwuyou* Tailor-made cancer cover, with waiver of premiums for minor illnesses
- Huayang Nianhua* Mental and physical health protection for women
- Xin'an Yi* Reimbursement of out-of-pocket medical expenses
- Shaoer'Chaoneng bao* Critical illness cover for children
- Anxingbao* Accident cover with high-level protection
- Yinfa Ankang* Cancer insurance for the elderly

## Income protection agricultural products

Protecting farmers' income, and providing more incentives for engagement in agricultural business: price-index insurance for sugar-canes in Guangxi, coffee in Yun'nan, eggs in Shangdong, and tea in Ningbo.



## Value-added customer service for automobile insurance

The "Golden Key" Programme for high-quality customers of automobile insurance: vehicle pick-up for repairs, delivery of repaired vehicles, bringing ease and convenience to customers.

# Outlook

## **Staying true to the original mission and upholding the basic insurance value proposition**

- We will not waver in the implementation of the original strategies, i.e., committed to the core business of insurance, and be good at it. We will continue to pursue sustainable value growth, be a responsible insurance company, and strive to be a leader in promoting healthy and steady development of the industry.

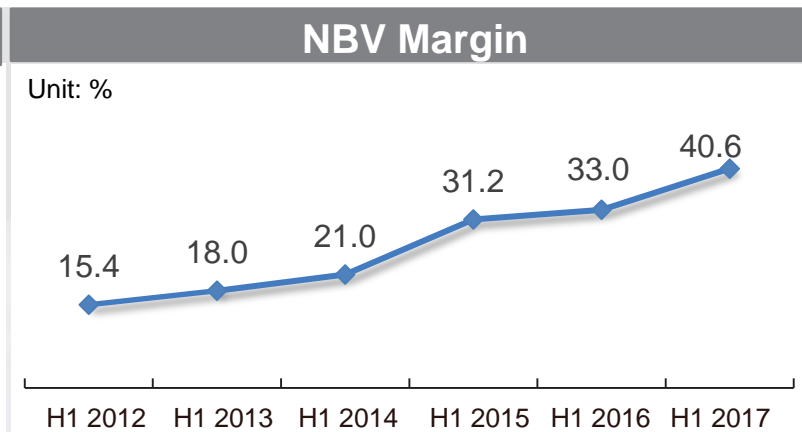
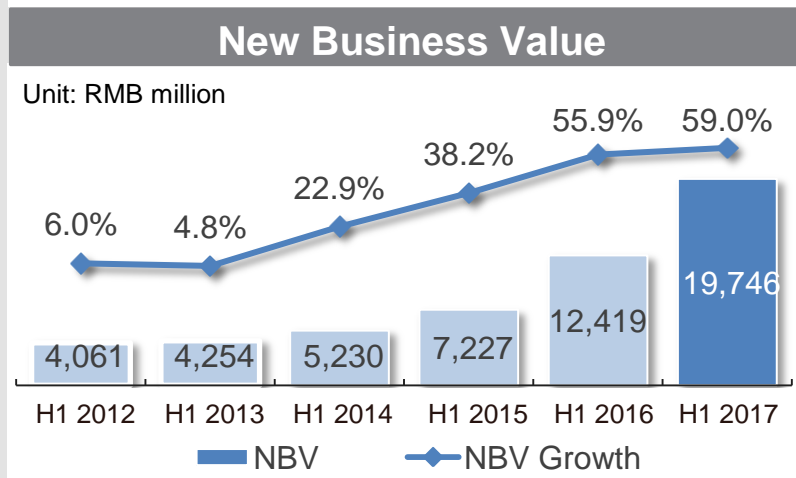
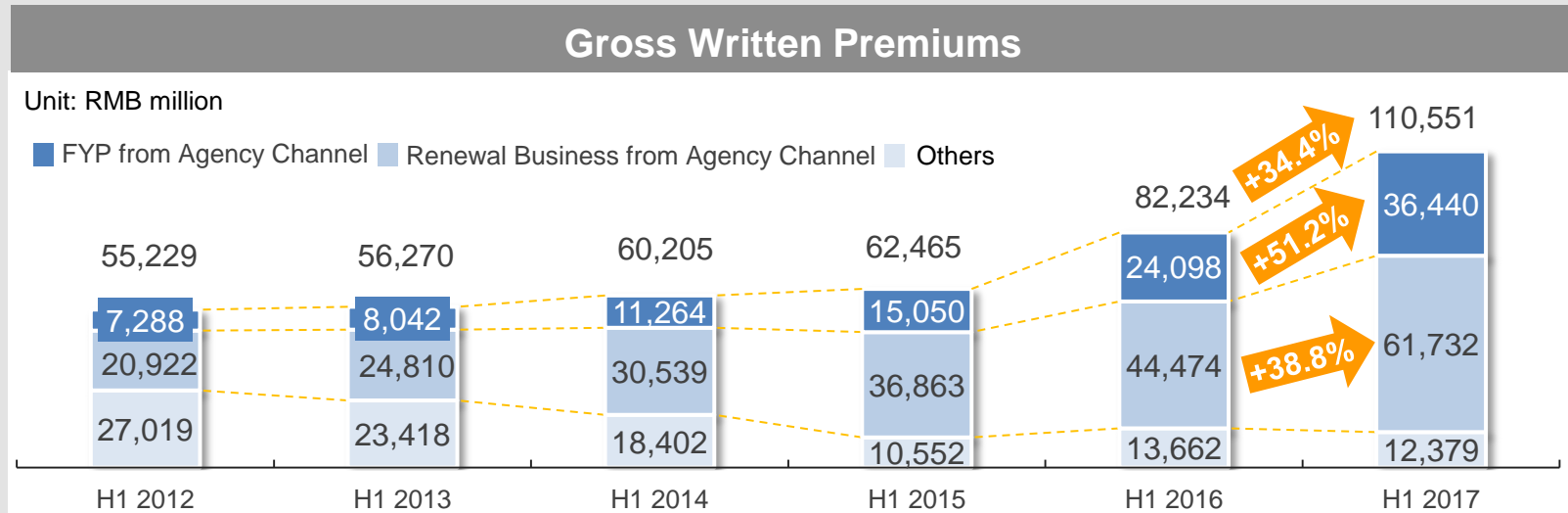
## **Deepening reform and upgrading transformation**

- Building on the achievements of the previous transformation initiatives, the new Board of Directors will focus on the key levers of sustainable development, and launch Transformation 2.0, centering on customers' needs and underpinned by 5 tasks, namely, “talent development”, “digitalization”, “enhancing synergy”, “improving strategic control” and “diversifying insurance-based business portfolios”, in a bid to improve key capabilities.

# Performance Analysis

# Life Business(1/5)

Half-year premiums exceeded one hundred billion, with value growth setting new records

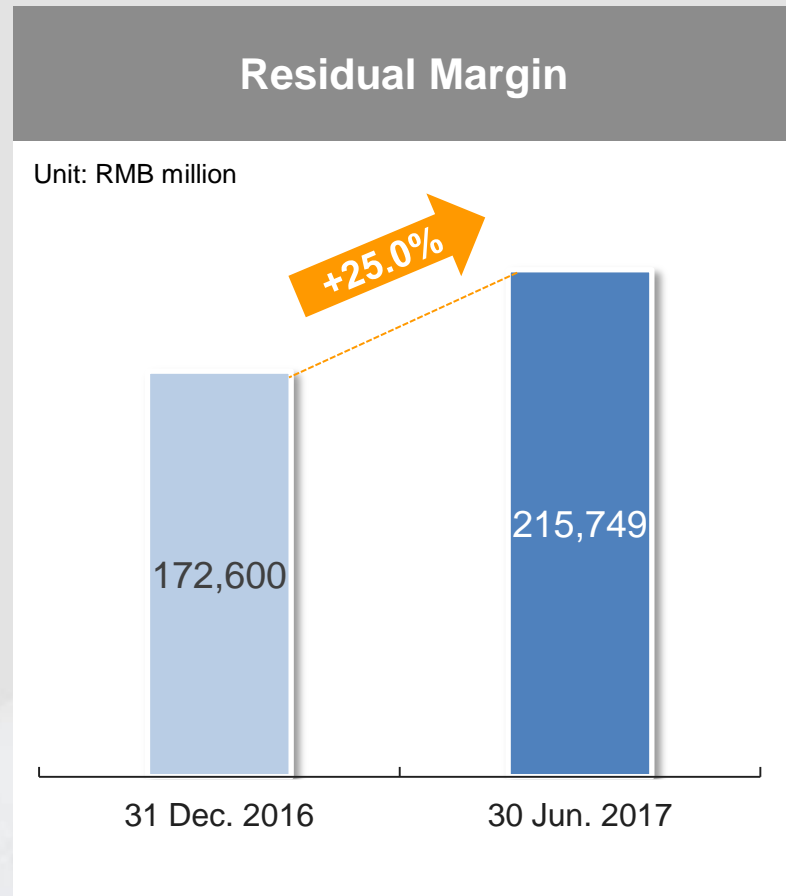
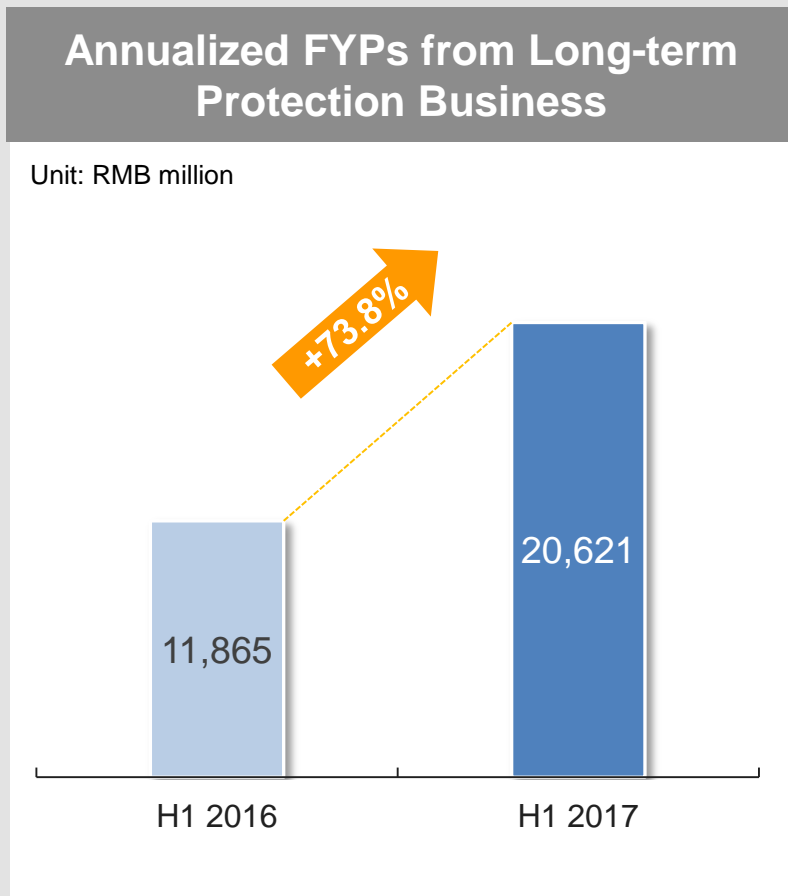


Note: NBV margin= NBV/ annualized first year premiums. Figures for NBV and NBV margin for the first half of 2016 have been restated.



# Life Business(2/5)

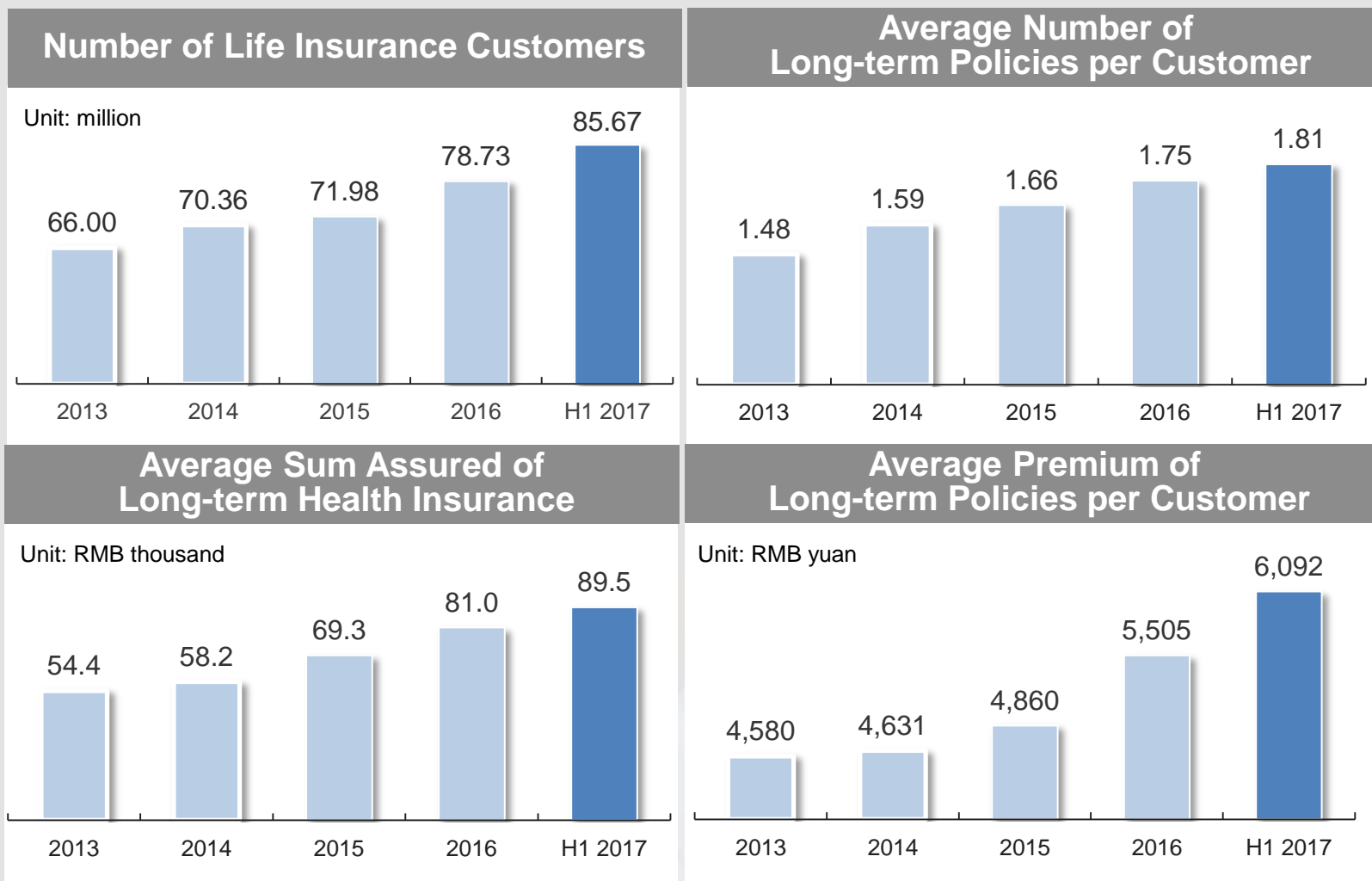
Uphold protection as the basic insurance value proposition, with rapid growth of long-term protection business



Note: Long-term protection business includes whole life insurance, term life insurance, long-term health and accident insurance.

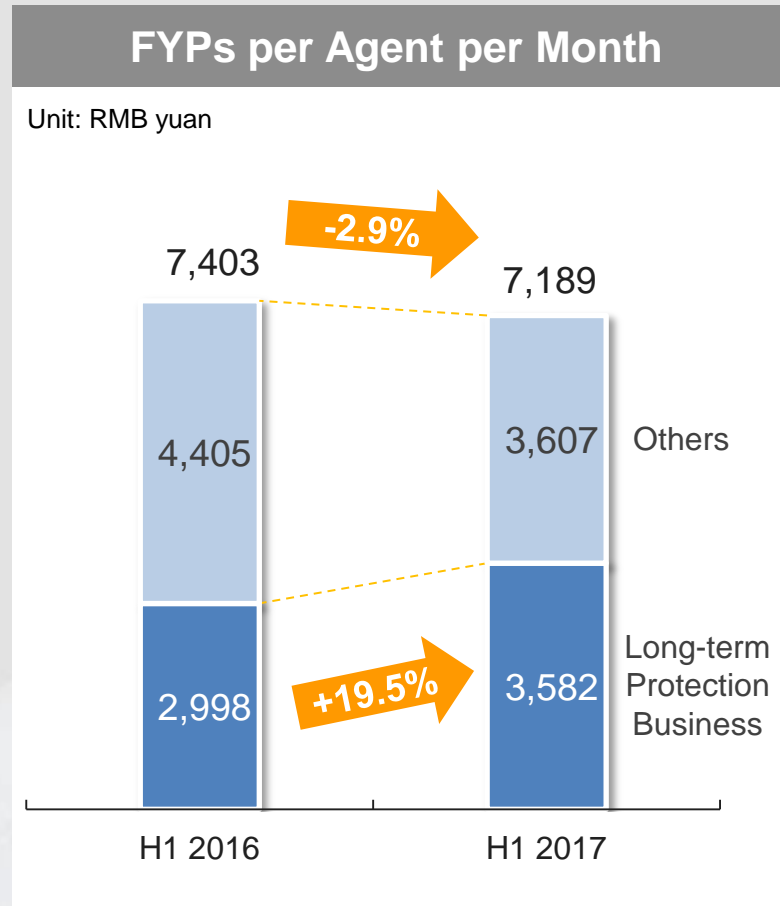
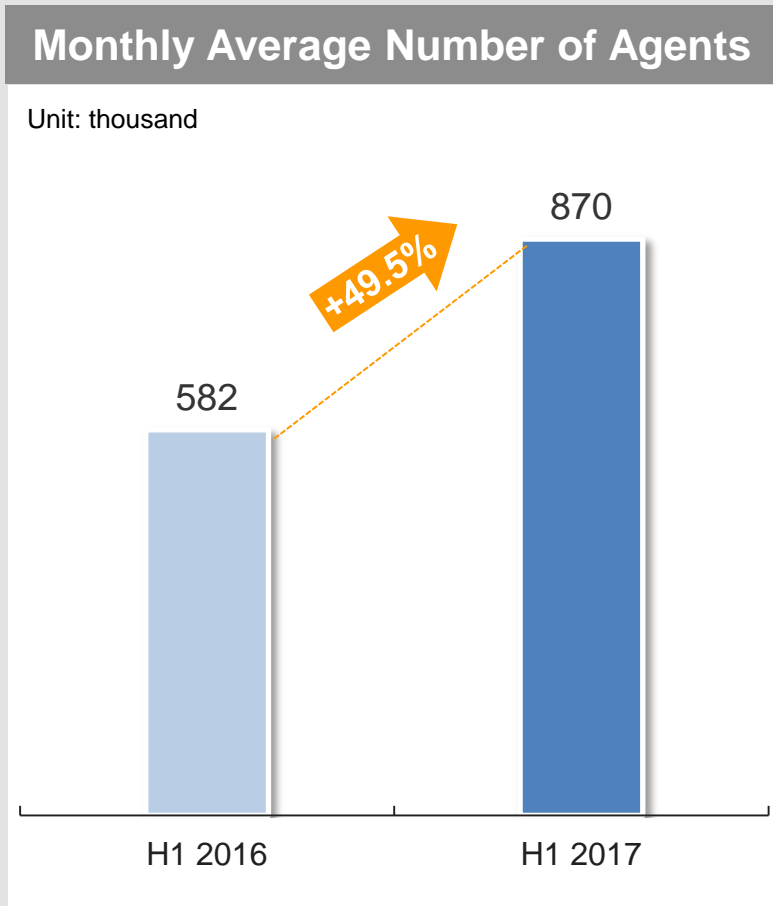
# Life Business(3/5)

## Targeted marketing continued to pay dividends



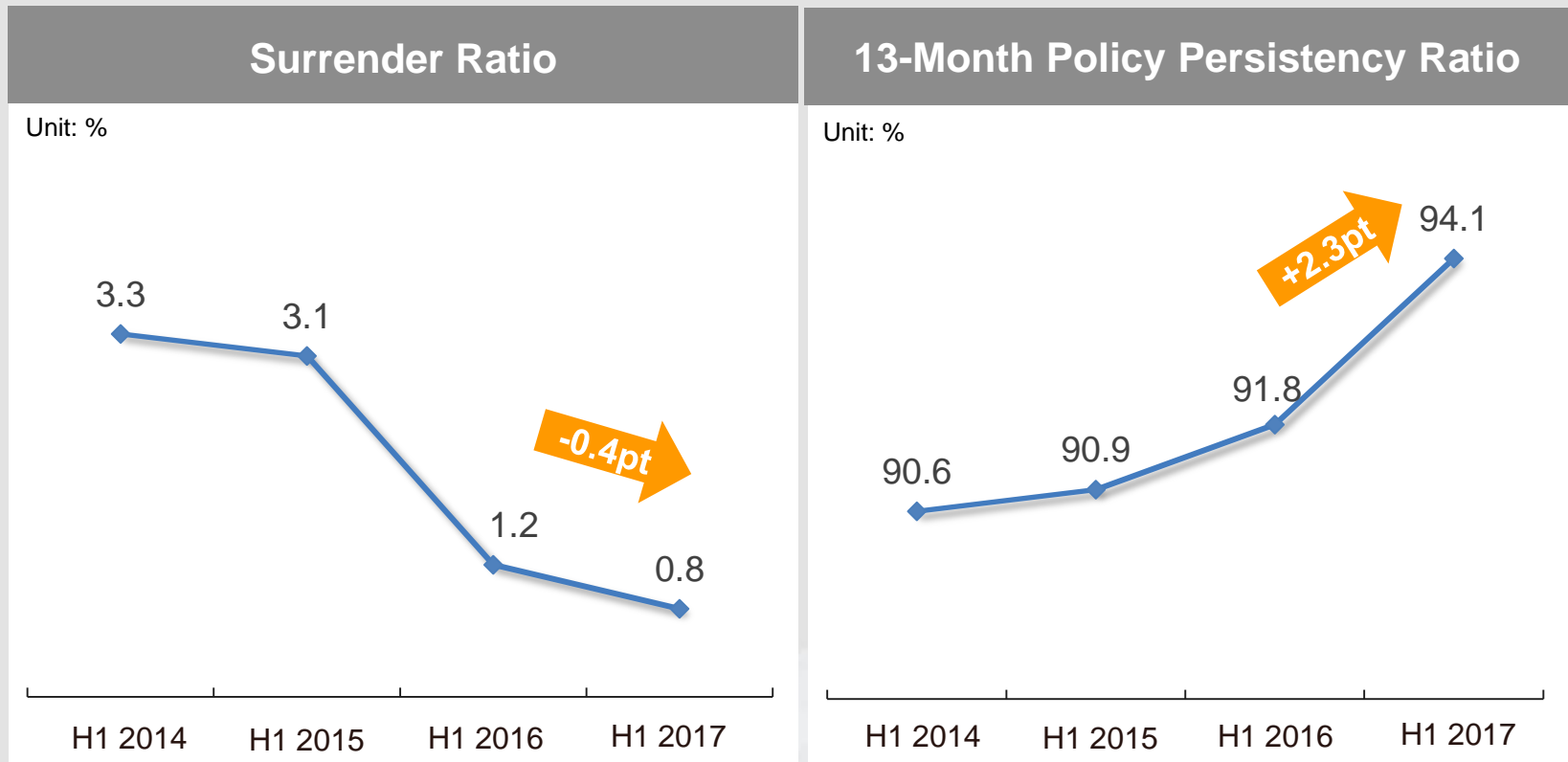
# Life Business(4/5)

Fast growth of agency channel headcount, with improvement of long-term protection productivity



# Life Business(5/5)

## Continued improvement in business quality since launch of transformation



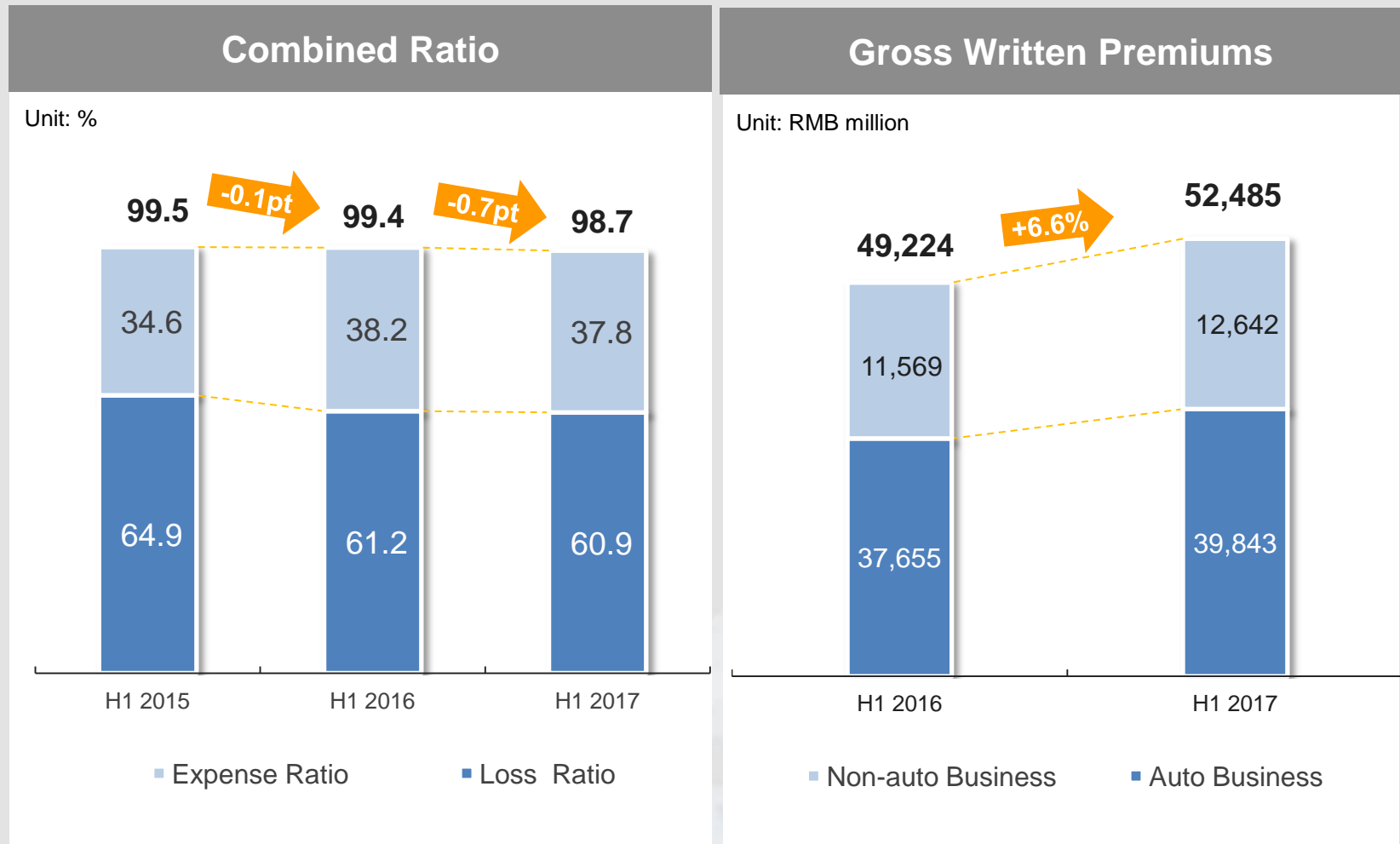
Note:

(1) Surrender ratio = surrendered amounts for the reporting period/(contract liability reserves at the beginning of the period for life insurance and contract liability reserves at the beginning of the period for long-term health insurance + premium income from long-term insurance during the reporting period).

(2) 13-month persistency ratio: premiums from in-force policies 13 months after their issuance as a percentage of premiums from policies which entered into force during the same period.

# Property and casualty insurance(1/3)

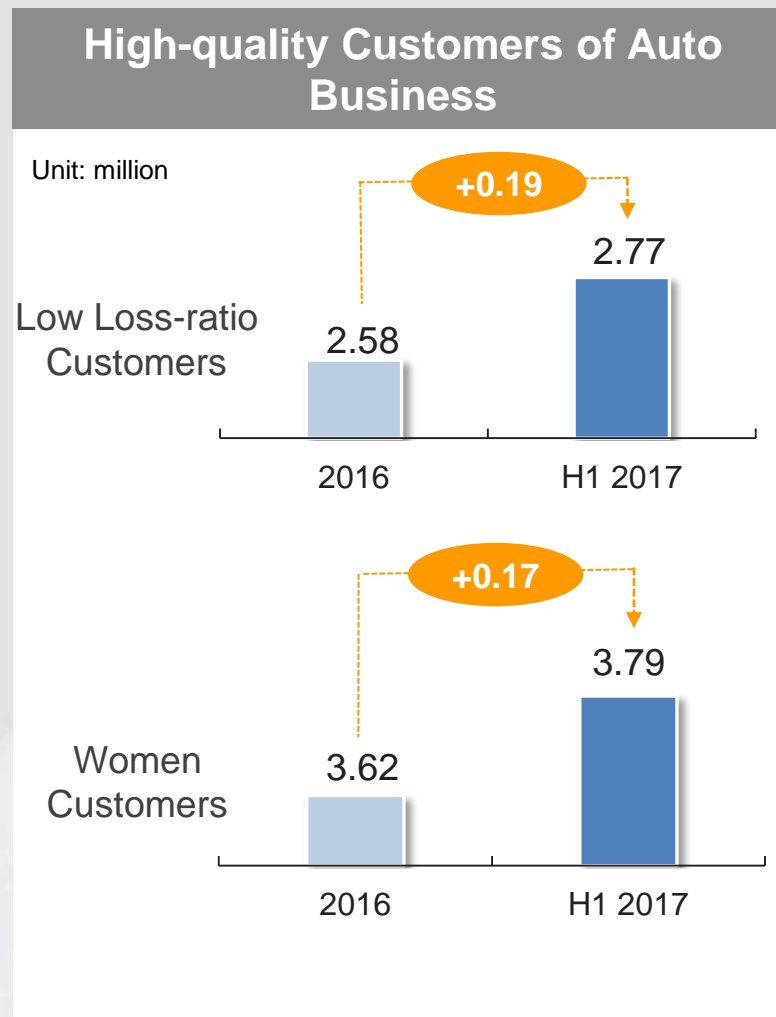
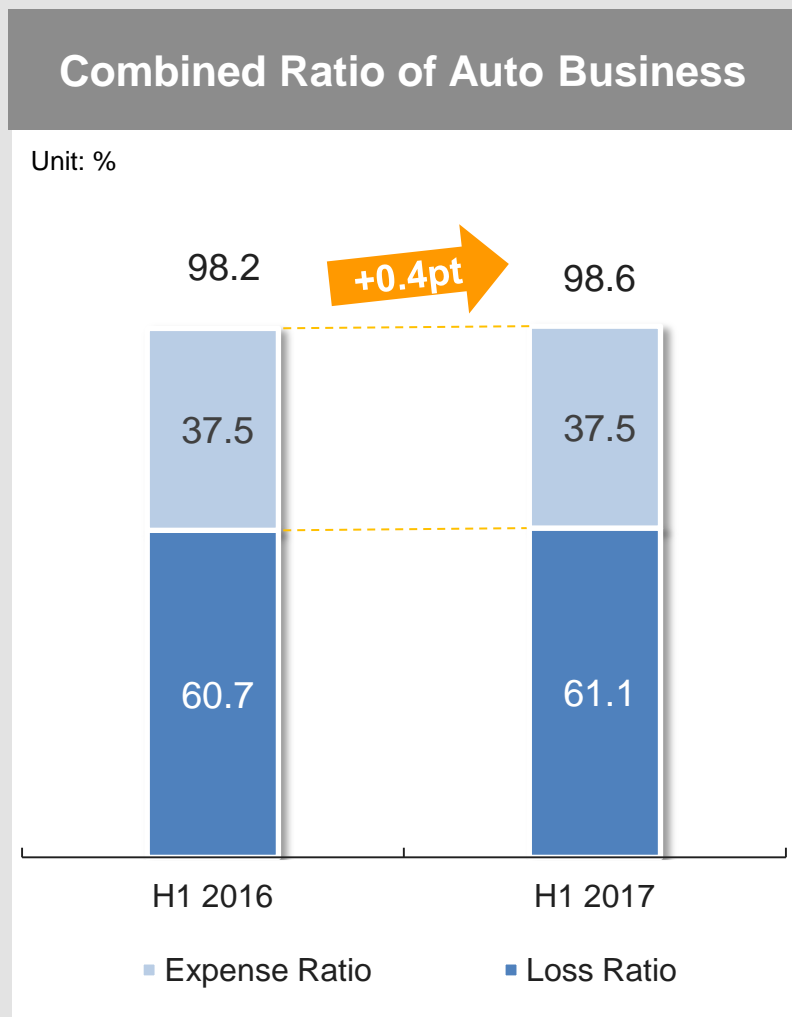
## Continued improvement in combined ratio



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

# Property and casualty insurance(2/3)

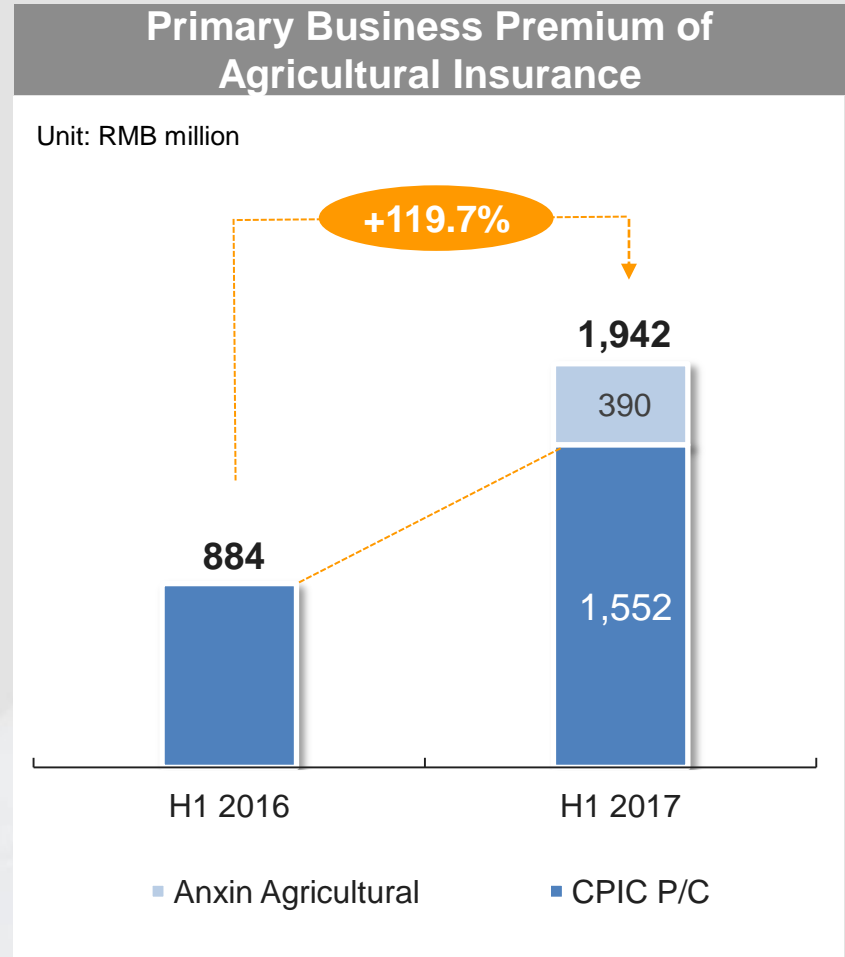
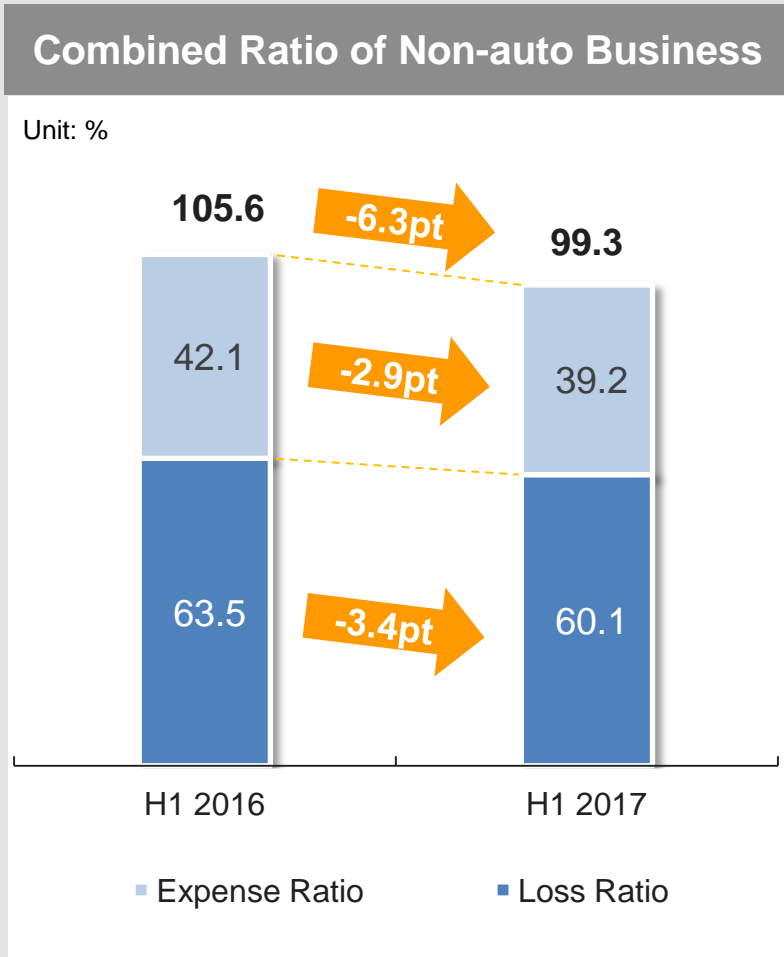
## Auto business maintained underwriting profitability, with continued growth of high-quality customers



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

# Property and casualty insurance(3/3)

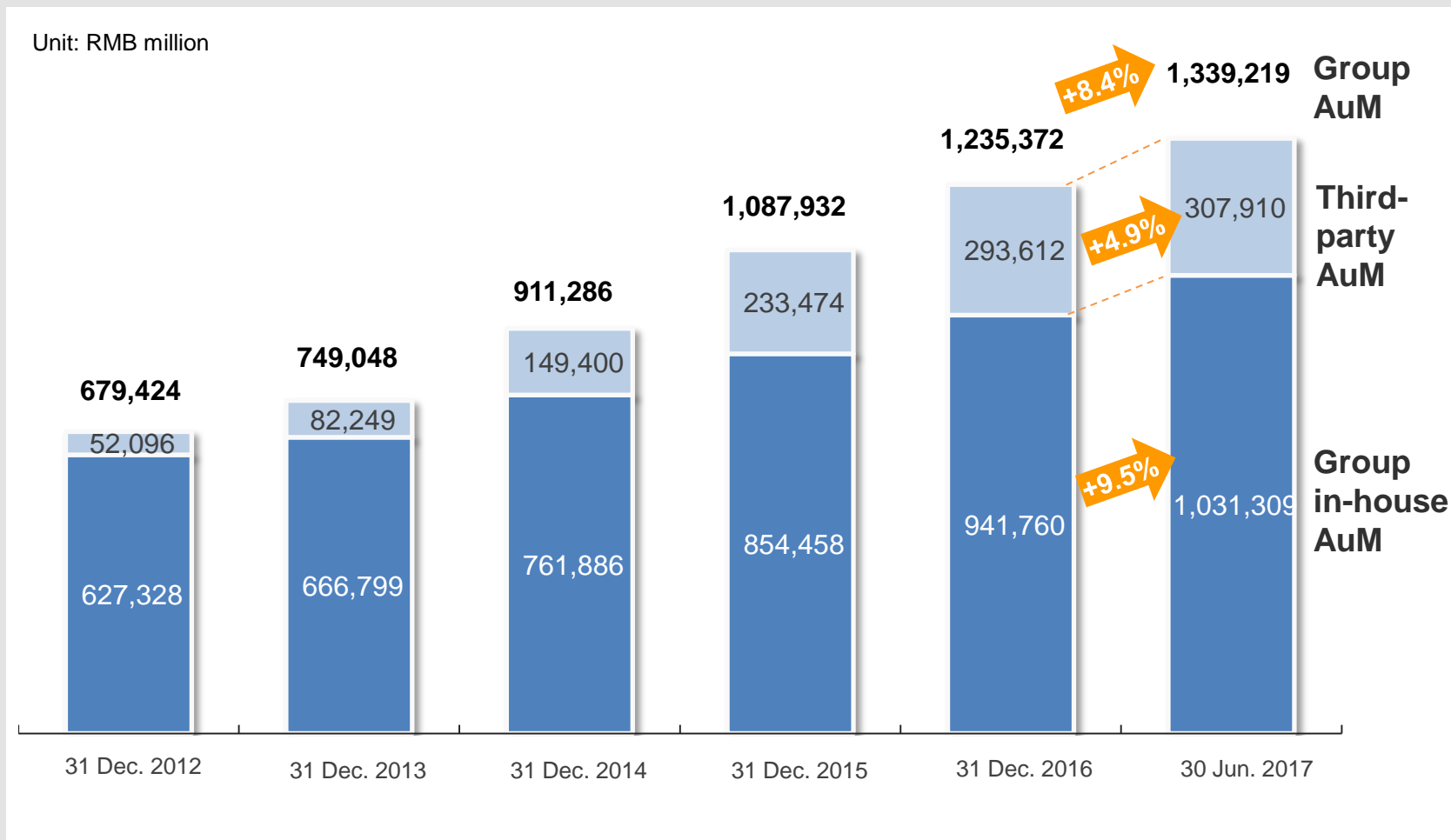
Non-auto business realised underwriting profits, with rapid growth of agricultural business



Note: Combined ratio of non-auto business refers only to CPIC P/C; premium income based on primary insurance, excluding premium income ceded-in.

# Asset Management(1/2)

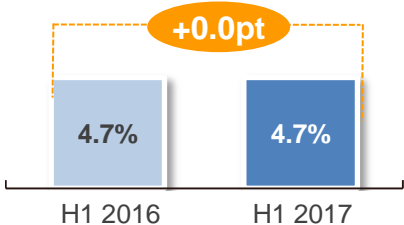
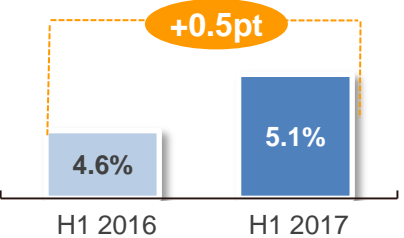
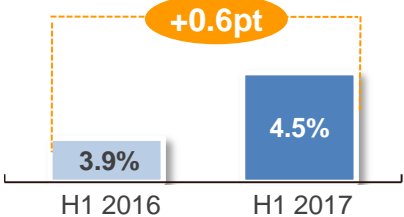
## Steady increase in Group asset under management





# Asset Management(2/2)

## Stable investment yields

Group in-house AuM	Group in-house investment portfolio	30 June 2017 (%)	Change (pt)
Annualized Total Investment Yield	<b>Fixed income investments</b>	<b>80.5</b>	<b>(1.8)</b>
	Bonds	48.4	(1.6)
Annualized Net Investment Yield	Term deposits	9.1	(5.0)
	Debt investment plans	8.2	1.7
Annualized Comprehensive Investment Yield	Wealth management products <sup>(1)</sup>	8.0	3.3
	Preferred shares	3.1	(0.3)
	Other fixed income investments <sup>(2)</sup>	3.7	0.1
	<b>Equity investment</b>	<b>14.9</b>	<b>2.6</b>
	Equity funds	2.0	-
	Bond funds	2.1	-
	Stocks	4.3	1.0
	Wealth management products <sup>(1)</sup>	3.6	1.2
	Preferred shares	0.4	(0.1)
	Other equity investments <sup>(3)</sup>	2.5	0.5
	<b>Investment properties</b>	<b>0.8</b>	<b>(0.1)</b>
	<b>Cash, cash equivalents and others</b>	<b>3.8</b>	<b>(0.7)</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 banks, etc.

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

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

# Q & A

