



2015 Annual Results Presentation

China Pacific Insurance (Group) Co., Ltd.

March 29, 2016

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Performance Overview

(unit: yuan in millions)

	KPIs	2015	Change(%)
Sustained Value Growth	Group embedded value ⁽¹⁾	205,624	20.0
	One-year new business value	12,022	37.8
	Combined ratio ⁽²⁾	99.8%	(4.0pt)
	Group AuM ⁽¹⁾	1,087,932	19.4
	Growth of Group investments' net asset value	8.2%	(0.6pt)
Solid Financial Results	Net profits ⁽³⁾	17,728	60.4
	Operating revenue ⁽⁴⁾	247,202	12.5
	Gross written premiums	203,305	6.0
	Earnings per share (yuan) ⁽³⁾	1.96	60.4
	Weighted average ROE ⁽³⁾	14.2%	3.9pt
Strong Solvency Ratios	CPIC Group ⁽¹⁾	280%	-
	CPIC Life ⁽¹⁾	201%	(17pt)
	CPIC P/C ⁽¹⁾	211%	34pt

Note: (1) As of the end of 2015

(2) The property and casualty business includes both CPIC P/C and CPIC HK

(3) Based on figures attributable to shareholders of the parent company

(4) Based on PRC GAAP

Breakthroughs in Transformation Improved Our Value-creating Capabilities

Targeted Marketing and Service based on Customer Segmentation

Completed Customer Profiling Initiative spanning the Group and **79** branch offices

Implemented Up-sell Strategy Targeting

- customers with only 1 policy: **8.14 billion** yuan
- customers who only covered their children: **5.57 billion** yuan
- customers whose premium payment period expired: **4.48 billion** yuan

Differentiated customer service: *Jin Yao Shi* Initiative, Assistance in Claims Reporting, micro credit in claims payment

Improved Interface to Bring Convenience to Customers

Nearly **half** of POS requests handled on mobile applications

54.2% of welcome calls conducted on-line

8.33 million registered users for our e-commerce platform

4.73 million fans for our *Wechat*

190,000 terminals of the smart mobile insurance platform, which supported all new policy issuance for the individual business

Embedding Life Scenarios in Product and Service Innovations

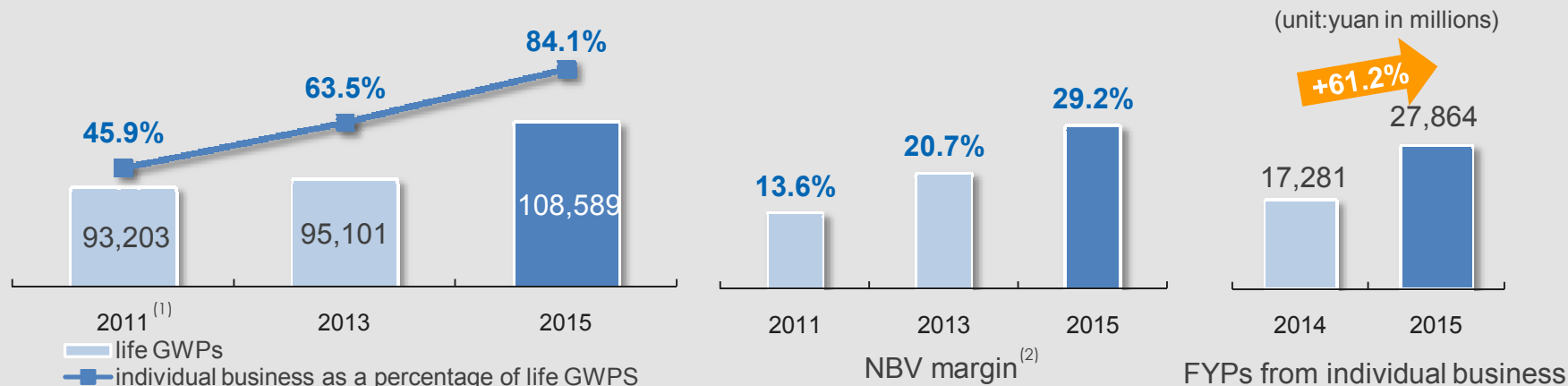
Innovative products by our life company: *Anxingbao* with high-level PA protection, *Aiwuyou* which provides cancer protection and requires no physical checks, and *Yinfa Ankang*, which expanded cancer protection to the elderly population

P/C: *Caifu U Bao* for SMEs which provided over **1,500 billion** yuan in SA for property coverage and over **340 billion** yuan in liability coverage to a total of **90,000** SMEs

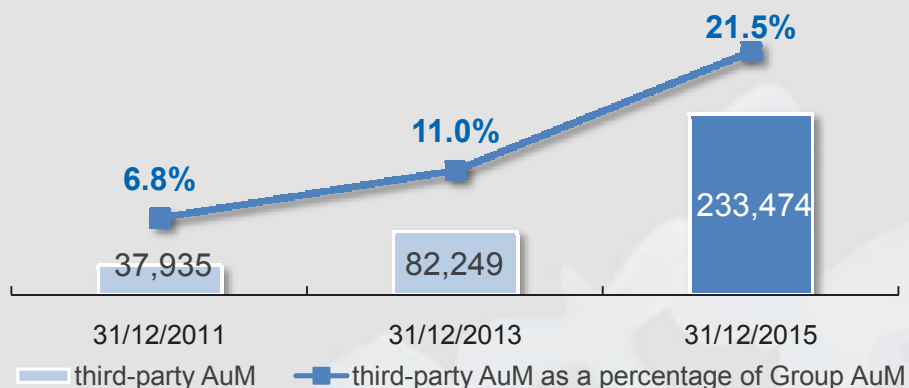
The “Golden Magnolia” team of financial planners, covering **12** cities to provide premium service to mid and high-end customers

Driving Sustainable Value Growth

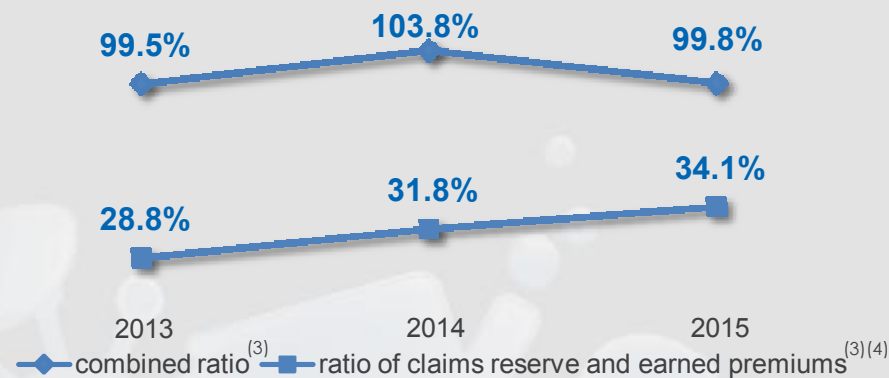
Life: Successful Transformation of Individual Business



Investment: Rapid Growth of Third-party Business



P/C: Underwriting Profitability



Notes:

(1) Data for the life business in 2011 referred to the agency channel

(2) NBV margin = NBV/annualized first year premiums

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

(4) Ratio of claims reserve and earned premiums based on data end of the reporting period, and is calculated as: (claims reserve – reinsurers' share of claims reserve)/rolling 12 month earned premiums

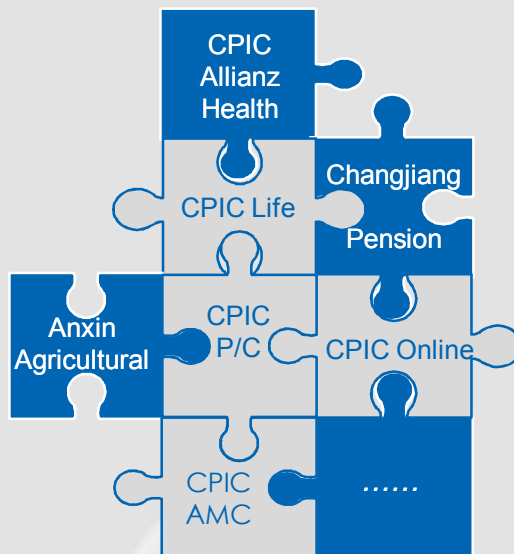
Promoting Strategic Collaboration



CPIC Allianz Health

Product and service innovations focusing on “health insurance + health management”

Development in collaboration with CPIC Life’s individual business



Changjiang Pension

Integrated enterprise and occupational annuity business into the platform of collaboration to promote resources-sharing between CPIC Life’s group & partnerships and Changjiang Pension’s corporate capabilities

Accelerated development of pension business to raise CPIC Group’s visibility in pension asset management for individuals



Anxin Agricultural Insurance

Product innovations such as the Temperature Index Insurance for Tea in Shaoxing, Sugar-canes Target Price (Futures) Index Insurance in Guangxi, Eggs Target Price (Futures) Index Insurance in Shanghai and the Shopping Basket Insurance Program in Hangzhou

Cementing collaboration with CPIC P/C in distribution channels and customers

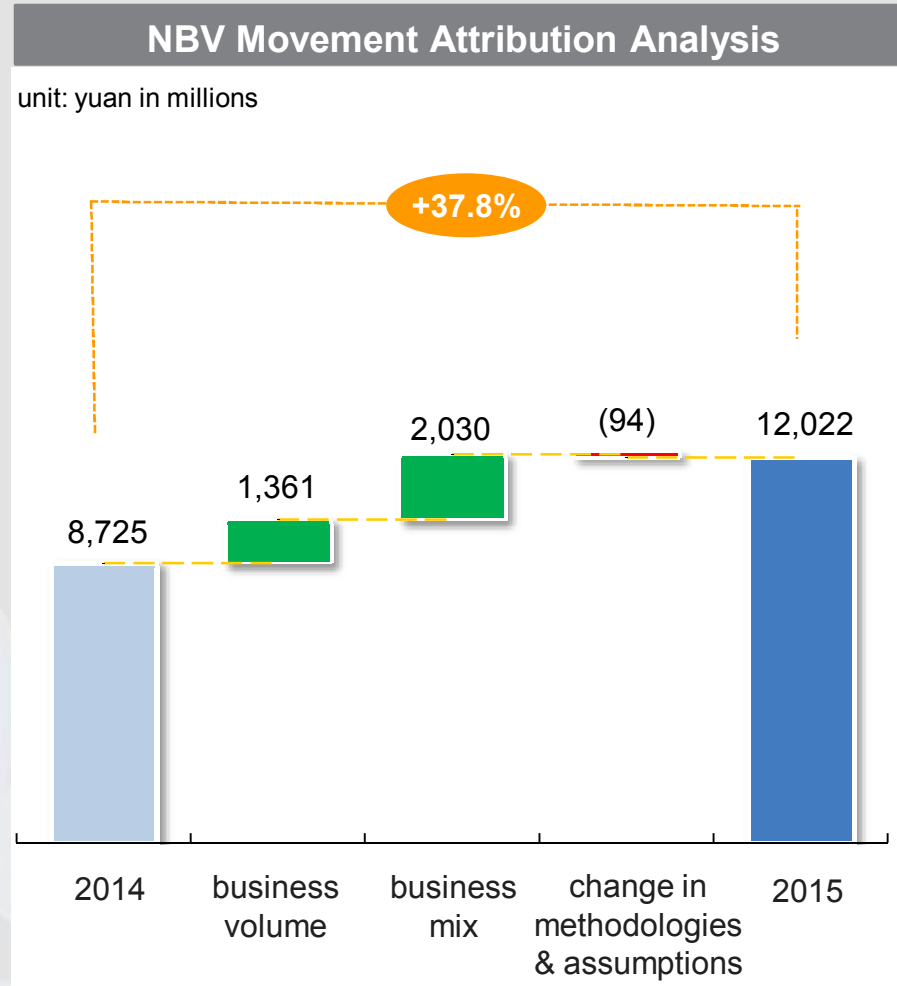
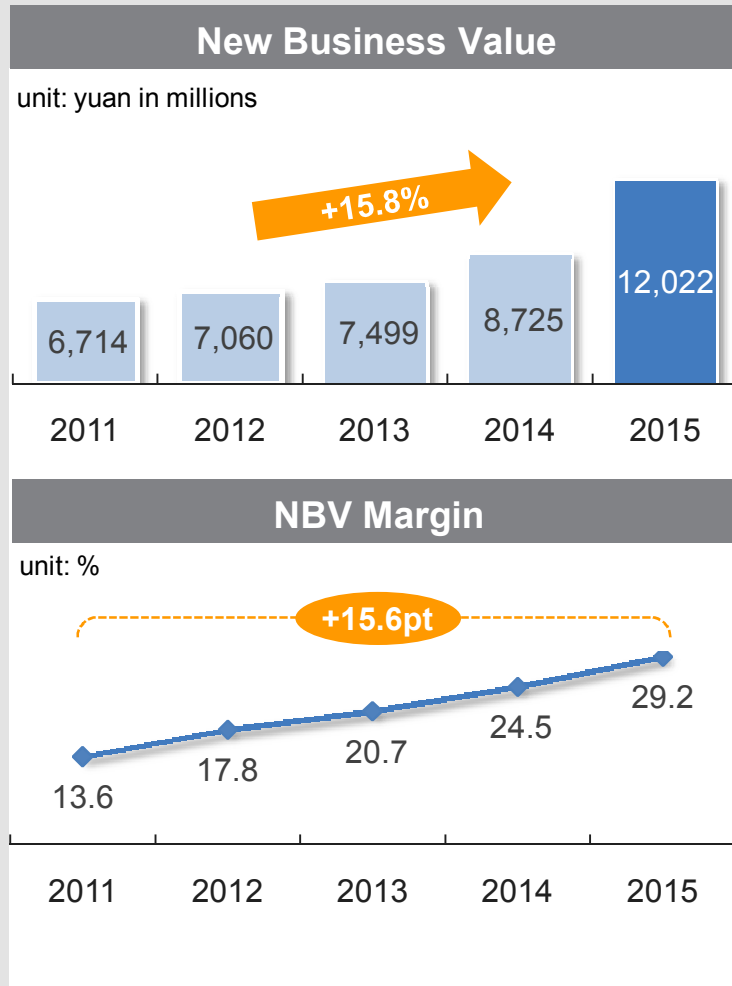
Outlook for 2016

2016 is the first year of China's 13th Five Year Program, and is also a critical stage of China's transition from a large insurance market to a strong one, which will bring a window of opportunity for the industry's development. At the same time, declining interest rates would be a challenge to Asset Liability Management of life insurance companies. The deregulation of commercial motor insurance will have profound implications for the business model of P/C insurers. In the face of such challenges and opportunities, we will remain focused on insurance, promote transformation and upgrade, and improve the quality and profitability of development continuously.

Performance Analysis

Life Business (1/4)

Sustained New Business Value Growth



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

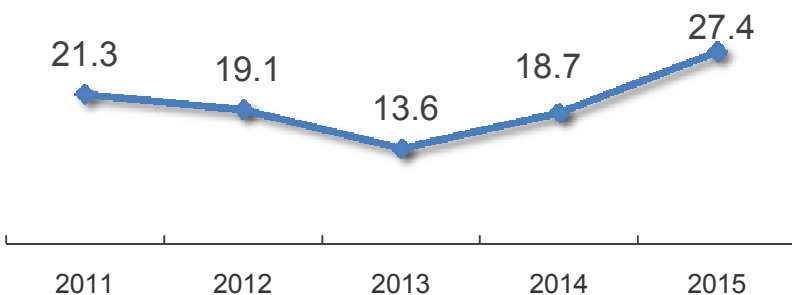
(2) Change in methodologies, assumptions and models covers the period of January 1, 2015 and December 31, 2015

Life Business (2/4)

Individual Business as the Bedrock of Our Life Business

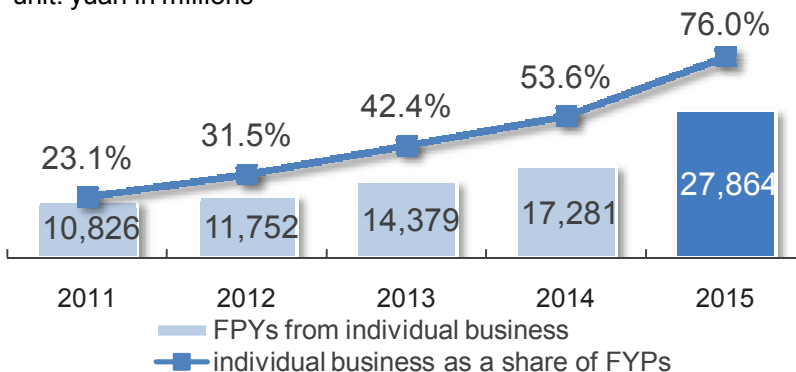
Growth of GWPs from Individual Business

unit: %



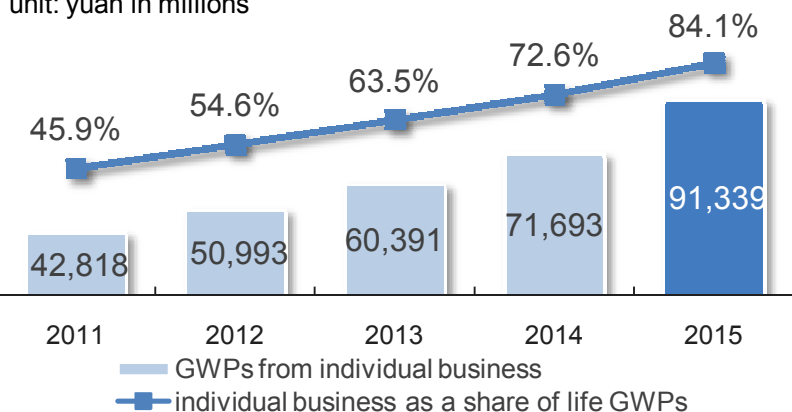
FYPs from Individual Business

unit: yuan in millions



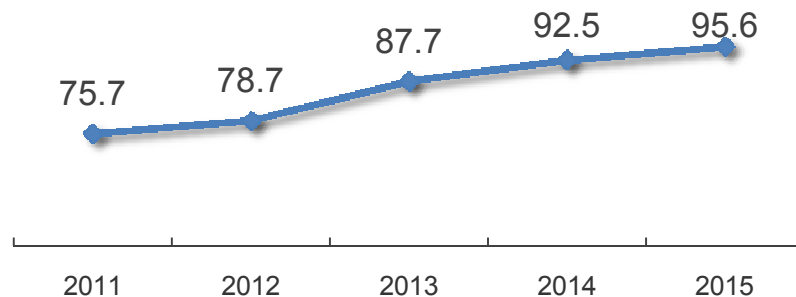
GWPs from Individual Business

unit: yuan in millions



Individual Business as a Share of NBV

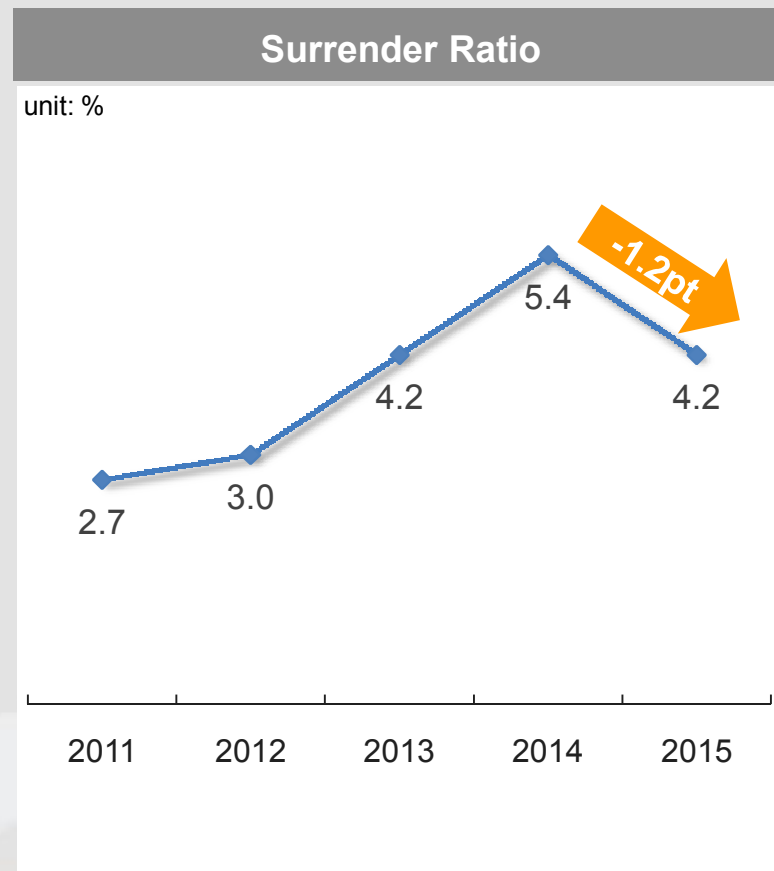
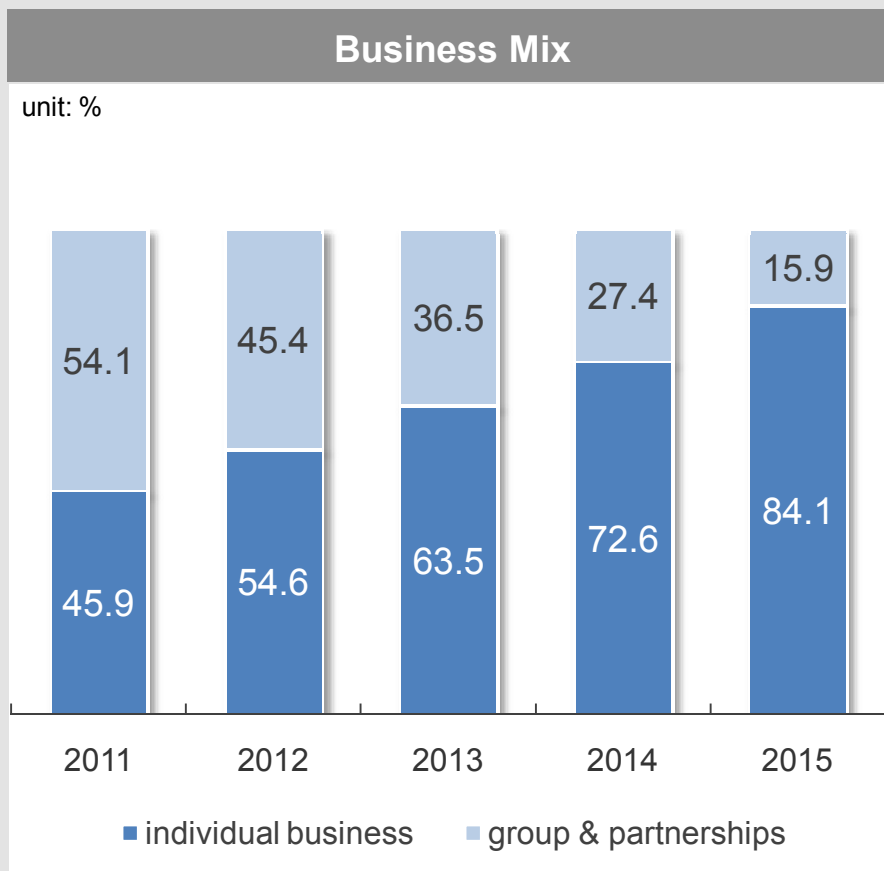
unit: %



Note: All figures for 2011-2012 and growth rate of GWPs for 2013 are based on the agency channel, and others refer to the individual business as a result of organizational restructuring

Life Business (3/4)

Continued Improvement in Business Mix



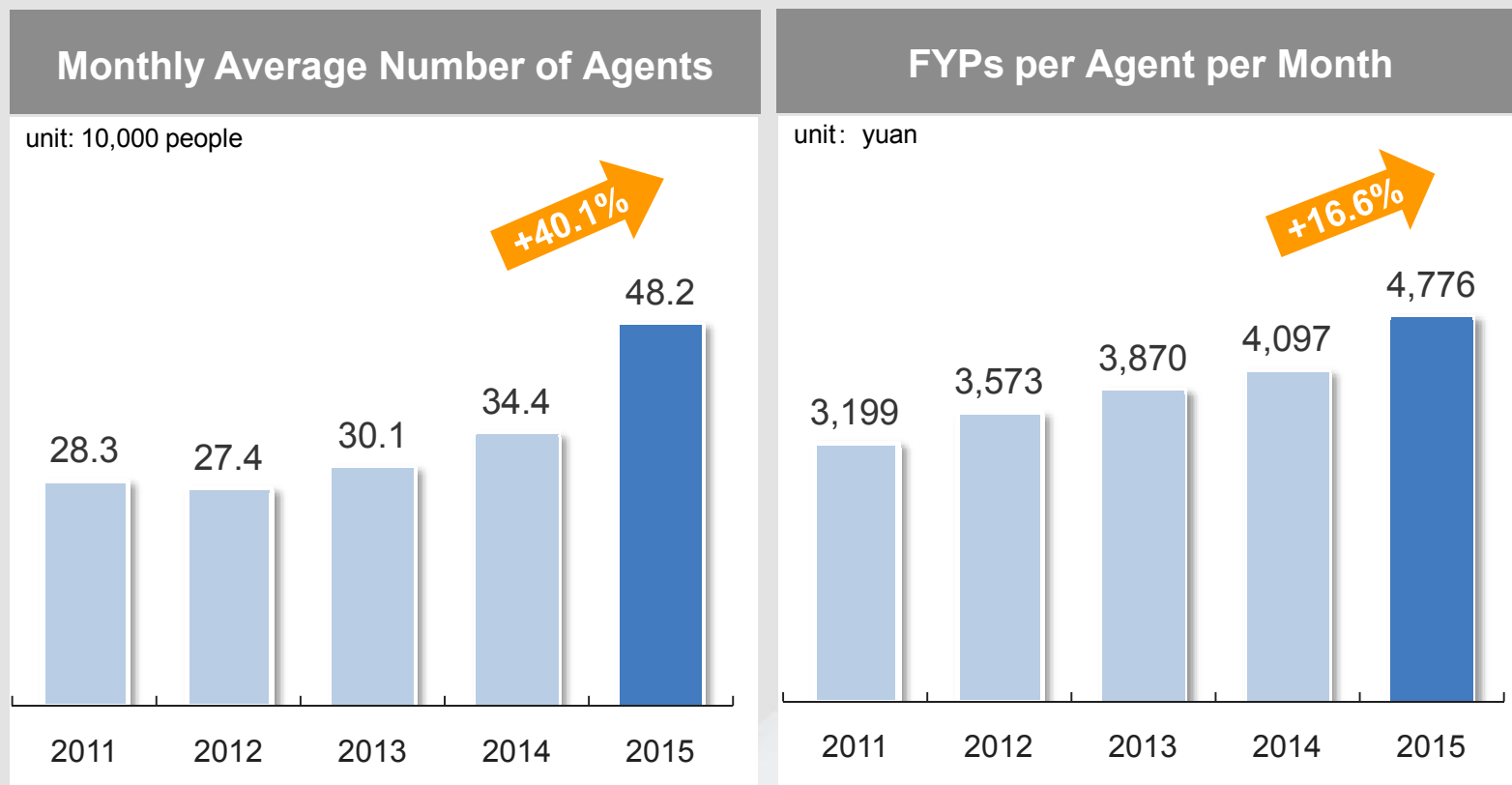
Note:

(1) Group & partnerships from 2011 to 2012 include bancassurance and group business, while the individual business for 2011 and 2012 were based on the agency channel

(2) 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)

Life Business (4/4)

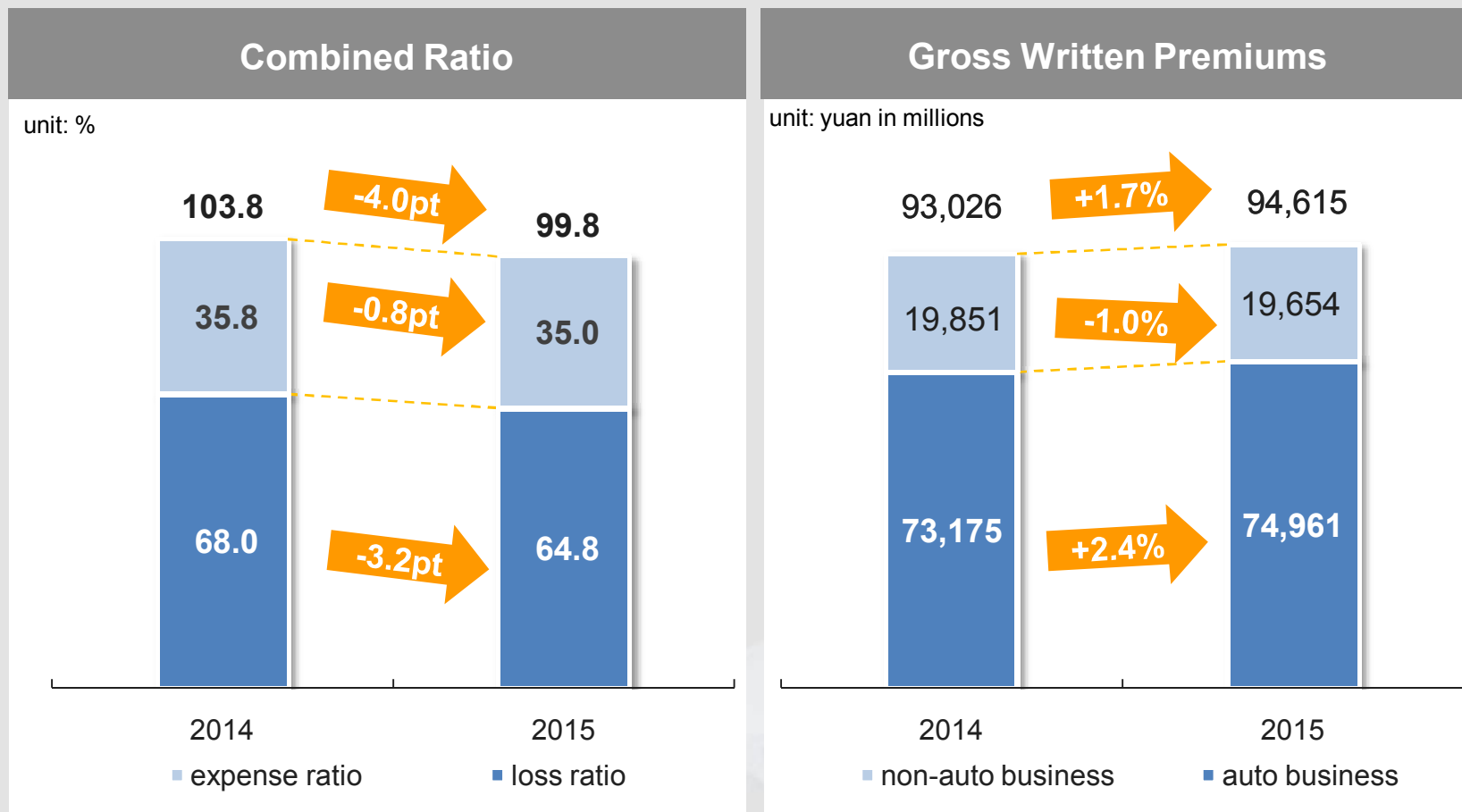
Strong Agent Headcount Increase & Continued Productivity Improvement



Note: Figures for 2011 and 2012 were based on the agency channel, and those starting from 2013 refer to the individual business as a result of organizational restructuring

Property and Casualty Insurance (1/3)

Delivery of Underwriting Profitability



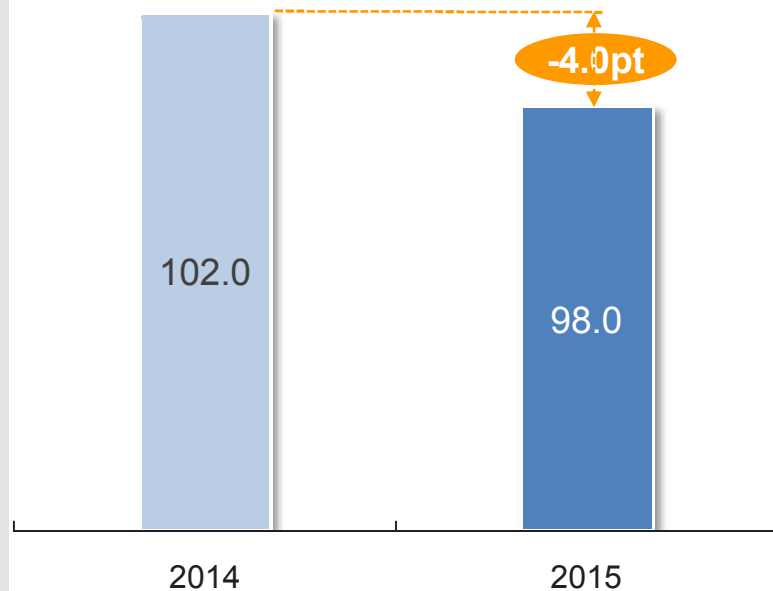
Note: The property and casualty business on this slide only refers to CPIC P/C

Property and Casualty Insurance (2/3)

Underwriting Profitability for Auto Business while Challenges Facing Non-auto

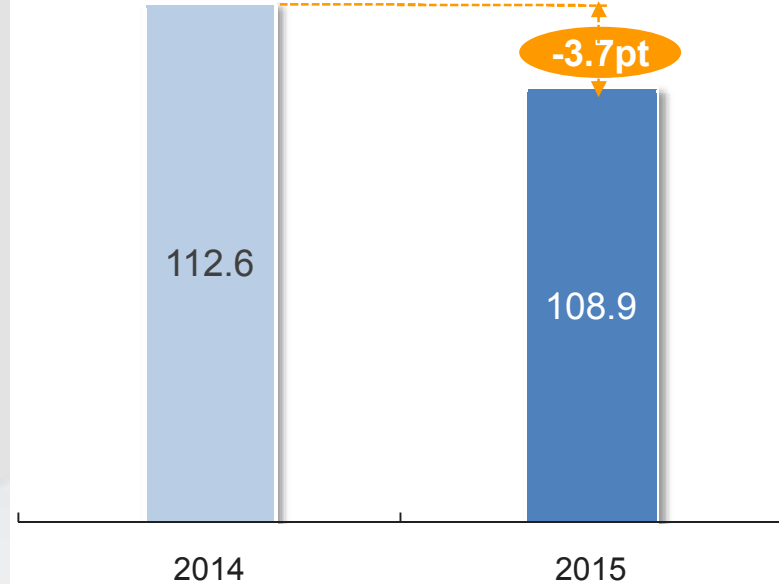
Combined Ratio for Auto Business

unit: %



Combined Ratio for Non-auto Business

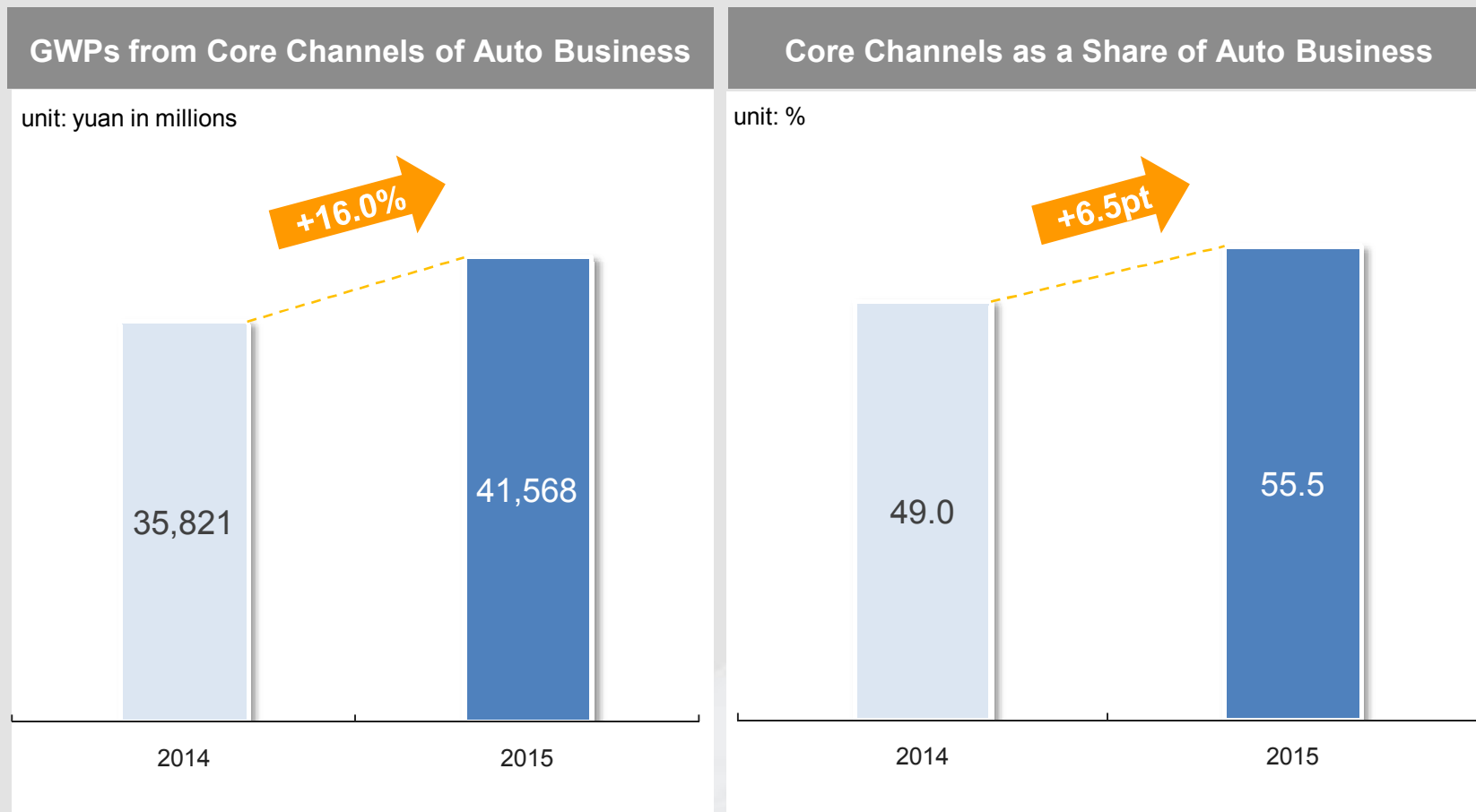
unit: %



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

Property and Casualty Insurance (3/3)

Strong Growth Momentum for Core Channels of Auto Business

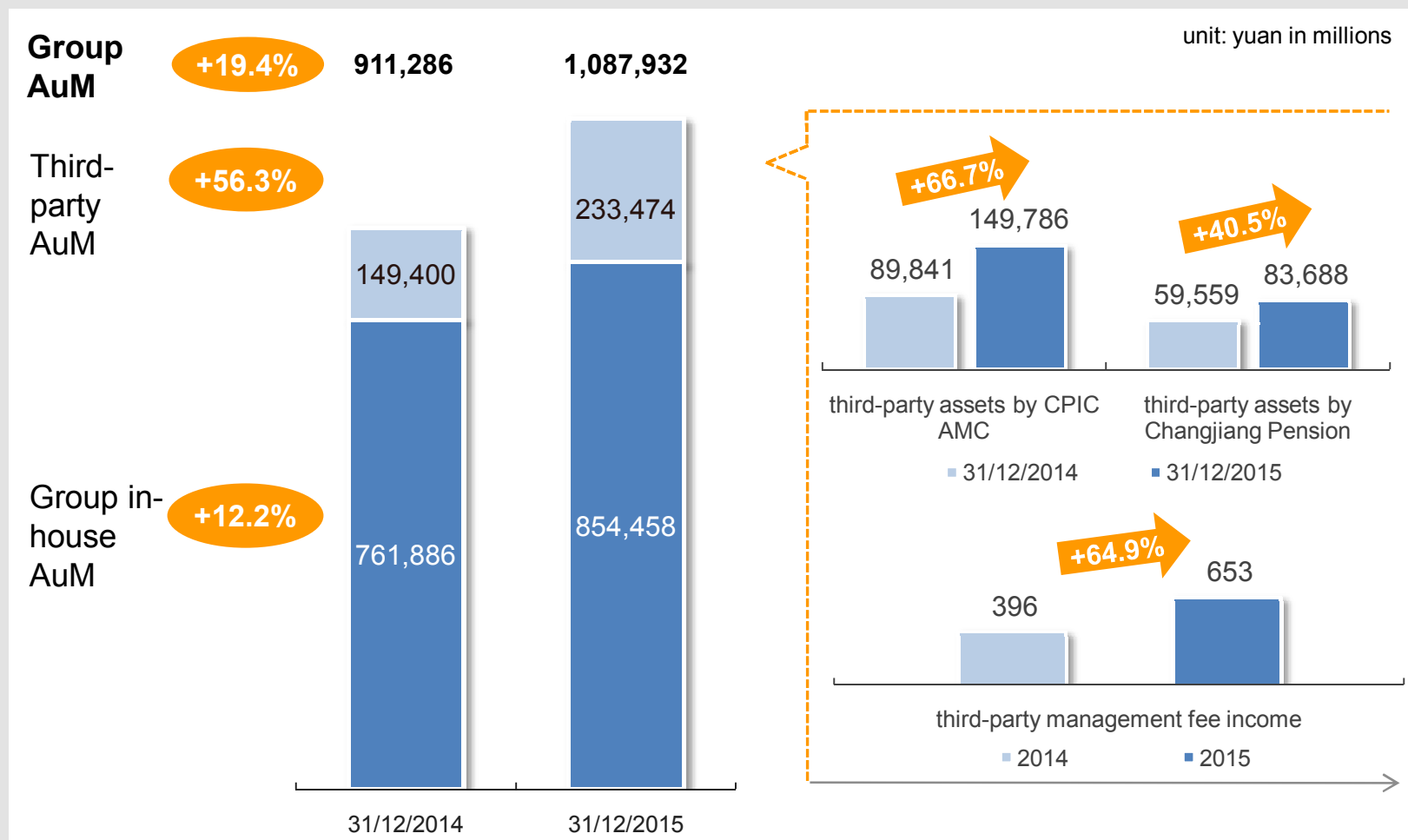


Notes:

- (1) The property and casualty business here refers only to CPIC P/C
- (2) Core channels of the auto business include telemarketing & internet, cross-sell and car dealerships

Asset Management (1/3)

Rapid Expansion of Third-party Business



Note: Figures for 2014 have been restated

Asset Management (2/3)

Persisted in ALM & Optimised Asset Allocation

Group in-house investment portfolio	31/12/2015 (yuan in millions)	Share(%)	Share Change from Dec. 31, 2014(pt)	Amount Change year-on-year(%)
Fixed Income	700,644	82.1	(4.6)	6.0
Bonds	430,633	50.4	(4.8)	2.5
Term deposits	154,398	18.1	(3.6)	(6.7)
Debt investment plans	53,025	6.2	(0.1)	11.5
WMPs ⁽¹⁾	25,240	3.0	1.8	167.1
Preferred shares	11,800	1.4	1.4	/
Other fixed income ⁽²⁾	25,548	3.0	0.7	43.3
Equity	123,279	14.4	3.8	53.0
Funds ⁽³⁾	45,956	5.4	1.0	37.6
Stocks	33,645	3.9	0.1	15.8
WMPs ⁽¹⁾	25,715	3.0	2.0	242.4
Preferred shares	2,217	0.3	0.3	/
Other equity investments ⁽⁴⁾	15,746	1.8	0.4	48.3
Investment Property	6,344	0.7	(0.2)	(3.3)
Cash and cash equivalents	24,191	2.8	1.0	72.3

Notes:

(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

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

(3) The aggregate amounts of bond funds and money market funds as at 31 December 2015 and 31 December 2014 were RMB 19.475 billion and RMB17.453 billion, respectively

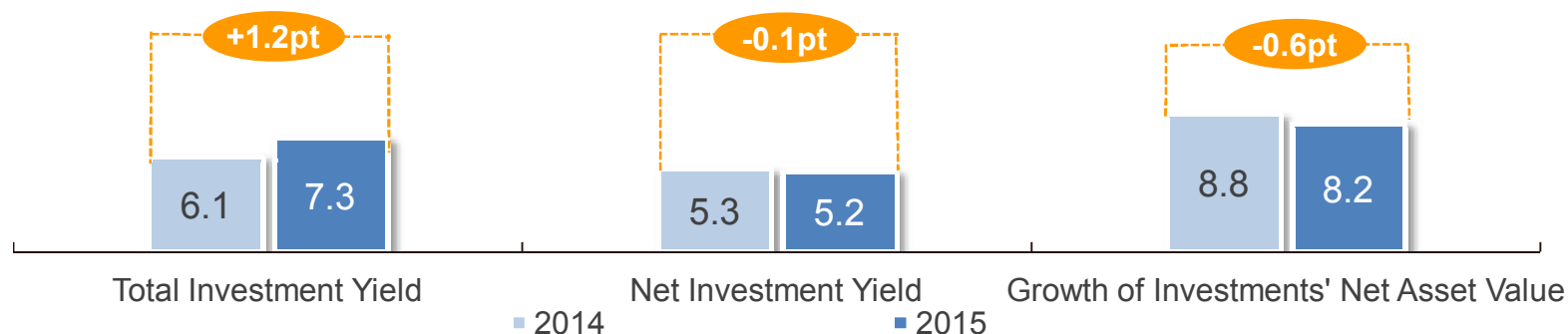
(4) Other equity investments include unlisted equities

Asset Management (3/3)

Strong Growth of Investment Income

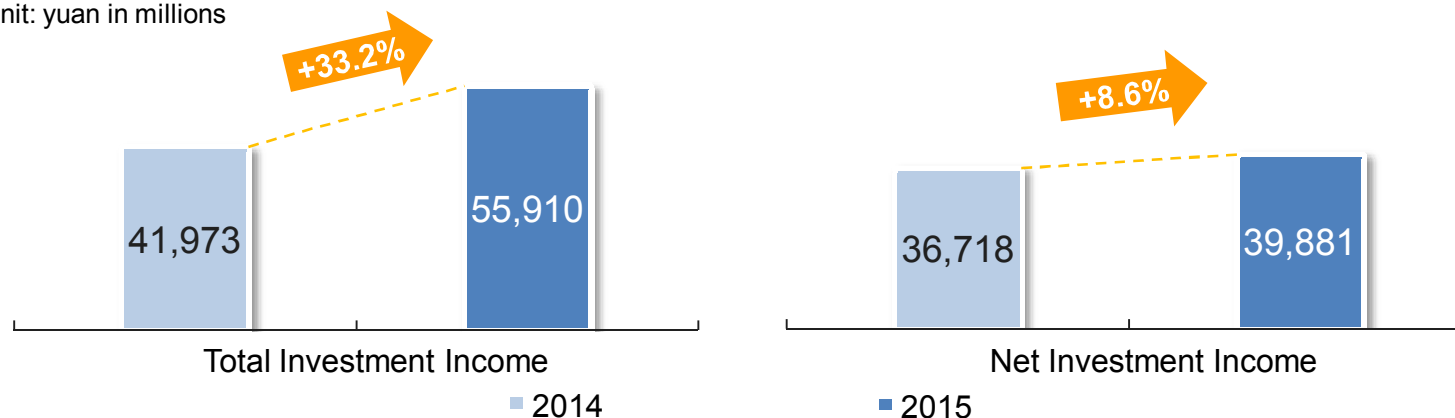
Yields on Group In-house AuM

unit: %



Group Investment Income

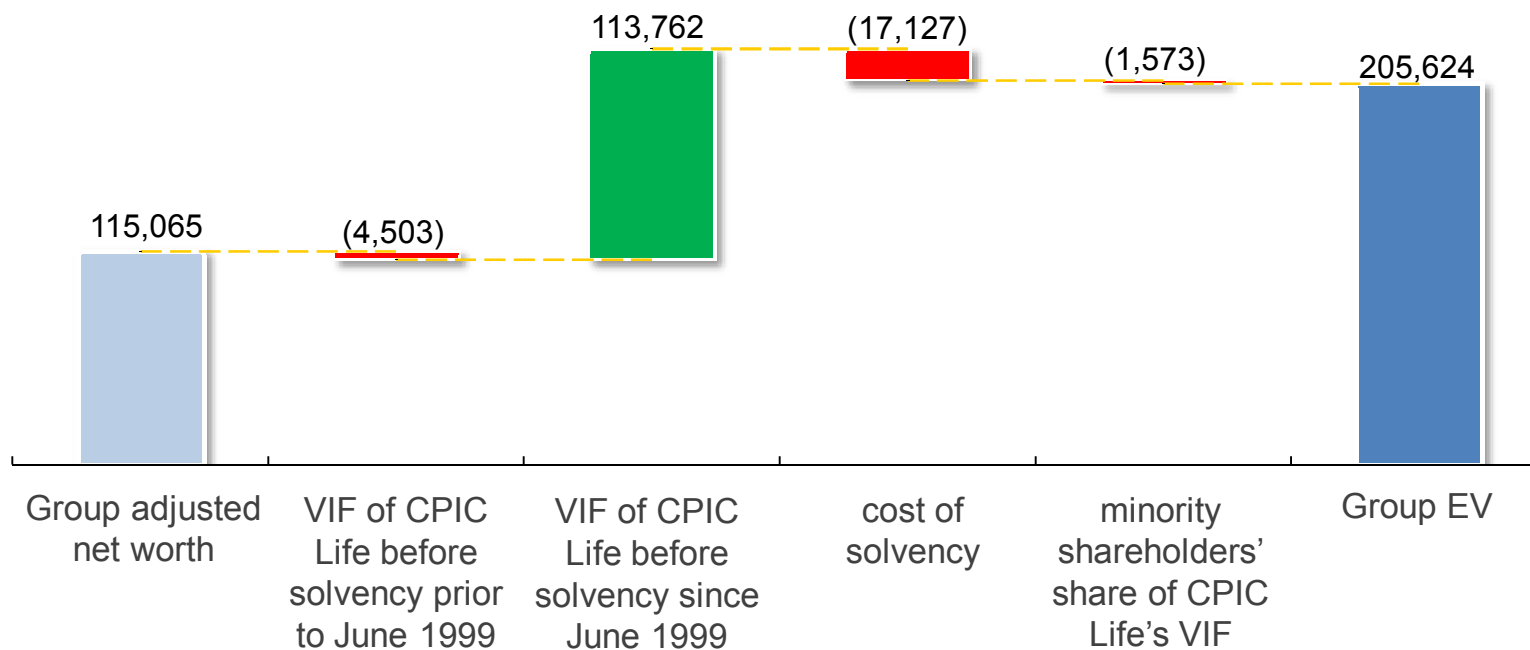
unit: yuan in millions



Embedded Value (1/2)

EV Composition as at 31 December 2015

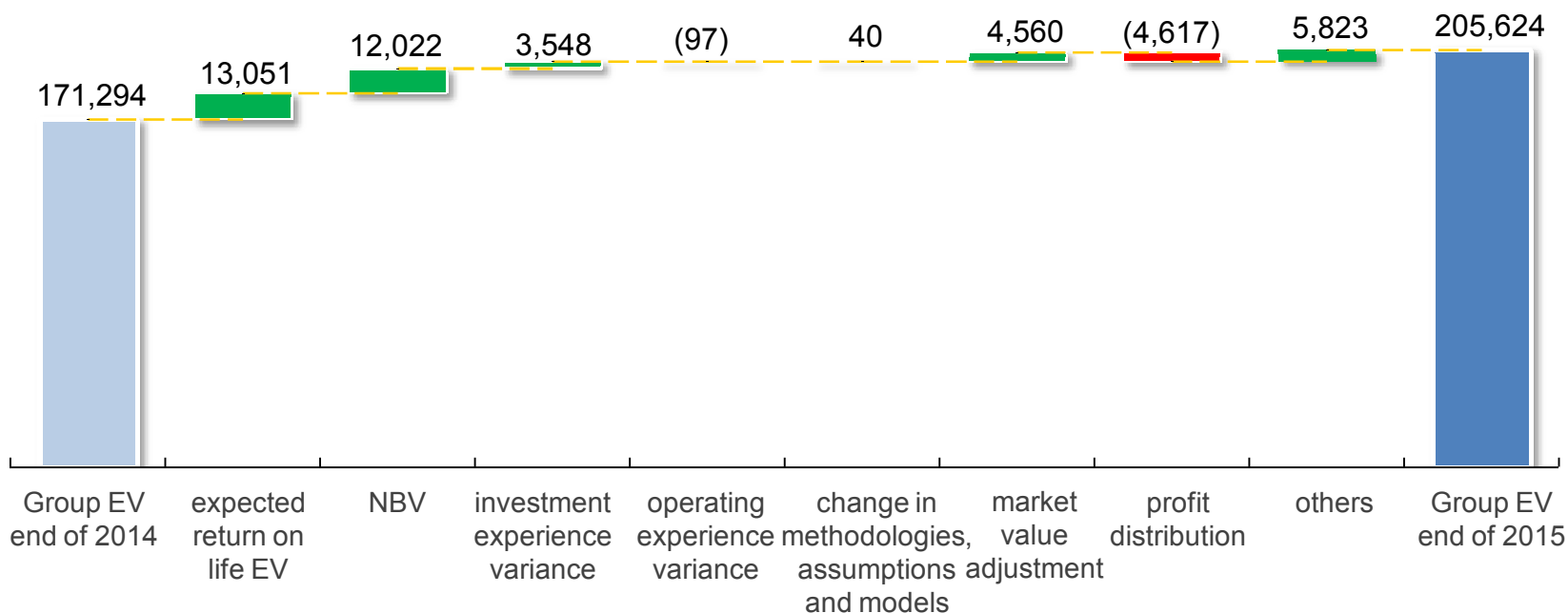
unit: yuan in millions



Embedded Value (2/2)

Movement of EV in 2015

unit: yuan in millions





Q & A