



China Pacific Insurance (Group) Co., Ltd.

2009 Annual Results

April 20, 2010



中国太平洋保险(集团)股份有限公司
China Pacific Insurance (Group) Co.,Ltd.

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Unless stated otherwise, the data in the report are financial data in consolidated statements prepared after taking into account changes in the accounting policies and incorporating retrospective adjustments.

Agenda

Results Highlights

Business Overview

- Life insurance
- P&C insurance
- Investments

Financial Performance

Embedded Value

Focusing on insurance business to drive and achieve sustainable, value-enhancing growth

1

Remarkable results from the business mix optimization of life insurance business, robust growth in protection and long-term savings products, substantial increase in value of one year's sales

2

Significant enhancement in the underwriting profitability of P&C insurance business with an industry-leading combined ratio

3

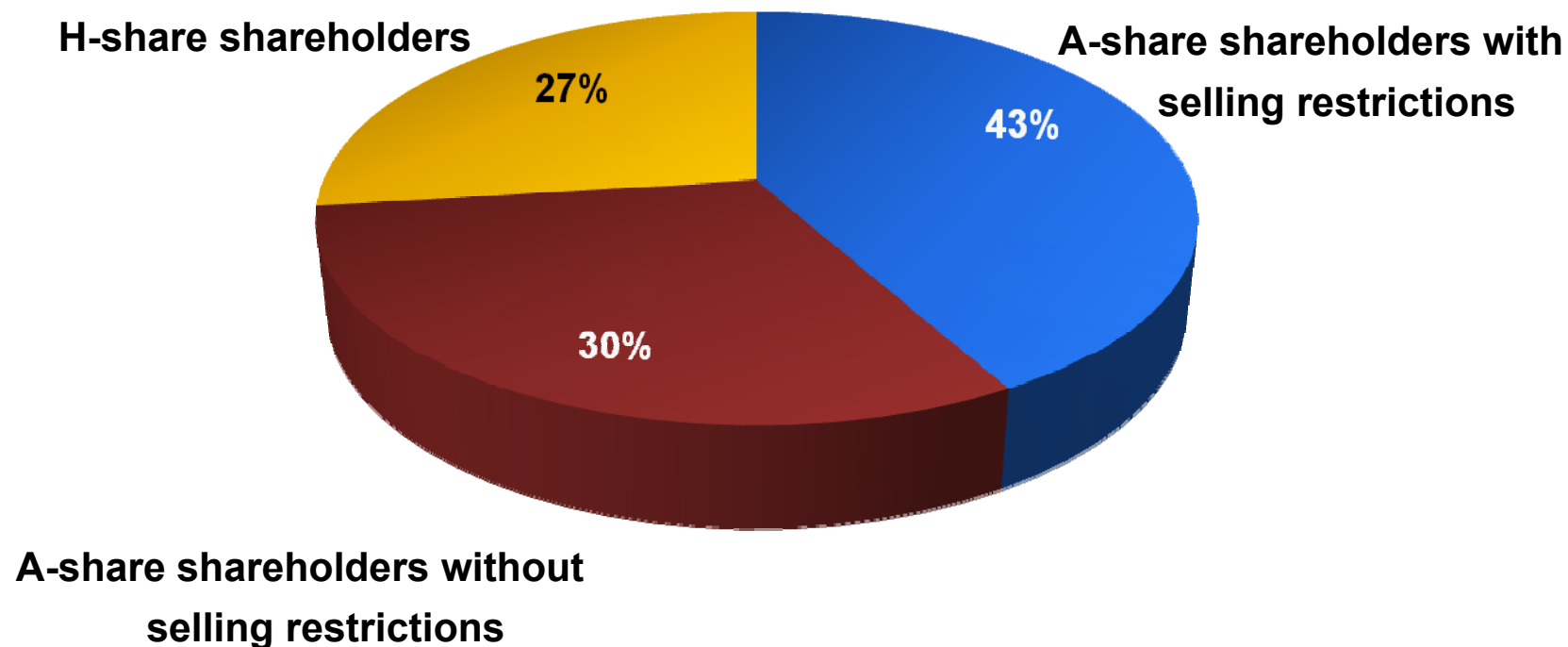
Stronger asset liability management and optimized asset allocation of investment assets, active exploration of alternative investments, significant improvement in investment yield

4

Successful implementation of major strategies, including completing the global offering of H shares, acquiring a controlling stake in Changjiang Pension, and setting up first shipping insurance business division in the industry

Successful issuance of H shares leading to a more diversified shareholding structure

CPIC's total shares outstanding: 8.6 billion



Outstanding business results

Unit: RMB mn	2009	2008	Change (%)
Gross written premiums	96,342	75,752	↑ 27.2
Total investment income	19,536	8,400	↑ 132.6
Net profit attributable to equity holders of the parent	7,356	2,569	↑ 186.3
Weighted average ROE	14.0%	4.7%	↑ 9.3 pts.
Investment assets	366,018	288,074	↑ 27.1
Embedded value	98,371	69,978	↑ 40.6

Rapid, healthy and well coordinated business growth

Life Insurance

- ◆ Life insurance gross written premiums grew 29.6% YoY
- ◆ Value of one year's sales grew 36.9% YoY
- ◆ Net profit grew 34.7% YoY

P&C Insurance

- ◆ P&C insurance gross written premiums grew 23.0% YoY
- ◆ Combined ratio at 97.5%, down 4.7 pts. YoY
- ◆ Net profit grew 164.8% YoY

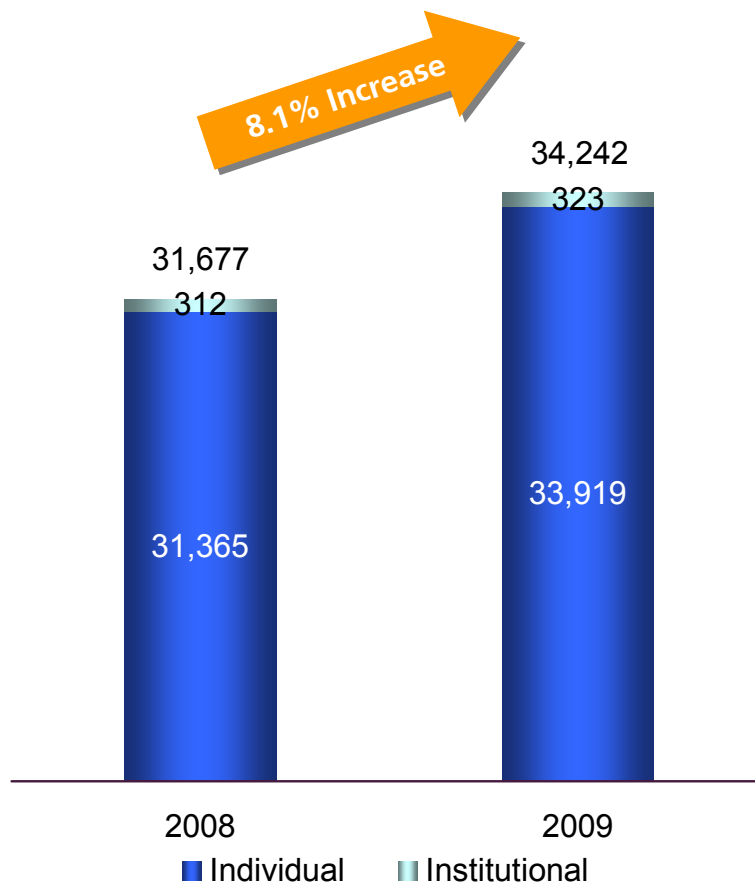
Investment Management

- ◆ Total investment yield was 6.3%, up 3.4 pts. YoY
- ◆ Total infrastructural investments reached RMB 18.396 bn, 181.3% increase from YE 2008, subscribed for a total of RMB 5.628 bn 50-year Treasury Bonds, effectively improving the asset duration

Customer base continues to expand, laying solid foundations for future development

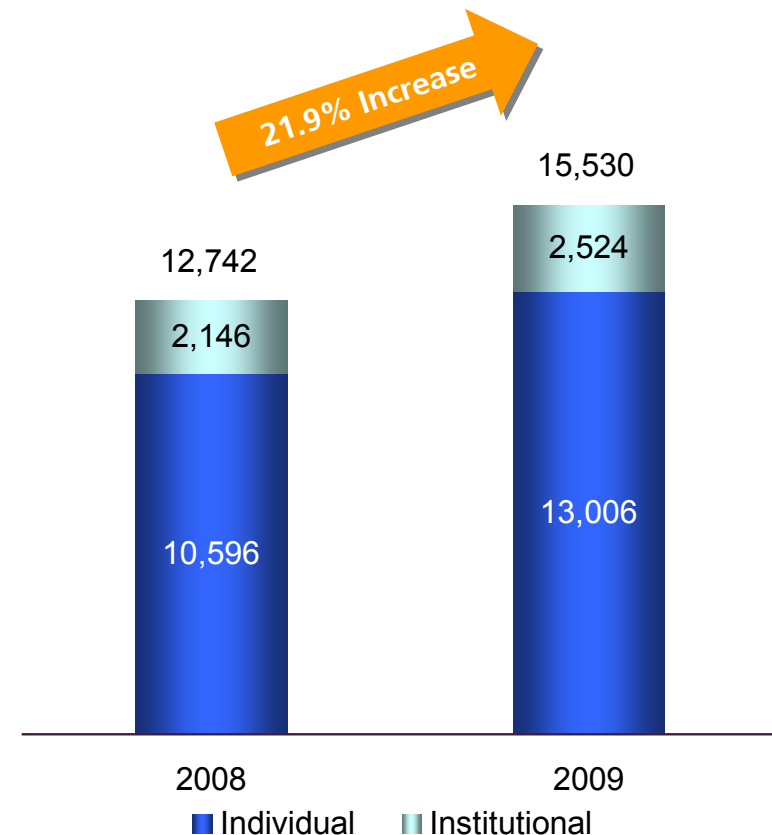
Life insurance customer base

Unit: ('000)



P&C insurance customer base

Unit: ('000)



Rising brand recognition



Top 500 among “the Top 2000 Listed Companies in the World”



2008 Top 100 Publicly Listed Companies in the PRC



Gold Bull Award of the Top 100 Publicly Listed Companies in the PRC for 2008



2009 Information Disclosure Award among Listed Companies



Best Corporate Citizen in China Award

Rising brand recognition (cont'd)



Ranked third and fourth in Asian non-life and life insurance companies competitiveness ranking respectively



Best Property and Casualty Insurance Company



“Best Structural Adjustment Award of the Year” in the 2009 Insurance Companies of the Year in China



Ranked first for 8 consecutive years for “Quality Counter Service of the Insurance Industry”



2009 Best Call Center in China (Asia Pacific)

Agenda

Results Highlights

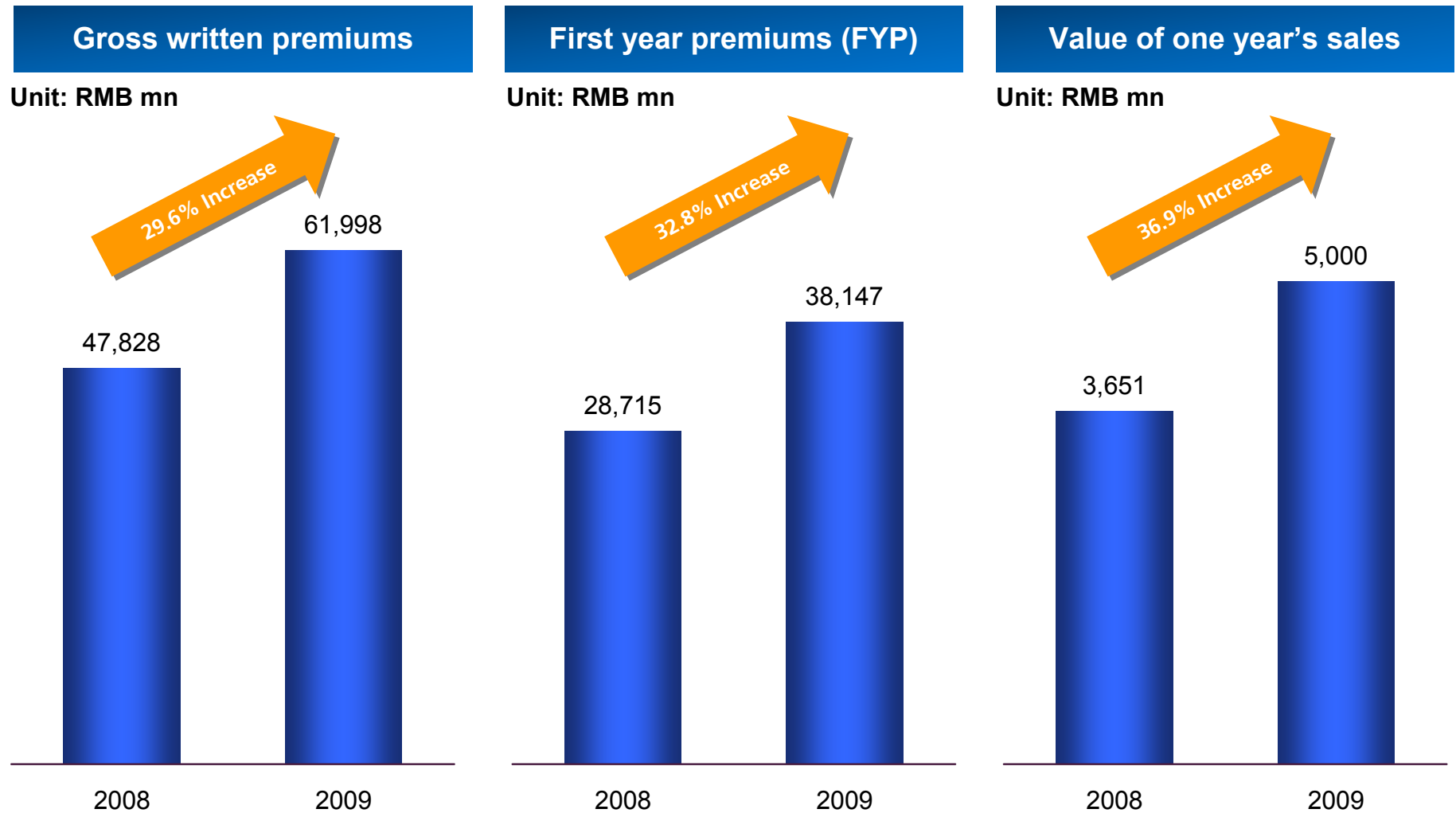
Business Overview

- Life insurance
- P&C insurance
- Investments

Financial Performance

Embedded Value

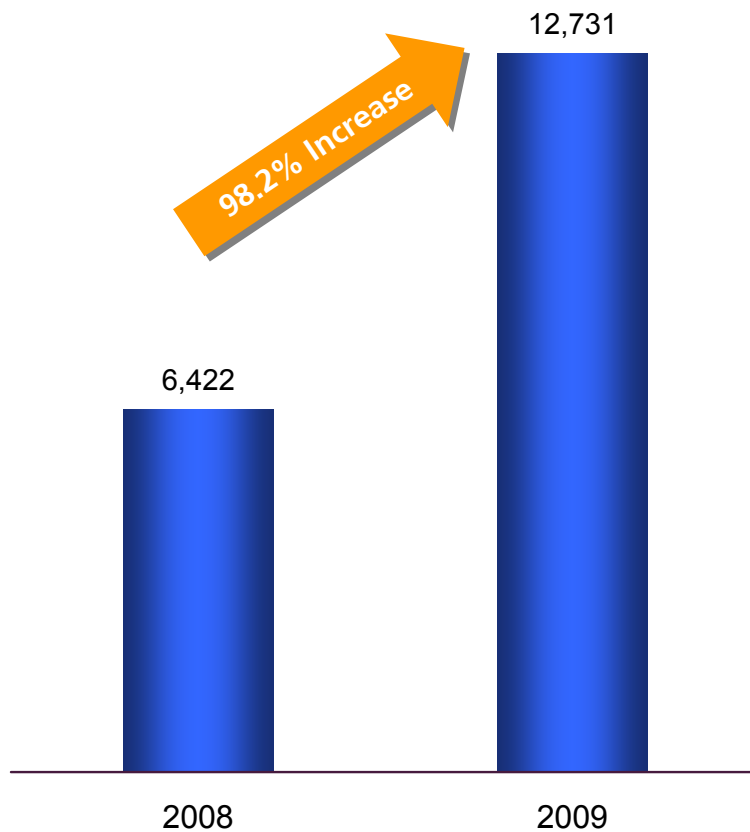
Realized high-quality growth, with value growth outpacing premium growth in life insurance business



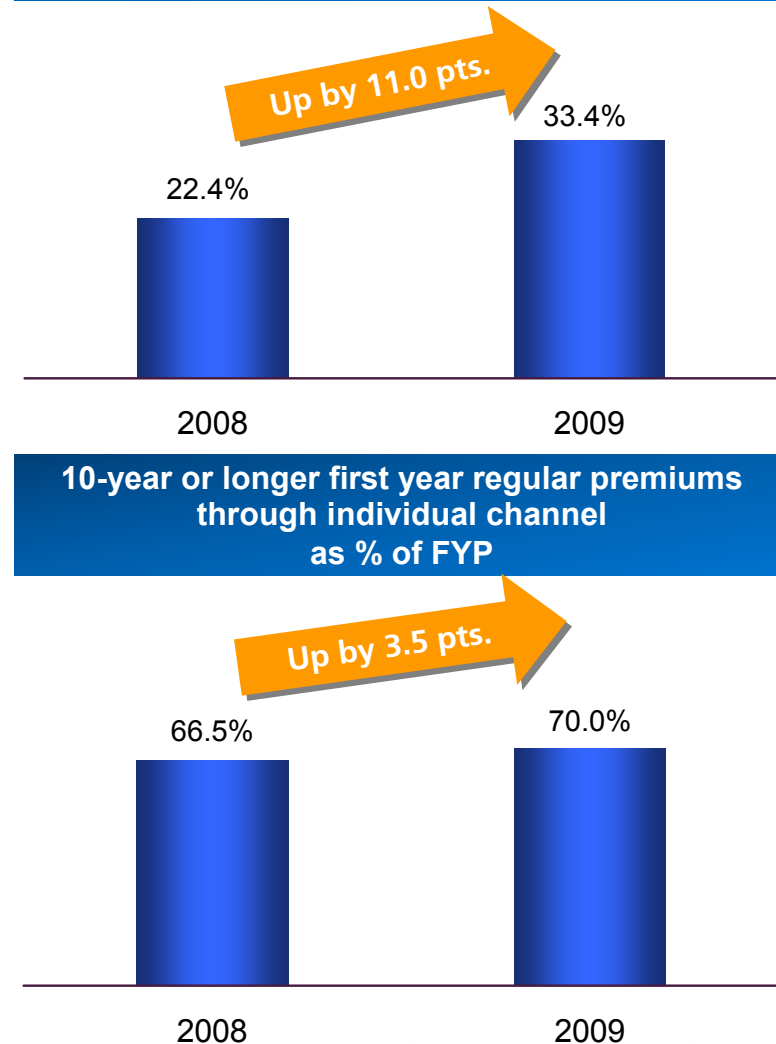
Robust growth in first year regular premium business and significant increase in the proportion of regular premiums

First year regular premiums

Unit: RMB mn



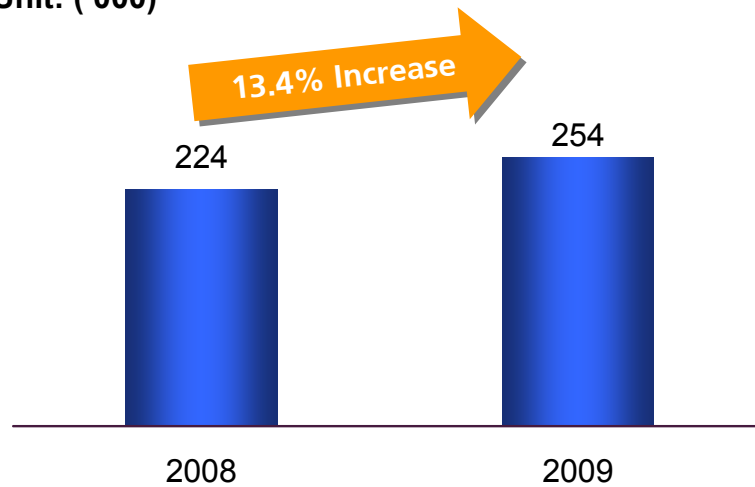
% of regular premiums in FYP



Steady improvement in sales capabilities

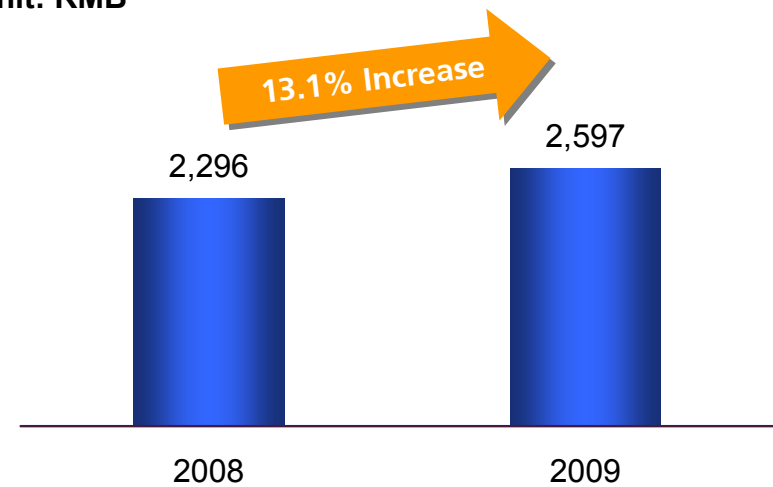
Number of individual agents

Unit: ('000)

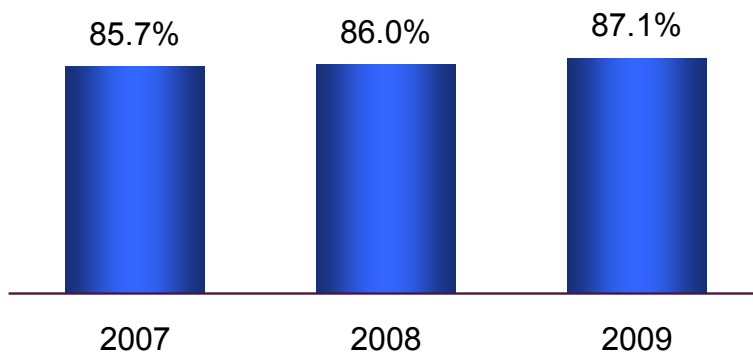


Monthly FYP per agent

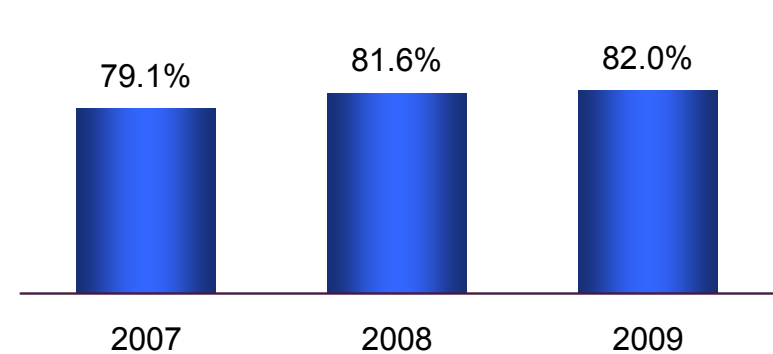
Unit: RMB



13-month persistency ratio of individual policyholders



25-month persistency ratio of individual policyholders



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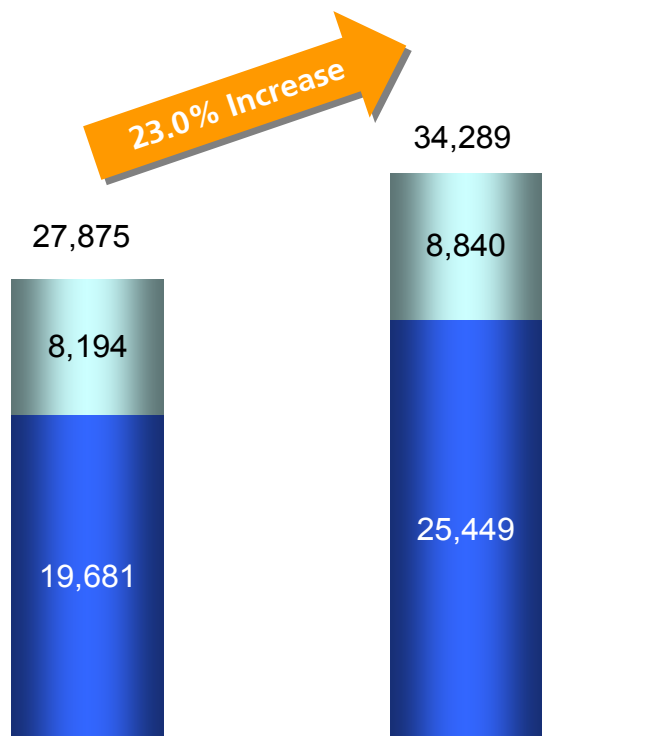
Financial Performance

Embedded Value

Strong growth in P&C insurance premiums with industry-leading combined ratio

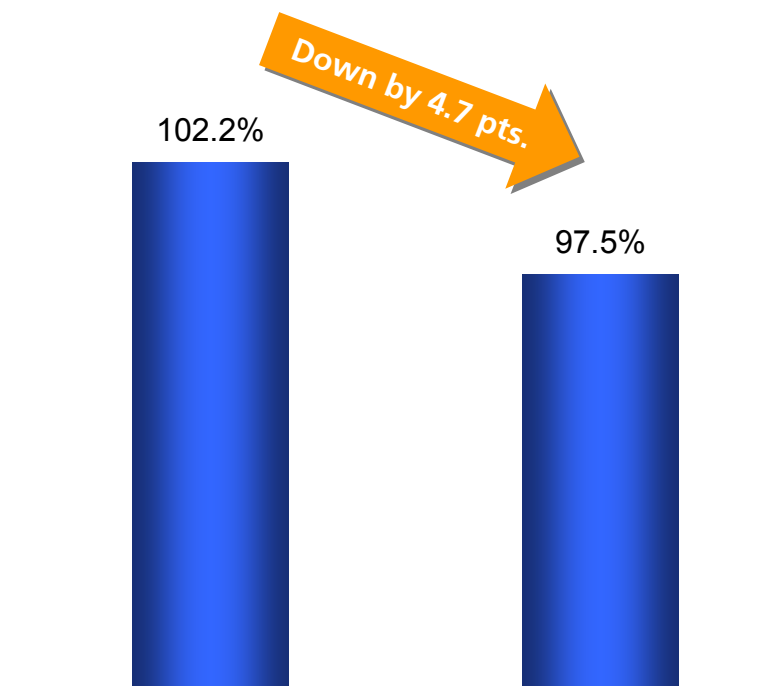
Gross written premiums

Unit: RMB mn



2008 2009
■ Auto insurance ■ Non-auto insurance

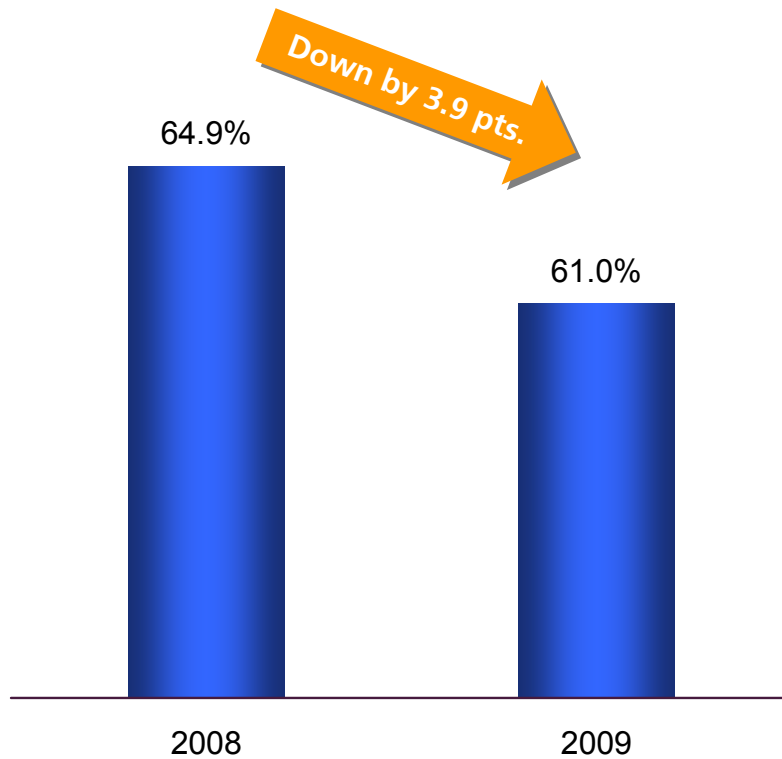
Combined ratio



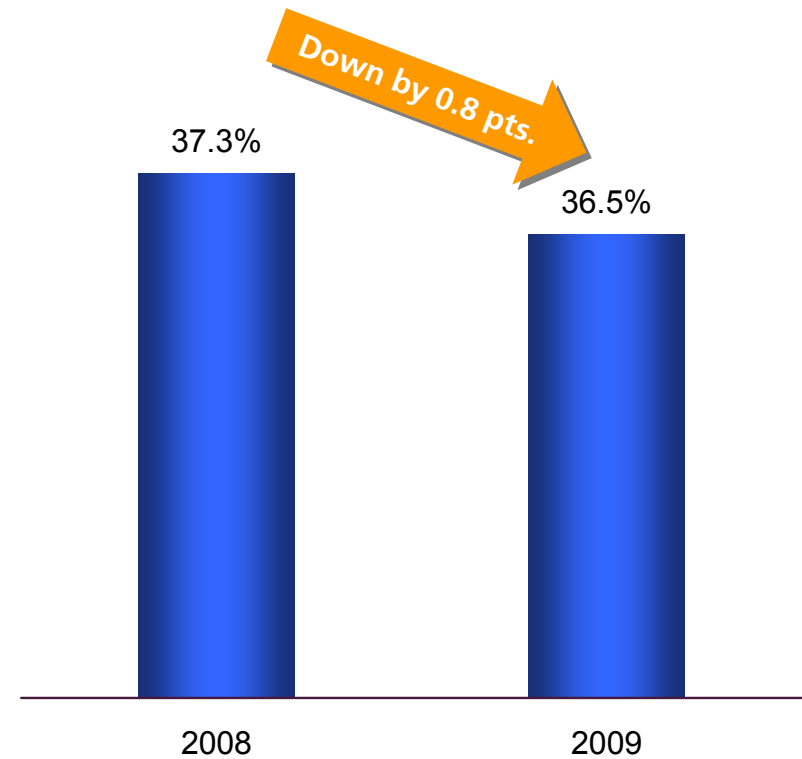
2008 2009

Substantial increase in underwriting profitability with a decline in both loss ratio and expense ratio

Loss ratio



Expense ratio



Agenda

Results Highlights

Business Overview

Life insurance

P&C insurance

➤ Investments

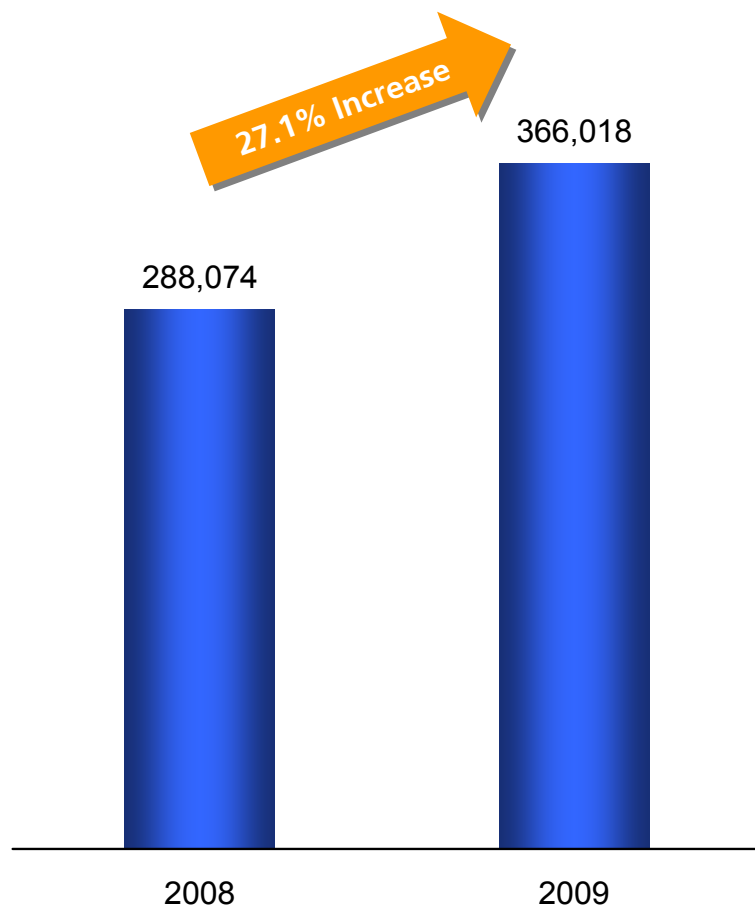
Financial Performance

Embedded Value

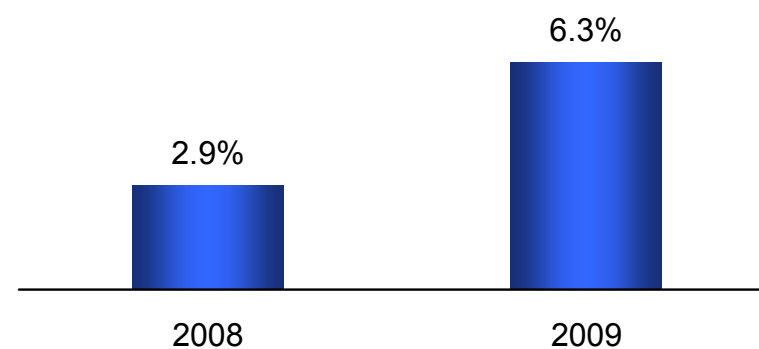
Continuous growth in investment assets and significant improvement in investment yield

Scale of investment assets

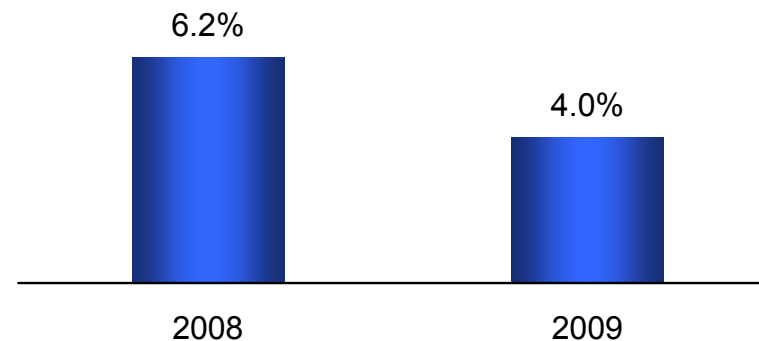
Unit: RMB mn



Total investment yield



Net investment yield



Optimization of investment strategies and investment asset allocation

	2009	2008	Change
Fixed income ¹	74.4%	86.8%	↓ 12.4 pts.
Equity ²	12.3%	4.8%	↑ 7.5 pts.
Infrastructure	5.0%	2.3%	↑ 2.7 pts.
Cash and cash equivalents ³	8.3%	6.1%	↑ 2.2 pts.

Notes:

- 1 Including bond investments, term deposits, statutory deposits and policy loans, etc.
- 2 Including funds, securities, investments in affiliates and associates, etc.
- 3 Including H-share listing proceeds

Increased allocation in medium-term and long-term assets and optimization of duration matching

Medium-term and long-term asset allocation

- ◆ Subscribed 50-year Treasury Bonds of RMB5.628 billion, accounting for 28% of the total issue amount for the period, currently the fixed income asset with the longest duration in the domestic market
- ◆ Newly increased allocation in 30-year Treasury Bonds by RMB1.997 billion and over 20-year financial bonds by RMB7.065 billion

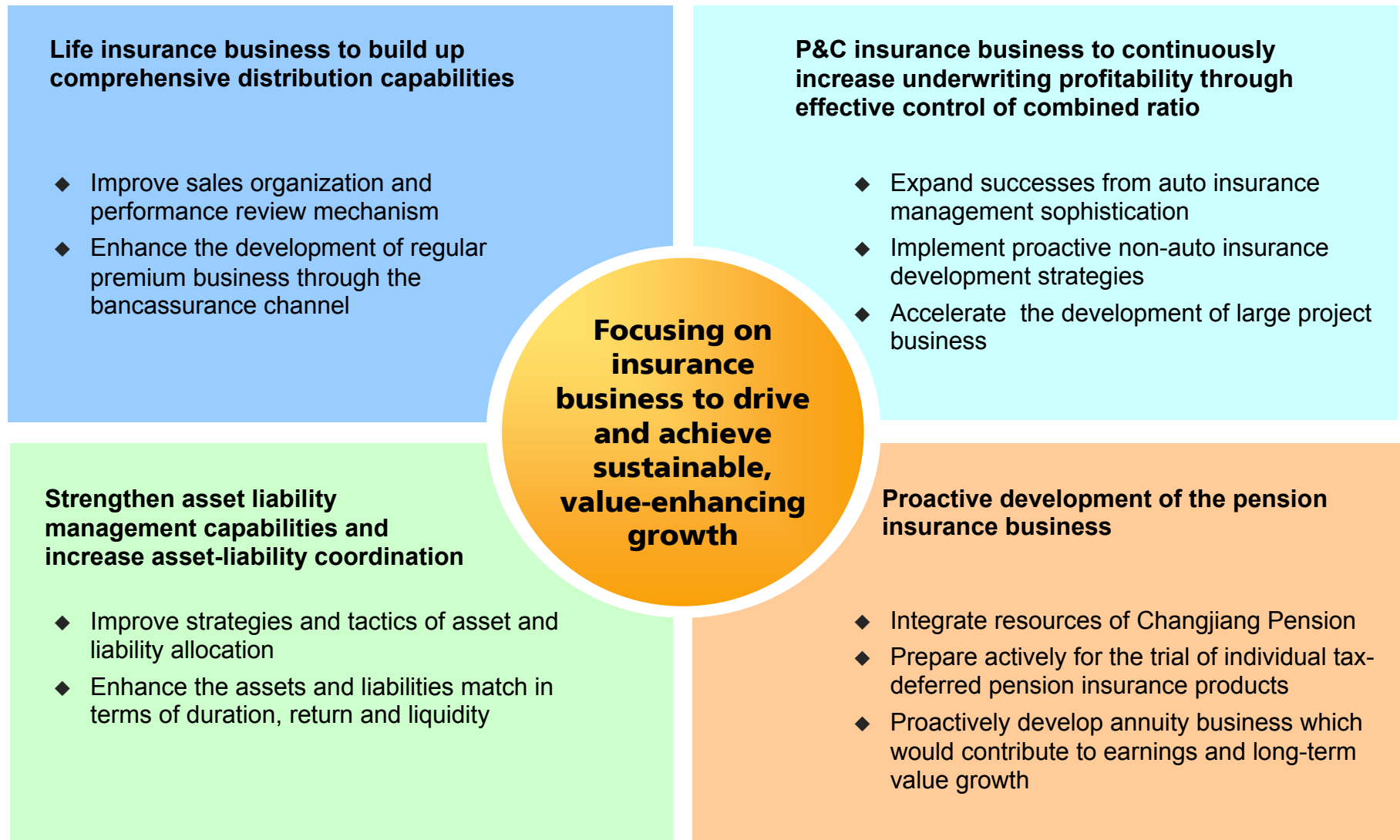
Infrastructure debt investment

- ◆ Launched the “Pacific – Shanghai World Expo Debt Investment Plan (Phase 2)” with total investment amount of RMB4 billion with a tenor of 10 years
- ◆ Launched the “Pacific – Shanghai’s Chongming Yuejiang Channel Project Debt Investment Plan” with total investment amount of RMB2 billion with a tenor of 10 years

Equity investment in financial institutions

- ◆ Invested RMB1.3 billion in the capital raising of Bank of Hangzhou, holding 100 million shares, or 5.98% of the bank’s enlarged share capital

2010 business development strategies



Agenda

Results Highlights

Business Overview

**Life insurance
P&C insurance
Investments**

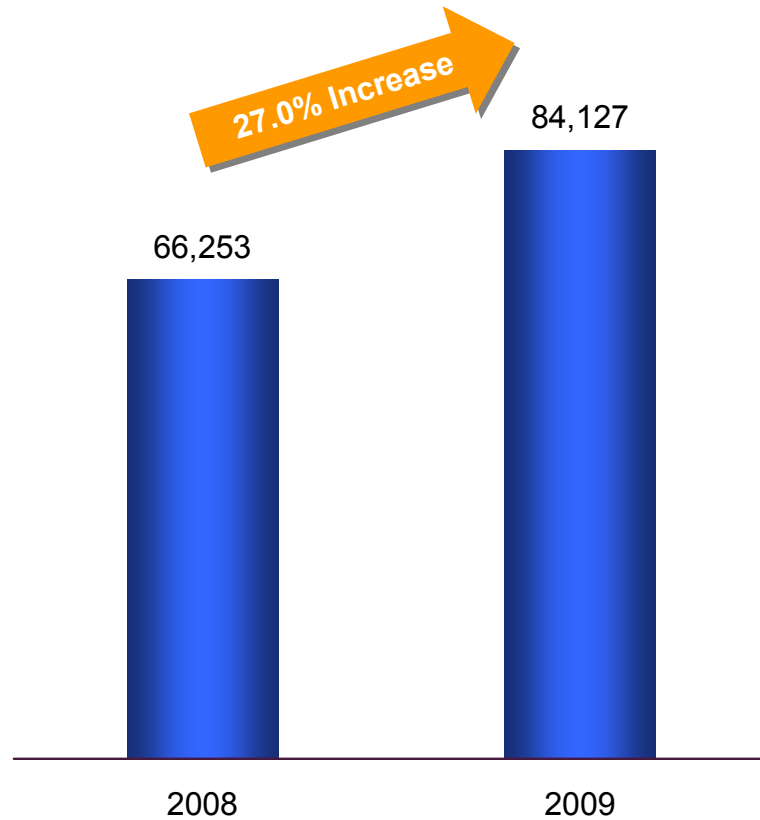
▶ Financial Performance

Embedded Value

Rapid growth in net premiums earned and net profit

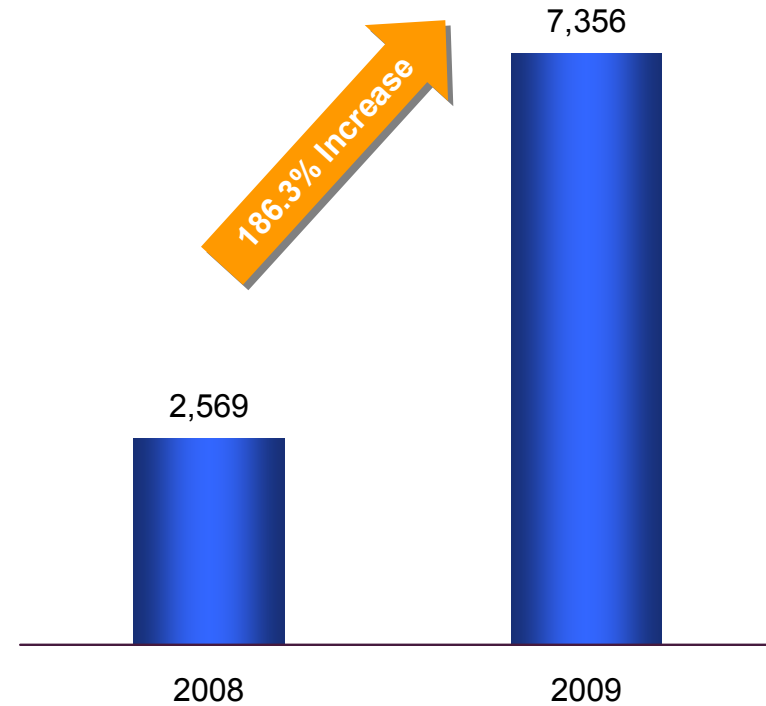
Net premiums earned

Unit: RMB mn



Net profit attributable to equity holders of the parent

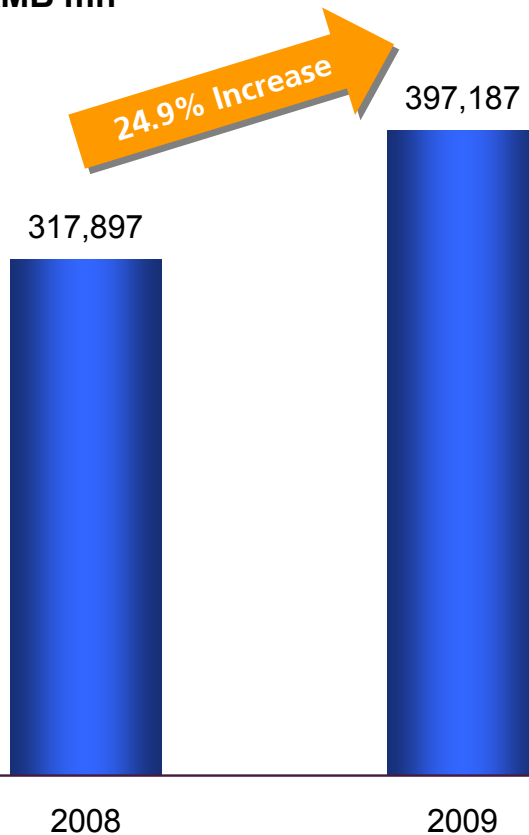
Unit: RMB mn



Steady increase in total asset and net asset

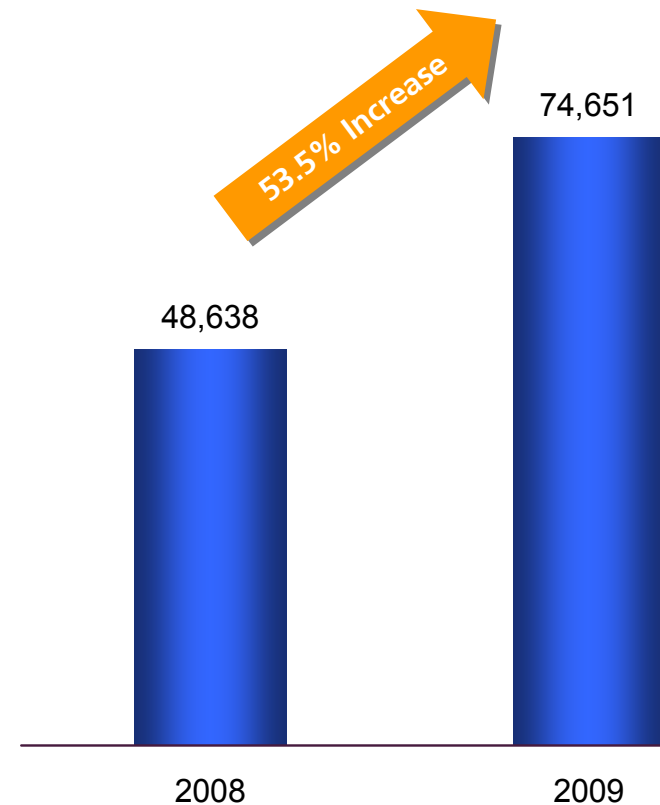
Total assets

Unit: RMB mn



Equity attributable to equity holders of the parent

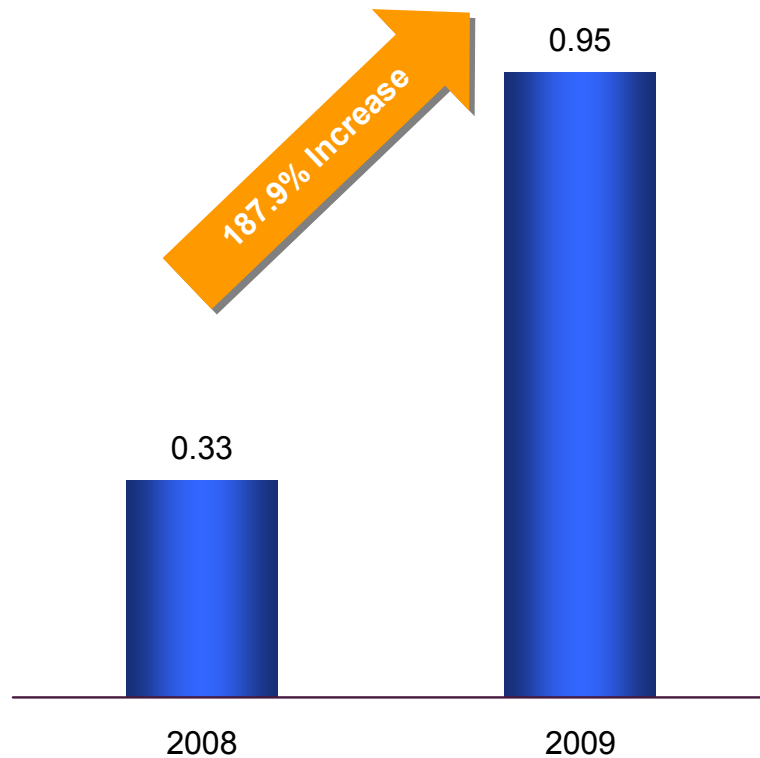
Unit: RMB mn



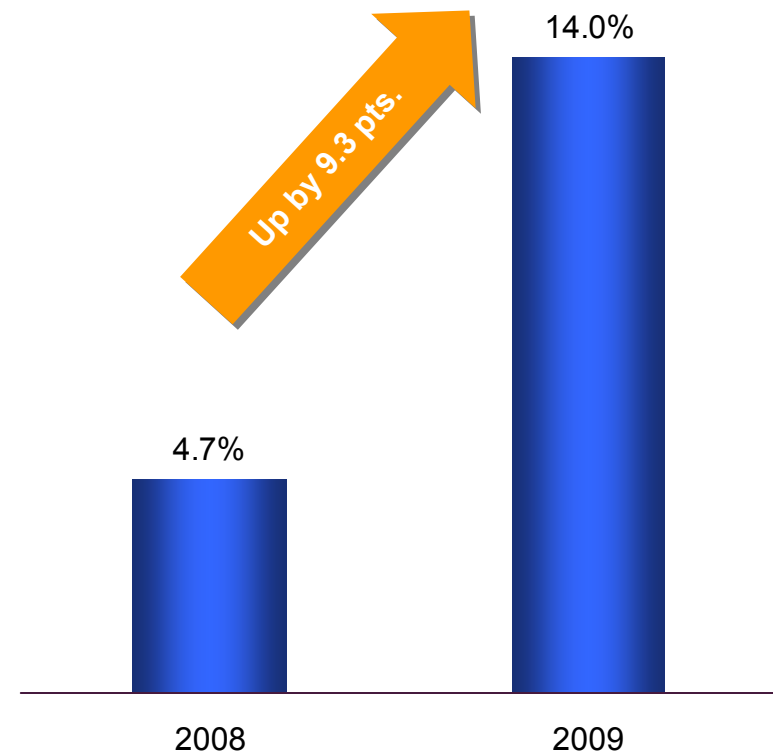
Improved profitability

Earnings per share

Unit: RMB

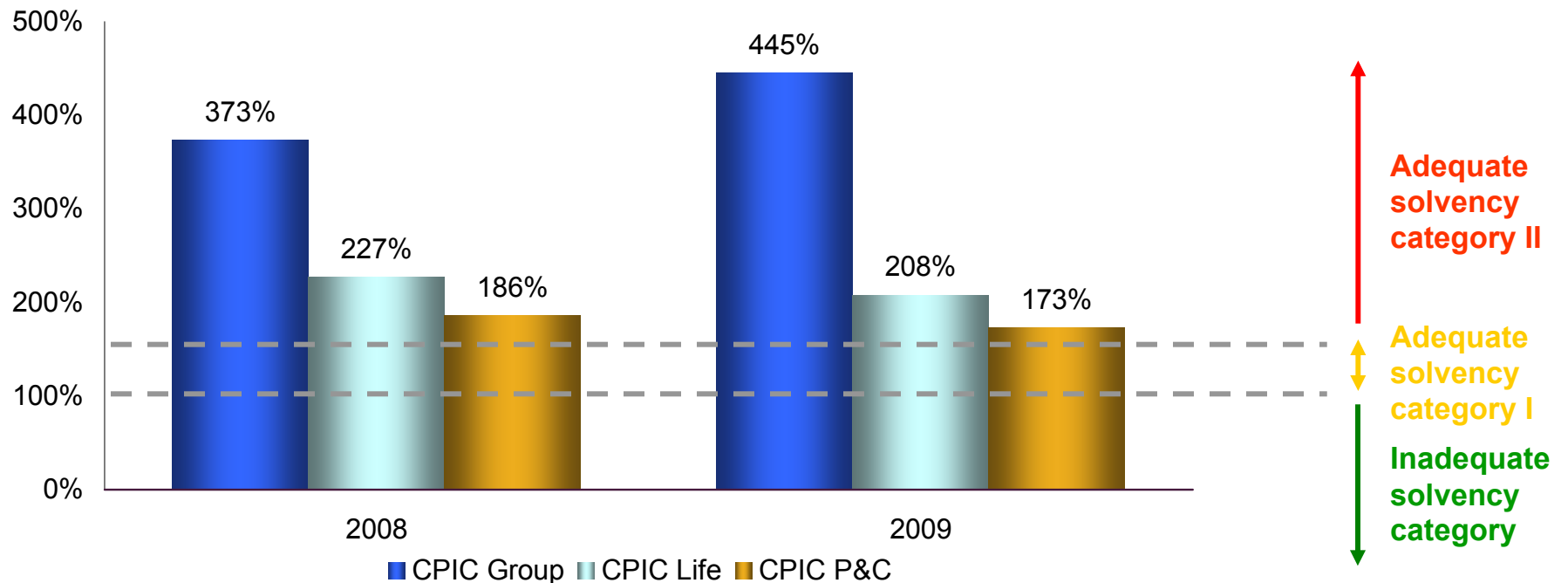


Weighted average ROE



Adequate solvency margin

Solvency margin



Note: The above classification of regulatory solvency standards is in accordance with the "Regulations Governing the Management of Insurance Companies' Solvency" promulgated by China Insurance Regulatory Commission (CIRC)

Comparison of key financial metrics before and after changes in accounting policies (H-share)

Unit: RMB mn

	FY2009		FY2008	
	Gross written premiums	Net profit attributable to equity holders of the parent	Gross written premiums	Net profit attributable to equity holders of the parent
Before changes in accounting policies	66,907	7,244	53,845	3,086
Impact of changes in accounting policies	29,435	112	21,907	(517)
After changes in accounting policies	96,342	7,356	75,752	2,569

Comparison of key financial metrics before and after changes in accounting policies (A-share)

Unit: RMB mn

	FY2009		FY2008	
	Gross written premiums	Net profit attributable to equity holders of the parent	Gross written premiums	Net profit attributable to equity holders of the parent
Before changes in accounting policies	101,920	5,434	94,016	1,339
Impact of changes in accounting policies	(5,578)	1,922	(18,264)	1,230
After changes in accounting policies	96,342	7,356	75,752	2,569

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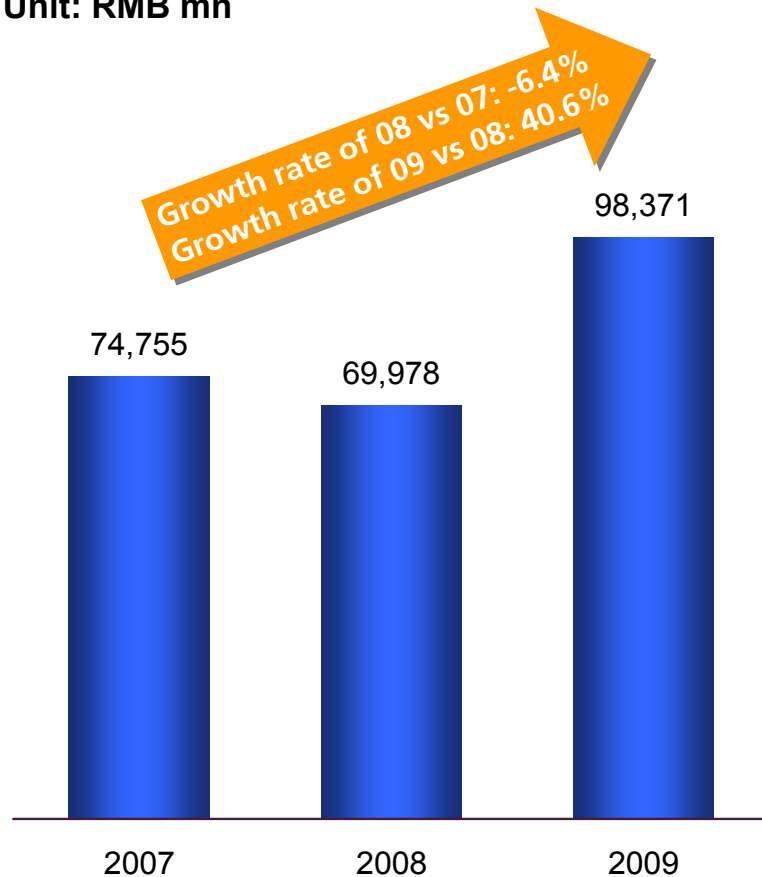
Financial Performance

Embedded Value

Accelerated growth in embedded value

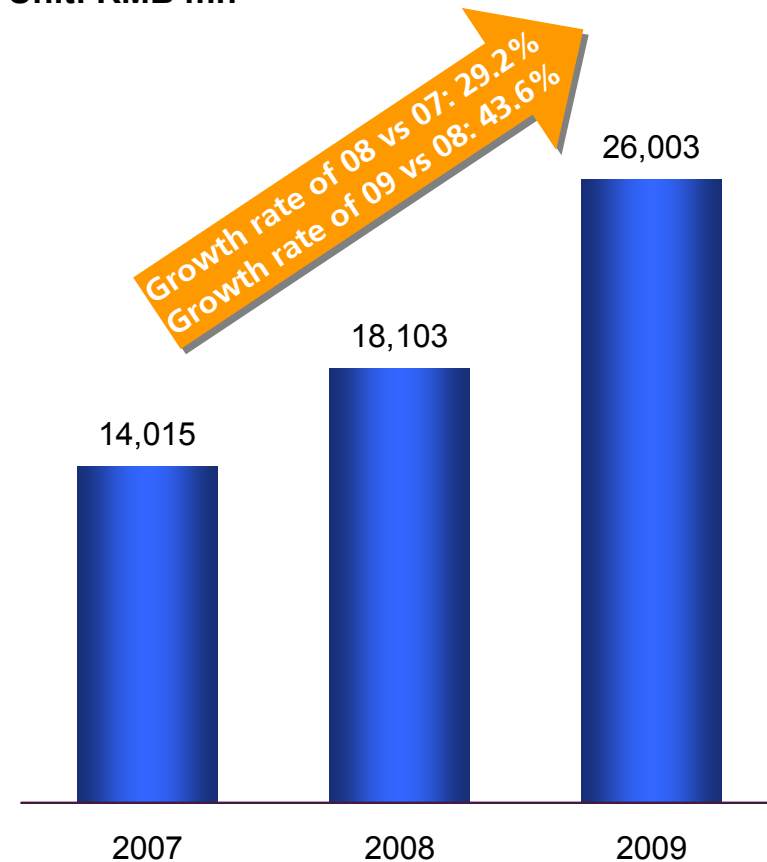
Embedded value

Unit: RMB mn



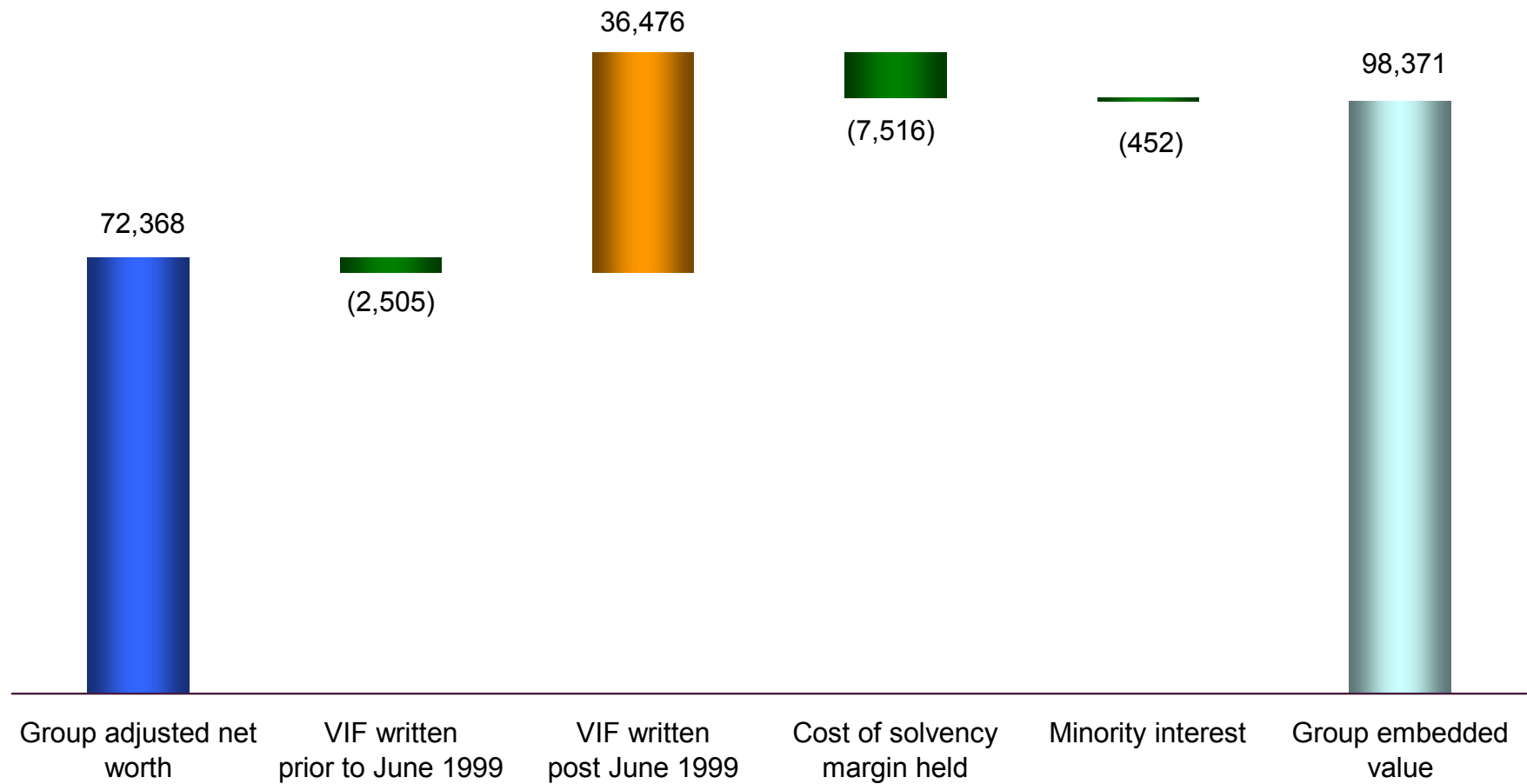
Value of in force business

Unit: RMB mn



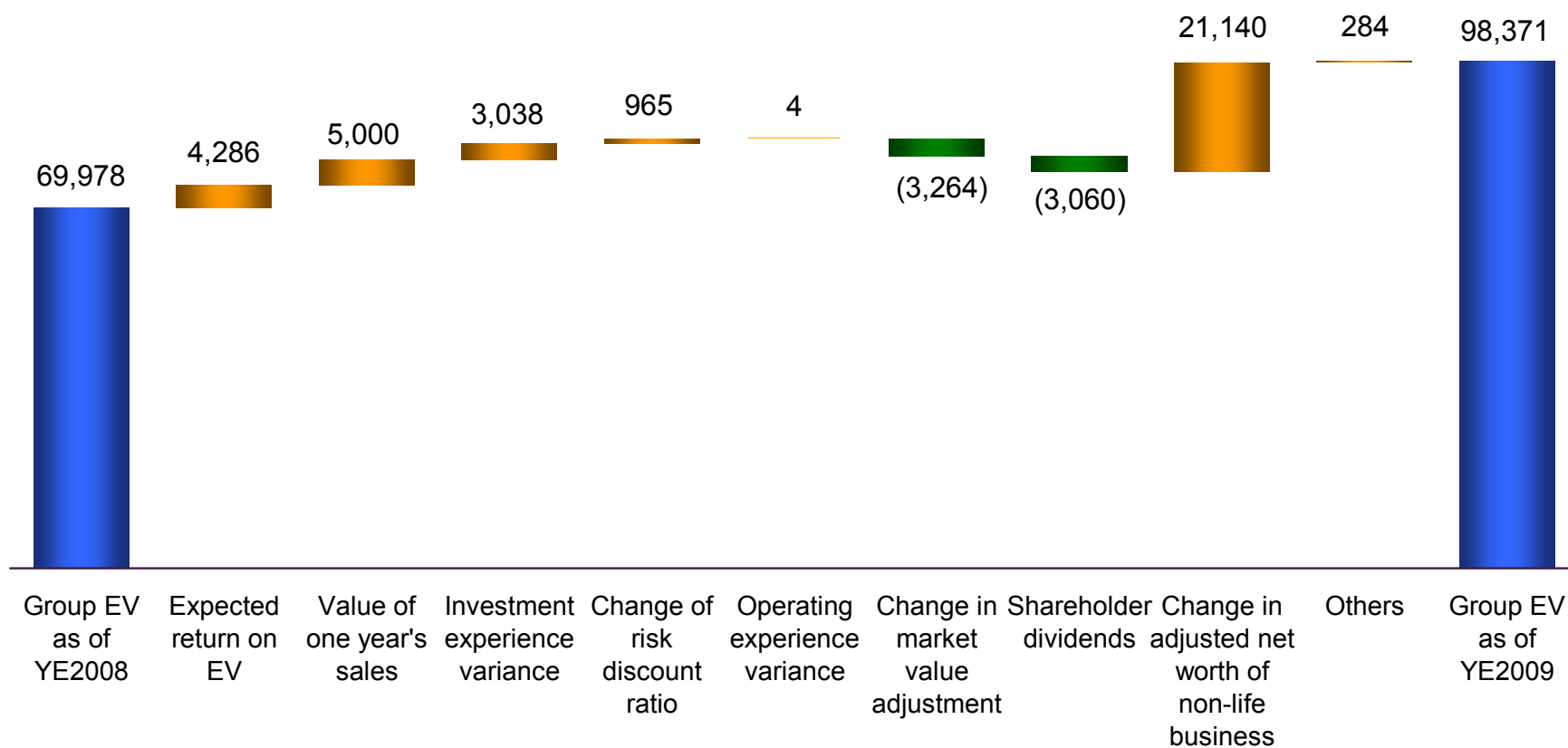
Composition analysis of embedded value

Unit: RMB mn



Analysis of changes in embedded value

Unit: RMB mn



Thank you!



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