



# China Pacific Insurance (Group) Co., Ltd

## 2010 Interim Results

30 August, 2010



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

# Disclaimer

---

These materials are for information purposes only and do not constitute or form part of an offer or invitation to sell or issue or the solicitation of an offer or invitation to buy or subscribe for securities of China Pacific Insurance (Group) Co., Ltd. (the “Company”) or any holding company or any of its subsidiaries in any jurisdiction. No part of these materials shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

The information contained in these materials has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of such information or opinions contained herein. The information and opinions contained in these materials are provided as of the date of the presentation, are subject to change without notice and will not be updated or otherwise revised to reflect any developments, which may occur after the date of the presentation. The Company nor any of its respective affiliates or any of its directors, officers, employees, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any information contained or presented in these materials or otherwise arising in connection with these materials.

These materials contain statements that reflect the Company’s current beliefs and expectations about the future as of the respective dates indicated herein. These forward-looking statements are based on a number of assumptions about the Company’s operations and factors beyond the Company’s control and are subject to significant risks and uncertainties, and, accordingly, actual results may differ materially from these forward-looking statements. You should not place undue reliance on any forward-looking information. The Company assumes no obligation to update or otherwise revise these forward-looking statements for new information, events or circumstances that occur subsequent to such dates.

The data for the comparative period in the report has been properly restated according to the retrospective result in line with the change of accounting policies.

# Agenda

---

## Results highlights

### Business overview

Life insurance

P&C insurance

Investment

### Financial performance

### Embedded value

# Overview

---

During the first half of 2010, China's insurance market benefited from such positive factors as improved fundamentals of China's economy and restore of insurance market conditions. It was also inevitably affected by capital market volatility. Focusing on insurance business, we have achieved a healthy growth momentum.

1

Acceleration of gross written premiums growth with coordinated development of Life and P&C businesses

2

Significant improvement in operating profit with steady increase in company value

3

Enhancement in ALM with consistently stable investment income

# Superior operational results

Unit: RMB million	First half of 2010	Variance
Gross written premiums	76,066	↑ 50.2%
Total investment income	9,259	↑ 3.5%
Net profit attributable to equity holders of the parent	4,019	↑ 66.8%
Weighted average ROE	5.2%	↑ 0.4pt
Investment assets	395,896	↑ 8.2%
Group embedded value	104,724	↑ 6.5%

# Notably enhanced brand value

---



Ranked 10th among the 2010 Top Brand Value of China

---

FINANCIAL TIMES

Ranked 208th among the UK's FT Global 500 2010

---

甫翰 | protiviti®  
风险与商业咨询，  
内部审计。

One of the top 20 PRC Listed Companies in corporate governance and one of the top 10 Listed Financial Companies in corporate governance



Ranked 18th among the top 100 publicly listed companies in the PRC for 2009

# Agenda

---

**Results highlights**

**Business overview**

- Life insurance
- P&C insurance
- Investment

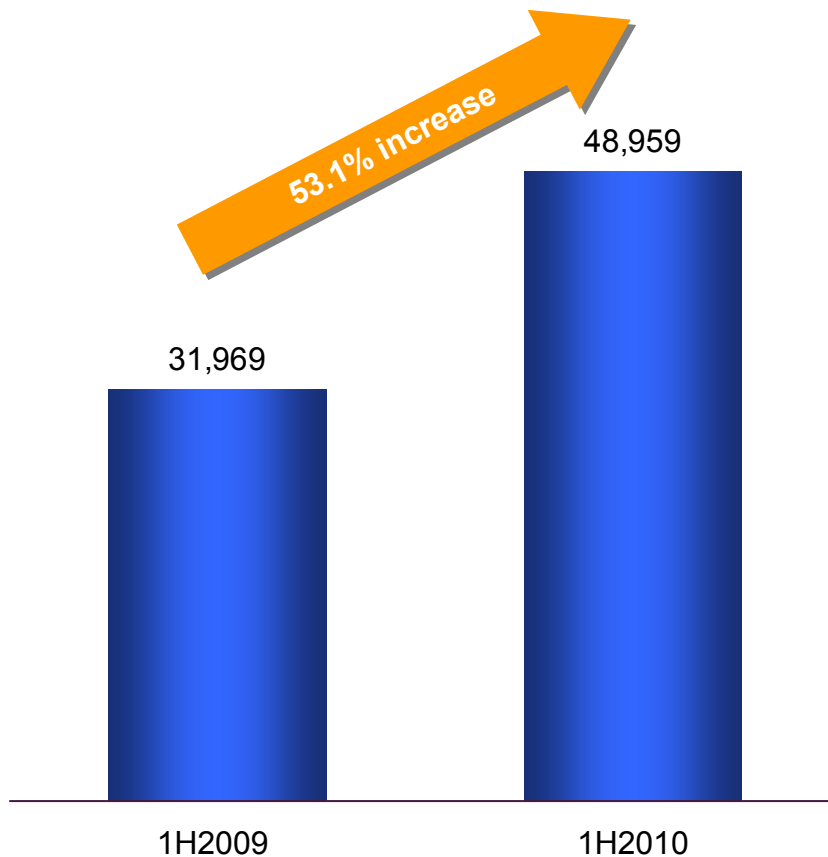
**Financial performance**

**Embedded value**

# Life insurance business maintained steady growth with rapid increase in first year premiums

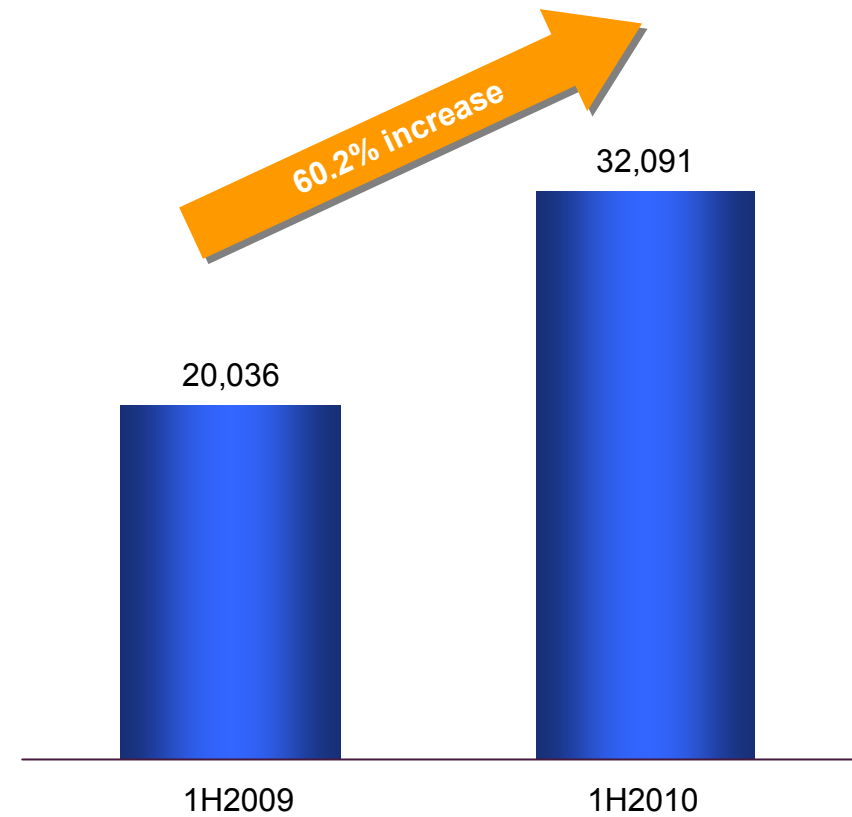
## Gross written premiums

Unit: RMB million



## First year premiums

Unit: RMB million

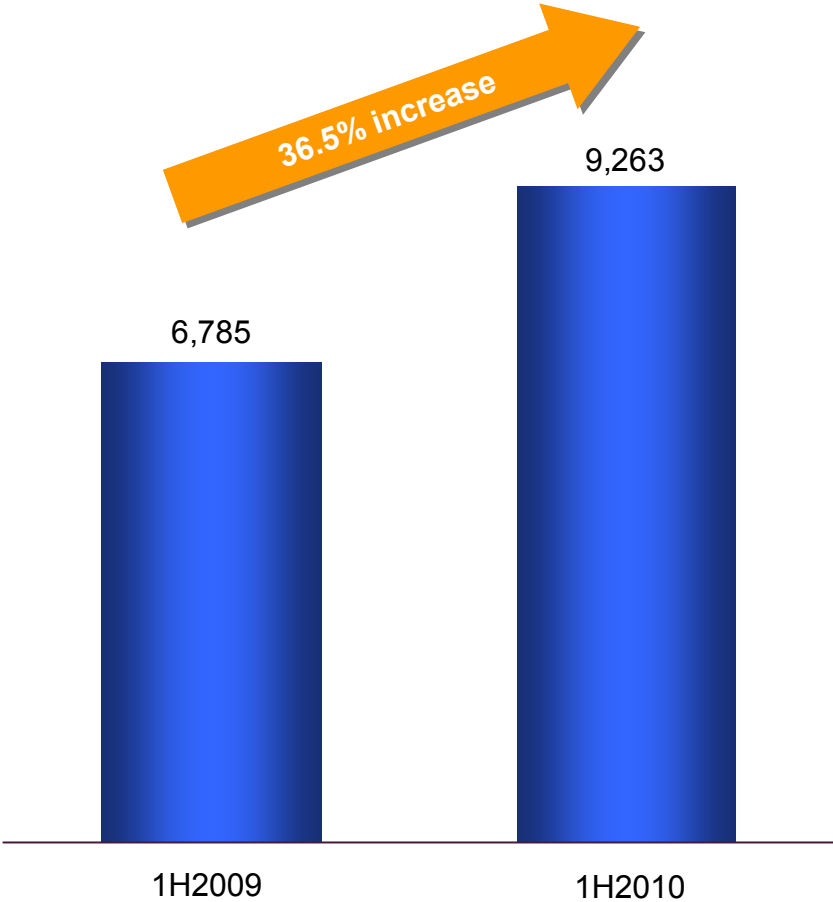




# First year regular premiums witnessed robust growth; the value of new business exhibited steady growth

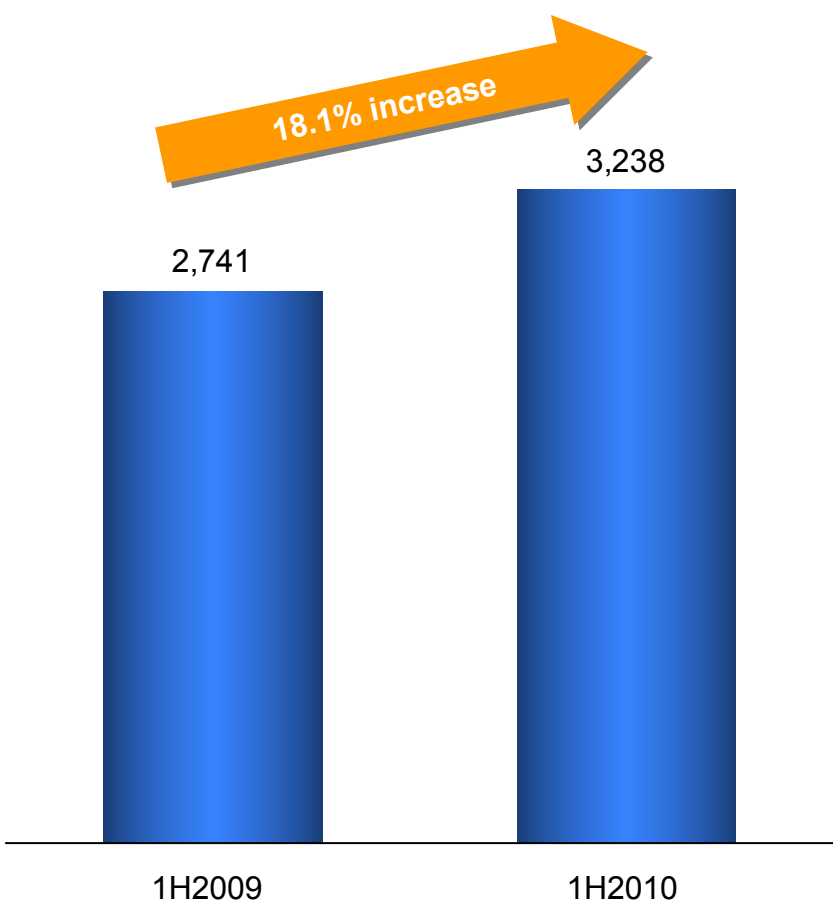
## First year regular premiums

Unit: RMB million



## Value of half year's sales

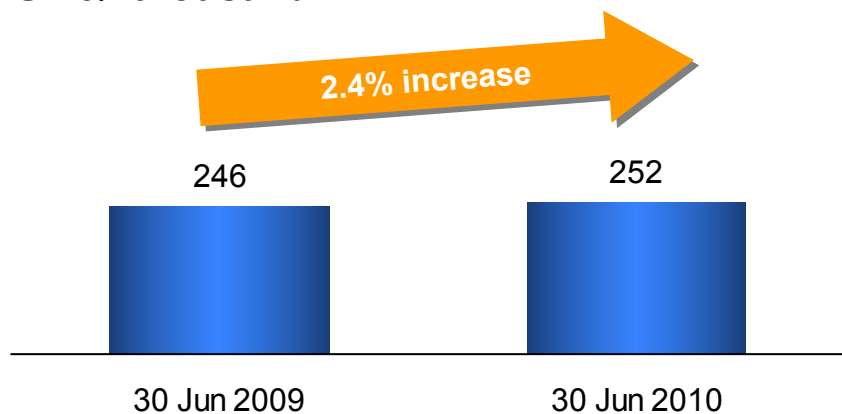
Unit: RMB million



# Enhancing sales capabilities and operational quality

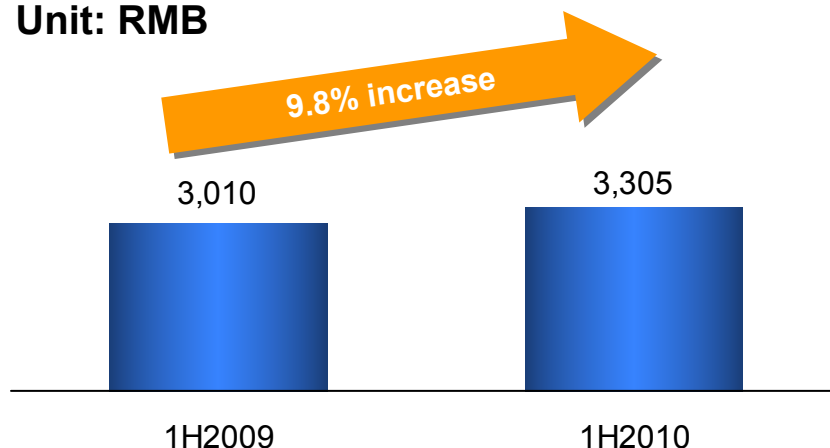
## Number of agents

Unit: thousand

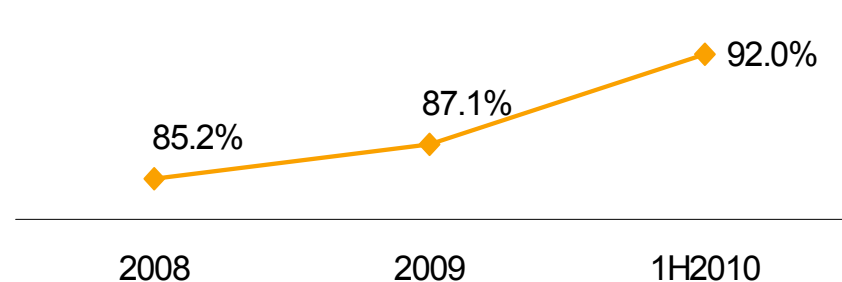


## Monthly FYP per agent

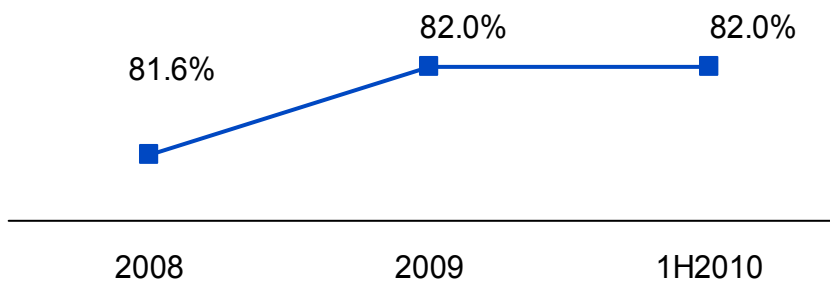
Unit: RMB



## 13-month persistency ratio of individual policyholders



## 25-month persistency ratio of individual policyholders



# Agenda

---

**Results highlights**

**Business overview**

- Life insurance
- P&C insurance
- Investment

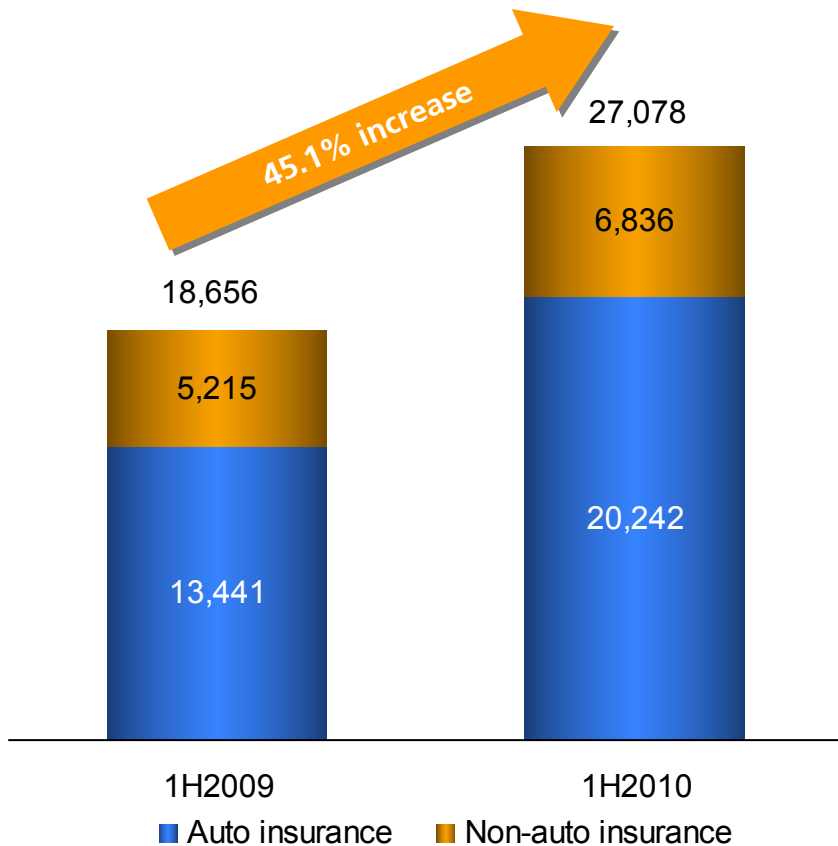
**Financial performance**

**Embedded value**

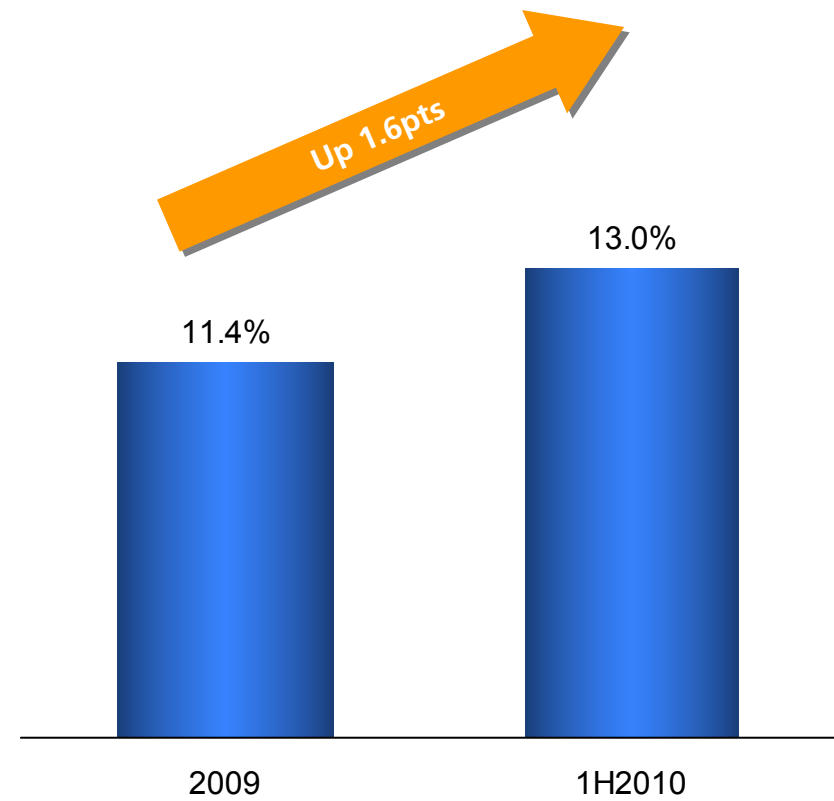
# P&C insurance business witnessed stellar growth in gross premiums and steady rise in market share

## Gross written premiums

Unit: RMB million



## Market share



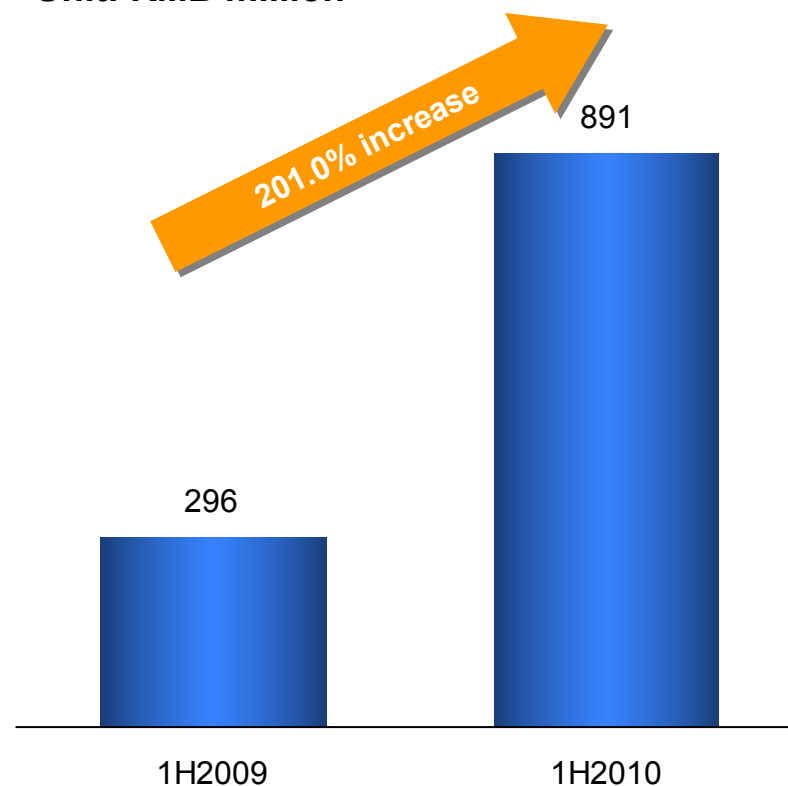
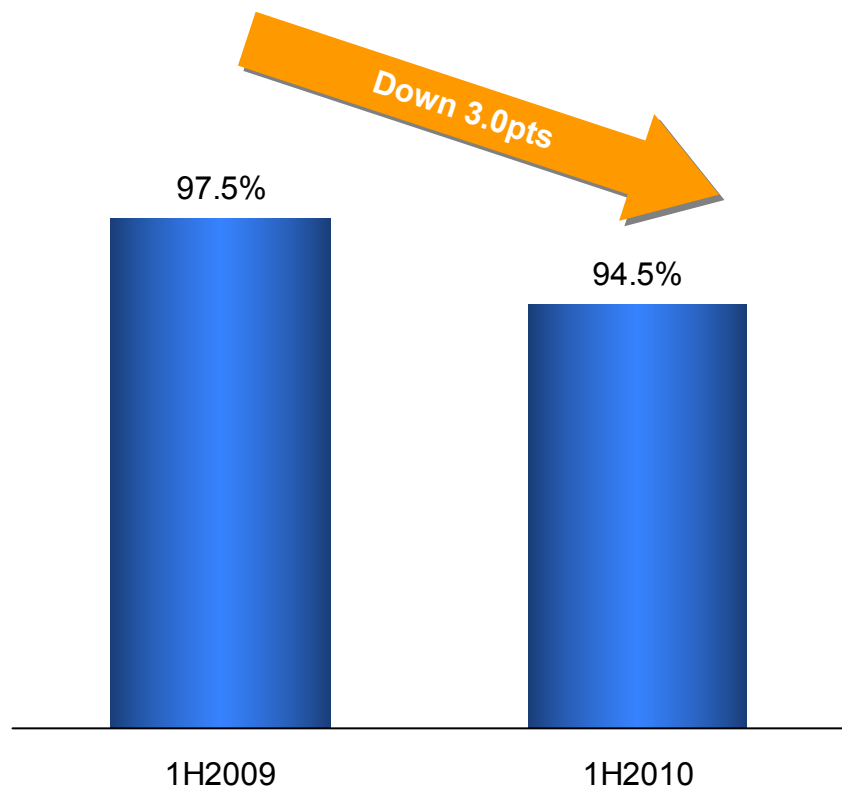
Source: CIRC

# Significant improvement in underwriting profitability coupled with industry-leading combined ratio

## Combined ratio

## Underwriting profit

Unit: RMB million



# Agenda

---

**Results highlights**

**Business overview**

Life insurance

P&C insurance

➤ Investment

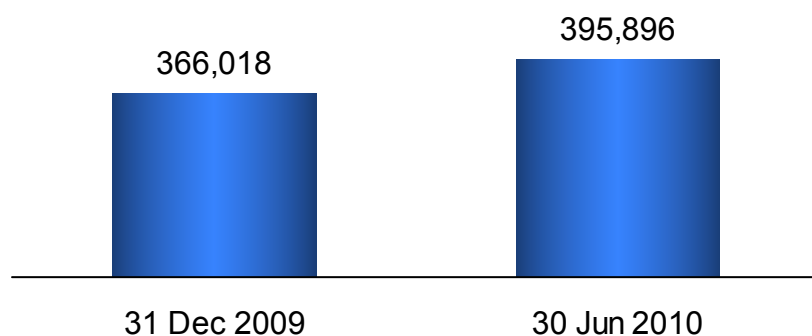
**Financial performance**

**Embedded value**

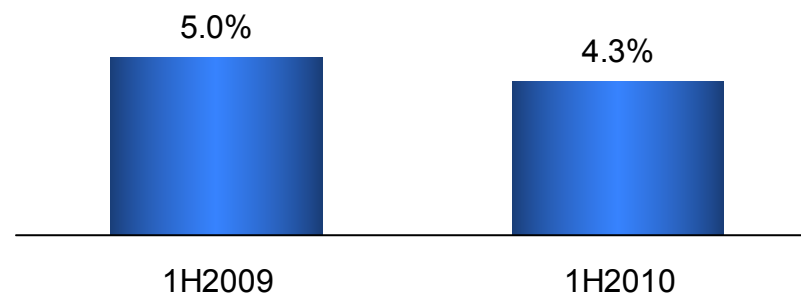
# Continuously enlarging investment portfolio while maintaining stable investment income

## Investment assets

Unit: RMB million

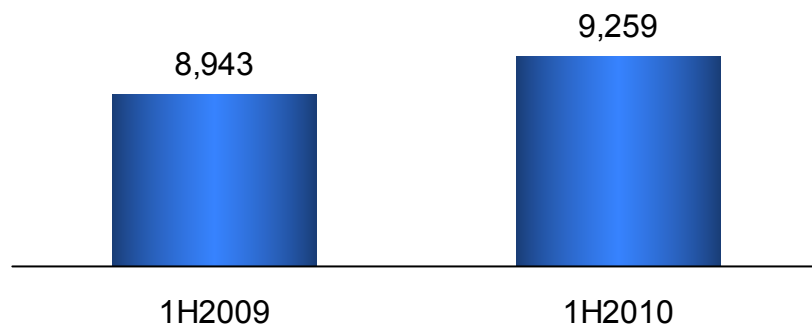


## Total investment yield

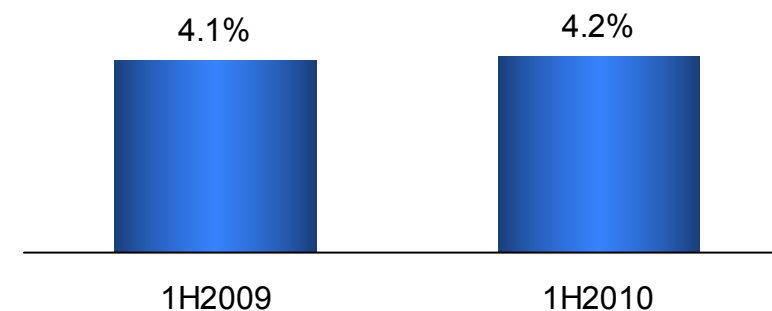


## Total investment income





Unit: RMB million



## Net investment yield



# Optimization of investment strategies and investment assets allocation

	30 Jun 2010	31 Dec 2009	Change (pt)
Fixed income <sup>1</sup>	78.8%	74.4%	 4.4
Equity <sup>2</sup>	10.9%	12.3%	 1.4
Infrastructure	4.6%	5.0%	 0.4
Cash and cash equivalents	5.7%	8.3%	 2.6

Notes:

1 Including bond investments, term deposits, restricted statutory deposits, policy loans, etc.

2 Including investment funds, equity securities, investments in a jointly-controlled entity, etc.



# Agenda

---

**Results highlights**

**Business overview**

Life insurance

P&C insurance

Investment

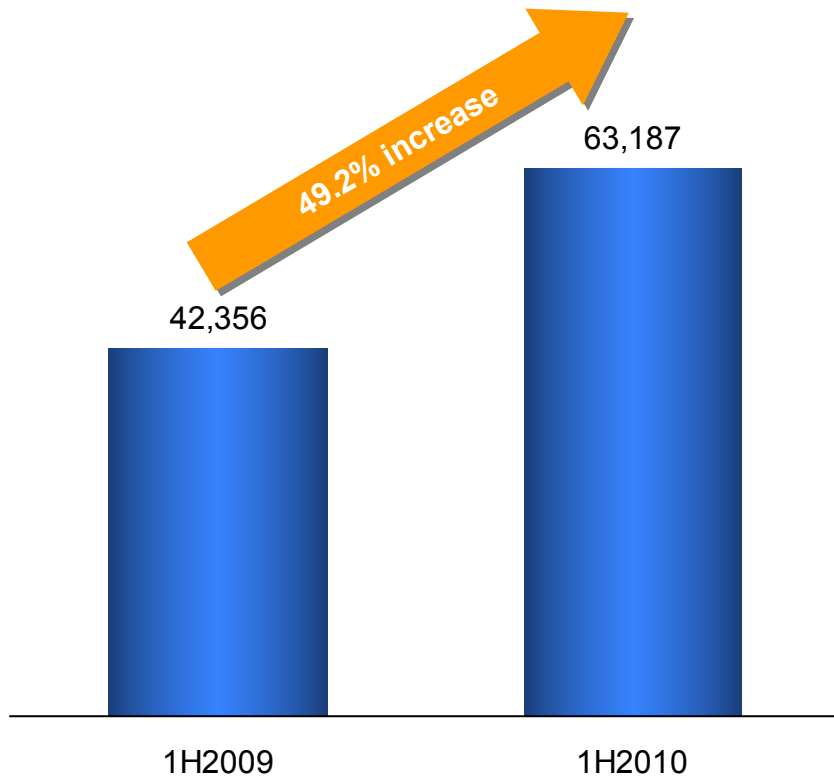
**Financial performance**

**Embedded value**

# Both net premiums earned and operating income witnessed rapid growth

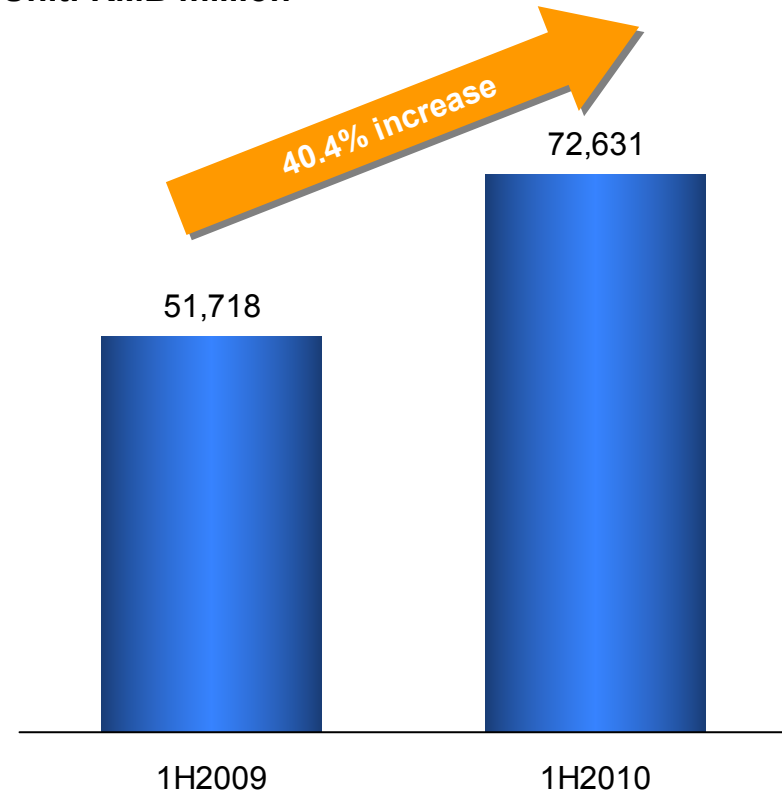
## Net premiums earned

Unit: RMB million



## Operating income

Unit: RMB million

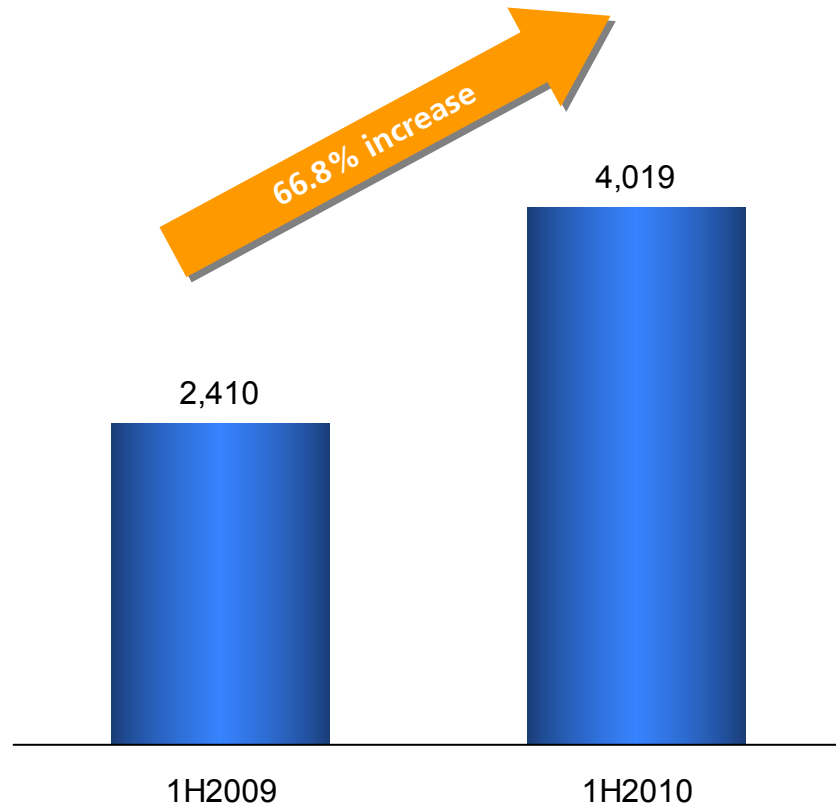


Note: Operating income is under PRC GAAP

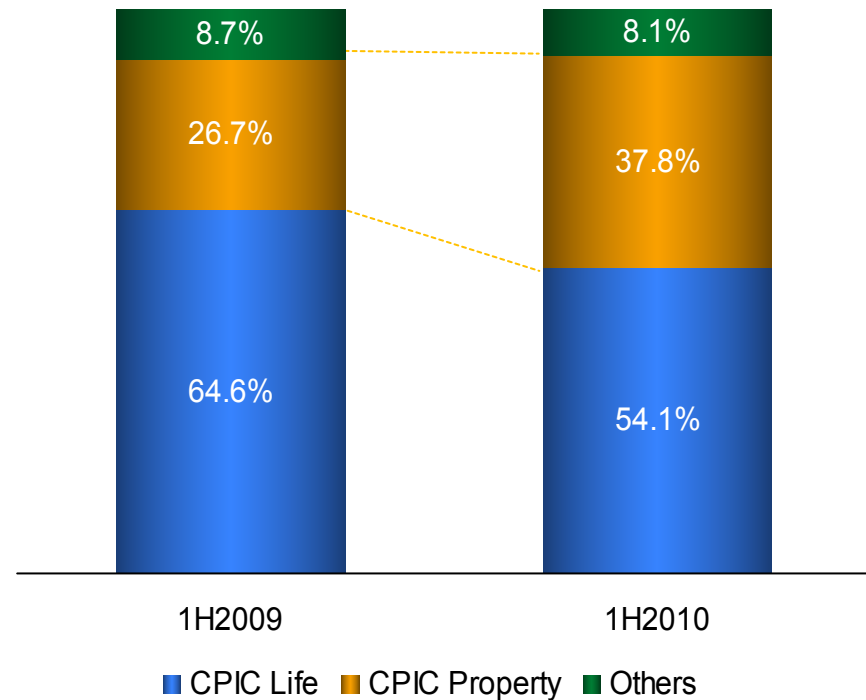
# Continuous growth in net profit with a balanced earnings structure

## Net profit attributable to equity holders of the parent

Unit: RMB million



## Net profit composition



# Improved profitability

## Earnings per share

Unit: RMB



0.31

0.47

1H2009

1H2010

## Weighted average ROE

Up 0.4pt

4.8%

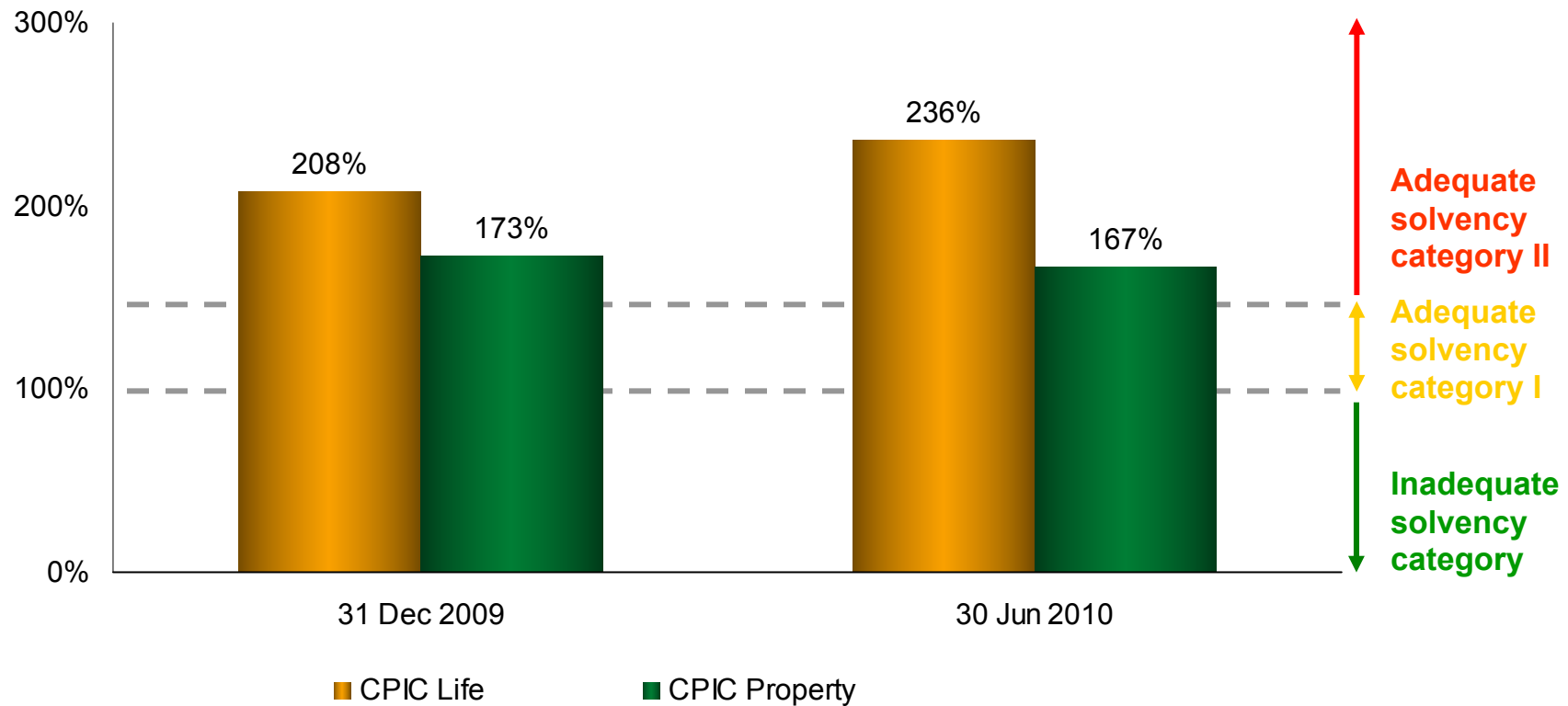
5.2%

1H2009

1H2010

# 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)

# Agenda

---

**Results highlights**

**Business overview**

Life insurance

P&C insurance

Investment

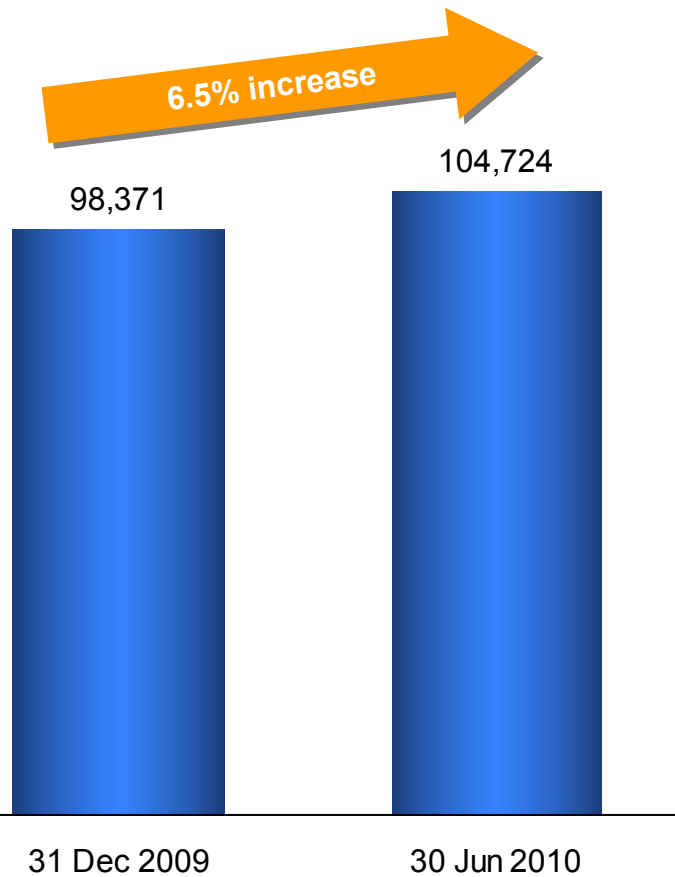
**Financial performance**

**Embedded value**

# Embedded value exhibited steady growth

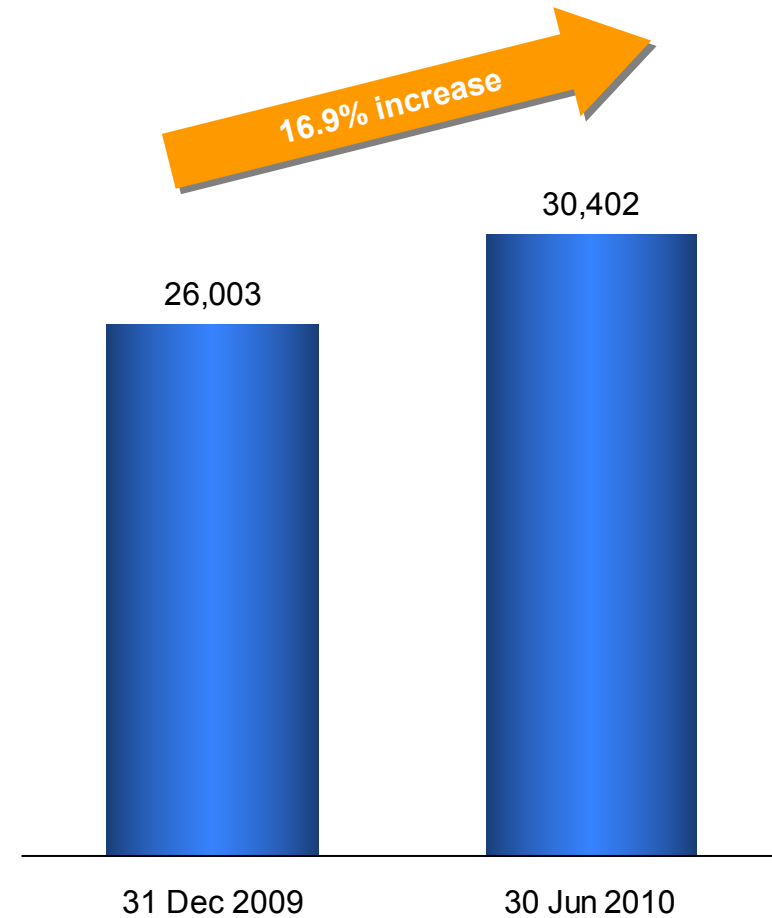
## Group embedded value

Unit: RMB million



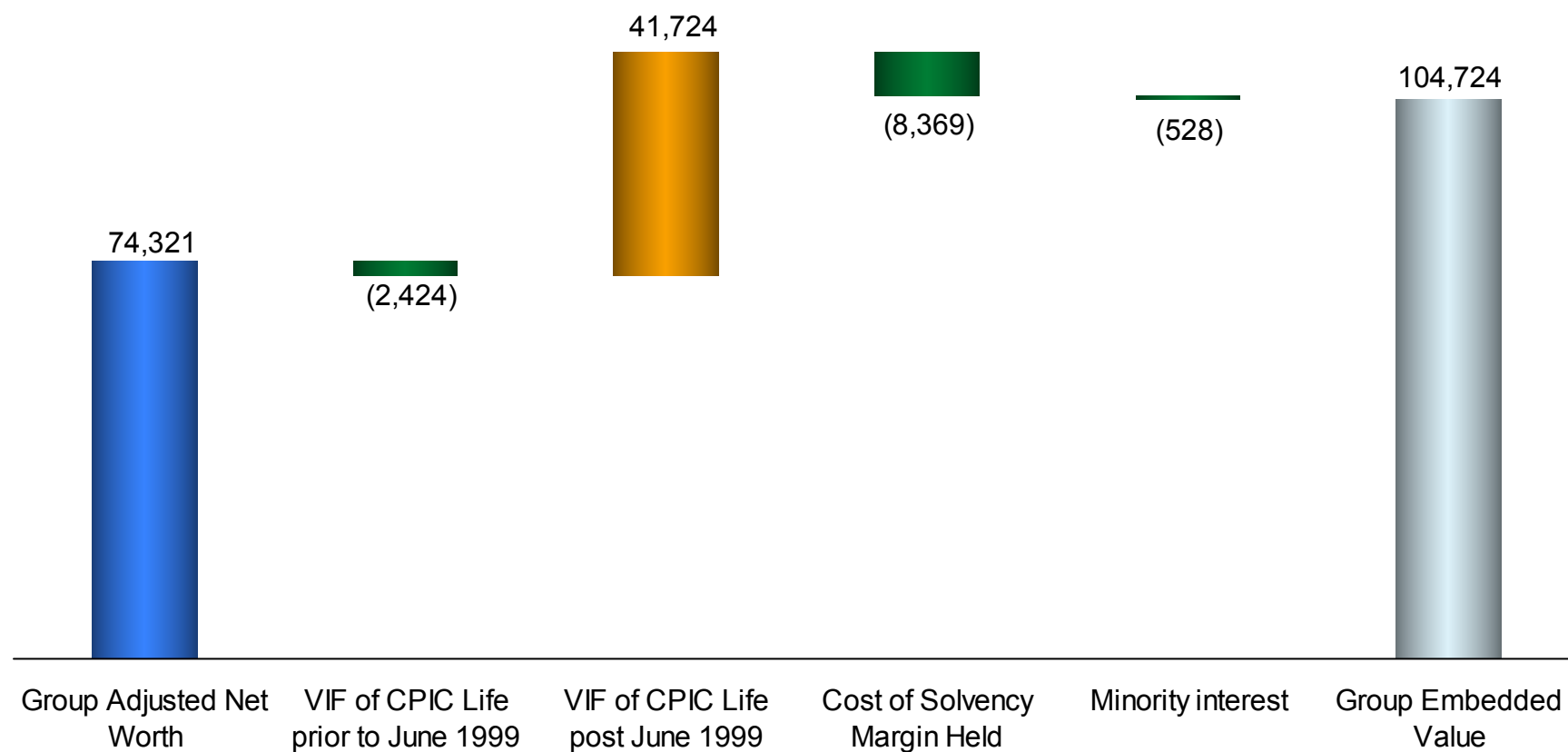
## Value of in-force business

Unit: RMB million



# Composition analysis of group embedded value

Unit: RMB million





**Thank you!**



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