



China Pacific Insurance (Group) Co., Ltd

2011 Interim Results

29 August 2011



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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Agenda

Results highlights

Business overview

- Life insurance
- P&C insurance
- Pension insurance
- Investment

Embedded value

Business overview

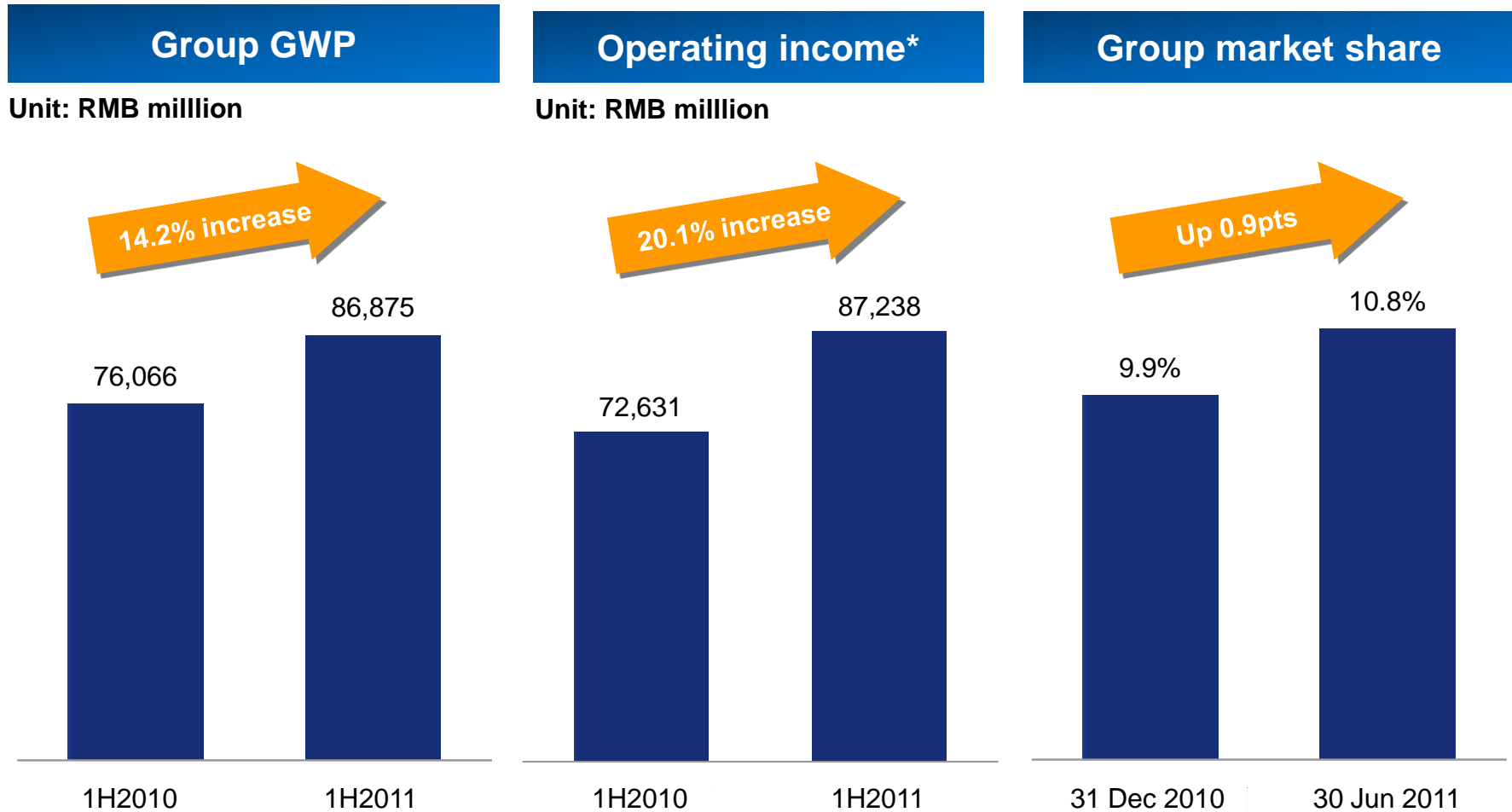
In the first half of 2011, CPIC preserved its focus on developing main insurance businesses and implemented development strategies to achieve sustainable value-enhancing growth. With its efforts in coping with market changes, CPIC continuously optimized operating strategies and maintained steady upward momentum in business scale, profitability and value generation.

CPIC Life actively implemented development strategies of focusing on sales channels and regular premium business and achieved rapid development in new policies from sales channel and regular premium business, continuous improvement in business quality and steady growth in Value of New Business.

CPIC Property further enhanced refinement management, gaining rapid growth in business scale as well as a significant rise in underwriting profit.

CPIC Asset Management prudently responded to capital market fluctuations, increased allocations to fixed income assets with high returns and maintained consistently stable investment income.

Sustained growth in business scale with continued rise in market share

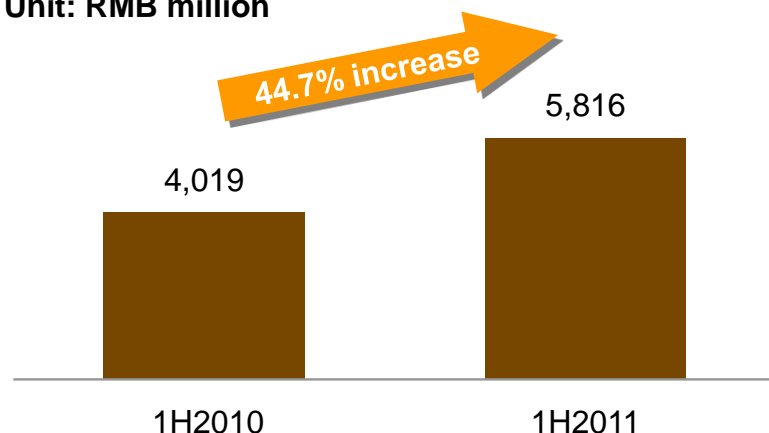


Note: PRC GAAP

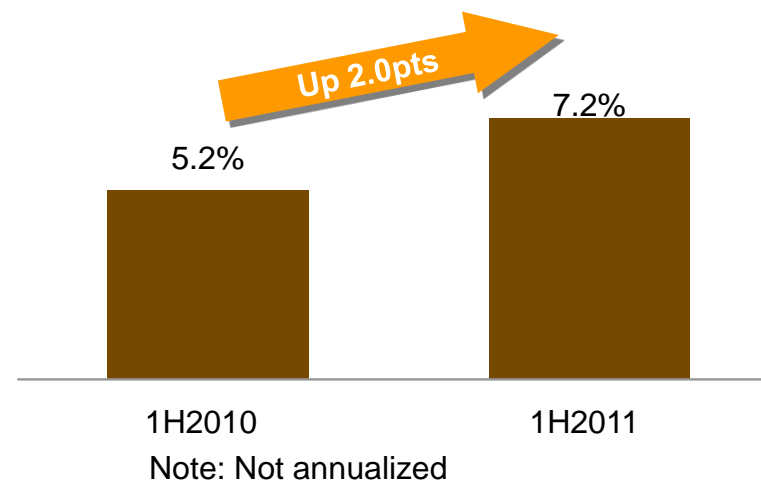
Rapid increase in net profit while return on equity maintained steady pace of advance

Net profit attributable to equity holders of the parent

Unit: RMB million

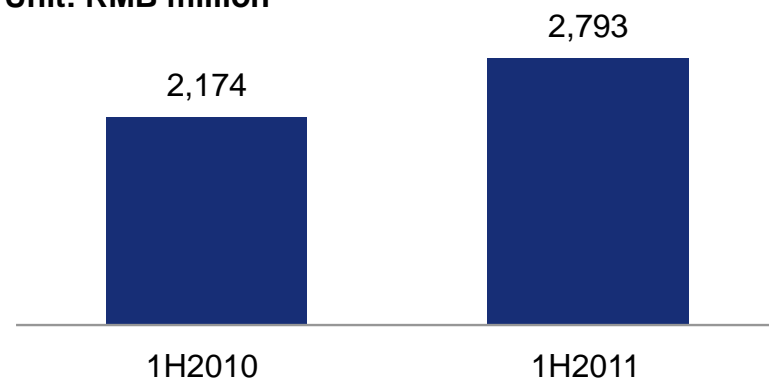


Weighted average ROE*



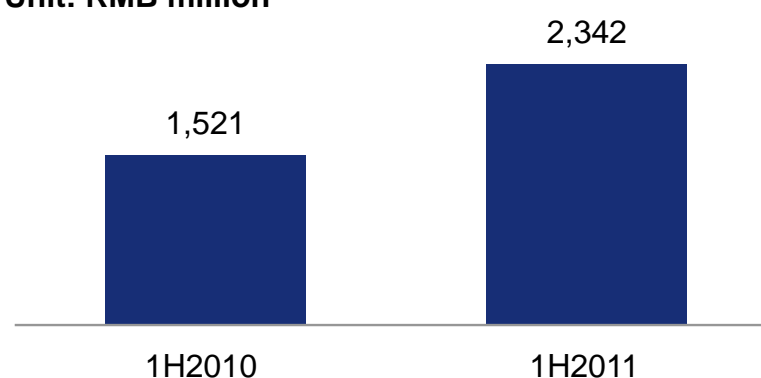
Life insurance net profit

Unit: RMB million

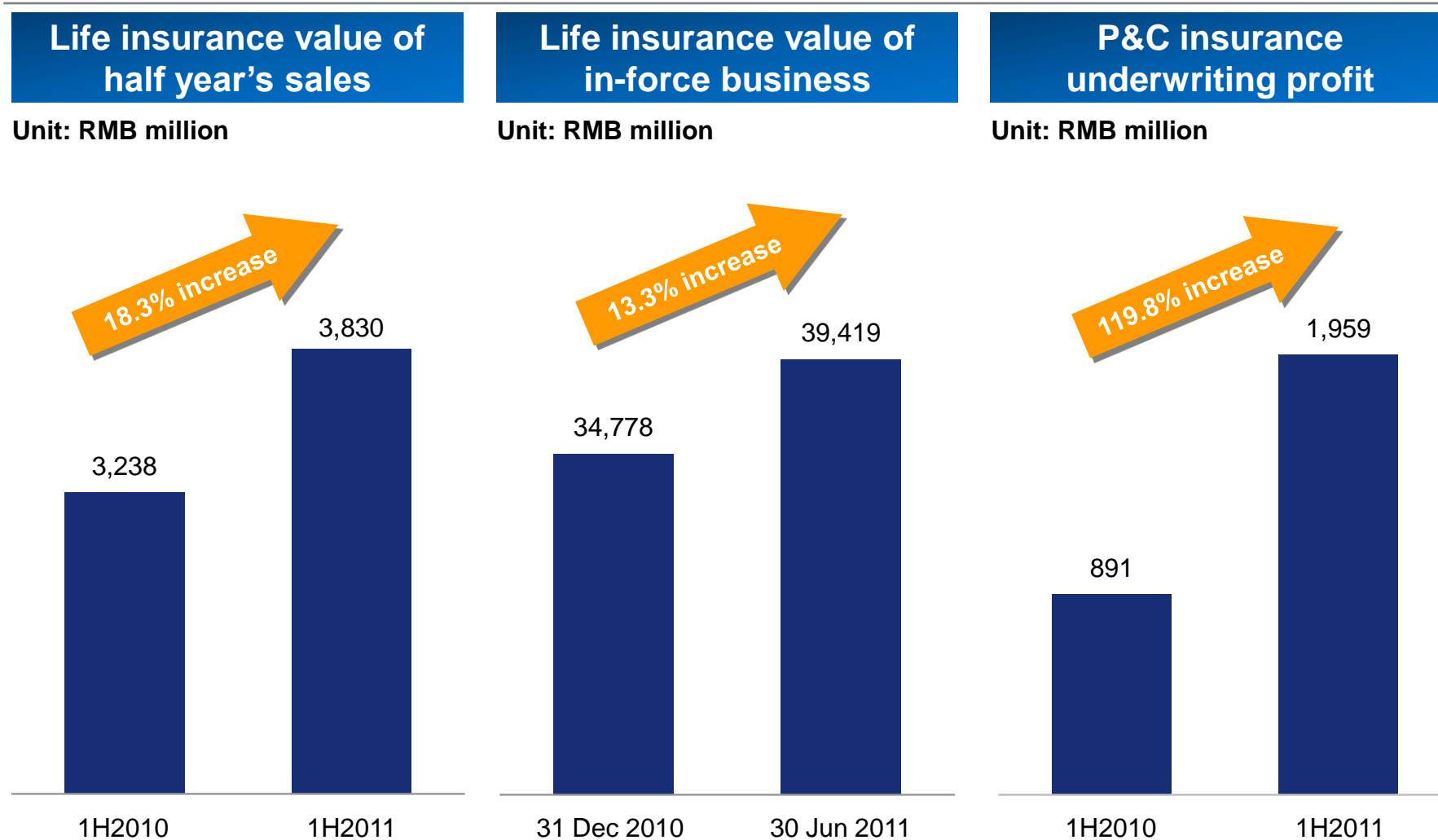


P&C insurance net profit


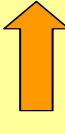



Unit: RMB million



Steady growth in life insurance value and significant increase in P&C insurance underwriting profit



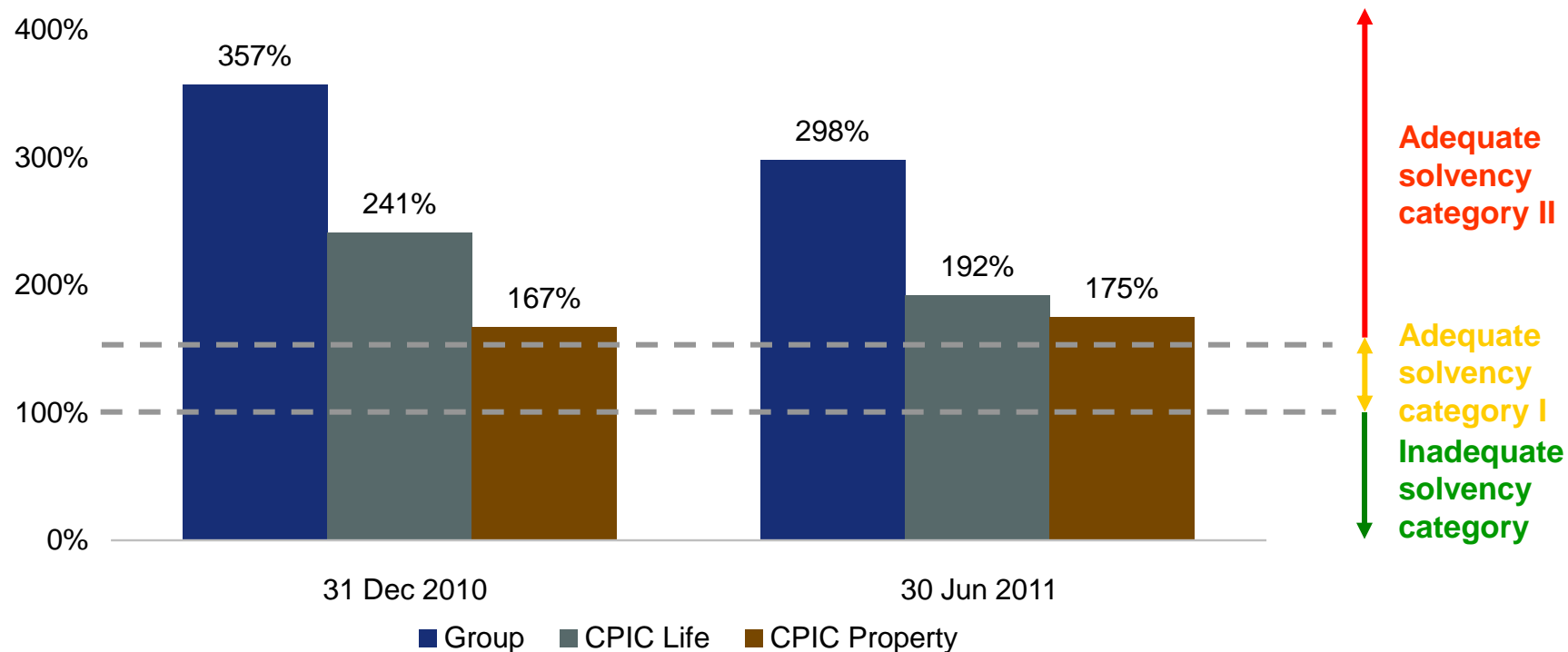
Key operating results

Unit: RMB million	1H2011/ 30 Jun 2011	1H2010/ 31 Dec 2010	Change (%)
Gross written premiums	86,875	76,066	 14.2
Life insurance	54,574	48,959	11.5
P&C insurance	32,267	27,078	19.2
Market share	10.8%	9.9%	 0.9pt
Life insurance	9.7%	8.8%	0.9pt
P&C insurance	13.2%	12.8%	0.4pt
Total investment income	10,828	9,259	 16.9
Net profit attributable to equity holders of the parent	5,816	4,019	 44.7
Total assets	537,223	475,711	 12.9

Note: Market share is calculated according to statistics published by CIRC website, 2010 figures are prior to compliance by insurance industry with "Provisions on the Accounting Treatment Related to Insurance Contracts" issued by the Ministry of Finance

Sustained adequacy of 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)

Further enhanced brand influence

FORTUNE

Ranked 467th in “Fortune Global 500”

FINANCIAL TIMES

Consecutively ranked among the UK’s “FT Global 500”

Forbes

Consecutively ranked among “Forbes Global Top 500 Listed Companies”



中国质量万里行

CPIC Life, CPIC Property awarded “Top Service Quality Organization”

和讯
hexun.com

2010 Award for Outstanding Brand Building and the Most Reliable Property Insurance and Life Insurance Company on the Hexun Finance & Economics Billboard

Outlook for 2H 2011

Looking forward, CPIC will focus on strategic transformation towards the customer-oriented business model to establish differentiated competitive advantage. In life insurance, CPIC strives to maintain stable and healthy development of the sales channel business, expedite the transformation of the bancassurance channel, and actively promote the steady growth of Value of New Business. In P&C insurance, CPIC will increase the pace and magnitude of business expansion, accelerate development of telemarketing channel and cross-selling business, increase key client retention rate and maintain industry-leading position in underwriting profitability. In asset management business, CPIC is committed to stable and progressive investment strategies, optimization of asset mix, continually increasing the proportion of fixed income assets with high returns, and expanding new investment channels to pursue sustainable investment returns.

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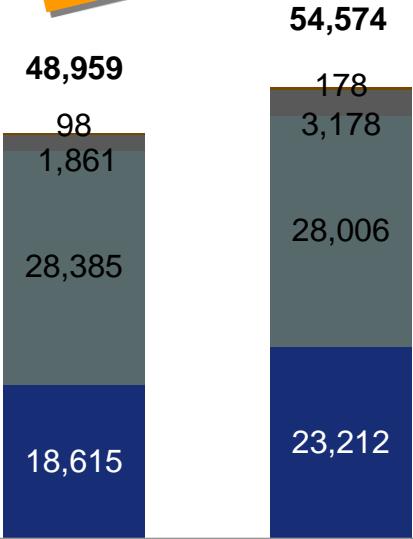
Embedded value

Life insurance business (1/2)

Gross written premiums

Unit: RMB million

11.5% increase



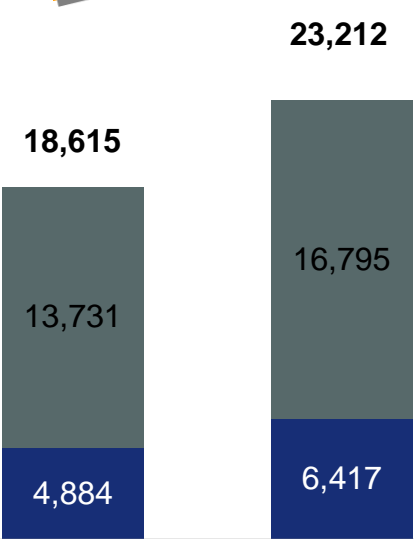
1H2010 1H2011

- New channels
- Direct sales channel
- Bancassurance channel
- Sales channel

Sales channel GWP

Unit: RMB million

24.7% increase



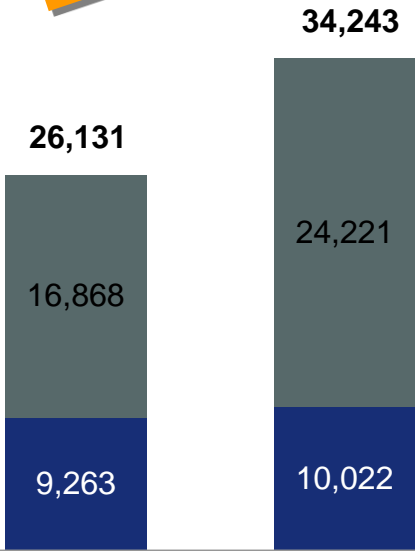
1H2010 1H2011

- New policies
- Renewed policies

Regular premiums

Unit: RMB million

31.0% increase



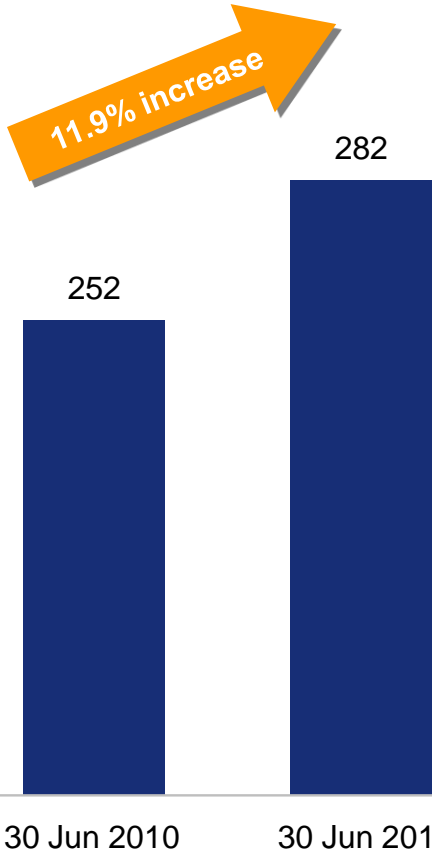
1H2010 1H2011

- Renewed policies
- New regular premium policies

Life insurance business (2/2)

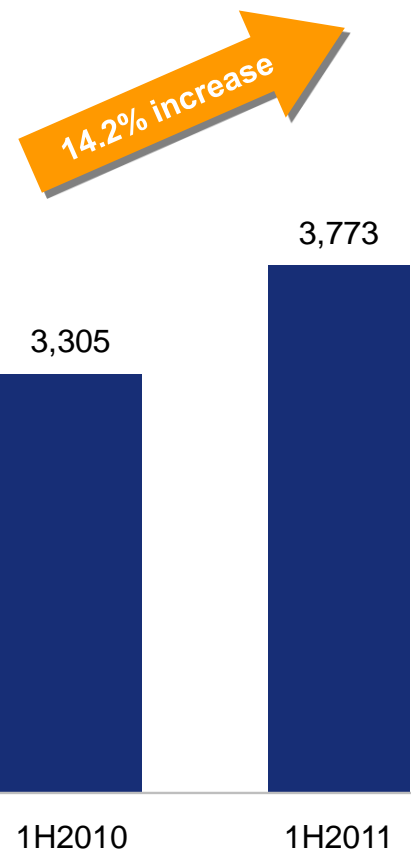
Number of agents

Unit: thousand

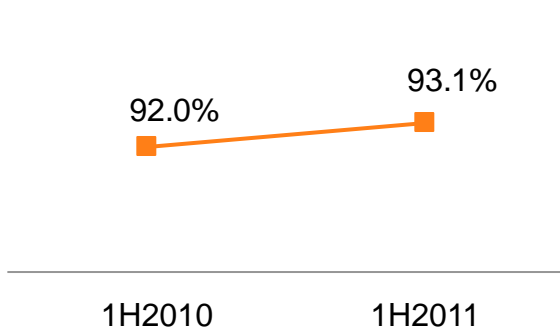


Monthly FYP per agent

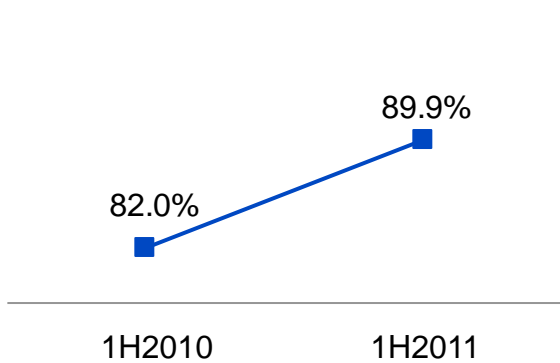
Unit: RMB



13-month persistency ratio of individual policyholders



25-month persistency ratio of individual policyholders



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Results highlights

Business overview

Life insurance

➤ P&C insurance

Pension insurance

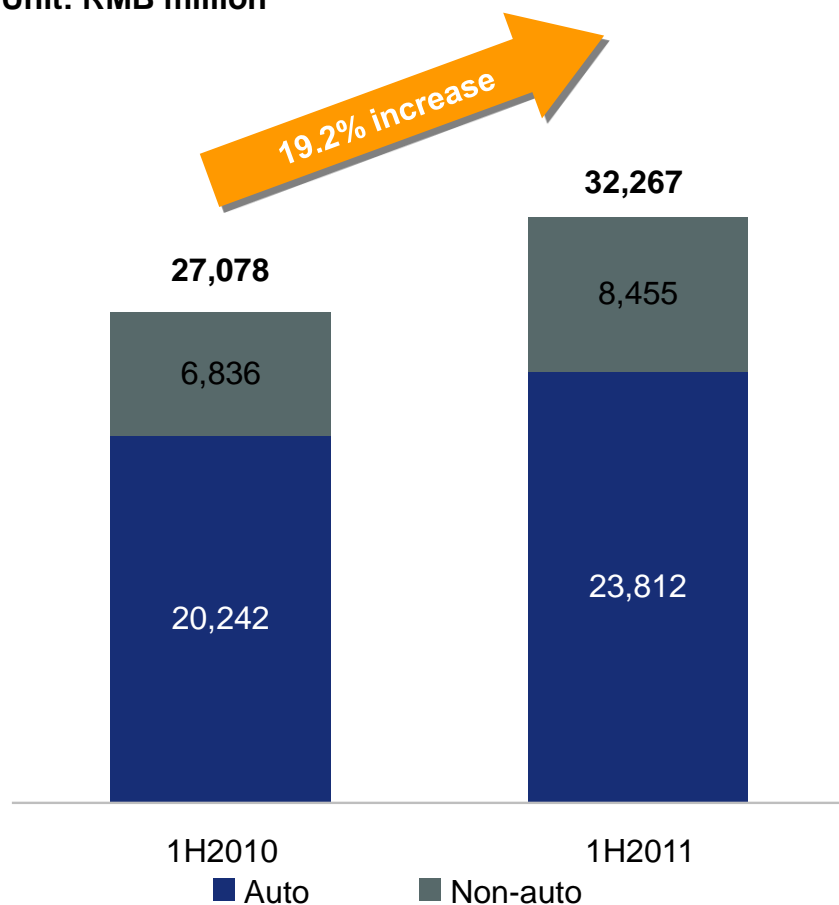
Investment

Embedded value

P&C insurance business (1/2)

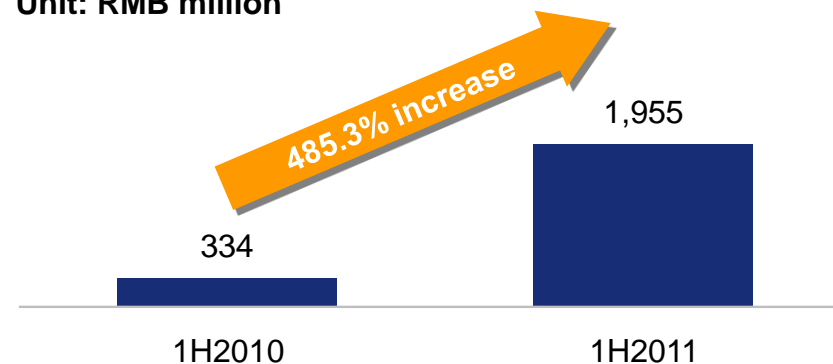
Gross written premiums

Unit: RMB million



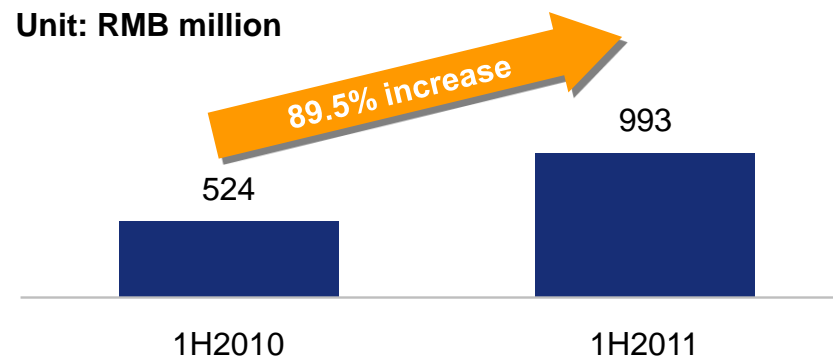
Premiums through telemarketing

Unit: RMB million



Premiums through cross-sales

Unit: RMB million



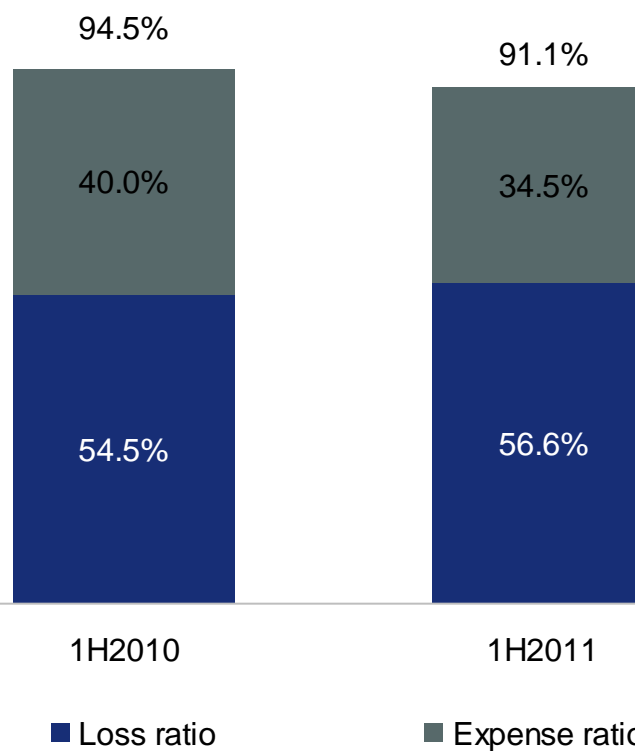
P&C insurance business (2/2)

Net premiums earned

Unit: RMB million



Combined ratio



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Results highlights

Business overview

Life insurance

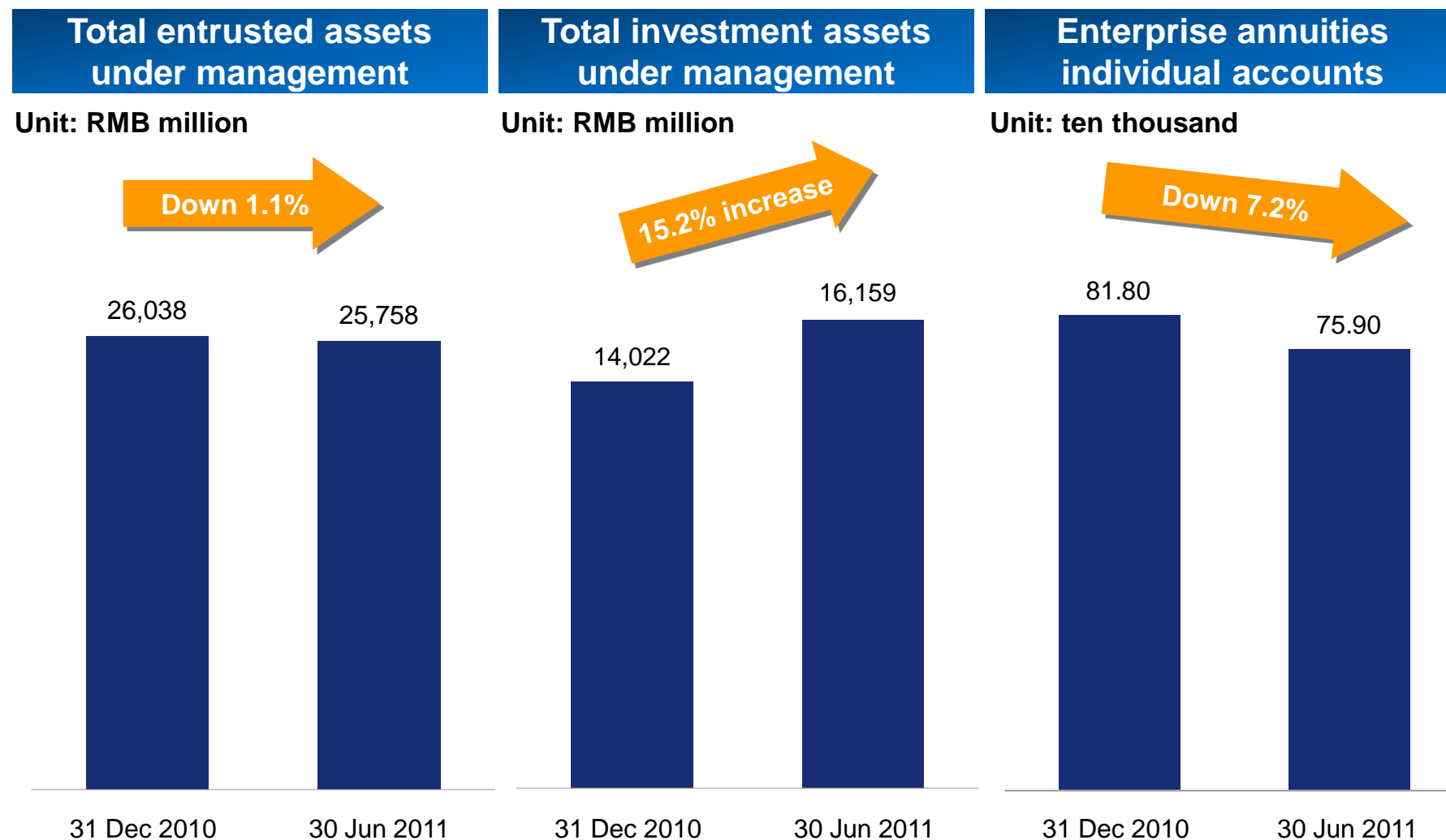
P&C insurance

➤ Pension insurance

Investment

Embedded value

Changjiang Pension



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Results highlights

Business overview

Life insurance

P&C insurance

Pension insurance

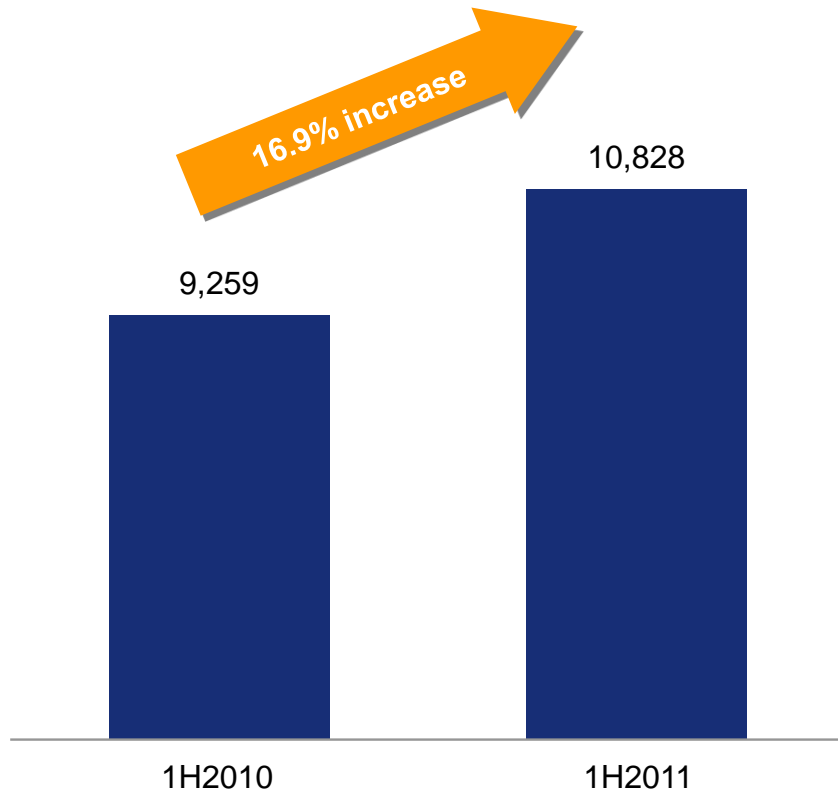
➤ Investment

Embedded value

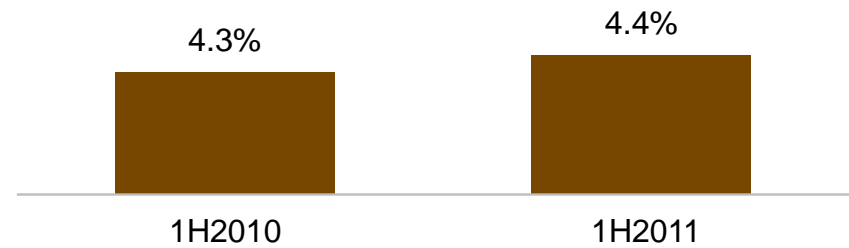
Investment (1/2)

Total investment income

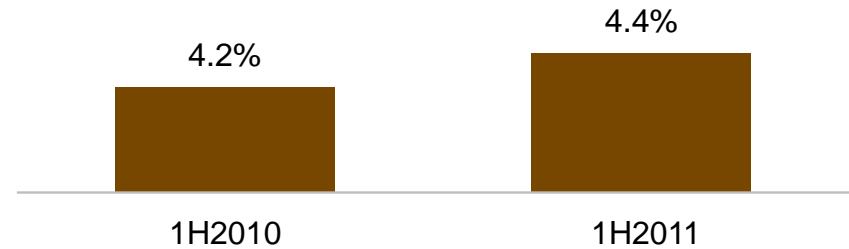
Unit: RMB million



Total investment yield



Net investment yield



Investment (2/2)

	30 Jun 2011	31 Dec 2010	Change
Fixed-income ¹	77.6%	79.0%	↓ 1.4pts
Equity ²	12.9%	11.8%	↑ 1.1pts
Infrastructure	4.7%	4.6%	↑ 0.1pts
Investment properties	1.4%	0.6%	↑ 0.8pts
Cash and cash equivalents	3.4%	4.0%	↓ 0.6pts

Note:

- 1 Includes debt securities, term deposits, restricted statutory deposits and policy loans
- 2 Includes investment funds, equity securities and unlisted equity securities

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Life insurance

P&C insurance

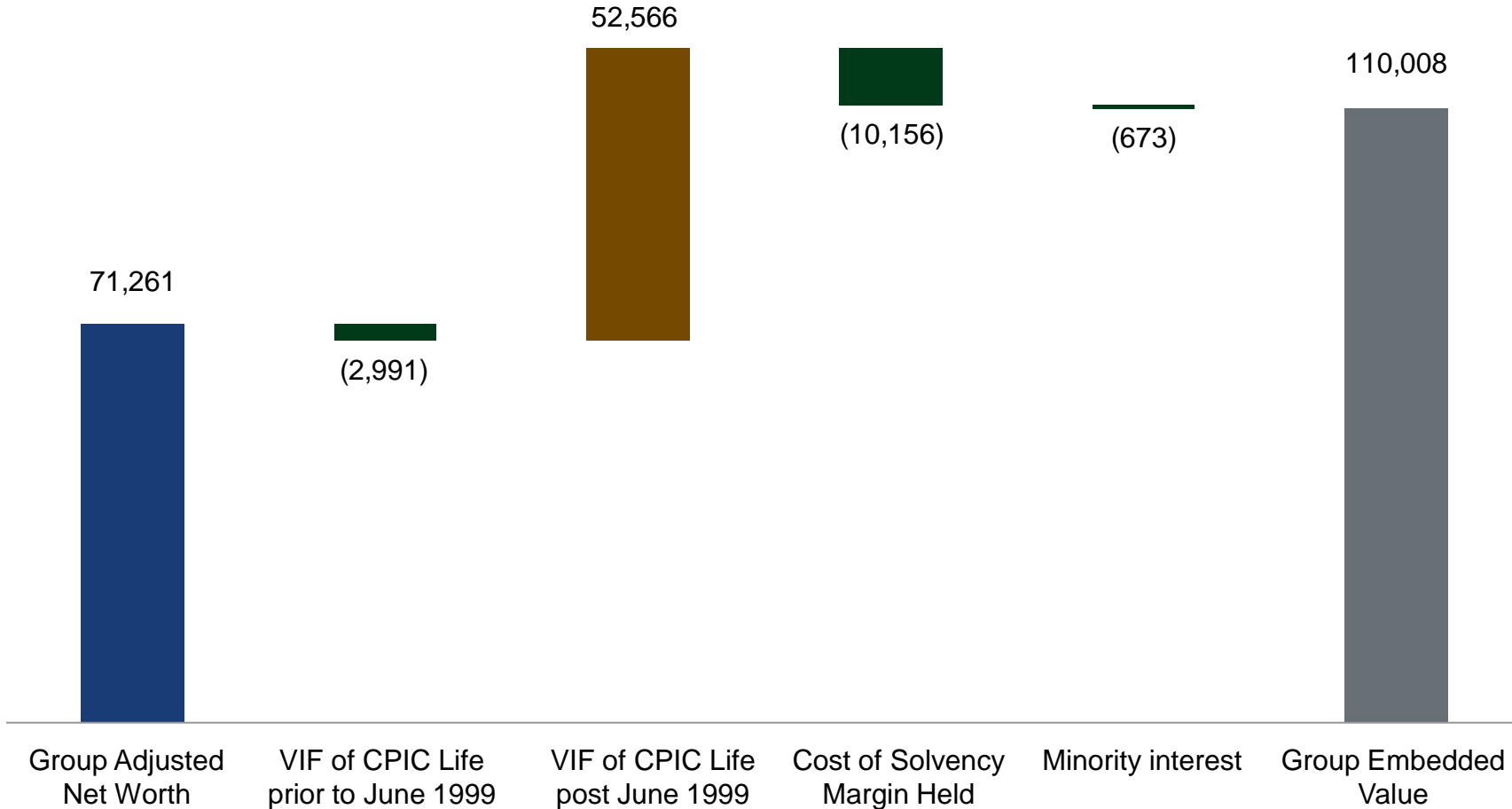
Pension insurance

Investment

Embedded value

Composition analysis of group embedded value

Unit: RMB million



Thank you!



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