

CPIC (SH601601, HK02601)
Stock Data (ending Feb. 29, 2016)

Total equity base(in million)	9,062
A-share	6,287
H-share	2,775
Total Cap (in RMB million)	206,564
A-share	147,807
H-share (in HK dollar million)	69,791
2months highest/lowest (inRMB)	
A-share	27.97/22.48
H-share (in HK dollar)	30.05/24.15

Investor Relation Calendar

March 29, 2016
 CPIC 2015 Annual Analyst Briefing
 Shanghai, Hong Kong

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Contents
• Company Updates

Shanghai Disneyland and CPIC enter into strategic partnership (p2)

CPIC Life qualified for tax-deductible health insurance plans (p2)

• Regulatory Updates

MoA and CIRC seek to upgrade agricultural insurance (p3)

CIRC contemplates relaxing investment of insurance funds (p3)

Premium Income (Unit: in RMB million)

Indicator	Jan. to Feb.	Changes	Jan.	Changes
Premium Income				
-P&C	16,881	5.5%	5,749	6.7%
-Life	36,340	42.0%	10,476	11.7%

Company Updates

- **Shanghai Disneyland and CPIC enter into strategic partnership**

Shanghai Disneyland and CPIC Group recently signed an agreement on strategic partnership. At the signing ceremony, CPIC Group was announced as the insurance sponsor of the resort. As part of the co-operation, CPIC Group will be the official sponsor of shows staged in Disneyland's Fairy Tale Castle, followed by other forms of brand display.

CPIC Group focuses on customers' needs, and is committed to provide professional insurance solutions for the entire life cycle of its customers. The formation of the partnership represents the common aspirations of both sides in pursuing superb customer experience.

- **CPIC Life qualified for tax-deductible health insurance plans**

On March 8th, CIRC released the second list of insurers qualified for tax-deductible health insurance. CPIC Life was among the 9 companies listed. Other names on the list include China Life, Ping An Life, NCI and CTIH. Pending CIRC's approval for the products, these companies can officially launch the business.

Tax-deductible health insurance products, under CIRC guidelines released earlier, offer such features as exemption from the pay-roll tax up to a certain limit, reimbursement of expenses outside social medical insurance, guarantee of renewals and the return of surplus. Applicants with past medical history cannot be refused, and first-time application requires no underwriting. CPIC Life prepared 2 products which can be further divided into 4 plans, while on the market only 2 products with 2 plans are available. CPIC Life's product A sets no deductibles, and offers a sum assured of either 200,000 or 300,000 yuan. Product B sets a deductible of 10,000 or 30,000, and offers a sum assured of 200,000.

Regulatory Update

- **MoA and CIRC seek to upgrade agricultural insurance**

On February 25, the Ministry of Agriculture (MoA) and CIRC jointly held a forum on agricultural insurance. Attendees mainly include Mr. HAN Changbin, the Agricultural Minister, Mr. XiangJunbo, chairman of CIRC and representatives of insurance companies as well as academia. At the meeting, 7 insurance companies such as PICC and Anxin Agricultural Insurance issued The Initiative of Insurance Serving Modern Agriculture.

Mr. HAN sets out the priorities for the future of agricultural insurance, including the expansion of insurance coverage and the improvement of levels

of protection. He calls for more innovations in products and mechanisms. In particular, the Ministry will study the feasibility of universal coverage for staple food. It will join hands with CIRC to roll out pilot programmes for target price and weather index insurance.

According to Mr. XIANG, the policy objective of agricultural insurance will transition from providing post-disaster compensation to serving the modern agriculture sector in an all-around way such as disaster mitigation, public administration, poverty relief and guarantee & credit-enhancement. The development of agricultural insurance will no longer be solely dependent on government subsidies. In the future, product and service innovations and raised insurance awareness of farmers will also play a part.

During the 12nd Five Year Programme, the insurance industry was instrumental in boosting the development of the modern agriculture sector. It provided a coverage of 6.5 trillion yuan in sum assured, and paid out claims of 91.4 billion yuan. In 2015, 59% of China's farmland was covered by insurance.

● CIRC contemplates relaxing investment of insurance funds

Recently the CIRC issued the exposure draft for The Decision on the Amendment of Regulations on Insurance Funds Investment.

Under current rules, overseas investment only requires the approval of CIRC. Under the proposed amendment, the approval has to come from CIRC, PBOC and SAFE.

Currently, for overseas investment, insurers need to apply for QDII quotas. Statistics released by SAFE indicate that as of Feb 23, insurance companies had obtained a quota of 30.853 billion yuan. Actual investment amounted to 33 billion, merely 1.9% of the industry's total assets.

The amendment also relaxed the requirement for counter-parties for bank deposits and fund investment. For bank deposits, the proposed wording is "the long-term credit-rating of the past year shall meet CIRC requirements", while under current regulations, the credit-rating for 3 successive years has to be investment grade and above. As for qualifications of fund managers, the proposed requirement was "established for at least one year". Under incumbent rules, fund manager must have "net assets over 100 million for 3 consecutive years".

Another major change is explicitly allowing insurance companies to invest in ABS. The amendment also allows insurance companies to set up private equity funds, and specialized insurance asset management companies in real estate, infrastructure and pensions.