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**中國太平洋保險(集團)股份有限公司**  
**CHINA PACIFIC INSURANCE (GROUP) CO., LTD.**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 02601)**

**Overseas Regulatory Announcement**

This overseas regulatory announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The announcement is attached hereof for information purpose only.

By Order of the Board  
**China Pacific Insurance (Group) Co., Ltd.**  
**KONG Qingwei**  
*Chairman*

Hong Kong, 24 August 2020

*As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. FU Fan; the Non-executive Directors of the Company are Ms. LIANG Hong, Ms. LU Qiaoling, Mr. John Robert DACEY, Mr. HUANG Dinan, Mr. WANG Tayu, Mr. WU Junhao, Mr. ZHOU Donghui and Mr. CHEN Ran; and the Independent Non-executive Directors of the Company are Ms. LAM Tyng Yih, Elizabeth, Ms. LIU Xiaodan, Mr. WOO Ka Biu, Jackson, Mr. CHEN Jizhong, and Mr. JIANG Xuping.*

*\* Note: The appointment qualifications of Ms. LIANG Hong, Ms. LU Qiaoling, Mr. John Robert DACEY, Mr. ZHOU Donghui, Mr. CHEN Ran, Ms. LIU Xiaodan and Mr. WOO Ka Biu, Jackson are subject to approval by China Banking and Insurance Regulatory Commission.*

# 2020 Interim Results Announcement China Pacific Insurance (Group) Co., Ltd.

August 24, 2020



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- 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 obligations to update or otherwise revise these forward-looking statements for new information, events or circumstances that occur subsequent to such dates.

# Steady growth of business results and sustained increase in overall strength

(unit: RMB yuan)

Group Gross  
Written Premium

**216.597bn**

**+4.2%** ↗

Group Embedded  
Value

**430.420bn**

**+8.7%** ↗

Group Assets under  
Management

**2,306.305bn**

**+12.9%** ↗

Group Net Profit

**14.239bn**

**-12.0%** ↘

Group Number  
of Customers

**140.65mn**

**+2.09mn** ↗

Group Comprehensive  
Solvency Margin Ratio

**289%**

**-6pt** ↘

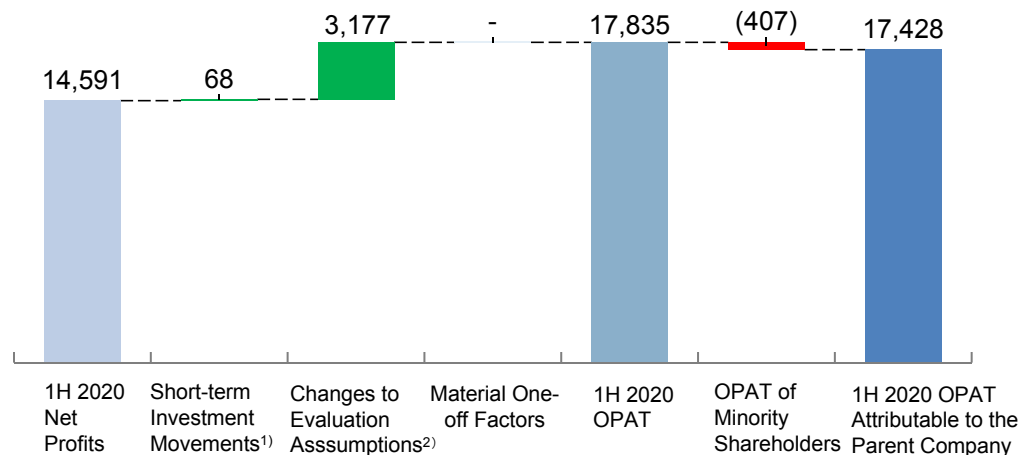
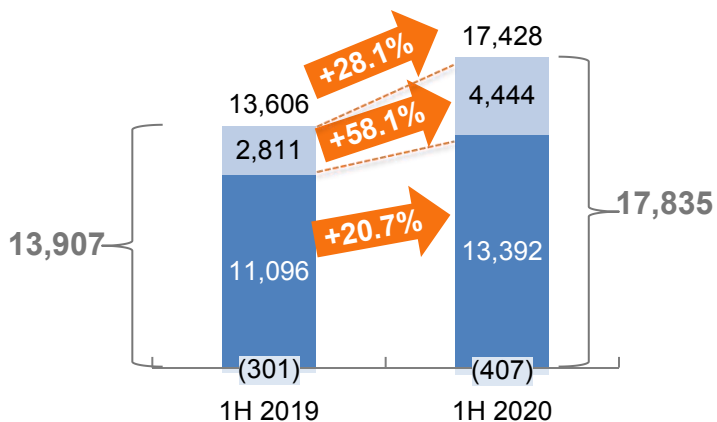
Note: The group net profit is based on figures attributable to shareholders of the parent company.

# Group OPAT RMB17.428bn, an increase of 28.1%

(unit: RMB million)

- Property and Casualty Insurance and Others
- Life Insurance
- OPAT Attributable to Minority Shareholders

**OPAT = Net Profits – Short-term Investment Movements – Changes to Evaluation Assumptions – Material One-off Factors**



**Notes:**

- 1) Short-term investment movements refer to the difference between life insurance actual investment income and long-term investment assumption (5%), while adjusting for ensuing changes to liabilities on insurance and investment contracts, and considering the impact of corporate income tax;
- 2) Changes to evaluation assumptions are based on amounts arising from accounting estimates changes, considering the impact of corporate income tax;
- 3) Numbers may not totally add up due to rounding.

# Vigorously contributed to combat against COVID-19, demonstrating our commitment to society and customers

## Committed to providing “Responsible, Smart and Caring” service to customers

- ◆ Immediately announced claims service commitments, launched the **7\*24** claims hotline and the green channel, streamlined processes, removed restrictions on designated care providers and diversified on-line channels of claims handling. Moderately expanded the insurance coverage for multiple products such as PA and critical illnesses so as to provide even better cover for customers.

## Pro-actively supported effort to resume work and business leveraging our insurance expertise

- ◆ Our customized insurance solution for the resumption of work and business has been rolled out to **35** provinces and municipalities, providing a total of **2.6bn** yuan in sum assured to nearly **11,000** firms.
- ◆ **Focusing on the key supply chain.** Developed a product insuring against the disruption to the food supply in large and medium-sized cities, benefiting nearly 10 provinces and municipalities such as Beijing, Shanghai and Hunan.
- ◆ **Focusing on 2 types of people:** those working at the fore-front of the fight against the pandemic and those returning to work. Provided health cover to tens of millions of people returning to their jobs to fight the epidemic; innovated a customized insurance program for the resumption of work, benefiting over 2 million migrant workers in Shanghai and Hubei;
- ◆ **Focusing on 3 kinds of companies,** namely, manufacturing of key supplies, development of new drugs & vaccines and upstream or downstream companies of industrial value chains. Provided comprehensive insurance solution covering work-place safety and employee health to the first batch of 45 key manufacturers of anti-pandemic supplies; provided life science insurance to firms engaging in the development of COVID-19 drugs and vaccines; visited SMEs up-and-downstream the industrial value chain, and offered dedicated insurance products.

# Accelerated technological innovation to empower insurance business development

## Improving Governance

- ◆ Set up **Technological Innovation and Consumer Rights Protection Committee** under the board, which will play a leadership role in major decision-making relating to technology, formulation of technological innovation strategies, and the establishment of an effective operational system for technological innovation.
- ◆ The board approved the proposal to establish **CPIC Fintech**, a major step in the marketization of technology.

## Enhancing Infrastructure

- ◆ Launched the database in Luoqing, marking the establishment of the **“3 data centers in 2 locations”** framework.
- ◆ Improved key performance indicators of IT infrastructure like the number of customers in simultaneous interaction and customer response time.
- ◆ Started comprehensive strategic co-operation with leading technology firms and renowned institutions of higher learning, recruited experts from the market to enhance the competence of our team.

## Accelerating On-line Operation

CPIC  
P/C

- ◆ Built an on-line platform for individual auto insurance customers, supporting key journeys such as insurance application, claims handling, customer service and entitlements;
- ◆ Realized **AI-based underwriting** for agricultural insurance, with on-line uploading of 132 products in the product factory.

CPIC  
Life

- ◆ Stepped up the building of on-line systems for the agency channel, covering recruitment, training, basic management and customer acquisition & up-sell.
- ◆ Launched a **one-stop smart double-recording system** for all scenarios, with a single-gadget application ratio of 93%.

# Intra-Group synergy continued to reap benefit, with “Products+Services” model gaining momentum



Premiums from collaboration business including cross-sell of health and automobile insurance by life insurance agents amounted to **RMB9.95bn**, a growth of **20.9%**.



The number of customers with 2 insurance policies or above reached **27.29mn**, up **6.3%**.



Affiliates under the Group jointly developed more than **400** strategic accounts, which covered **84%** of governments at provincial or municipal level.



Upgraded “**CPIC Blue Passports**” program with differentiated service for adults and children.



Launched “Tele-doctor” which provides on-line consulting service, cumulatively received **777.9 thousand** visits.



The “CPIC Home” retirement communities issued over **10,000** certificates of admission. The experience centre has so far received **19,000** visits since inception.



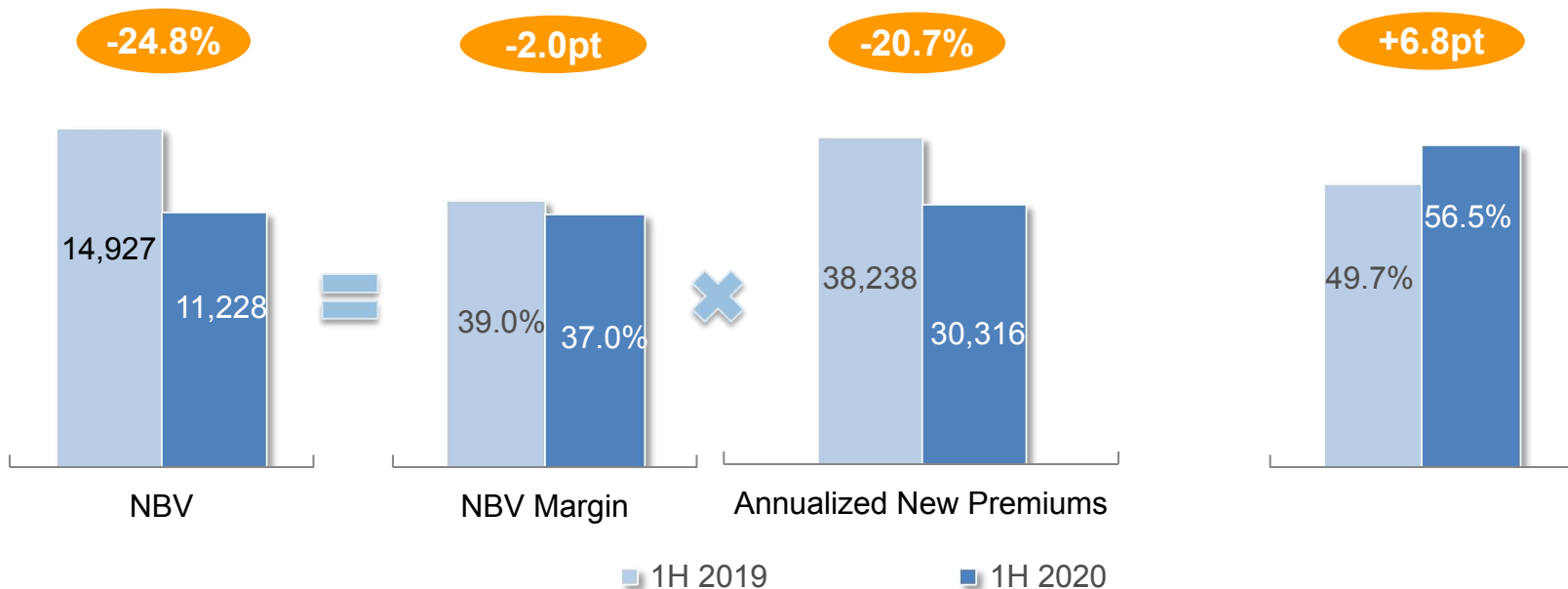
# Life Business (1/4)

## NBV under pressure, with margin on individual customers business improving

### New Business Value

### NBV Margin on Individual Customer Business

(unit: RMB million)

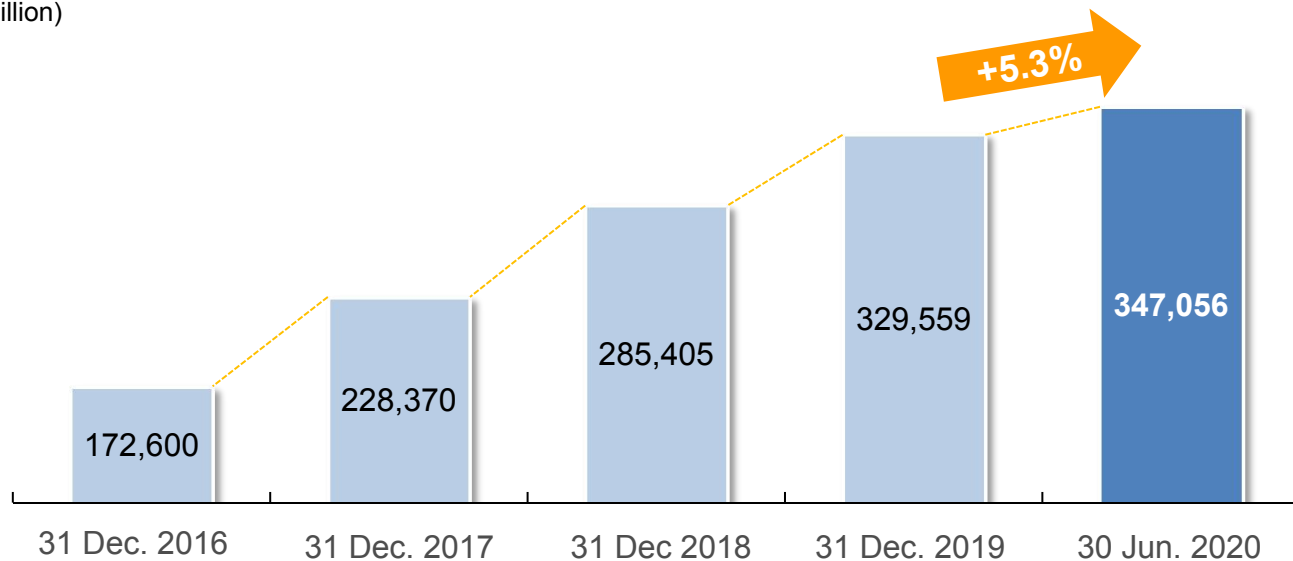


# Life Business (2/4)

## Sustained growth of residual margin

### Residual Margin

(unit: RMB million)

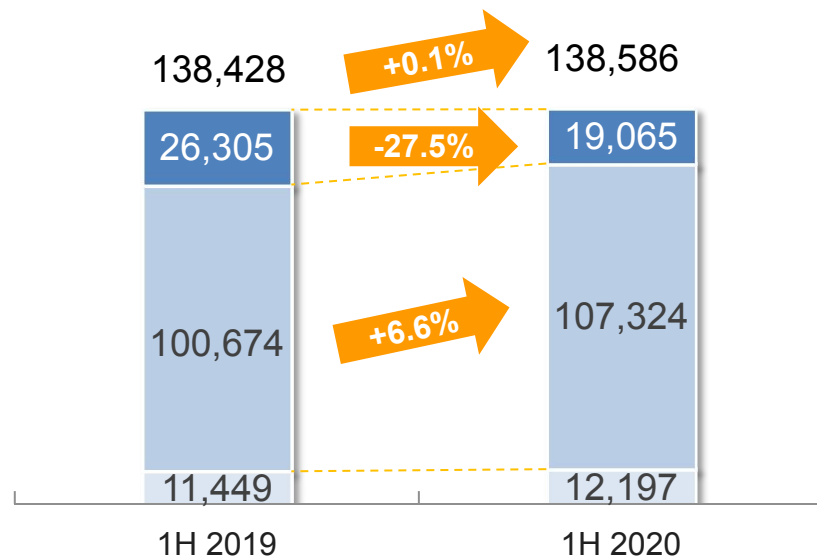


# Life Business (3/4)

## Stable growth of total premiums driven by renewed business, with surrender ratio staying flat

### Gross Written Premiums

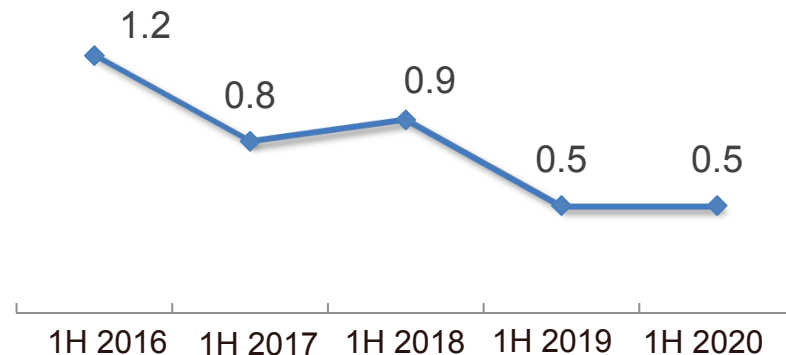
(unit: RMB million)



■ FYP from Agency Channel of Individual Customers  
■ Renewal Business from Agency Channel of Individual Customers  
■ Others

### Surrender Ratio

(unit: %)

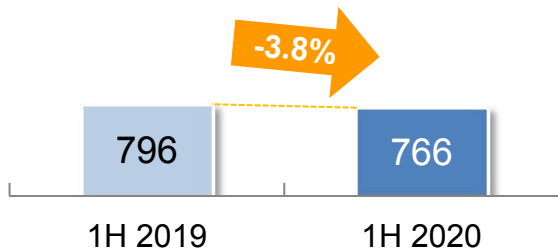


# Life Business (4/4)

## Pressing ahead with restructuring of agency force and vigorously exploring high-performing agent supportive system

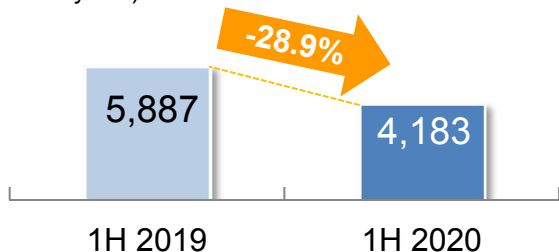
### Monthly Average Number of Agents

(unit: thousand)



### First Year Premiums per Agent

(unit: RMB yuan)



#### Cloud Recruitment

On-line platform of agent recruitment

#### On-line Academy

On-line training support

#### Haiwen

On-line information service for agents

#### Dingding

On-line agent management platform

#### AMS System

An integrated on-line supportive system covering agents, managers and back-office staff

#### Supportive System for High-performing Agents

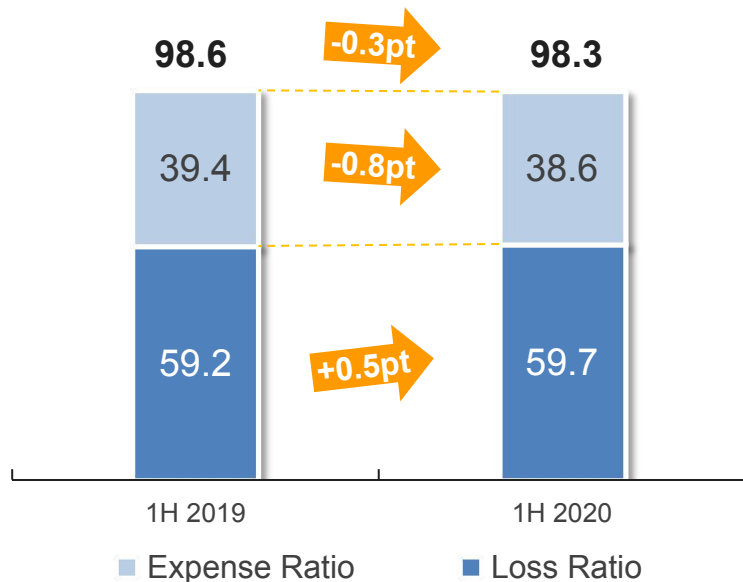
Upgrading of the cultivation system of high-performing agents focusing on the criteria, culture and empowerment of high-performing agents

# Property and Casualty Insurance (1/3)

## Combined ratio continued to improve, with fast top-line growth

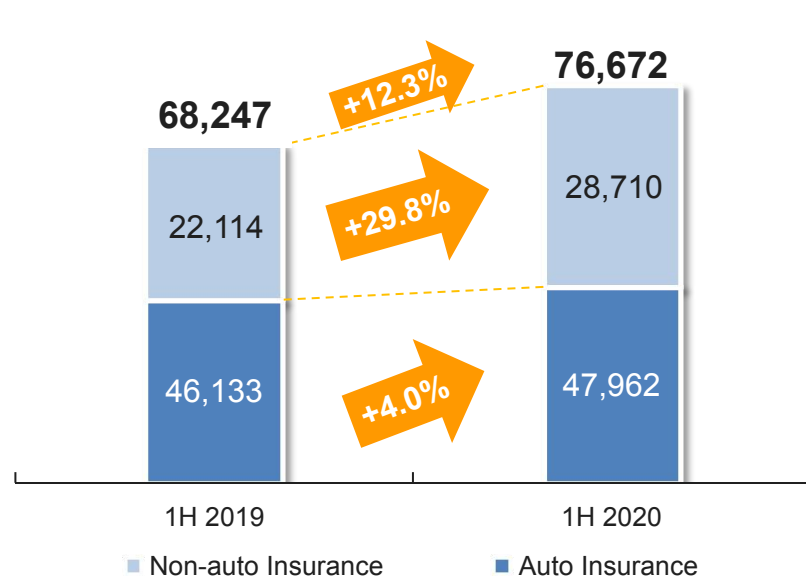
### Combined Ratio

(unit: %)



### Gross Written Premiums

(unit: RMB million)

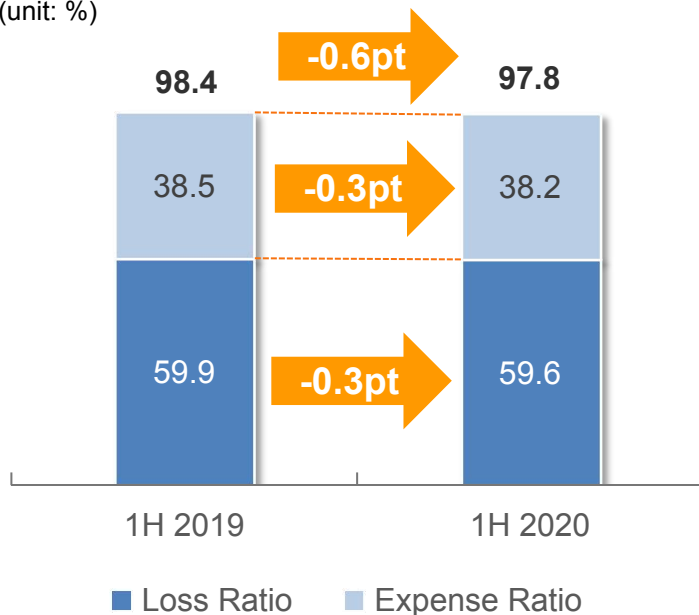


# Property and Casualty Insurance (2/3)

## Improved underwriting profitability of automobile insurance, with renewed business promoting shift of growth drivers

### Combined Ratio of Auto Insurance

(unit: %)



#### Data Foundation

- Continued to enhance customer information integrity

#### Customer Acquisition & Retention

- Increased support for on-line and off-line customer service, promoted branding of "Taihaopei" and set up customer-oriented operational system

#### Management Model

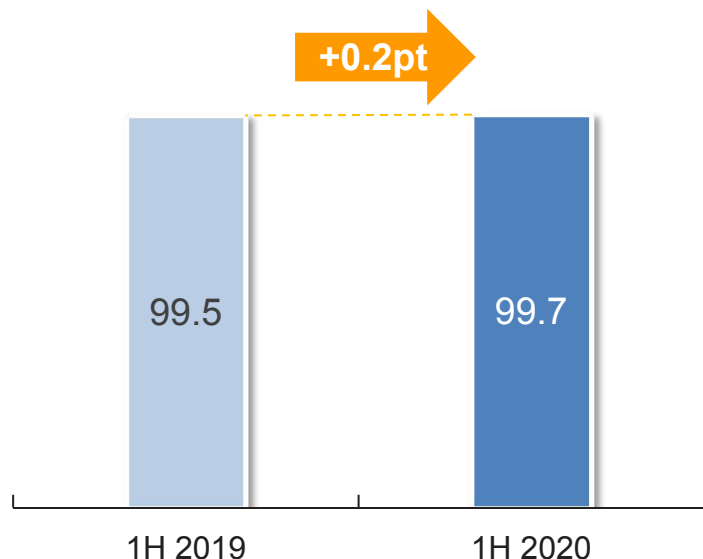
- Enhanced dedicated renew business team, with increased accountability

# Property and Casualty Insurance (3/3)

## Rapid growth of non-auto business driven by emerging lines

### Combined Ratio of Non-auto Insurance

(unit: %)



Note: Non-auto business on this page refers only to CPIC P/C.

### Agricultural Insurance

- ◆ Stepped up innovations in products, services and technology, and continuously improved services for farmers and rural areas. In the first half of 2020, CPIC P/C and Anxin Agricultural combined delivered **RMB6.274bn** in direct agricultural insurance premiums, up **45.6%**, with sustained increase in market share.

### Liability Insurance

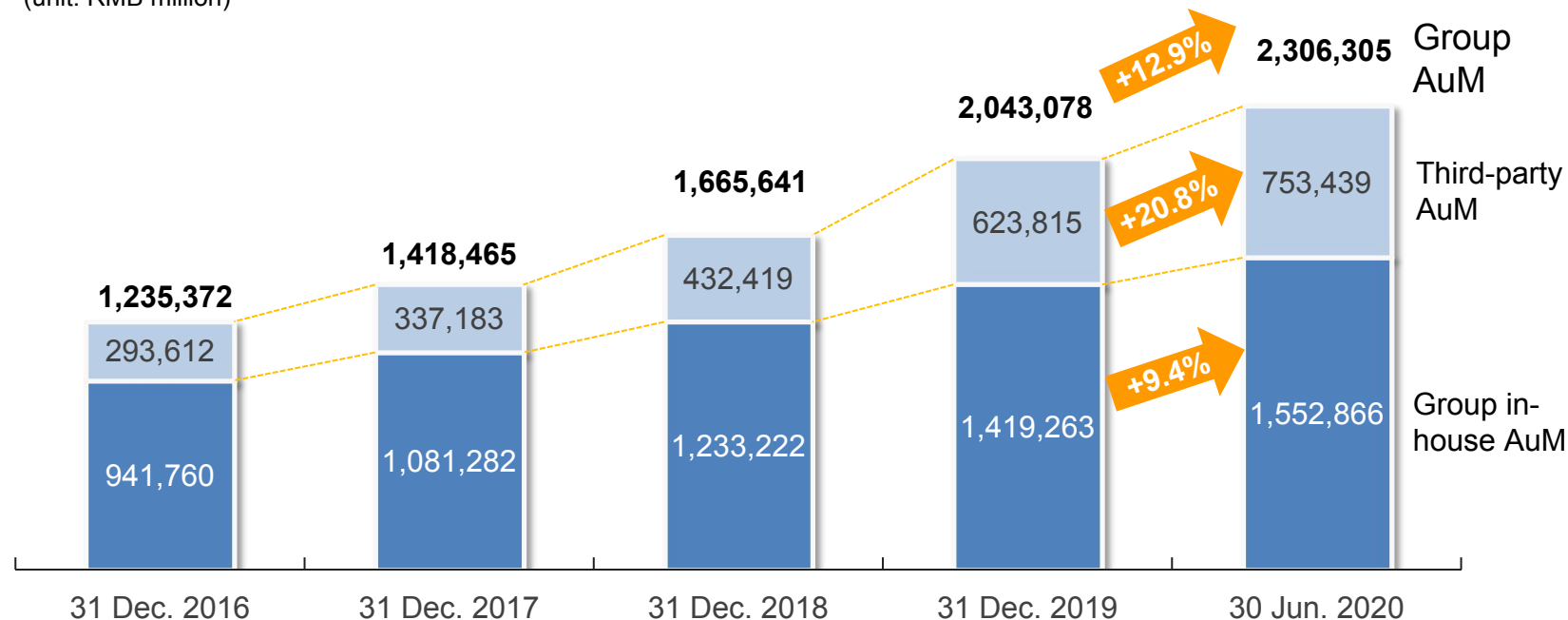
- ◆ Expanded its coverage of areas relating to social administration and people's well-fare, with GWPs of **RMB4.840bn**, a growth of **34.1%**, and improved underwriting profitability.

# Asset Management (1/4)

## Steady increase in Group assets under management, with improvement in market competitiveness

### Group Assets under Management

(unit: RMB million)



Note: Figures as of the end of 2018 were restated.



# Asset Management (2/4)

Persisted in asset liability management, and continued to optimize asset allocation

Group In-house Investment Portfolio	30 Jun. 2020 (%)	Change (pt)
<b>Fixed Income Investments</b>	<b>79.5</b>	<b>(0.9)</b>
Bonds	39.5	(3.1)
Term Deposits	11.4	1.0
Debt Investment Schemes	11.4	0.7
Wealth Management Products <sup>1)</sup>	10.8	0.9
Preferred Shares	2.1	(0.2)
Other Fixed Income Investments <sup>2)</sup>	4.3	(0.2)
<b>Equity Investments</b>	<b>15.5</b>	<b>(0.2)</b>
Equity Funds	1.9	-
Bond Funds	1.1	(0.2)
Stocks	6.4	-
Wealth Management Products <sup>1)</sup>	0.1	-
Preferred Shares	0.9	(0.1)
Other Equity Investments <sup>3)</sup>	5.1	0.1
<b>Investment Properties</b>	<b>0.5</b>	<b>(0.1)</b>
<b>Cash, Cash Equivalents and Others</b>	<b>4.5</b>	<b>1.2</b>

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 banks, etc.

2) Other fixed income investments include restricted statutory deposits and policy loans, etc.

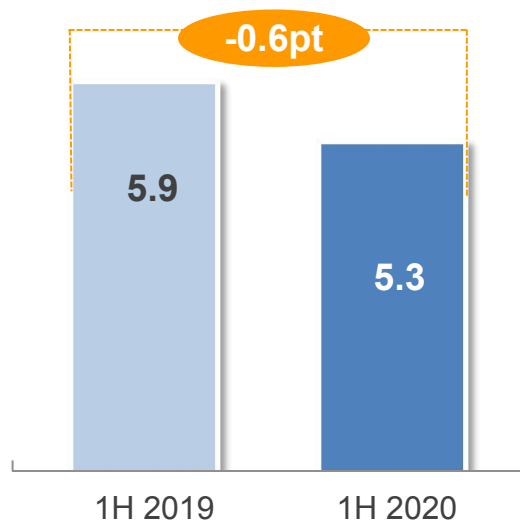
3) Other equity investments include unlisted equities, etc.

# Asset Management (3/4)

## Steady investment performance

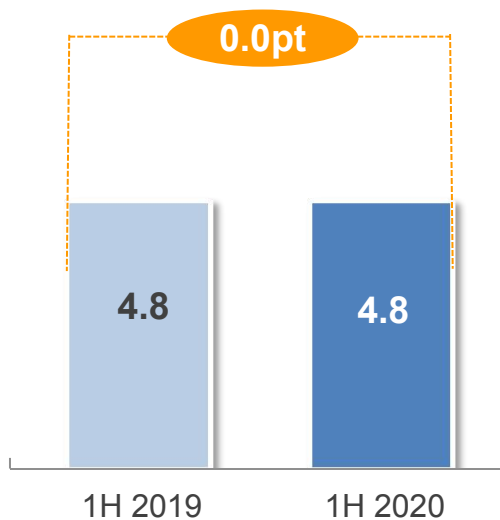
### Comprehensive Investment Yield

(unit: %)



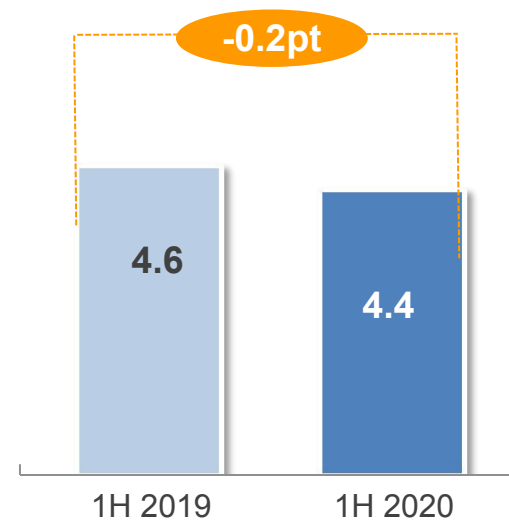
### Total Investment Yield

(unit: %)



### Net Investment Yield

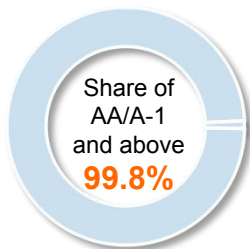
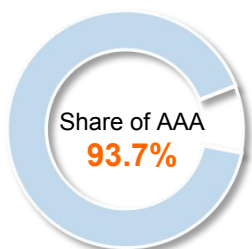
(unit: %)



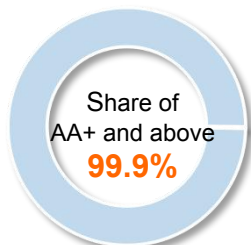
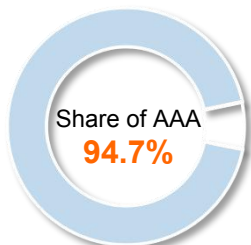
# Asset Management (4/4)

## Credit risk of investment assets under control

### External Credit Ratings of Corporate and Non-government-sponsored Bank Financial Bonds



### External Credit Ratings of Non-public Financing Instruments



### Mix and Distribution of Yields of Non-public Financing Instruments

Sectors	Share of Investments (%)	Nominal Yield (%)	Average Duration (year)	Average Remaining Duration(year)
Infrastructural Projects	35.6	5.4	7.2	5.4
Non-bank Financial Institutions	17.2	5.0	5.4	3.9
Communications & Transport	16.3	5.4	6.6	4.3
Real Estate	15.5	4.8	7.6	6.4
Energy and Manufacturing	8.1	5.1	6.5	4.1
Others	7.3	5.9	8.2	5.8
<b>Total</b>	<b>100.0</b>	<b>5.2</b>	<b>6.9</b>	<b>5.0</b>

Note: Non-public financing instruments include wealth management products issued by commercial banks, debt investment schemes, collective trust plans by trust firms, special asset management plans by securities firms and loans backed securities by banking institutions, etc..

# Outlook for the second half of 2020

## Persist in high quality development, while striking balance between stability of business performance and acceleration of transformation.

- ◆ On the liability side, we will accelerate the shift of growth drivers of property and casualty insurance, proactively adapt to the comprehensive reform of automobile insurance, and translate the achievements of previous transformation into our competitive edge. We will also step up investment in the restructuring of the life insurance agency force, upgrade the customer-oriented operational model, and foster new growth engines via service and digital empowerment.
- ◆ On the asset management side, in a complex economic environment, it is essential to adhere to long-term, prudent and value investing, further enhance investment research capabilities, step up post-investment management, strengthen co-ordination of assets and liabilities and continue to improve capabilities in risk prevention and mitigation.
- ◆ Meanwhile, we will foster long-term development capabilities in key areas. Deepen long-term incentive systems so as to inject vitality into the organization; emulate leading insurance companies and renowned Internet firms, and accelerate market-based reform of systems and institutions so that technology can be a more powerful enabler of business development; pool premium resources, both in-house and third-party, and promote the core capabilities of health services.

Q & A

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