

CPIC (SH601601, HK02601)
Stock Data (ending Jun 30, 2017)

Total equity base (in million)	9,062
A-share	6,287
H-share	2,775
Total Cap (in RMB million)	297,469
A-share	214,953
H-share (in HKD million)	95,738
6-mth highest/lowest	
A-share (in RMB)	35.80/25.66
H-share (in HKD)	34.50/27.05

Kind Reminder

We are scheduled to release the 2017 interim results on August 27, 2017, and host an analysts/ investors call conference on August 29, 2017. You are welcome to join us.

Investor Relations Calendar
August 29, 2017
**2017 Interim Results Announcement
Shanghai**
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Premium Income (Unit: in RMB million)

	Jan. to Jun.	Changes	June	Changes
P&C	60,732	7.73%	8,176	13.43%
Life	123,911	30.37%	13,360	4.31%

Company Updates

● CPIC among Fortune Global 500 for 7th consecutive year

Fortune magazine released its 2017 Global 500 ranking on July 20. CPIC, with operating revenue of USD 40.193 billion for 2016, ranked among Global 500 for the 7th consecutive year and occupied the 252nd place.

In 2016, the company delivered another year of strong business results and further improvement of development quality and value in spite of devaluation of RMB yuan and the switch from business tax into VAT, with GWP amounting to RMB 234.018 billion, a growth of 15.1%, and in turn a stable Global 500 ranking.

● CPIC Life and CPIC Allianz step up individual business collaboration

CPIC Life and CPIC Allianz stepped up co-operation in individual business on the back of product innovation. The health insurance subsidiary launched *Lexiang Baiwan*, a short-term medical product and worked closely with CPIC Life in training and marketing, delivering a record level of premium income in its individual business and a win-win result for both.

● CPIC P/C joins hands with Anxin for China's first weather-index insurance for fresh-water aquatic farming

To boost the development of agriculture, CPIC P/C continued to explore innovations in agricultural insurance products. In Huangpi of Hubei, it recently developed a local government-subsidized weather-index insurance for fresh-water aquatic farming.

Loss-adjustment for traditional agricultural insurance can be very demanding in terms of manpower and technical know-how, and this is particularly the case for aquatic farming. Weather index makes the whole thing much easier, streamlining the claims process, reducing disputes and mitigating moral hazards. Therefore, weather-index insurance not only expands insurance coverage but also boosts the income of farmers in the context of more frequent transfer of land use rights.

Regulatory Updates

● CIRC releases statistics of China's insurance market for 1H 2017

Overall, the insurance market performed stably in the first half of 2017, amid a slow-down in top-line growth, a quickened pace in business mix adjustment, a stable investment income and enhanced capability in risk control. Primary insurance premium income amounted to RMB 2.31 trillion, up 23.00%. Of this, property and casualty companies and life insurance

companies grew by 13.9% and 25.98% respectively, with total claims pay-out of RMB 578.55 billion, up 9.94%. Total assets of the industry stood at RMB 16.43 trillion, rising 8.69% from the year beginning.

First, premium income overall maintained rapid growth, but the growth rate fell by 14.29 percentage points compared with the same period of 2016. Property and casualty business showed signs of recovery, with a primary premium income of RMB 485.24 billion, up 12.8%. Of this, commercial lines property and cargo, having experienced decrease in business volume, started to grow again, with a premium income of RMB 24.55 billion and RMB 5.25 billion respectively. Liability and agricultural insurance continued to grow rapidly, with a premium income of RMB 23.62 billion and RMB 28.77 billion, up 21.07% and 15.54% respectively. Life and health insurance saw some slow-down, with a premium income of RMB 1.83 trillion, a growth of 26.03%. Of this, life business reported a premium income of RMB 1.52 trillion, up 29.32% and health RMB 261.57 billion, up 10.87%.

Second, upholding the key value proposition of insurance, the industry pressed ahead with its mix adjustment. For property and casualty insurers, with stabilization of macro-economy and enhanced government support, non-auto business grew by 25.35%, with a primary premium income of RMB 168.15 billion. Its growth rate picked up by 20.01 percentage points and its share exceeded 30% for the first time in many years, at 31.87%. Automobile insurance slowed down, with a premium income of RMB 359.43 billion, and a growth of 9.23%. As for life/health companies, traditional insurance as a share of gross premium increased by 16.71 percentage points to 52.91% from the end of last year. The proportion of universal life dropped by 19.45 percentage points to 17.4%, and that of participating 28.80%, up 5.04 percentage points. For new policies, the share of regular premium reached 33.11%, up 6.47 percentage points. Of this, the proportions of 3-5 year pay and 10-year pay rose by 2.58 and 2.11 percentage points, reaching 12.12% and 15.74% respectively.

Third, asset allocation improved with steady increase in investment income. Total asset under management amounted to RMB 14.50 trillion, rising 8.28%, or RMB 1.11 trillion from the year beginning. Of this, the share of bonds was 34.24%, up 2.09 percentage points from the year beginning; the share of debt investment schemes and policy loans 14.61%, up 1.44 percentage points; the proportion of bank deposits and security investment funds 14.89% and 5.22%, a drop of 3.66 and 1.17 percentage points respectively; that of stocks 7.13%, up 0.23 percentage points. Investment income totaled RMB 371.73 billion, up 26.23%, or RMB 77.25 billion over 1H

of 2016. Of this, income from bond holdings is 98.92 billion, a growth of 6.27%, and that from long-term equity investments is RMB 59.55 billion, up 9.32%.