

2024 Annual Results Announcement China Pacific Insurance (Group) Co., Ltd.

March 27, 2025

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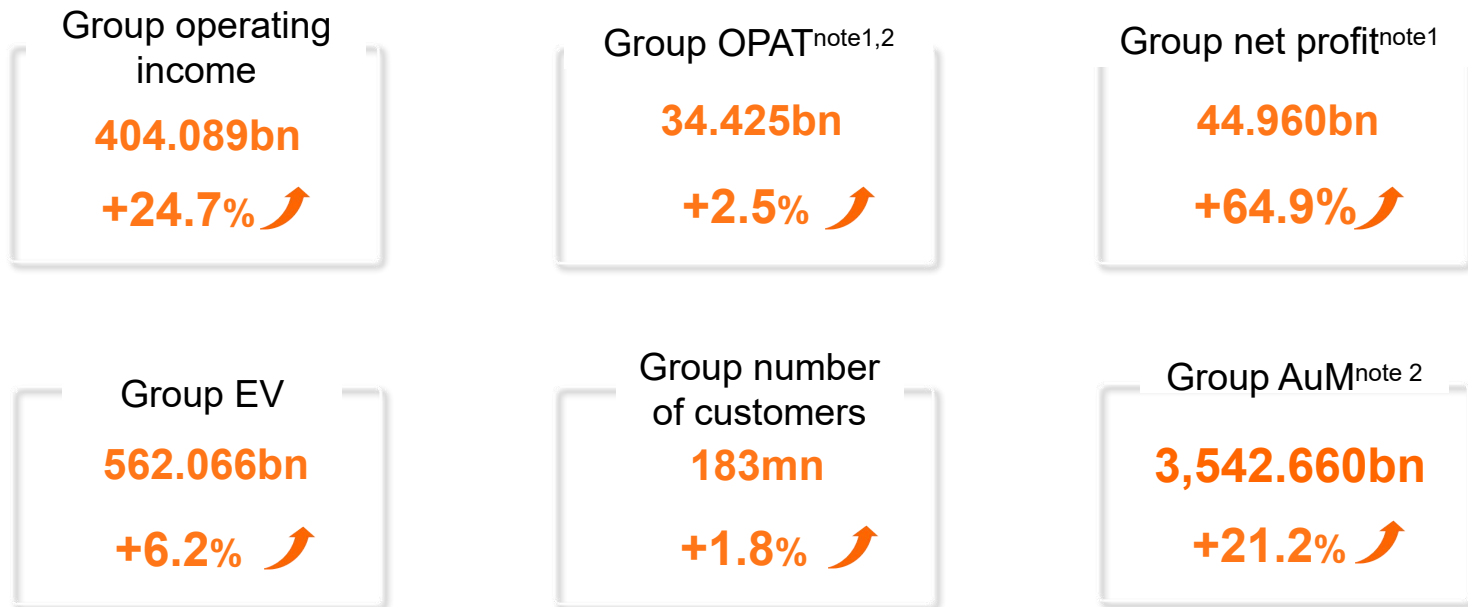
Overview

In 2024, despite formidable challenges, China's economy maintained steady growth and its fundamentals remained intact. The insurance sector deepened transformation, creating a favourable environment for high-quality development. The State Council issued Opinions on Strengthening Supervision, Preventing Risks and Promoting High-Quality Development of the Insurance Industry, which underscores an increasingly important part of the sector in China's modernisation drive.

In the face of both challenges and opportunities, we are committed to value creation and stay focused on the core business of insurance, with steady growth of overall business results, sustained improvement of comprehensive strength and continued progress in high-quality development.

Steady improvement of overall business performance with sustained growth of comprehensive strength

(unit: RMB yuan)



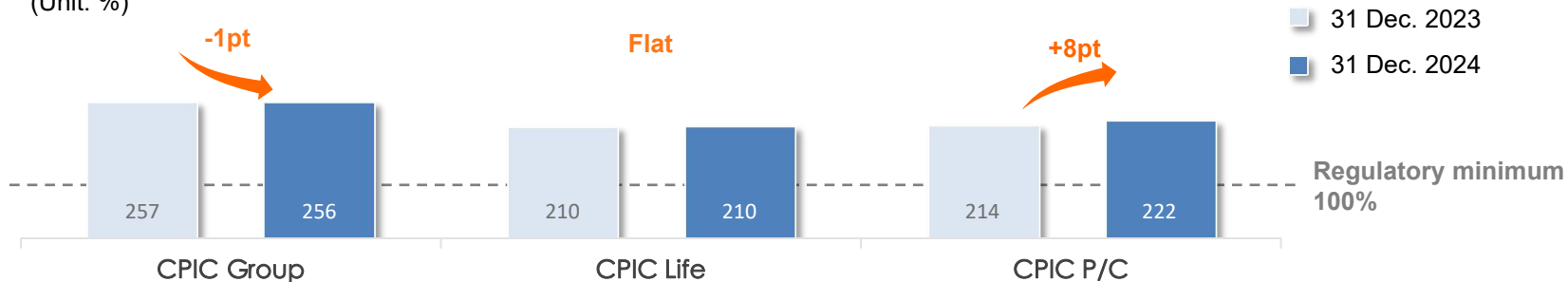
Notes: 1) Attributable to shareholders of the parent.

2) Figures for comparative periods were restated.

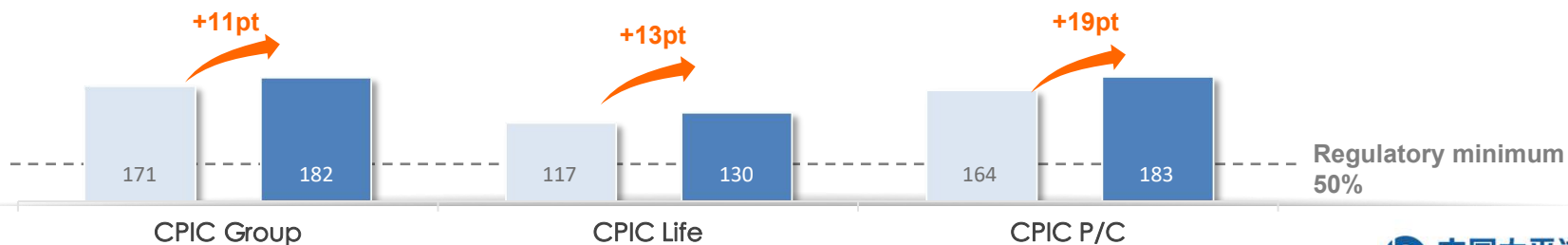
Maintained solid solvency positions under C-ROSS II

Comprehensive Solvency Margin Ratio

(Unit: %)



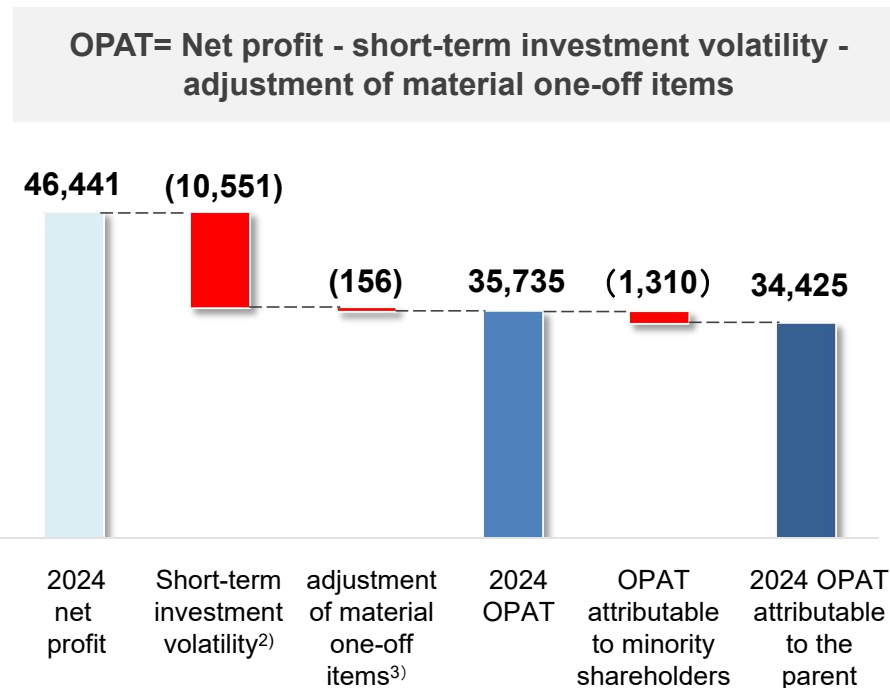
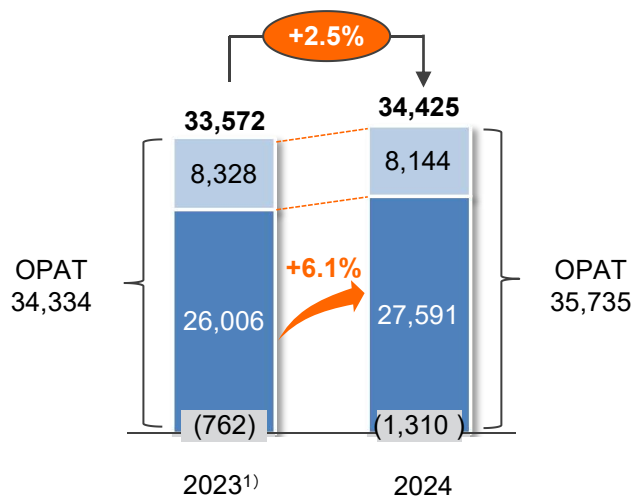
Core Solvency Margin Ratio



Group OPAT realised steady growth

(unit: RMB million)

- Others and consolidation offsets
- Life insurance
- OPAT attributable to minority shareholders



Notes: 1) Figures for comparative periods were restated.

2) Short-term investment volatility applies to business of CPIC P/C, CPIC Life, and CPIC Health, etc., while excluding business based on VFA; it refers to the difference between actual investment income and long-term investment assumptions, while considering the impact of income tax.

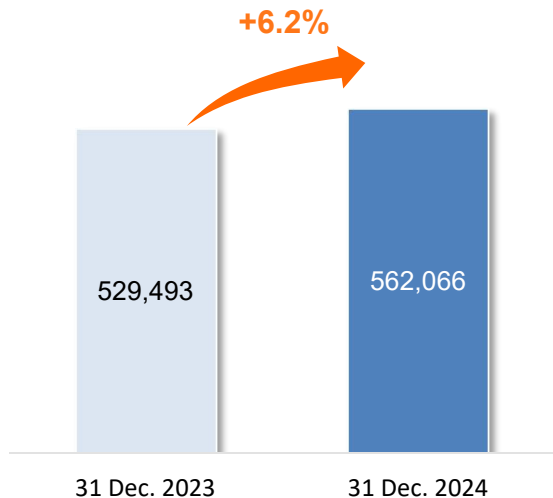
3) Adjustment of material one-off items include the difference between deductible amounts for pre-tax profit of the current period and the average deductible amounts for pre-tax profit of the preceding years.

4) Numbers may not add up due to rounding.

Steady growth of Group embedded value(1/2)

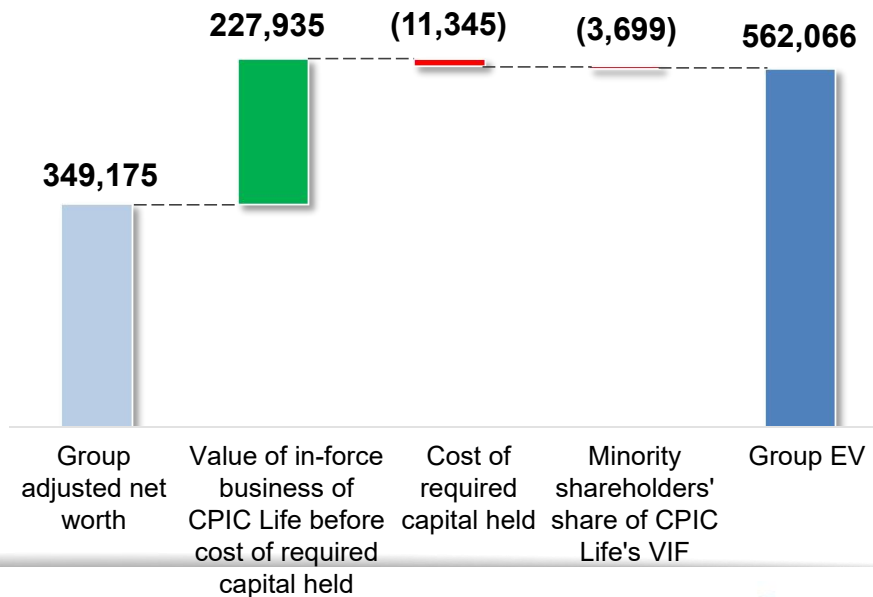
Group EV

(unit: RMB million)



Composition of EV as at 31 December 2024

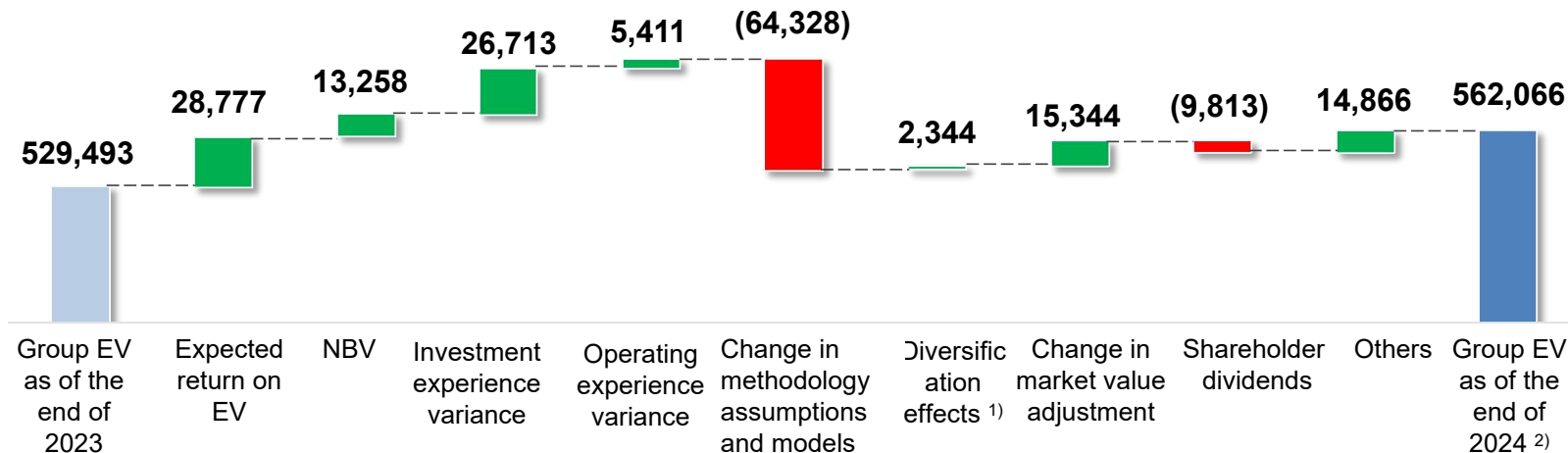
(unit: RMB million)



Steady growth of Group embedded value(2/2)

Movement of Embedded Value in 2024

(unit: RMB million)



Notes: 1) Diversification effects refer to the impact on cost of required capital of new business and business change.

2) Numbers may not add up due to rounding.

Enhanced foundation of high-quality development with achievements in financial services

➤ **Debut** of decarbonisation insurance for shipping industry, the first of its kind on market; enhanced data management of carbon emissions, stepped up business innovation & development in new energy, carbon finance and carbon sink.

➤ **Upgraded** programmes of terminal illnesses, Huiminbao, long-term care and agricultural insurance to improve coverage and availability of insurance.

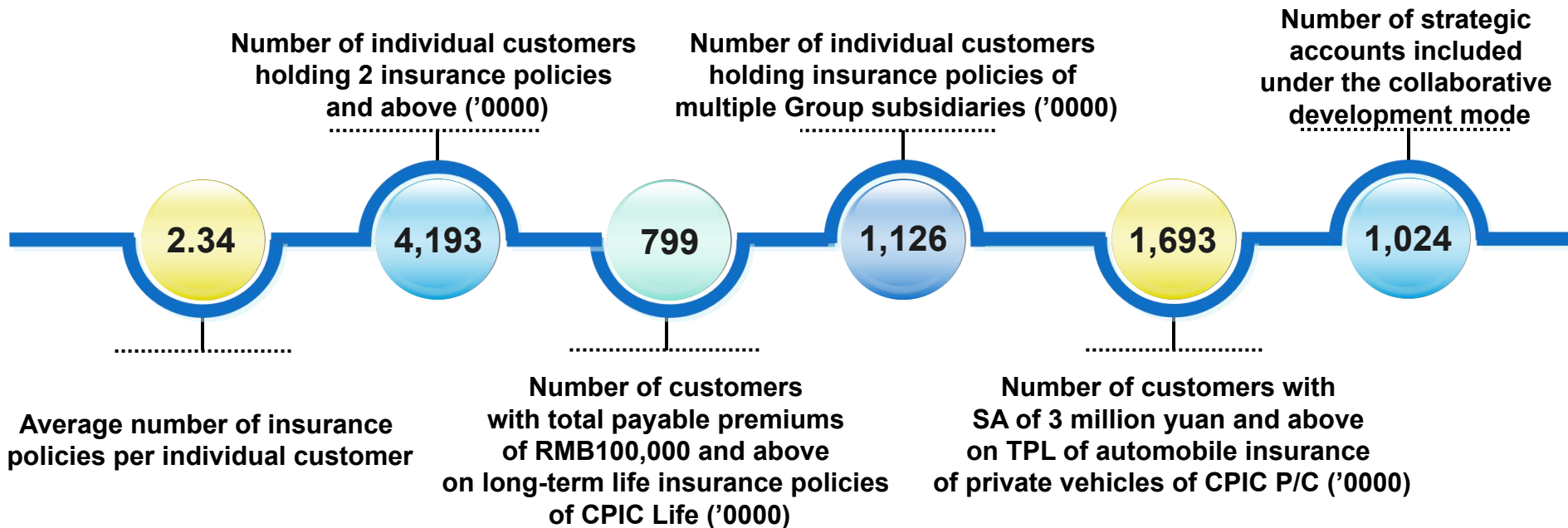
➤ **Built** integrated system of preventive care, diagnosis, treatment, rehabilitation and elderly nursing; deeply involved in pilot programmes of various pension schemes; gained momentum in corporate/occupational annuity fund management, retirement communities and home-based elderly care service.

➤ **Built** new model of “insurance, service and technology”, with Digital Employees boosting productivity and large models increasingly used in claims management of health insurance.

➤ **Launched** multiple industry-first insurance products, explored coordination of insurance and equity investments to provide risk protection and funding to new-quality productive forces.



Amplified impact of CPIC Service, leveraged strengths of group synergy to improve customer value contribution

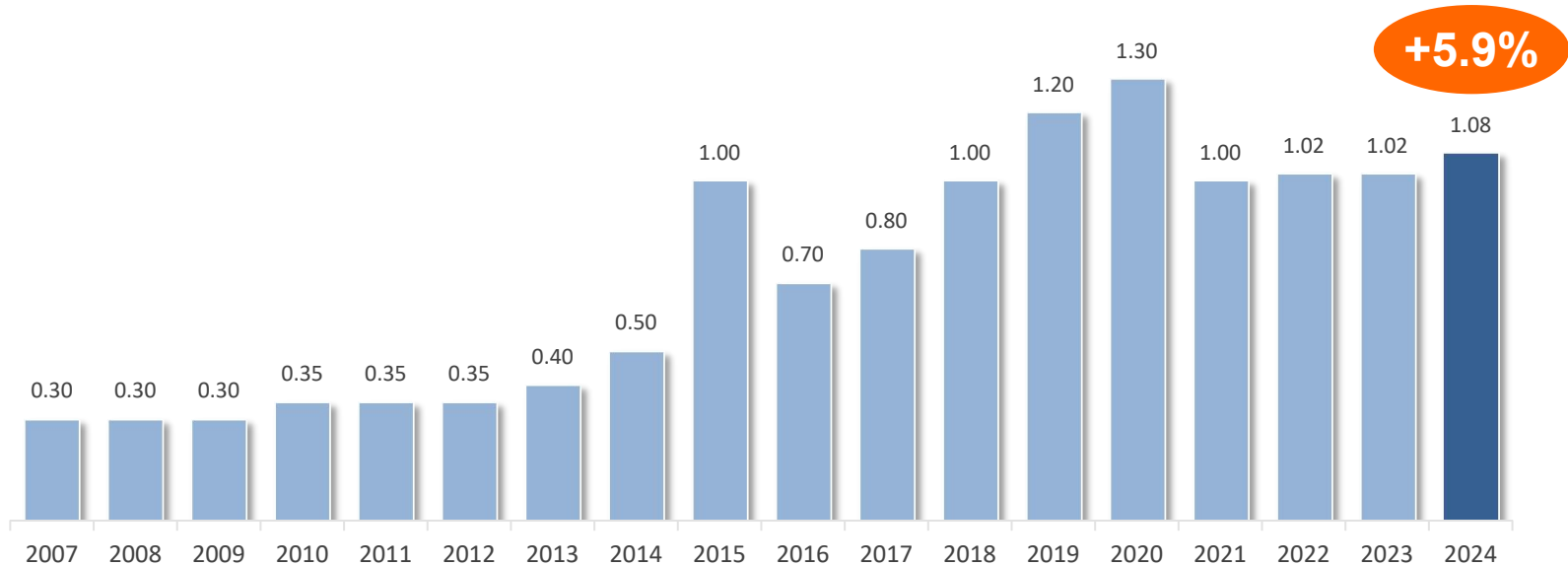


CPIC P/C and CPIC Life maintained leading positions at regulatory evaluation of industry consumer protection and Service Quality Index

Continued to generate stable, sustainable and predictable returns for shareholders

DPS

(unit: RMB yuan)



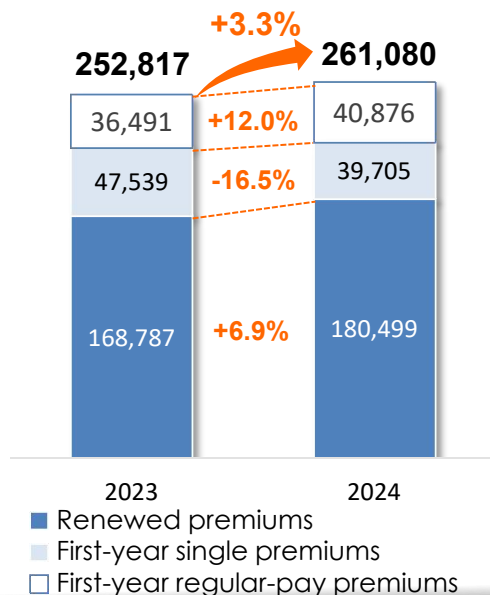
Performance Analysis

Life Insurance(1/3)

Steady NBV growth and enhanced value growth foundation

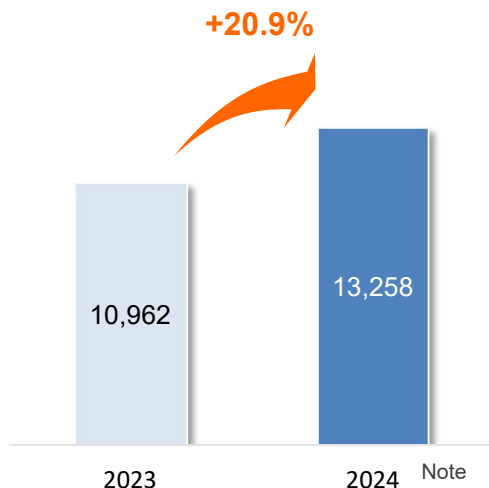
Written Premiums

(unit: RMB million)



NBV

(unit: RMB million)



Policy Persistency Ratio of Individual Customers

(unit: %)



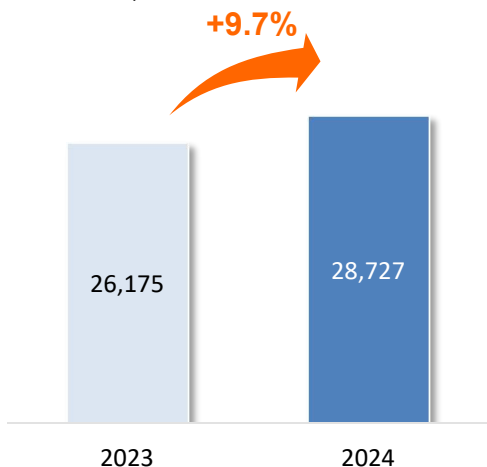
Note: NBV grew by 57.7% year on year before adjustment of economic assumptions

Life Insurance(2/3)

Agency headcount stabilised, with steady productivity gains

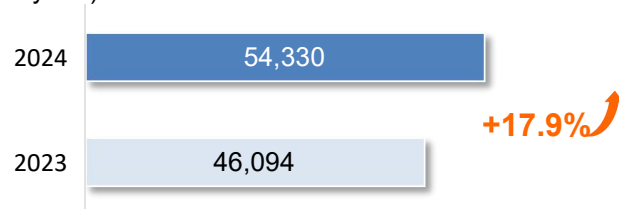
Regular-pay New Written Premiums from Agency Channel

(unit: RMB million)



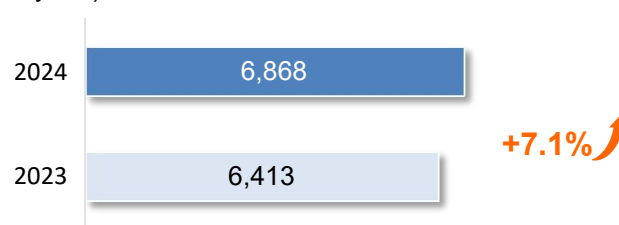
Monthly Average FYP per Core Agent^{Note}

(unit: RMB yuan)



Monthly Average FYC per Core Agent^{Note}

(unit: RMB yuan)



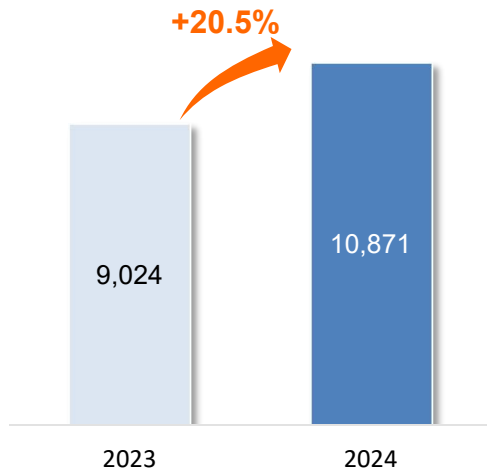
Notes: Figures for comparative periods were restated.

Life Insurance(3/3)

Bancassurance focused on value growth, with considerable improvement in value contribution

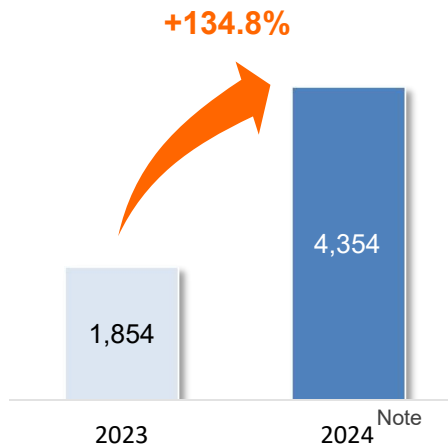
Regular-pay New Written Premiums from Bancassurance

(unit: RMB million)



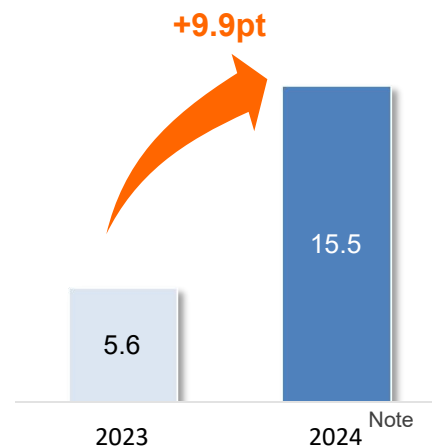
NBV from Bancassurance

(unit: RMB million)



NBV Margin of Bancassurance

(unit: %)



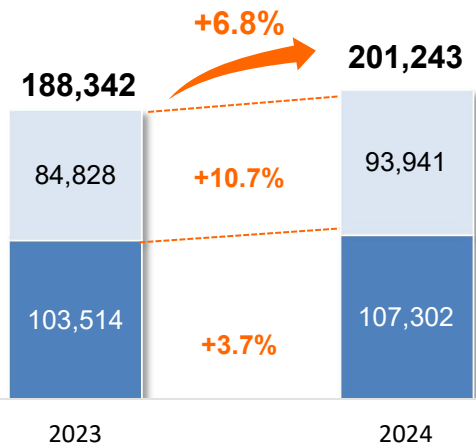
Note: Results before adjustment of economic assumptions.

P/C Insurance(1/3)

Maintained underwriting profitability, with rapid premium growth

Primary Premium Income

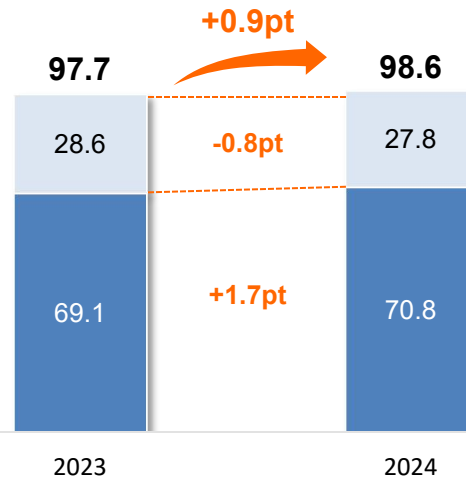
(unit: RMB million)



■ Auto insurance
■ Non-auto insurance

Underwriting CoR

(unit: %)



■ Underwriting loss ratio
■ Underwriting expense ratio

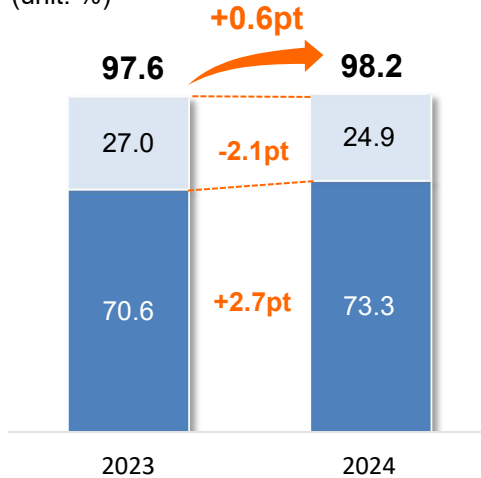
Note: The property and casualty insurance on this slide refers only to CPIC P/C.

P/C Insurance(2/3)

Strengthened precise management in auto insurance and deepened presence in NEV business

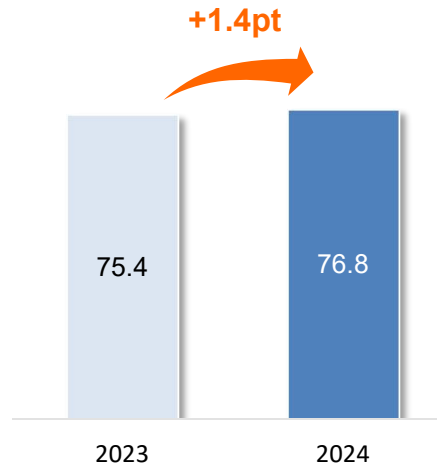
Underwriting CoR of Auto Insurance

(unit: %)



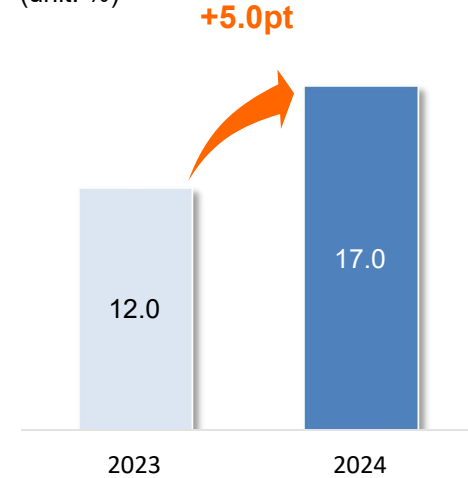
Renewal Ratio of Auto Insurance for Individual Customers

(unit: %)



Share of NEV Premiums

(unit: %)



■ Underwriting loss ratio
■ Underwriting expense ratio

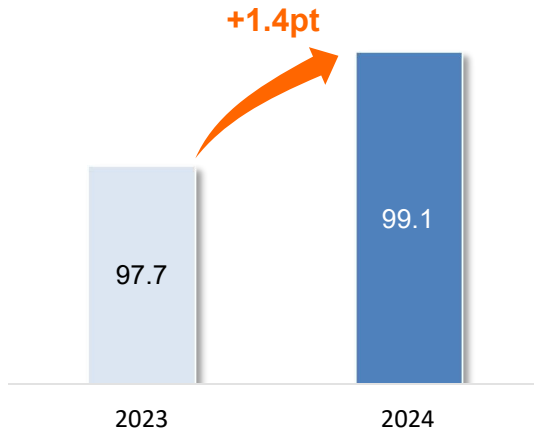
Note: The property and casualty insurance on this slide refers only to CPIC P/C.

P/C Insurance(3/3)

Optimised business mix, enhanced risk reduction management and seized market opportunities

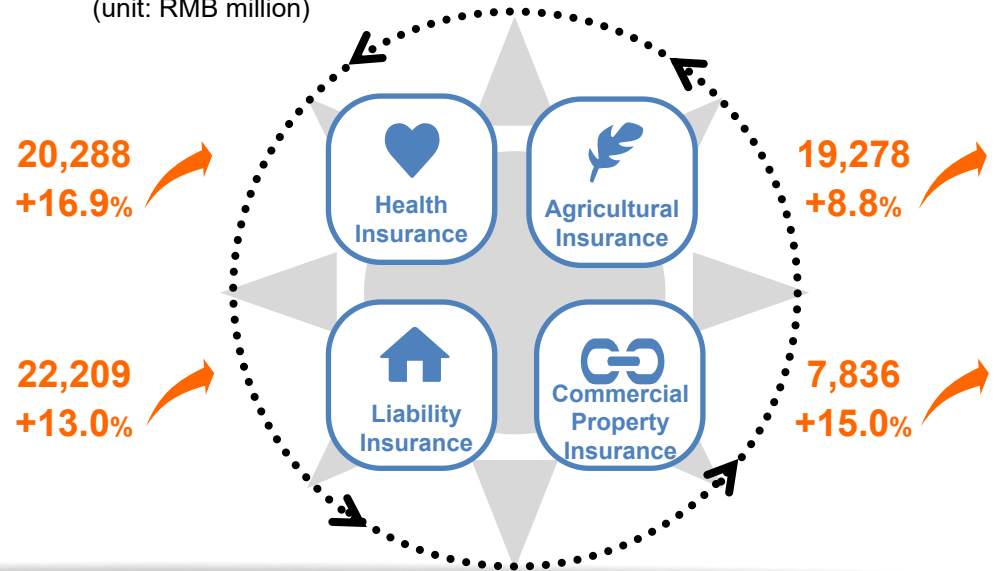
Underwriting CoR of Non-auto Insurance

(unit: %)



Primary Premium Income of Major Non-auto Business Lines

(unit: RMB million)



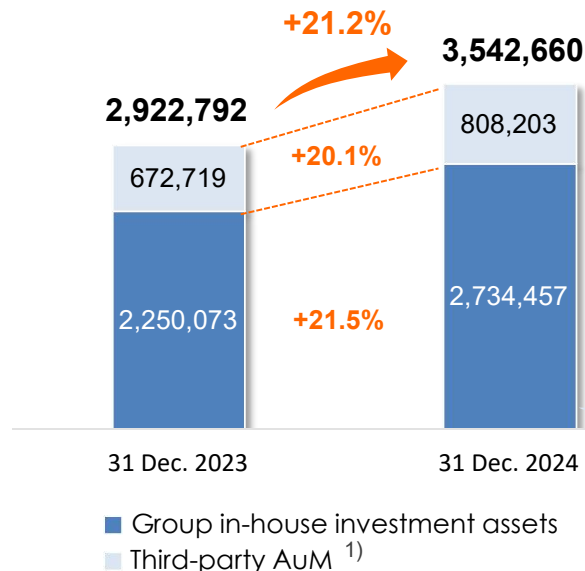
Note: The property and casualty insurance on this slide refers only to CPIC P/C.

Asset Management(1/3)

Refined ALM across market cycles, with steady increase in Group AuM

Group AuM ¹⁾

(unit: RMB million)



Group in-house investment assets	31 Dec. 2024(%)	Change(pt)
Cash and cash equivalents	1.5	0.0
Term deposits	6.4	(0.9)
Debt category financial assets	75.9	1.4
Debt securities	60.1	8.4
Bond funds	0.4	(0.1)
Preferred shares	1.8	(0.3)
Debt investment plans ²⁾	9.7	(3.5)
Wealth management products ³⁾	2.6	(2.4)
Others	1.3	(0.7)
Equity category financial assets	14.5	0.0
Stocks	9.3	0.9
Equity funds	1.9	(0.4)
Wealth management products ³⁾	0.8	(0.1)
Others	2.5	(0.4)
Long-term equity investments	0.8	(0.2)
Investment properties	0.3	(0.2)
Other investments⁴⁾	0.6	(0.1)

Notes: 1) Figures for comparative periods were restated.

2) Debt investment plans mainly include infrastructure and real estate projects.

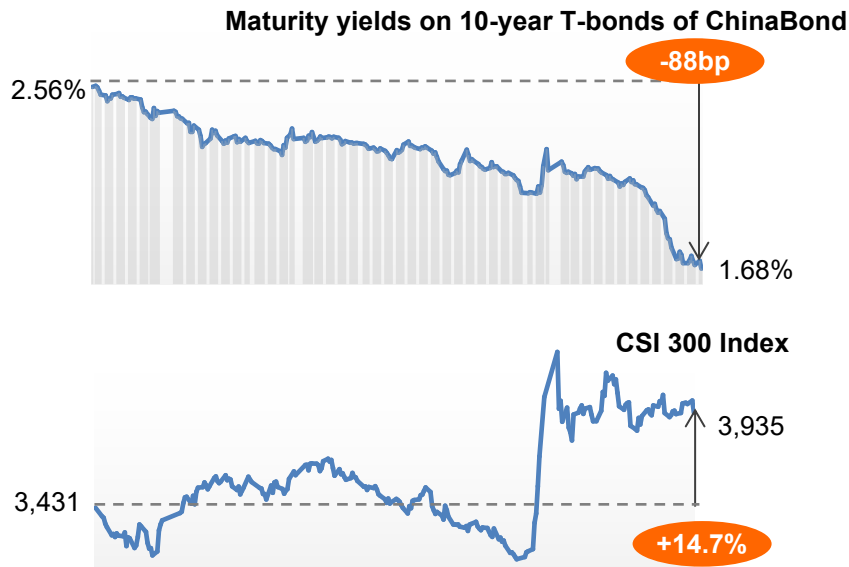
3) Wealth management products mainly include wealth management products issued by commercial banks, products by insurance asset management companies, collective trust plans by trust firms, special asset management plans by securities firms and credit assets backed securities by banking institutions, etc.

4) Other investments mainly include restricted statutory deposits and derivative financial assets, etc.

Asset Management(2/3)

Adhered to disciplined and yet flexible TAA, with robust investment performance

Key Indexes of Capital Market in 2024



Investment Performance

(unit: %)

	2024	2023
Net investment yield	3.8	4.0
Total investment yield	5.6	2.6
Comprehensive investment yield	6.0	2.7

Asset Management(3/3)

Overall credit risk of investment assets under control

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

Share of AAA

96.7%

Share of AA and above

98.8%

External Credit Ratings of Non-public Financing Instruments

Share of AAA

99.0%

Share of AA+ and above

99.4%

Mix and distribution of yields of NPFIs

Sectors	Share of investments (%)	Nominal yield(%)	Average duration (year)	Average remaining duration (year)
Infrastructure	39.9	4.5	8.4	5.0
Communications & transport	21.8	4.4	8.9	5.3
Non-bank financial institutions	13.5	4.2	5.0	1.8
Real estate	13.1	4.3	8.9	5.9
Energy and manufacturing	3.9	4.4	8.9	5.3
Others	7.8	4.5	8.3	4.7
Total	100.0	4.4	8.1	4.8

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

Outlook

Going forward, we will vigorously implement the New Development Philosophies, strive towards the vision of “building a top-notch insurance financial group with global influence” , enhance core functions and competitiveness, especially in terms of CRM, ALM, synergy and risk management, continue to strengthen support for national strategies, secure our market standings, improve risk management and continuously consolidate the foundation of high-quality development.

Q&A

Appendix 1: Profit analysis of CPIC Life

(Unit: RMB million)

For 12 months ended 31 December	2024	2023	Changes (%)
Insurance service performance and others	28,000	25,886	8.2
Insurance revenue	83,519	85,461	(2.3)
Insurance service expenses	(53,499)	(57,178)	(6.4)
Total investment income ¹⁾	100,576	36,708	174.0
Finance underwriting gains/(losses) ²⁾	(86,499)	(41,153)	110.2
Investment performance	14,077	(4,445)	(416.7)
Pre-tax profit	42,077	21,441	96.2
Income tax	(6,256)	(1,909)	227.7
Net profit	35,821	19,532	83.4

Notes: 1) Total investment income includes investment income, interest income, gains/(losses) arising from change in fair value, rental income from investment properties, interest expenses on securities sold under agreements to repurchase, impairment losses on financial assets, other asset impairment losses, and taxes and surcharges applicable to investment business, etc.
2) Finance underwriting gains/(losses) includes insurance finance expenses for insurance contracts issued and reinsurance finance income for reinsurance contracts held.

Appendix 2: Profit analysis of CPIC P/C

(Unit: RMB million)

For 12 months ended 31 December	2024	2023	Changes (%)
Insurance revenue	191,397	177,128	8.1
Insurance service expenses	(184,658)	(170,240)	8.5
Net income/(losses) from reinsurance contracts held ¹⁾	(843)	(235)	258.7
Underwriting finance losses and others ²⁾	(3,224)	(2,513)	28.3
Underwriting profit	2,672	4,140	(35.5)
Underwriting combined ratio(%)	98.6	97.7	0.9pt
Total investment income ³⁾	7,554	4,780	58.0
Net of other income and expenses	(1,089)	(899)	21.1
Pre-tax profit	9,137	8,021	13.9
Income tax	(1,761)	(1,446)	21.8
Net profit	7,376	6,575	12.2

Notes: 1) Net income/(losses) from reinsurance contracts held include allocation of reinsurance premiums, recoveries of insurance service expenses from reinsurers, reinsurance finance income for reinsurance contracts held, etc.

2) Underwriting finance losses and others include insurance finance income or expenses and changes in insurance premium reserves, etc.

3) Total investment income includes investment income, interest income, gains/(losses) arising from change in fair value, rental income from investment properties, interest expenses on securities sold under agreements to repurchase, interest expense on capital replenishment bonds, taxes and surcharges applicable to investment business and impairment losses on financial assets, etc.

Appendix 3: Sensitivity Analysis

The sensitivity results of the value of in-force business (VIF) and the new business value (NBV) of CPIC Life after cost of required capital held as at 31 December 2024

(Unit: RMB million)

	VIF business	NBV
Base	216,590	13,258
Risk discount rate "+50 basis points"	207,883	12,587
Risk discount rate "-50 basis points"	226,115	13,991
Investment return "+50 basis points"	277,381	17,982
Investment return "-50 basis points"	156,129	8,521
Mortality "+10%"	215,308	13,117
Mortality "-10%"	217,862	13,402
Morbidity "+10%"	208,046	13,002
Lapse and surrender rates "+10%"	220,531	13,187
Lapse and surrender rates "-10%"	212,472	13,343
Expenses "+10%"	212,904	12,582

Note: In determining the sensitivity results, only the relevant cashflow assumption and risk discount rate assumption has been changed, while all other assumptions have been left unchanged.

Appendix 4: Honours & Awards

- ◆ CPIC Group maintained the ranking of 5th place among the World's 100 Most Valuable Insurance Brands in 2024 released by BrandFinance.
- ◆ CPIC obtained MSCI ESG “AA” rating, the highest rating received by Chinese insurance institutions.
- ◆ CPIC Group chairman FU Fan won the 2024 Directors of the Year Award granted by the Hong Kong Institute of Directors.
- ◆ CPIC Group was granted Best Cases of the Year at the 2024 Best Practices of the Board of Directors of Publicly Traded Companies organised by the Chinese Association of Listed Companies, and Best Cases of the Year at the 2024 Best Cases in Sustainable Development of Publicly Traded Companies organised by the same association.
- ◆ CPIC was the first insurance group in China to obtain the DCMM (Data Management Capability Maturity Model) Level 5 (the highest-level) certification from the China Electronics Information Industry Federation.
- ◆ CPIC P/C and CPIC Life both won top ranking among industry peers at the regulatory evaluation of consumer rights protection, and CPIC Health received high ranking on the Service Quality Index among specialised health insurers.
- ◆ CPIC P/C, CPIC Life and CPIC AMC respectively won the 2024 Insurance Company Ark Award for Value-Based Transformation, the 2024 Insurance Company Ark Award for High-Quality Development, and the 2024 Insurance Asset Management Company Ark Award for High-Quality Development in the 2024 (9th) China Insurance Ark Awards sponsored by Securities Times.
- ◆ CPIC Health's “Lan Yi Bao - Long-term Medical Insurance Package” won the “Jin Kou Bei” Medical Insurance Product of the Year Award at the 2023-2024 “Jin Kou Bei” Insurance Product Competition sponsored by China Banking and Insurance News.
- ◆ Changjiang Pension won the “China, Best Enterprise Annuity Manager” , “China, Fintech Innovation in Pensions” , and “China, Best Enterprise Annuity Scheme - Golden Sunshine Collective Enterprise Annuity Scheme” of the 2024 Best of the Best Awards sponsored by the Asia Asset Management magazine.

THANKS!