

CPIC (SH601601, HK02601)

Stock Data(ending Sept. 30th , 2016

Total equity base (in million)	9,062
A-share	6,287
H-share	2,775
Total Cap (in RMB million)	248,616
A-share	180,751
H-share (in HKD million)	79,504
6-mth highest/lowest	
A-share (in RMB)	29.53/25.79
H-share (in HKD)	30.25/24.95

Investor Relations Calendar

November 2 - 4, 2016
BofAML China Investment Summit
Beijing

November 2-4, 2016
CICC China Investment Forum
Beijing

November 30, 2016
Credit Suisse Asia Financials Corporate
Day
Hongkong

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Premium Income (Unit: in RMB million)

Indicator	Jan. to Sept.	Changes	Sept.	Changes
P & C	71,495	1.22%	8,065	0.98%
Auto	55,332	1.28%	--	--
Non-auto	16,163	1.02%	--	--
Life	117,335	31.02%	10,775	15.33%
Individual Business	104,556	38.37%	--	--
New Policies	35,822	44.56%	--	--
Reg Premium	34,566	44.48%	--	--
Single Premium	1,256	46.73%	--	--
Renewed Policies	68,734	35.36%	--	--
Group & Partnerships	12,779	(8.67%)	--	--
New Policies	7,661	9.76%	--	--
Reg Premium	248	(74.00%)	--	--
Single Premium	7,413	23.02%	--	--
Renewed Policies	5,118	(27.01%)	--	--

COMPANY UPDATES

- **Capital injection into CPIC AMC approved by CIRC**

On October 11, CIRC officially granted its approval of the capital injection of 800 million yuan into CPIC AMC by CPIC Group, CPIC Life and CPIC P/C. Upon completion of the injection, CPIC AMC's registered capital will be increased to 1.3 billion.

- **CPIC Allianz Health opens Guangdong Branch**

The opening ceremony of the Guangdong Branch of CPIC Allianz Health was held on September 28, and on the same day, "Aijia Youyue", a household high-end medical insurance product was also released.

REGULATORY UPDATES

- **CIRC steps up supervision of life insurance products**

Recently CIRC issued The Circular on Enhancing Regulation of Life/Health Insurance Products which seeks to strengthen the regulation of product development and design and to deepen the "supply-side reform" of life insurance market. The circular helps to improve the regulatory framework for life insurance products, which now features the mechanisms for product exit, management accountability, product review and information disclosure.

1. Enhanced supervision. Insurance companies are required to file for record within 10 days of the launch of insurance products. The regulator will also step up regulatory auditing.
2. Product exit mechanism. Products not in compliance with the regulation shall be withdrawn from the market. Insurance companies are encouraged to eliminate compliant and yet unpopular products.
3. More accountability. Insurance companies, their CEOs, chief actuaries, and legal responsible person will be held responsible for irregularities in the design and sales of products.
4. Product review mechanism. Insurance companies are required to set up a product development management working group to conduct full-process management and review.
5. Improved information disclosure. Insurers shall disclose information of their products on their official websites or the website of the Insurance Association of China to improve product transparency and facilitate public supervision.
6. Enhanced management of new products. The document sets forth more stringent regulations for publicity, sales, benefit advertising to mitigate mis-selling. Its also provides that the crediting rate on universal life be linked to insurers' actual investment yields to rein in irrational competitions.

The document grants more autonomy to insurance companies in product design and therefore, shortens the time to market. On the other hand, it also requires improvement in insurers' product management capabilities and will lead to better product design quality. It will also promote product differentiation by providing for an exit mechanism for those products which do not satisfy consumers' real needs.

- **CIRC gives green light for insurance companies to participate in Shanghai-Hong Kong Connect**

The CIRC released The Regulatory Statement on Participation of Shanghai-Hong Kong Connect by Insurance Funds, giving permission for insurance companies to invest in the Hong Kong stock market via the pilot programme. The relaxation gives insurers more flexibility and options in equity investment and will help to ease the pressure on their asset management and improve their investment performance. The document explicitly stipulates that those who participate in the programme should have qualifications in equity investment, and otherwise should outsource to qualified managers. Portfolio insurance asset management products are also allowed to invest in Hong Kong shares under this programme. Besides, investments via this programme shall be subject to CIRC's proportional limit on equity investment.