



**NCI 新华保险**

关爱人生每一天

# 2016年中期业绩发布会

## 2016 Interim Results Announcement

2016.08.31



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# Overview

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## Insurance Business

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## Investment Performance

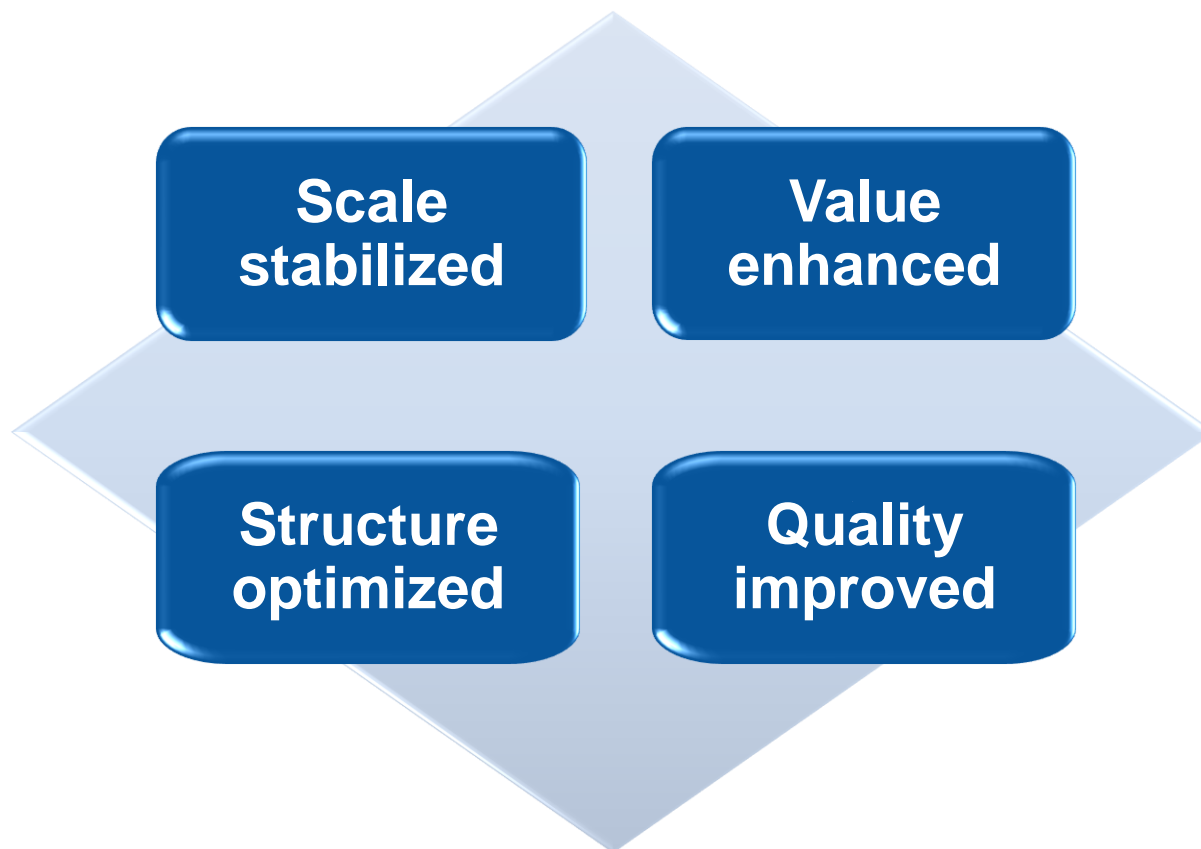
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## Embedded Value







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## Outlook








In the first half of 2016, the Company further promoted business transformation, focused on regular premium business, proactively downsized single premium business, and optimized business structure. The overall performance showed four main features:



# Key Financial & Business Indicators

Unit: RMB million	30 June 2016	30 June 2015 /End of 2015	Change
<b>Gross written premiums</b>	<b>71,035</b>	<b>72,661</b>	 <b>2.2%</b>
<b>Net profit attributable to shareholders of the Company</b>	<b>3,333</b>	<b>6,752</b>	 <b>50.6%</b>
<b>Basic earnings per share (RMB)</b>	<b>1.07</b>	<b>2.16</b>	 <b>50.5%</b>
<b>Total assets</b>	<b>686,039</b>	<b>660,560</b>	 <b>3.9%</b>
<b>Equity attributable to shareholders of the Company</b>	<b>57,711</b>	<b>57,835</b>	 <b>0.2%</b>
<b>Weighted ROAE</b>	<b>5.73%</b>	<b>12.75%</b>	 <b>7.02ppts</b>

# Key Financial & Business Indicators (cont'd)

Unit: RMB million		30 June 2016	30 June 2015/End of 2015	Change
<b>Investment assets</b>		666,135	635,688	 4.8%
<b>Total investment yield</b>		5.3%	10.5%	 5.2ppts
<b>Net investment yield</b>		5.2%	4.8%	 0.4ppts
<b>Embedded value</b>		109,684	103,280	 6.2%
<b>Value of half-year's new business</b>		4,049	3,428	 18.1%
<b>Solvency ratio</b>	<b>Core</b>	251.75%	248.54%	 3.21ppts
	<b>Aggregated</b>	281.83%	280.96%	 0.87ppts

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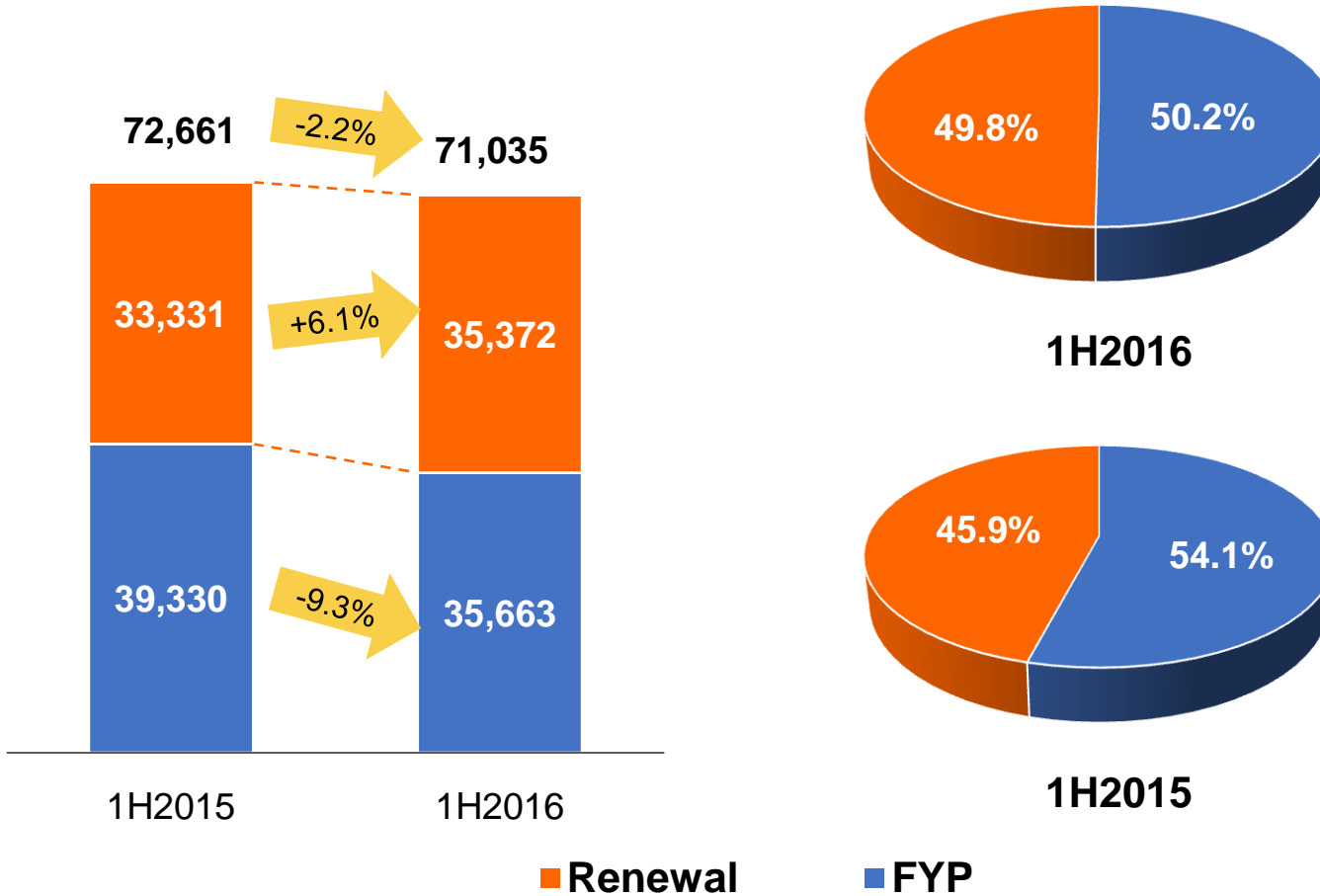
Embedded Value

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Outlook

# Gross Written Premiums and Breakdown

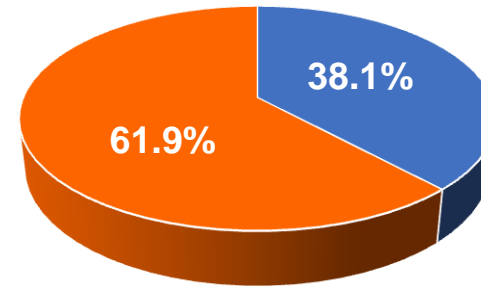
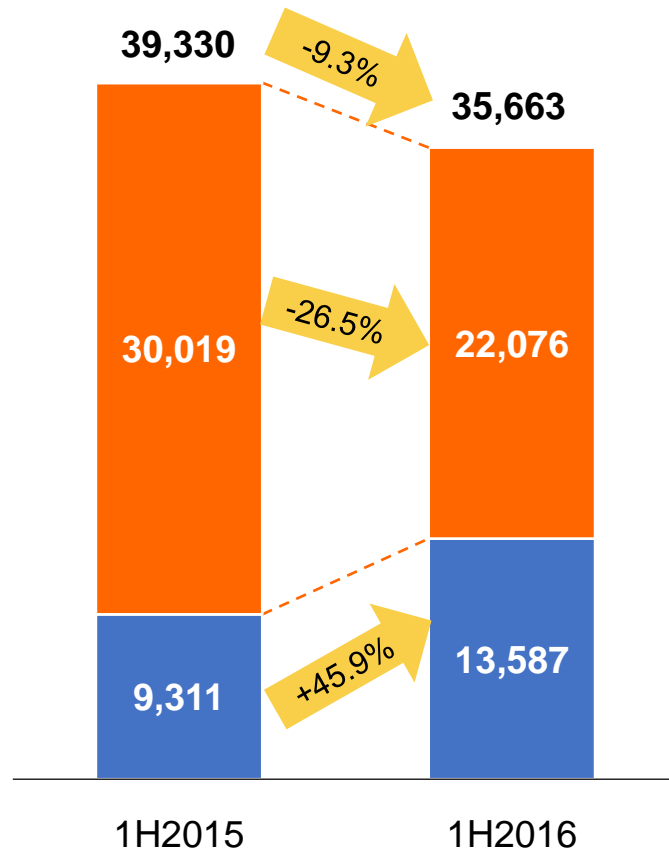
(RMB million)



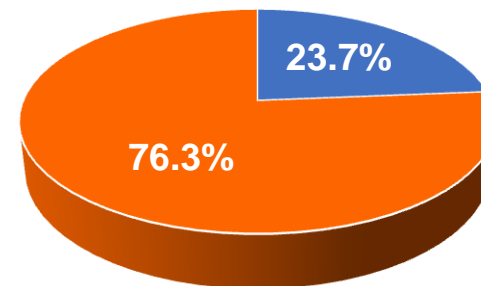


# First Year Premiums and Breakdown

(RMB million)



1H2016



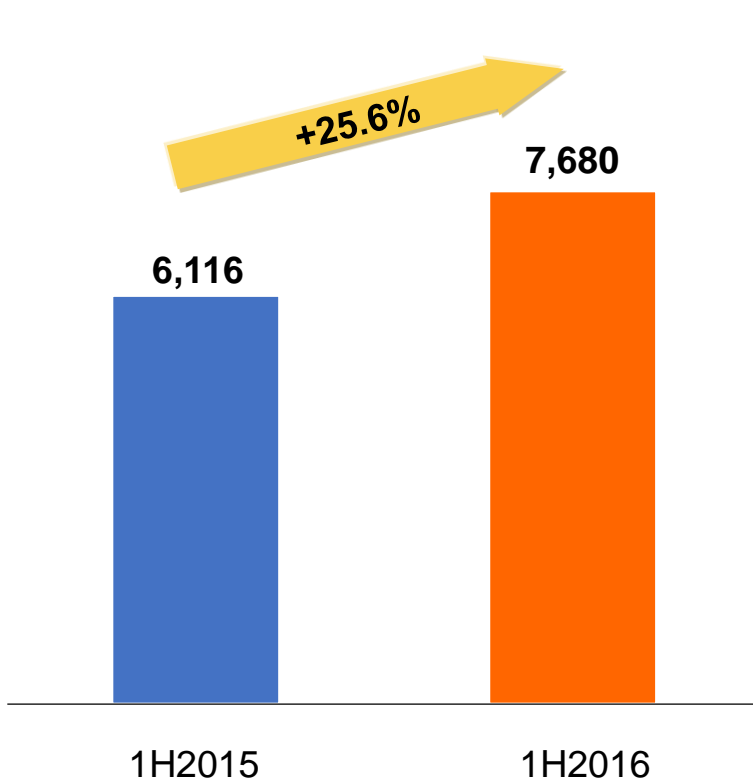
1H2015

■ Single ■ Regular

# Term Structure and Product Structure

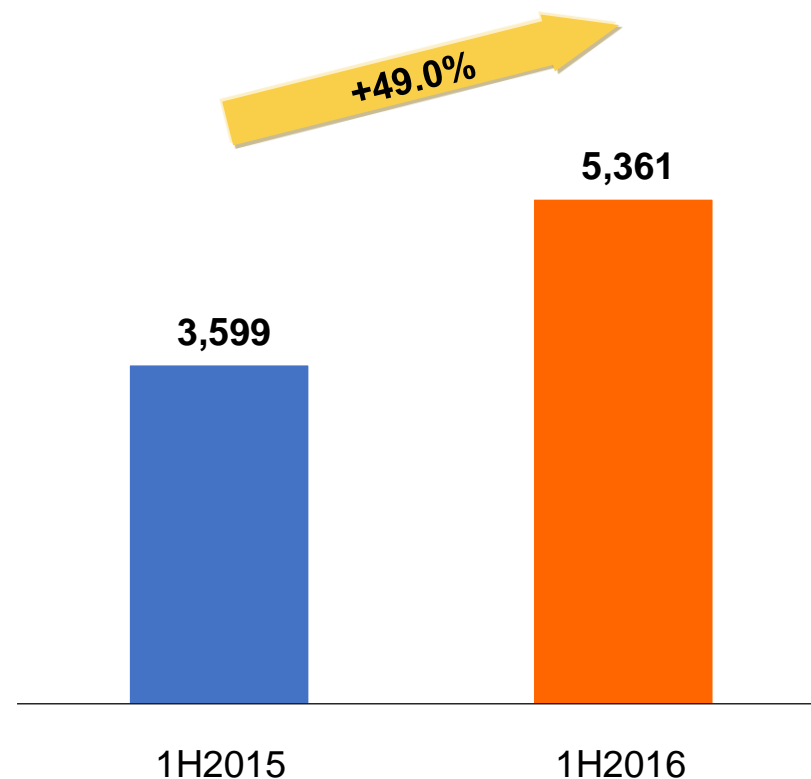
## FYRP with payment duration of 10-year or above

(RMB million)



## FYP from health insurance

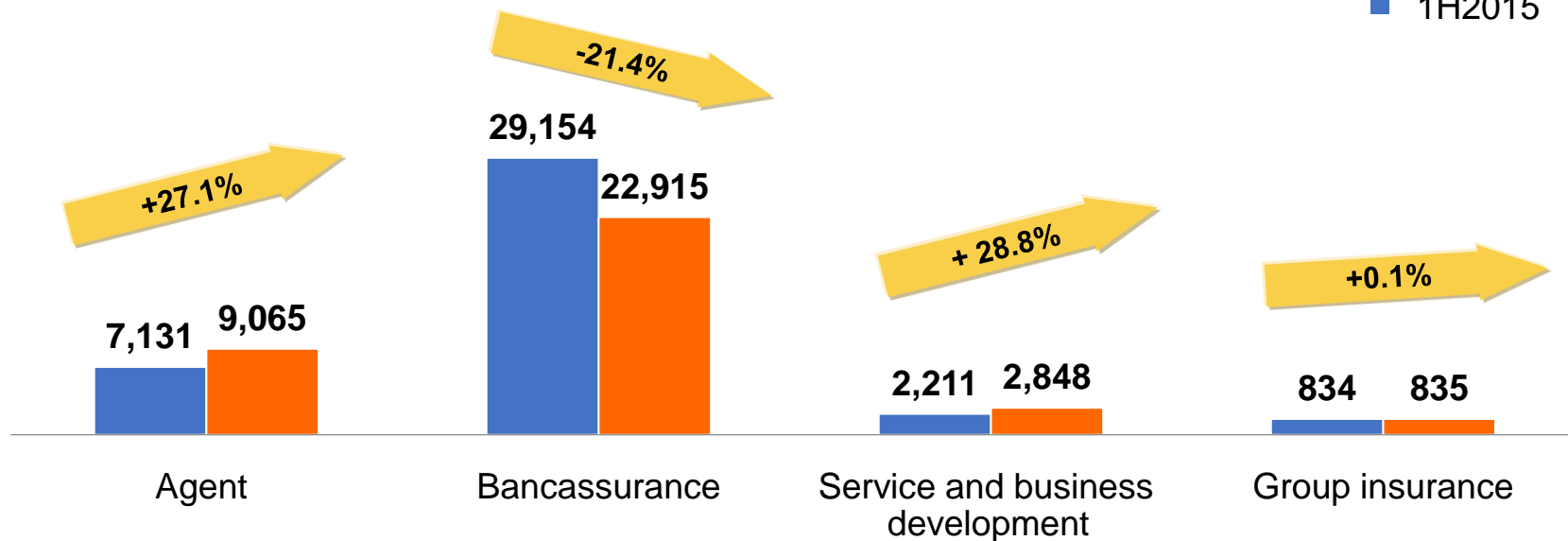
(RMB million)



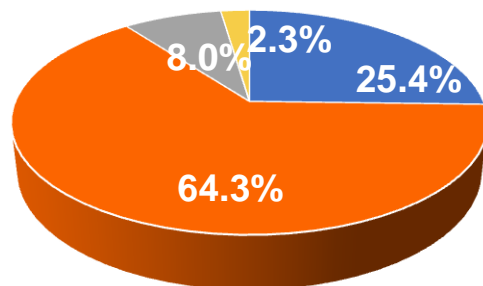
# FYP Breakdown by Channels

(RMB million)

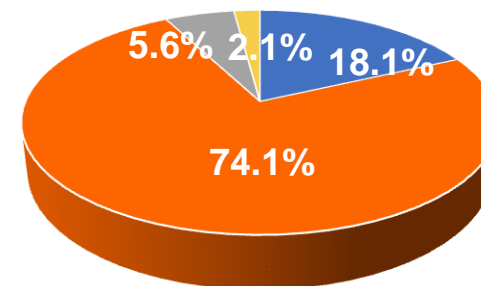
■ 1H2016  
■ 1H2015



1H2016



1H2015

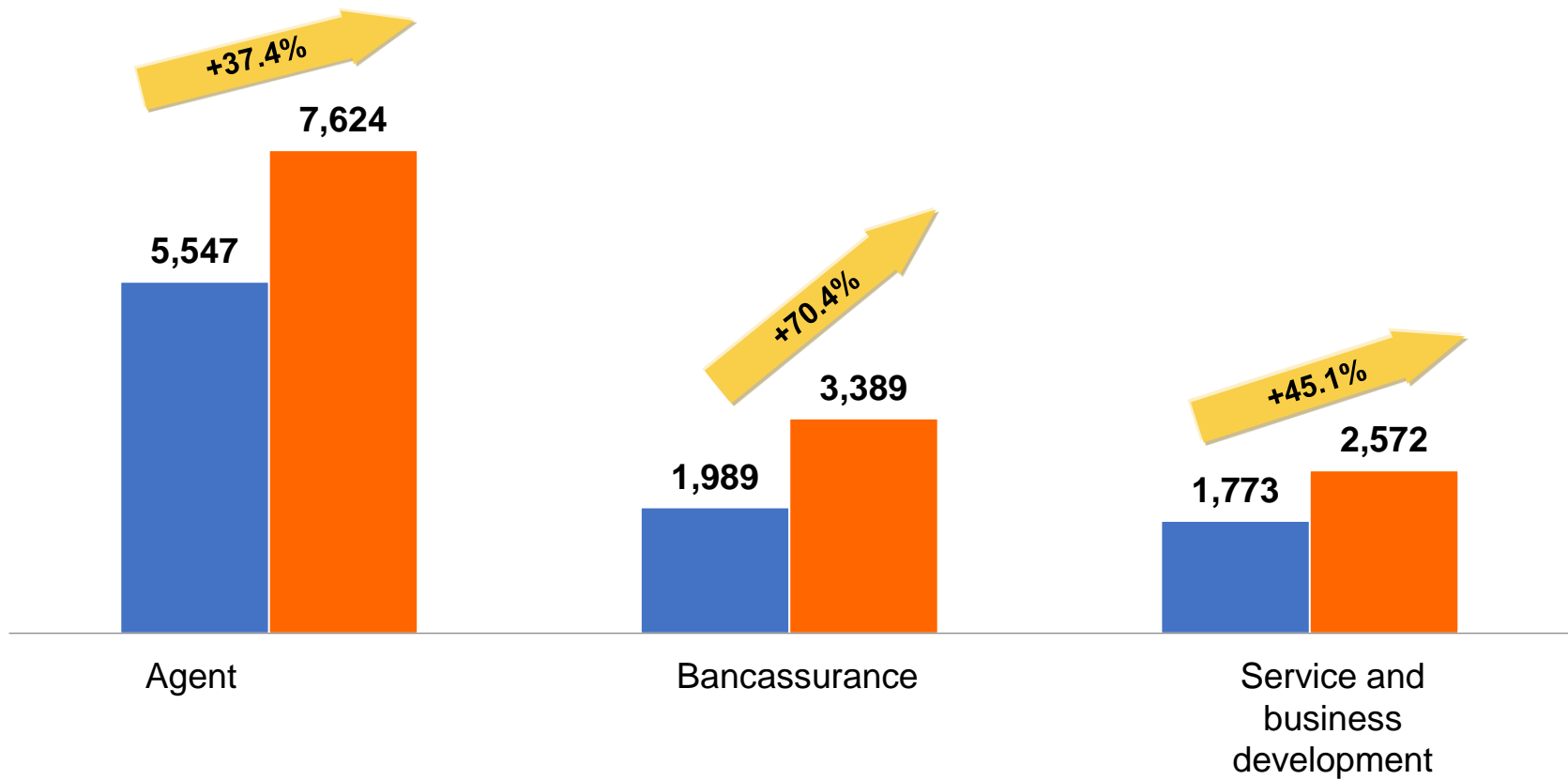


■ Agent   ■ Bancassurance   ■ Service and business development   ■ Group insurance

# First Year Regular Premiums by Channels

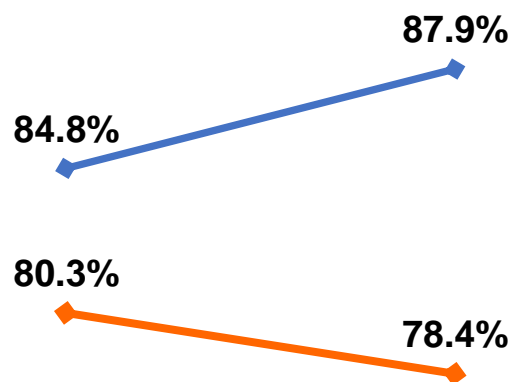
(RMB million)

■ 1H2016  
■ 1H2015



## Persistency ratio

- 13 months
- 25 months



1H2015

1H2016

## Surrender rate



7.2%

4.5%

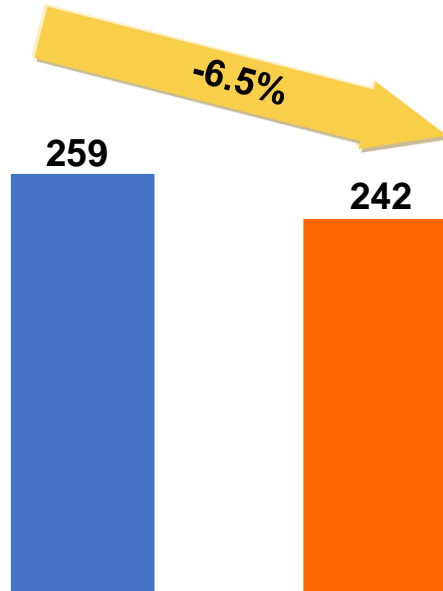
1H2015

1H2016

# Agent Channel Team Building

## Total agents

(Unit: '000)

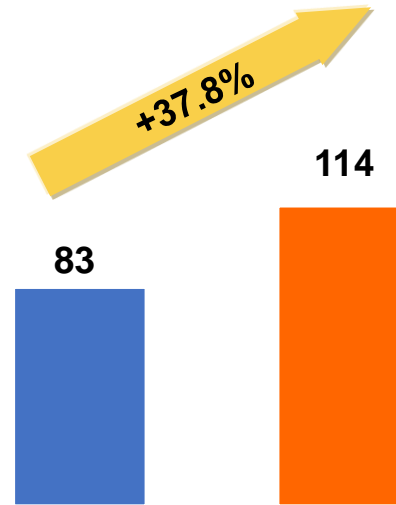


31 Dec 2015

30 Jun 2016

## Qualified agents (monthly average)

(Unit: '000)

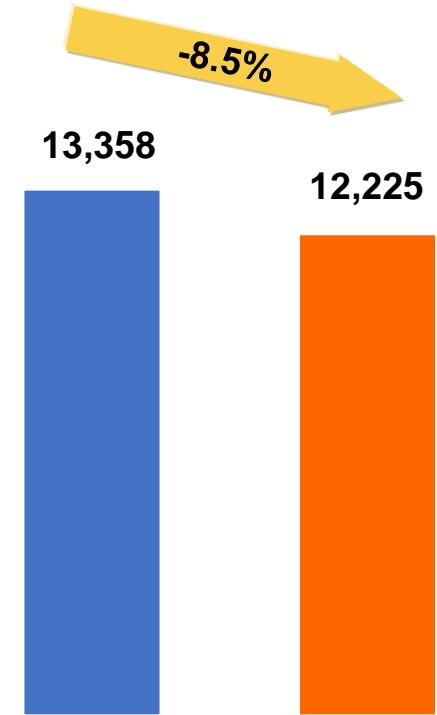


20151H

20161H

## Productivity of qualified agents (monthly average)

(RMB)



20151H

20161H

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Embedded Value

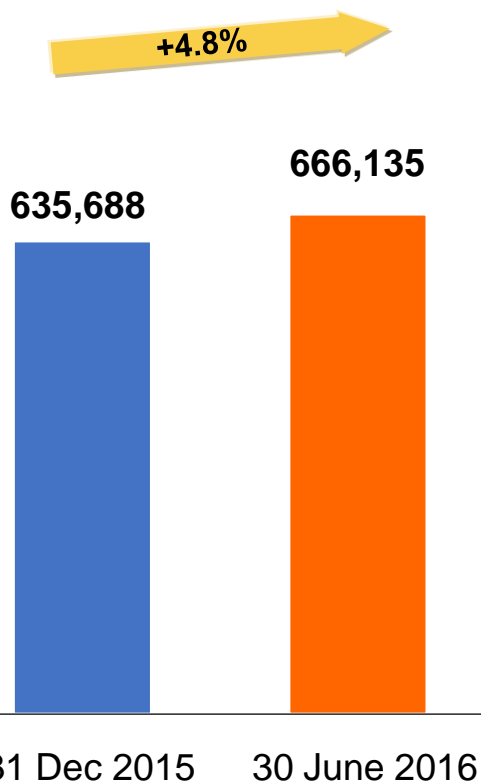
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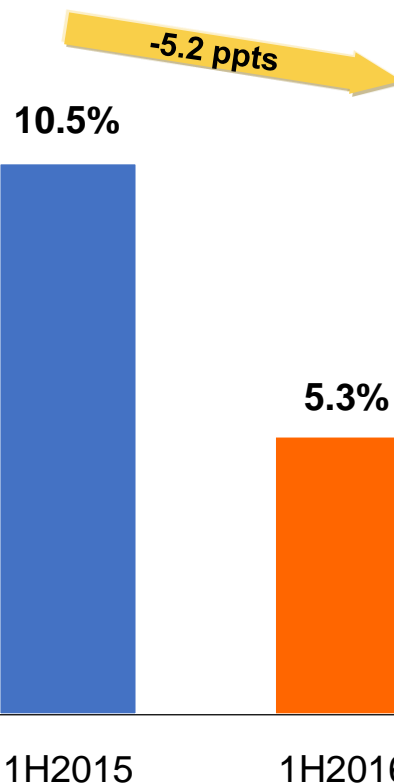
# Investment Performance

## Investment assets

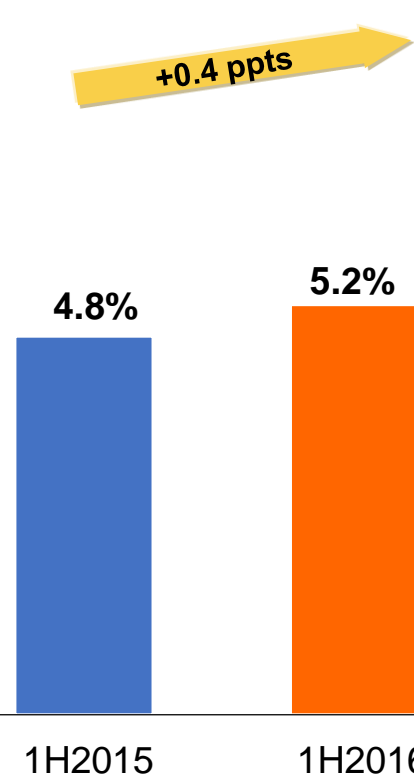
(RMB million)



## Total investment yield



## Net investment yield





# Investment Assets Allocation

Unit: RMB million	As at June 30 2016		As at the end of 2015		Percentage change	
	Amount	Percentage	Amount	Percentage	(ppts)	
<b>Term deposits</b>	<b>91,099</b>	<b>13.7%</b>	<b>127,679</b>	<b>20.1%</b>	↓	<b>6.4 ppts</b>
<b>Debt</b>	<b>425,434</b>	<b>63.9%</b>	<b>348,281</b>	<b>54.8%</b>	↑	<b>9.1 ppts</b>
– Bonds	244,763	36.7%	229,235	36.1%	↑	0.6 ppts
– Trust plan	50,714	7.6%	49,903	7.9%	↓	0.3 ppts
– Debt plan <sup>1</sup>	31,149	4.7%	29,299	4.6%	↑	0.1 ppts
– Project asset support plan	20,000	3.0%	20,000	3.1%	↓	0.1 ppts
– Others <sup>2</sup>	78,808	11.8%	19,844	3.1%	↑	8.7 ppts
<b>Equity</b>	<b>103,769</b>	<b>15.6%</b>	<b>114,322</b>	<b>18.0%</b>	↑	<b>2.4 ppts</b>
– Funds	45,327	6.8%	52,271	8.2%	↓	1.4 ppts
– Stocks	27,914	4.2%	33,499	5.3%	↓	1.1 ppts
– Investments in associates	4,549	0.7%	3,626	0.6%	↑	0.1 ppts
– Others <sup>3</sup>	25,979	3.9%	24,926	3.9%	→	-
<b>Cash &amp; cash equivalents</b>	<b>13,209</b>	<b>2.0%</b>	<b>13,904</b>	<b>2.2%</b>	↓	<b>0.2 ppts</b>
<b>Other investment assets<sup>4</sup></b>	<b>32,624</b>	<b>4.9%</b>	<b>31,502</b>	<b>4.9%</b>	→	-

Note

1. Debt plans mainly consist of infrastructure and real estate investment projects
2. Other debt investments include asset management plans and wealth management products
3. Other equity investments include asset management plans, private equities, equity plans and unlisted equities
4. Other investments include capital margin deposits, policy pledge loans, financial assets purchased under agreements to resale, dividends and interest receivable, etc.

# Non-standard Assets Portfolio

Unit: RMB million	As at June 30 2016	As at the end of 2015	Change (%)	
<b>Non-standard debt investments</b>	<b>180,671</b>	<b>119,046</b>	<b>↑</b>	<b>51.8%</b>
Trust plans	50,714	49,903	↑	1.6%
Debt plans	31,149	29,299	↑	6.3%
Project asset support plans	20,000	20,000	-	-
Others <sup>1</sup>	78,808	19,844	↑	297.1%
<b>Non-standard equity investments</b>	<b>25,979</b>	<b>24,926</b>	<b>↑</b>	<b>4.2%</b>
Asset management plans	9,937	10,552	↓	5.8%
Others	16,042	14,374	↑	11.6%
<b>Total</b>	<b>206,650</b>	<b>143,972</b>	<b>↑</b>	<b>43.54%</b>

Note

1. Other non-standard debt investments include asset management plans and wealth management products; the large rise in other non-standard debt investments is mainly attributable to the increase in allocation to commercial banking wealth management products, which accounts for 36.8% of total non-standard investments, representing of 24.9ppts increase as compared to the end of 2015

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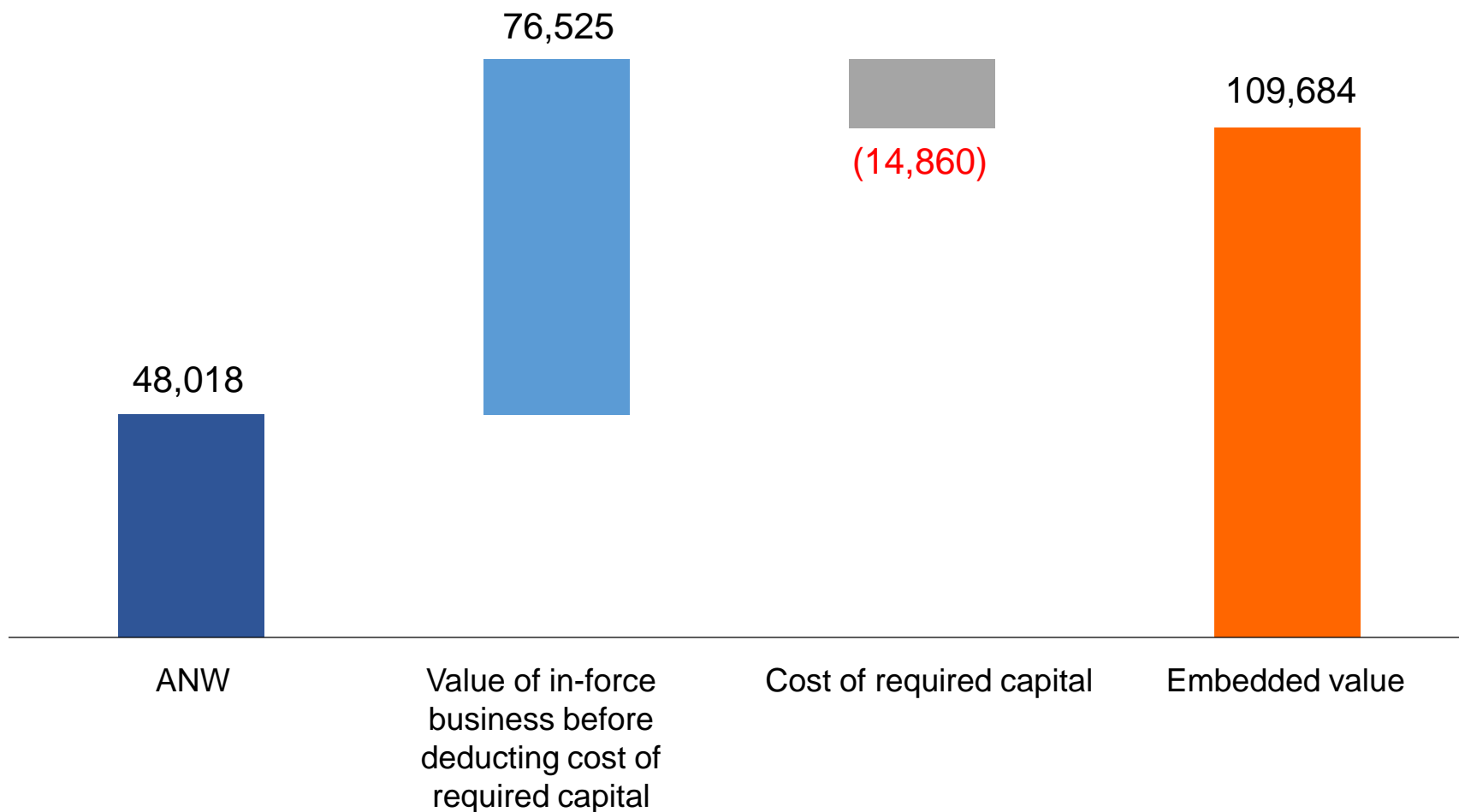
Embedded Value

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Outlook

# Embedded Value—Composition Analysis

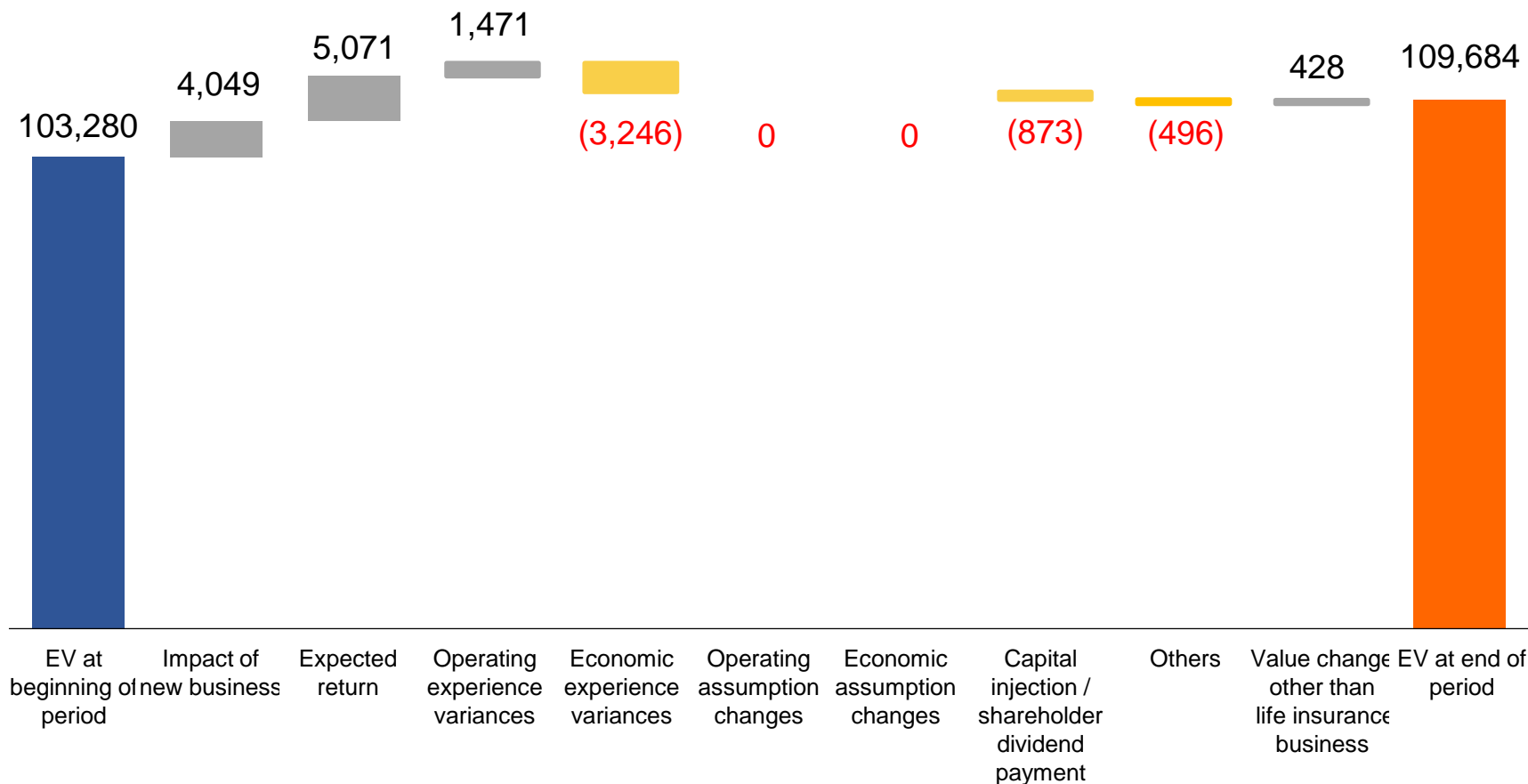
(RMB million)



Note: Figures may not match totals due to rounding

# Embedded Value—Movement Analysis

(RMB million)

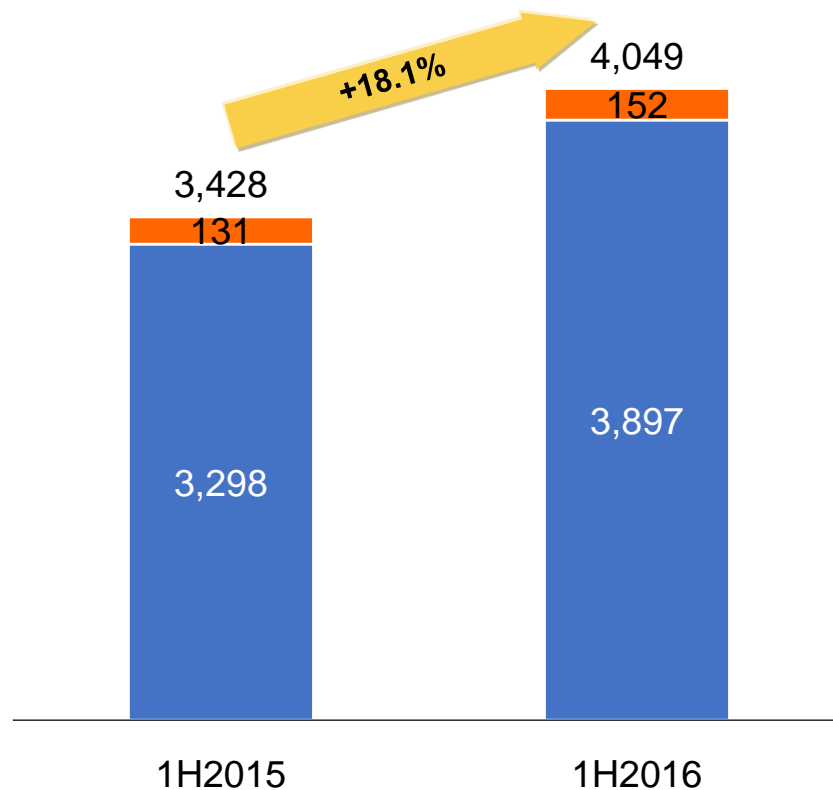


Note: Figures may not match totals due to rounding

# Value of New Business in the First Half

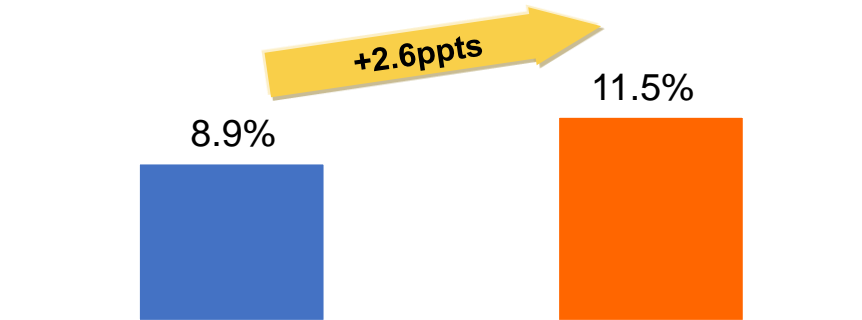
## Value of half year's new business

(RMB million)

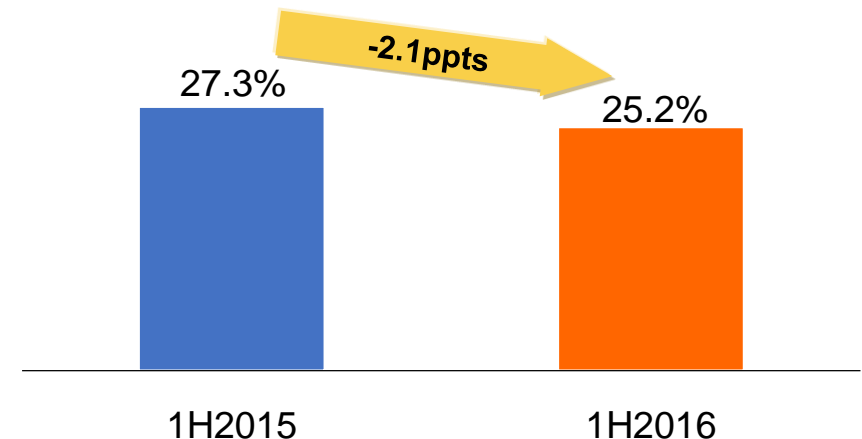


## New business value margin

Based on FYP



Based on APE



- Agent channel<sup>1</sup>
- Others<sup>2</sup>

Note:

1. Half year's NBV from agent channel includes half year's NBV from service and business development channel
2. Others include NBV from bancassurance and group business channels
3. APE represents 100%\* first year regular premiums+10%\*first year single premiums
4. Figures may not match totals due to rounding

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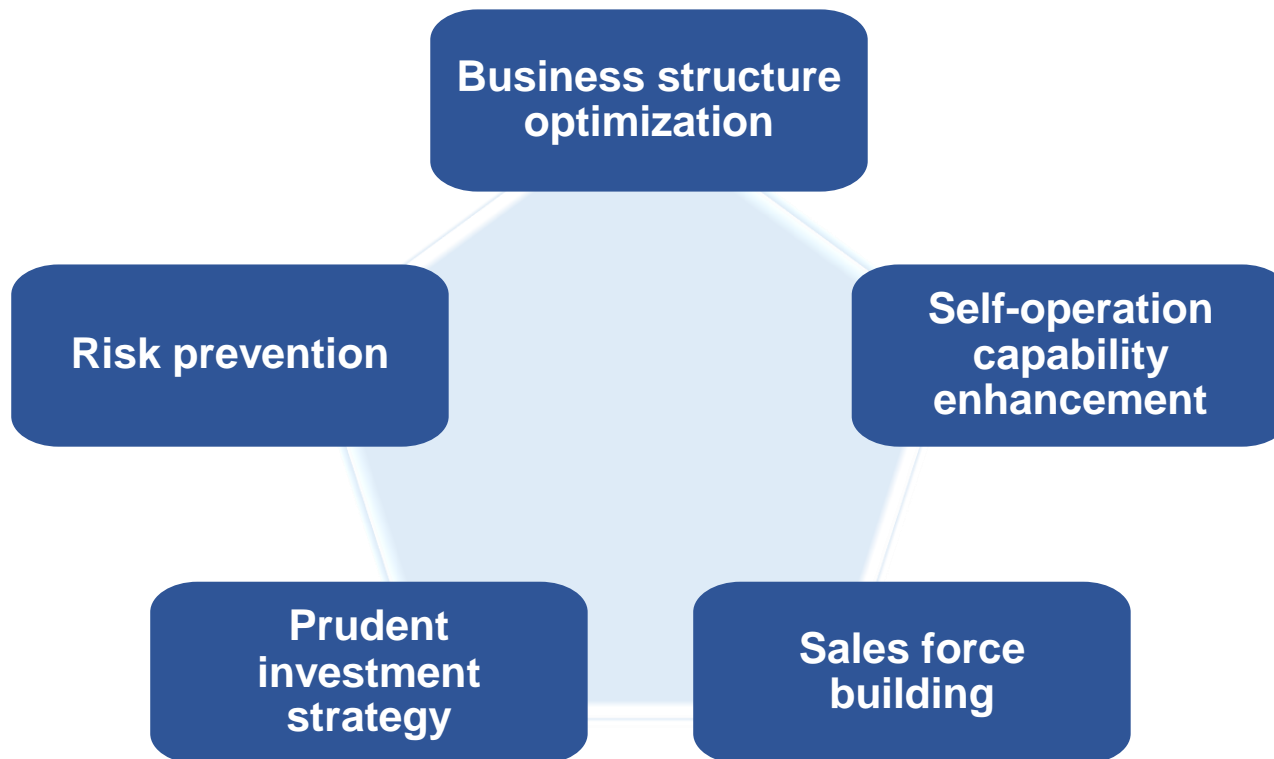
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**Embedded Value**

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**Outlook**

**In the near future, the company will adhere to the principle of returning to the essence of insurance with continued focus on value enhancement and the work theme of “accelerating business transformation and improving self-operation capability”. We will focus on:**





# Q & A

