



**NCI 新华保险**

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# 2019 Interim Results Announcement

2019.8.29



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**Outlook**

In the first half of 2019, the Company carried out the general principle of “making steady progress” and actively responded to new changes. The Company achieved steady growth of gross written premiums ( “GWP” ) and better business structure and quality through focusing on core business and consolidating transformation results.



**GWP realized  
steady growth**



**Business structure  
optimized**



**Business quality  
improved**

# Key Business & Financial Indicators

Unit: RMB million

Indicators		1H2019/ 30 Jun. 2019	1H2018/ 31 Dec. 2018	Change
Gross written premiums		73,994	67,870	9.0%
First year regular premiums		11,712	11,611	0.9%
Regular premiums with payment periods of ten years or more		6,002	7,074	-15.2%
Total assets		808,124	733,929	10.1%
Equity attributable to shareholders		76,590	65,587	16.8%
Net profit attributable to shareholders		10,545	5,799	81.8%
Embedded value		191,403	173,151	10.5%
Value of new business		5,890	6,451	-8.7%
Residual margin		208,313	195,637	6.5%
Solvency ratio	Core	284.85%	269.64%	15.21pts
	Comprehensive	289.52%	274.51%	15.01pts

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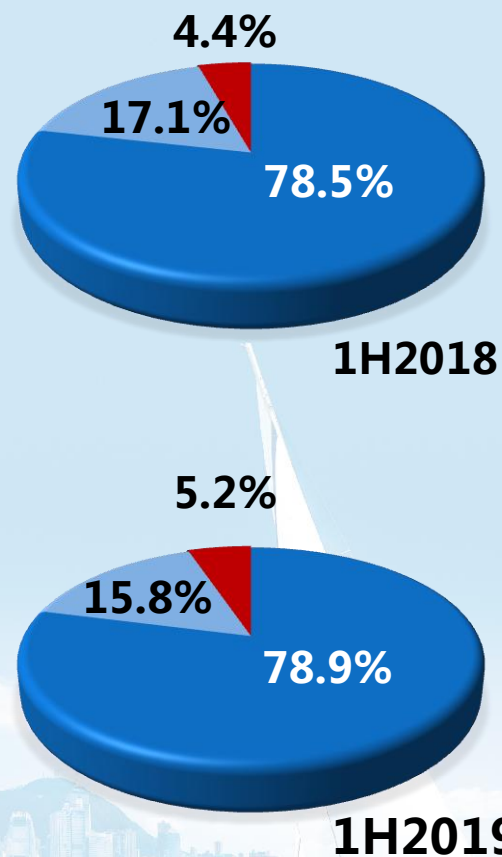
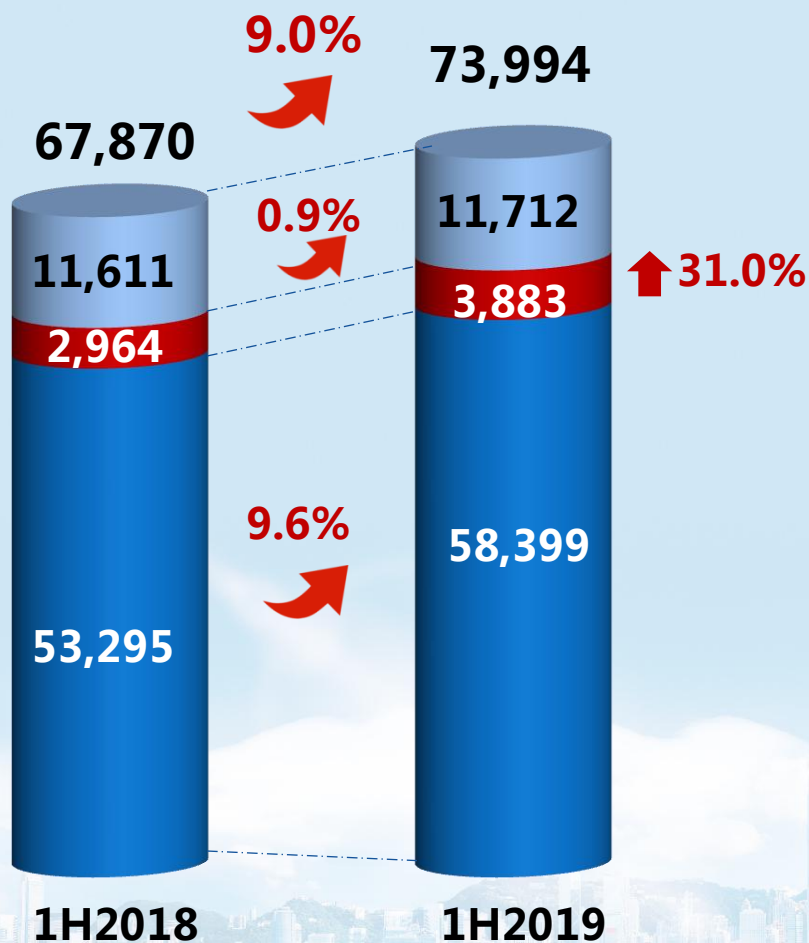
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## Outlook

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# Gross Written Premiums & Breakdown

Unit: RMB million



■ FYP from long-term insurance business

■ Premiums from short-term insurance business

■ Renewal premiums

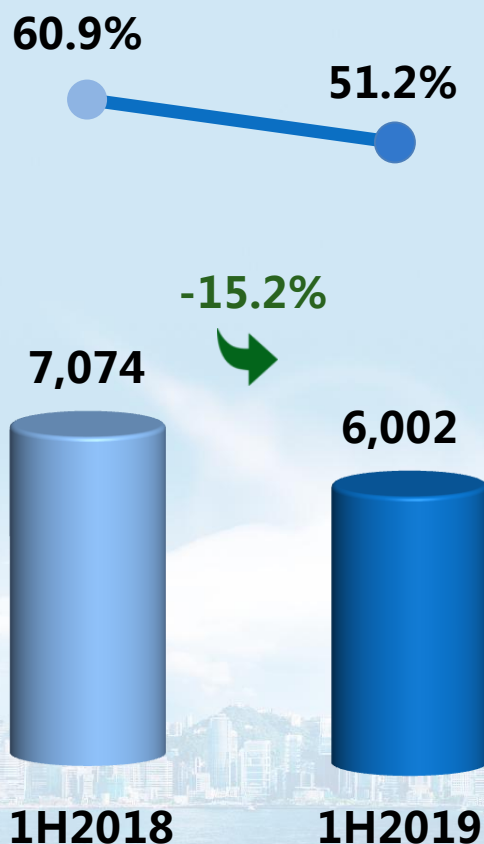
Note: Numbers may not be additive due to rounding.

# Term Structure & Product Structure

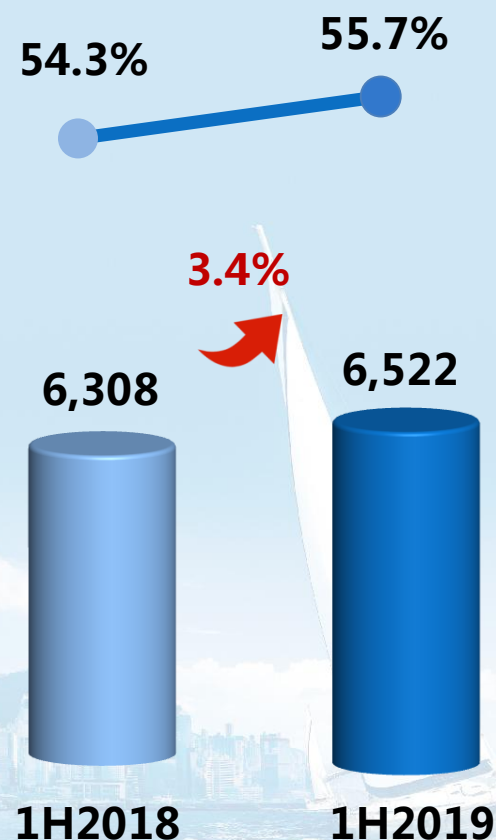
● % to FYP from long-term insurance business

Unit: RMB million

FYRP with payment periods of 10 years or more



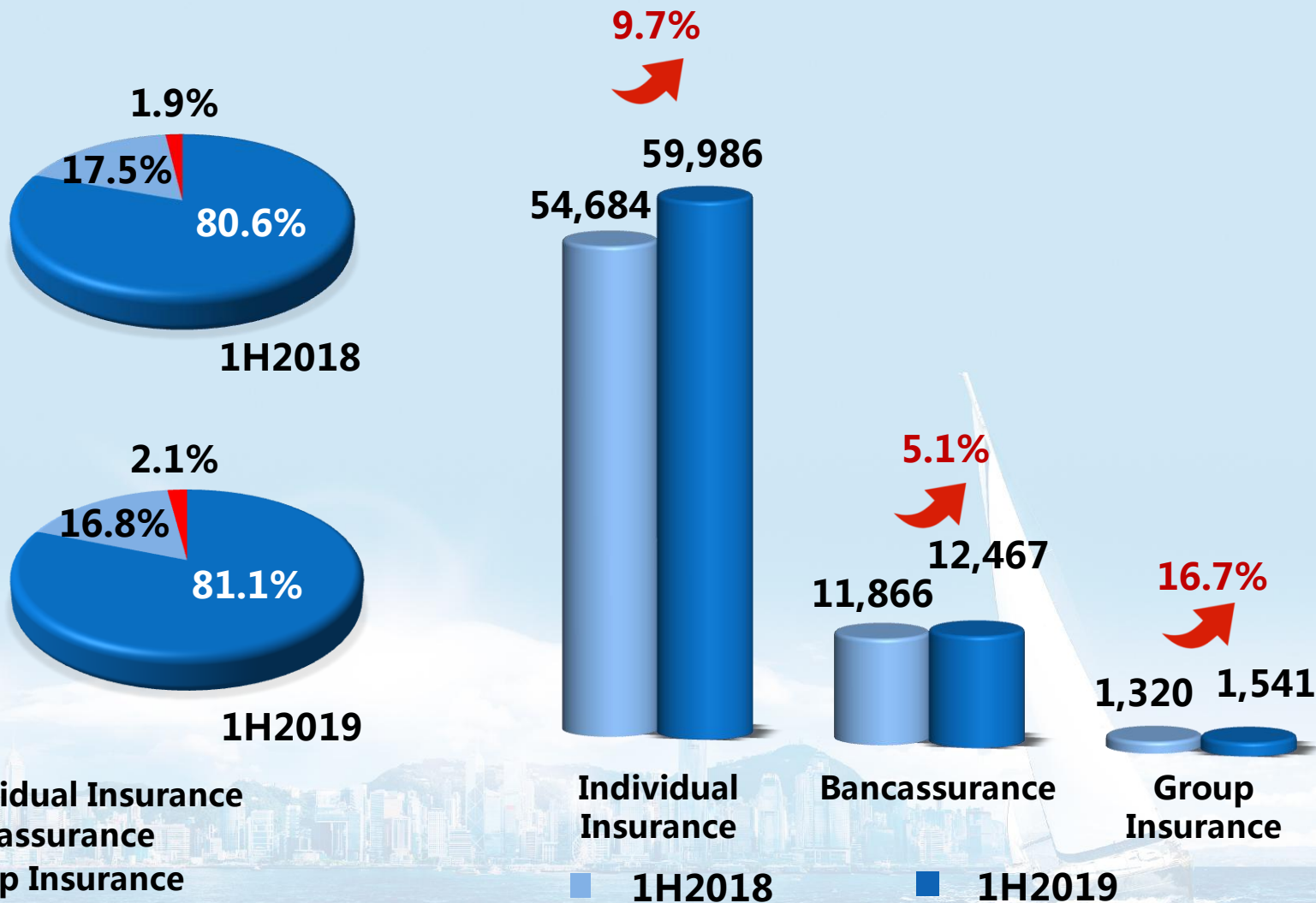
FYP from long-term health insurance





# GWP Breakdown by Channels

Unit: RMB million



# Individual Insurance - Premiums

Focused on protection business, accelerated the upgrading of health insurance products and developed more riders.

● % to premiums from individual insurance

Unit: RMB million

## FYP from long-term insurance business

17.0% 15.1%

-2.4%

9,280

9,058

1H2018 1H2019

## Renewal premiums

80.0% 81.0%

11.1%

43,767

48,609

1H2018 1H2019

## Premiums from short-term insurance business

3.0% 3.9%

41.7%

1,637

2,319

1H2018 1H2019

# Individual Insurance - Sales Force

Stepped up efforts to build sales team and promoted the recruitment of new agents. Sales force reached a new high.



<b>Total agents</b>	<b>386,000</b>	<b>15.5%</b>	<b>↑</b>
<b>Monthly average qualified agents</b>	<b>140,000</b>	<b>4.9%</b>	<b>↑</b>
<b>Monthly average qualified rate</b>	<b>38.8%</b>	<b>-2.9pts</b>	<b>↓</b>
<b>Monthly average comprehensive productivity per capita</b>	<b>RMB4,472</b>	<b>-13.8%</b>	<b>↓</b>

Notes:

1. Monthly average number of qualified agents = (Σnumber of qualified agents in a month)/the number of months in the reporting period, where monthly number of qualified agents refers to the number of agents who have issued one insurance policy or more (including card-type accident insurance policy) which are not cancelled by policy holders in a month and whose first year commission in the month exceeds RMB800.
2. Monthly average qualified rate = monthly average number of qualified agents/monthly average number of agents\*100%.  
Monthly average number of agents={Σ[(number of agents at start of the month + number of agents at end of the month)/2]}/the number of months in the reporting period.

# Bancassurance - Premiums

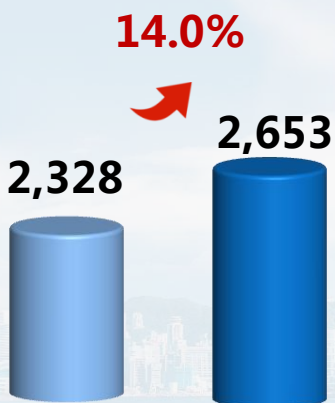
Adhered to the strategy of focus, vertical guidance and exploration and consolidated strategic partnerships with important banks.

● % to premiums from Bancassurance

Unit: RMB million

## FYP from long-term insurance business

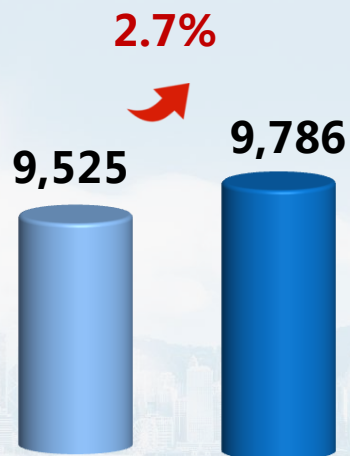
19.6% 21.3%



1H2018 1H2019

## Renewal premiums

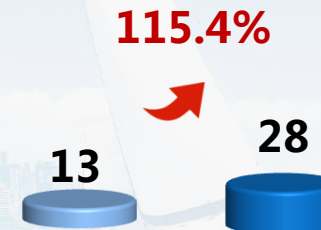
80.3% 78.5%



1H2018 1H2019

## Premiums from short-term insurance business

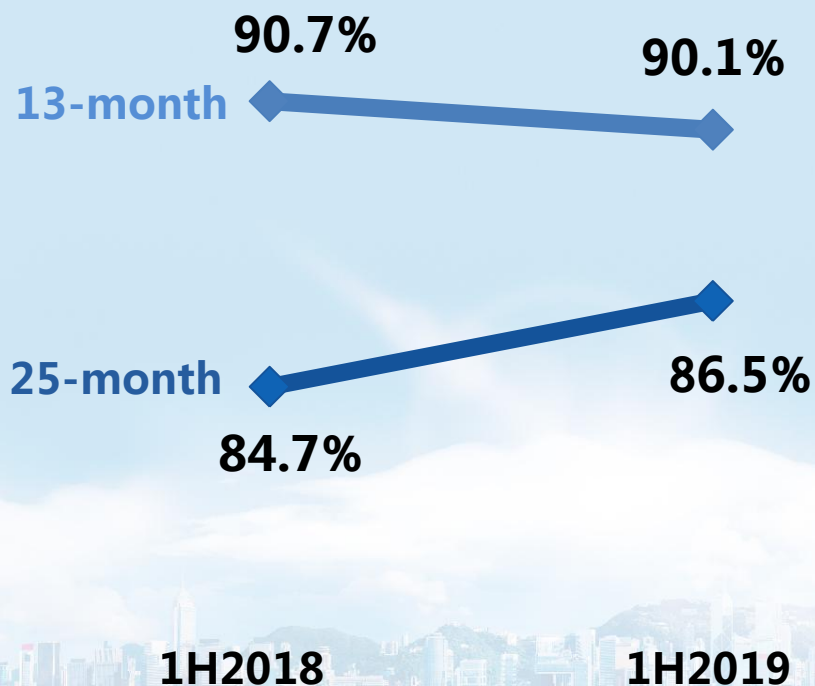
0.1% 0.2%



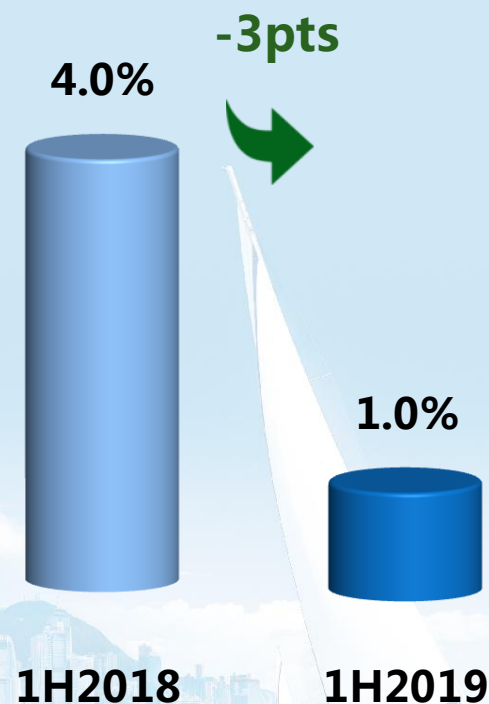
1H2018 1H2019

Note: Numbers may not be additive due to rounding.

## Persistency ratio of individual life insurance business



## Surrender rate



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# Key Financial Indicators

Unit: RMB million

Indicators	1H2019/ 30 Jun. 2019	1H2018/ 31 Dec. 2018	Change
<b>Total Revenues</b>	<b>89,092</b>	<b>82,967</b>	<b>7.4%</b>
- Net written premiums and policy fees	72,767	67,026	8.6%
- Investment income	16,684	16,307	2.3%
<b>Benefits, claims and expenses</b>	<b>(79,030)</b>	<b>(74,779)</b>	<b>5.7%</b>
- Insurance benefits and claims	(63,425)	(59,919)	5.9%
- Commission and brokerage expenses	(8,943)	(8,657)	3.3%
- Administrative expenses	(5,512)	(5,300)	4.0%
<b>Net profit attributable to shareholders</b>	<b>10,545</b>	<b>5,799</b>	<b>81.8%</b>
<b>Earnings per share (RMB)</b>	<b>3.38</b>	<b>1.86</b>	<b>81.7%</b>
<b>Net assets per share attributable to shareholders (RMB)</b>	<b>24.55</b>	<b>21.02</b>	<b>16.8%</b>
<b>Weighted average return on equity attributable to shareholders</b>	<b>14.59%</b>	<b>8.85%</b>	<b>5.74pts</b>

# Investment Performance

Unit: RMB million

Investment assets

Annualized total investment yield

Annualized net investment yield





# Investment Asset Allocation

	As at 30 Jun. 2019 (Proportion)	As at 31 Dec. 2018 (Proportion)	Change (pt)
Term deposits	8.5%	9.2%	-0.7
<b>Debt financial assets</b>	<b>67.4%</b>	<b>65.7%</b>	<b>1.7</b>
- Bonds	43.7%	39.3%	4.4
- Trust products	8.5%	9.5%	-1.0
- Debt plans	4.8%	5.6%	-0.8
- Asset funding plans	1.3%	1.4%	-0.1
- Others	9.1%	9.9%	-0.8
<b>Equity financial assets</b>	<b>15.8%</b>	<b>16.6%</b>	<b>-0.8</b>
- Funds	5.2%	6.1%	-0.9
- Stocks	4.8%	4.6%	0.2
- Others	5.8%	5.9%	-0.1
Investments in associates and joint ventures	0.6%	0.7%	-0.1
Cash and cash equivalents	1.7%	1.3%	0.4
Other investment assets	6.0%	6.5%	-0.5

# Non-standard Asset Portfolio

Unit: RMB million

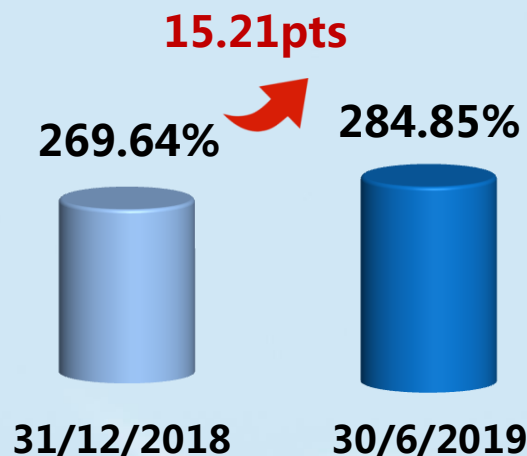
Indicators	As at 30 Jun. 2019	Proportion	Proportion Change (pt)	Amount change
<b>Non-standard debt investments</b>	<b>183,186</b>	<b>80.3%</b>	<b>-1.4</b>	<b>(1,503)</b>
- Trust product	65,435	28.7%	-0.6	(846)
- Debt plan	37,518	16.4%	-0.9	(1,591)
- Project asset support plan	10,000	4.4%	0.0	–
- Wealth management product	65,233	28.6%	0.1	934
- Perpetual bond	5,000	2.2%	0.0	–
<b>Non-standard equity investments</b>	<b>44,986</b>	<b>19.7%</b>	<b>1.4</b>	<b>3,594</b>
- Asset management plan	15,337	6.7%	0.7	1,769
- Private equity	6,371	2.8%	0.9	1,928
- Unlisted equity	18,571	8.1%	-0.1	6
- Equity investment plan	4,700	2.1%	0.0	–
- Wealth management product	7	0.0%	-0.1	(109)
<b>Total</b>	<b>228,172</b>	<b>100.0%</b>		<b>2,091</b>

Note:

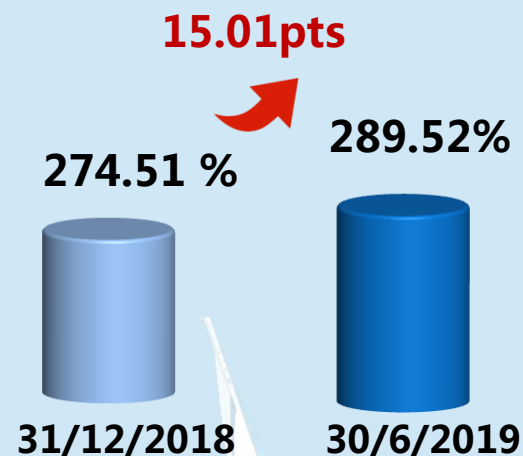
1. Proportion change and amount change are compared with the end of 2018.

# Solvency Ratio

## Core solvency margin ratio



## Comprehensive solvency margin ratio



Unit: RMB million

Indicators	30/6/2019	31/12/2018	Change
Core Capital	244,257	221,299	22,958
Actual Capital	248,257	225,299	22,958
Minimum Capital	85,749	82,072	3,677

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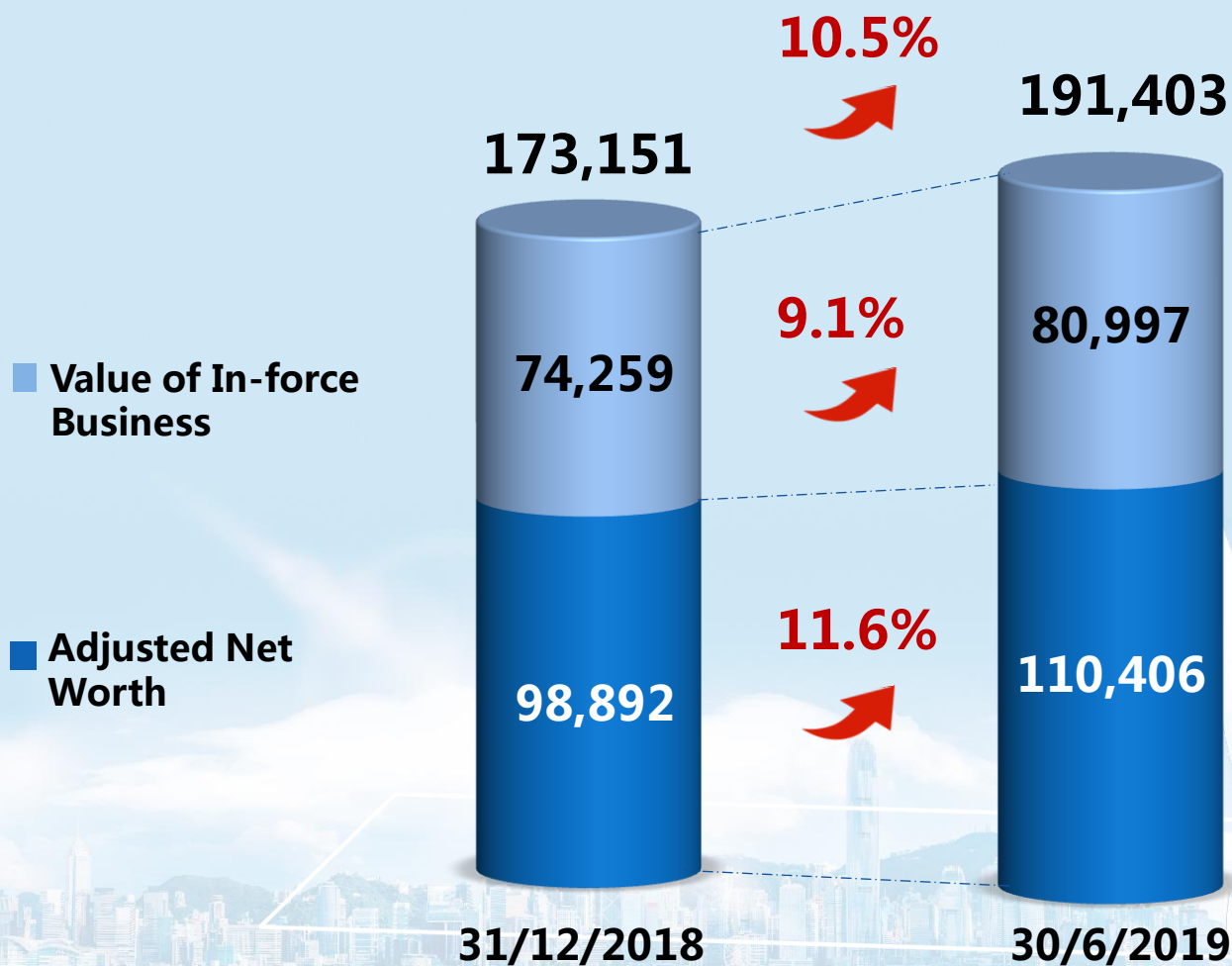
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# Embedded Value—Composition Analysis

Unit: RMB million



Note: Numbers may not be additive due to rounding.

# Embedded Value—Movement Analysis

Unit: RMB million

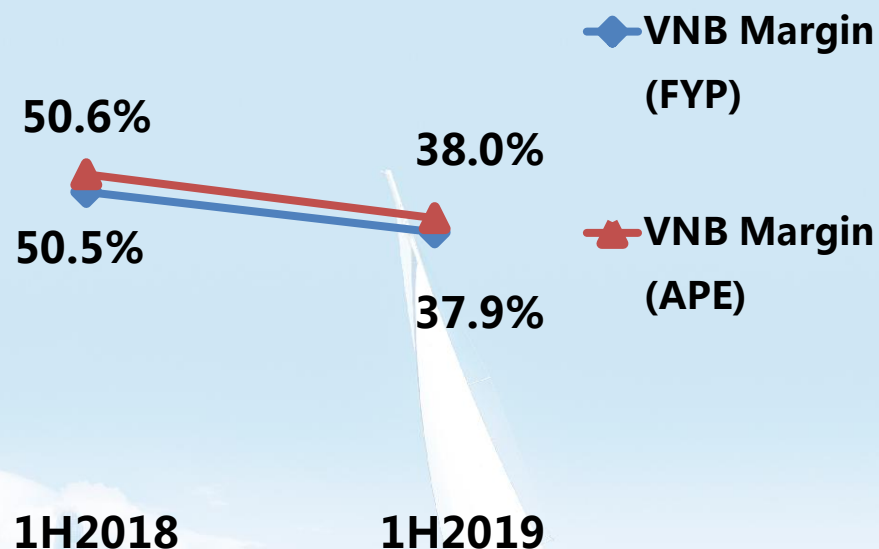
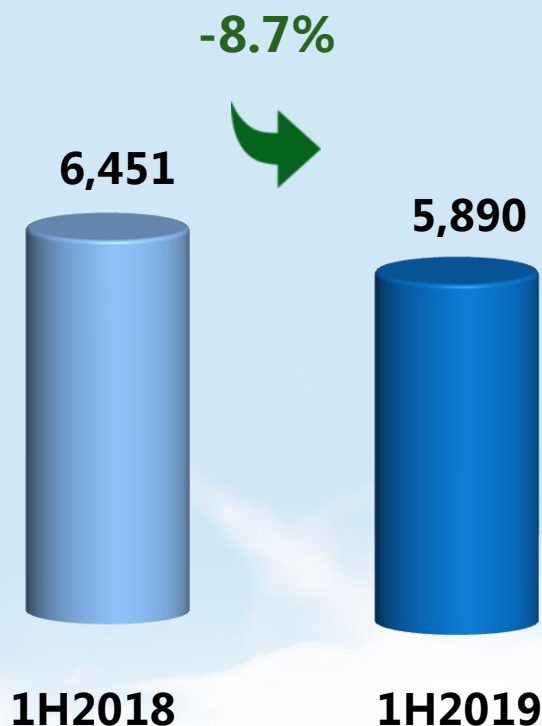
Movement analysis from Dec. 31, 2018 to Jun. 30, 2019



Note: Numbers may not be additive due to rounding.

# Value of New Business

Unit: RMB million



Notes:

1. NBV based on FYP = New business value / First year premiums used for calculation of embedded value.
2. NBV based on APE = New business value / (100% \* first year regular premiums + 10% \* first year single premiums + 100% \* Premiums from short-term insurance business).
3. Numbers may not be additive due to rounding.

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To adhere to the general requirements of pursuing progress while ensuring stability from the central government, act upon new development philosophy and stay committed to the path of high-quality development, the Company will take the following measures.

**Strengthen Party leadership**

**Perfect market mechanism**

**Enrich product pipelines**

**Empower the team**

**Enhance sales support**

**Invest prudently**

**Persist in compliance  
operation**



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Care for each and every day

