



China's Top 25 Insurers

S&P Global
Ratings

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November 2017

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Foreword

S&P Global Ratings presents China's Top 25 Insurers, a comprehensive guide to leading companies in the fast-growing Chinese insurance marketplace. This publication includes recent articles from our analytical team on the sector's outlook and dynamics. In the back of the book, please find credit profiles on 25 leading sector companies: 12 life insurers, 12 property and casualty (P&C) insurers, and a re-insurer.

China's insurance sector continues to expand at a rapid clip. Rising demand for insurance in China comes on the back of the country's aging demographics and increasing affluence among its citizens, who are seeking wealth protection against unexpected events and preparing for retirement.

The rapid buildout in the country's insurance sector has contributed to volatility in performance and increased regulatory oversight. Amid fast asset growth in 2015-2016, insurers increased their allocations to risky investments in a quest to increase returns. Some cashed-up sectors sought to take over listed companies in sectors ranging from property to tourism. Such risky behavior led the Chinese insurance regulator to publish new rules and tighten discipline.

We believe technology will increasingly define China's insurance market. Sector leaders are offering more products through digital means. Not only can this help cut costs amid intense competition and rising regulatory burdens, the "big data" derived from online services could also help insurers to customize services and offer more innovative products. As for China's mid-tier insurance companies, we believe there remain significant opportunities to be tapped in the world's fastest-growing insurance marketplace.

We hope you will find this publication useful. As always, we welcome your comments and feedback on our research and insights.

Vera Chaplin

Managing Director and Lead Analytical Manager

Financial Services Ratings

The China Insurance Sector's 'Year Of Living Dangerously' Is Over. What's Next?

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China's insurance sector is integral to the country's deleveraging-related reforms. This is because broadly speaking, insurers can either add to the country's financial risks, or help offset them.

In 2016, insurers seemed intent on adding to systemic risks. The sector attracted new premiums with customer-pleasing products, and increased allocations to risky assets, in some cases taking over listed Chinese companies or making

high-profile forays overseas. Regulators responded by substantially tightening sector investment rules and subjecting industry players to disciplinary investigations.

Overview

- Regulators have issued new regulations and sanctioned industry participants after insurers undertook aggressive strategies
- Officials are seeking more market discipline, in both investment allocation and product offerings
- Insurers are likely to increase allocations to long-term infrastructure investments to better match their long-term liabilities

At the same time, other rules have been liberalized to encourage insurance companies to participate in state-guided investment activities to shore up indebted enterprises and underwrite infrastructure investment. S&P Global Ratings expects state planners will play a larger role in the sector's investment allocations. This too could entail risk, however, if insurer's balance sheets are channeled to bail out heavily indebted SOEs.

We believe insurers will struggle to absorb higher regulatory costs over the next few years, particularly in a low interest-rate environment. Indeed, the challenge to boost investment returns could encourage continued risky behavior, despite an official emphasis on increased discipline. In our view, China still has a long way to deepen its risk management practices.

The Rules Are Different, But Conditions The Same

The dismissal of Xiang Junbo, China's top insurance regulator, in March 2017, signaled the close of a period of aggressive market jostling by China's fast-growing insurance sector. Not only have the rules changed (see table 1), but industry participants are keenly aware that they will face career and disciplinary risks for undertaking aggressive competitive strategies. Companies

whose managers have recently been investigated or sanctioned for misconduct or engaging in risky practices include Anbang Insurance Group Co. Ltd., Foresea Life Insurance Co. Ltd., and Evergrande Life Insurance Co. Ltd.

While the overall risks in the system have been reduced, some of the conditions that helped fan the high-risk behavior persist. China's insurance market is fast growing yet heavily competitive, with sector players regularly poaching customers—and employees—from each other. Interest rates remain low by historical standards, and with China's economic growth rate set to structurally decline, yield-hunting will remain a major pursuit.

The low interest rate environment will also force insurers to increase their loss-reserve provisioning. We forecast that the discount rate for insurance reserve provisions (the 750-day moving average yield curve) will hit another new low for insurers in 2017. A lower discount rate means higher provisioning, which in turn will hurt profitability and could lead to capital pressure for insurers.

Higher reserves will pinch the most for insurers that are focused on underwriting short- to medium-term duration products. For the traditional life insurers focused on underwriting long-duration protection products (duration exceeding 40 years), the revised requirements will help reduce regulatory capital pressures. This is because recently updated reserve requirements are intended to promote long-duration products.

Overall, we expect higher regulatory costs, low interest rates, and weaker profitability to chip away at the insurance sector's capital buffers in the coming year or two. To fund shortfalls, and given increasing capital controls and currency restrictions, we expect insurers will likely tap the onshore debt markets.

TABLE 1: CIRC Rule Changes Are Focused On Strengthening Risk Controls

Date	CIRC Circular No. & Related Area	Regulation Summary
20-Sep-2017	#67—Risk Management	CIRC issues proposed guideline on C-ROSS Phase II.
28-Jul-2017	#299—Risk Management	CIRC proposes enhanced regulation on asset liability management.
20-Jul-17	Regulatory Proposal	CIRC releases the second draft request for comment on insurance companies' shareholding management
11-Jul-2017	#174—Market Conduct	CIRC takes action to strengthen discipline in the motor insurance market.
4-Jul-2017	#163—Product Development	CIRC implements guidelines on the design and regulatory registration of P&C insurance products.
5-Jun-2017	#143—Market Conduct	CIRC initiates industry-wide self-examination in areas of regulatory reporting and capital authenticity.
23-May-2017	#134—Product Development	CIRC reiterates the protection characteristic of life insurance products and implements guidelines on product development.
9-May-2017	#128—Risk Management	CIRC enhances compliance in insurance asset utilization to rein in risky investment behavior in the market.
7-May-2017	#44—Risk Management	CIRC aims to plug regulatory loopholes and to step up supervision to overcome shortcomings in the system.
5-May-2017	#41—Investments	Insurance funds can finance PPP enterprises under their infrastructure investment plans by means of debt, equity, or a combination of the two.
5-May-2017	#41—Investments	CIRC will speed up approvals for financing PPP projects related to programs such as Belt and Road initiatives, development of the Beijing-Tianjin-Hebei region, etc.
4-May-2017	#42—Investments	Incentives introduced for insurance funds to participate in national development strategies.
28-Apr-2017	#40—Market Conduct	CIRC enhances market conducts in areas of capital authenticity, corporate governance, and investment behavior.
23-Apr-2017	#35—Risk Management	CIRC outlines 39 points across 10 areas of risk.
20-Apr-2017	#34—Risk Management, Market Conduct	CIRC highlights upcoming regulatory enhancements.
24-Jan-2017	#9—Investments	CIRC caps the amount investable by Chinese insurers in a single stock at 5% of the insurer's total assets (from previous 10%).
24-Jan-2017	#9—Investments	Insurers are restricted to having 30% of their total assets invested in equities (from previous 40%).
24-Jan-2017	#9—Investments	CIRC narrows the scale of investments on listed companies, and limits targets on financial industry or insurance-related businesses.
3-Jan-2017	#115—Product Development	CIRC implements guidelines on insurance product designs.
29-Dec-2016	Regulatory Proposal on Shareholder Ownership	CIRC updates shareholder ownership to cap individual ownership at 33% from 51%.
1-Dec-16	#22—Product Development	CIRC sets up sales limits on short-term insurance products.

CIRC—China Insurance Regulatory Commission. PPP—Public-private partnerships. C-ROSS—China Risk Oriented Solvency System. P&C—Property and Casualty. Sources: CIRC, S&P Global Ratings.

So What's Next?

The removal of the chairman of the China Insurance Regulatory Commission (CIRC), numerous public statements by financial regulators, and the flurry of revised insurance-sector guidelines, all point to a renewed focus on risk management and tighter discipline. In our view, these actions reflect a return to the fundamental principles of insurance—providing protection and prudent risk management.

Reforms will affect both sides of the balance sheet: insurers will be selling a different mix of products; and investing their assets differently as well.

C-ROSS Phase 2

We believe that planned updates in the China Risk-Oriented Solvency System (C-ROSS) framework over the next three years will help to rein in some of the risky equity investment behavior. C-ROSS is a framework designed to bring the country's insurance sector in line with global solvency standards. With C-ROSS Phase 2 in the pipeline, we anticipate the regulator will review risk charges to ready the regulations for upcoming International Financial Reporting Standards (IFRS) accounting updates. Under IFRS 9 and IFRS 17, we anticipate that insurers' financial performance will become more volatile.

When S&P Global Ratings assesses the capital position of Chinese insurers, we deduct entirely some of the long-term equity investments undertaken by insurers. This is because we consider such investments to be strategic in nature and unlikely to be sold during volatile market conditions. By contrast, according to the current C-ROSS treatment, risk charges for long-term equity investments are lower when compared with typical (passive) equity investments. In our view, this C-ROSS treatment prompted some insurers to undertake aggressive investment strategies,

with, for example, insurers acquiring major stakes in banks and real estate companies. However, we anticipate the risk charges for long-term equity investments to tighten in the upcoming C-ROSS Phase 2 review.

Different products

On the product side, strong interbank liquidity conditions have encouraged insurers and other financial players to focus on profitable, short-term endowment policies. However, these products are vulnerable to abrupt changes in short-term liquidity and, amid closer regulatory scrutiny, such strategies will be harder to pursue.

Insurers have also responded to regulatory pressures by selling more protection products. This segment has a higher profit margin than savings products, and has boosted insurers' embedded values. However, we expect intensified competition among the traditional life insurers in this product line, which could compress margins over time.

In our view, participating policies will become more attractive for the Chinese insurance market given their profit-sharing features with policyholders (i.e., they pay dividends). The products, which combine a floor in investment returns with upside potential (unguaranteed returns), will require insurers to invest in a combination of low- and high-risk investments. The profit-sharing features of participating insurance products will help mitigate some of the investment risks faced by insurers.

While short-term universal life products have received bad publicity in China, we think that mid-term (around five to 10 years) savings products will remain attractive for China's under-developed insurance market. For insurers, these endowment products have lower profit margin than protection products. However, these products, which provide a combination of life protection

and wealth management, can potentially reduce insurers' exposure to asset-liability mismatch risk. In addition, they can be easily explained to policyholders, reducing mis-selling risk.

And a shifting investment focus

Another key question for regulators is where and how insurance companies invest their rapidly expanding assets. This has been an issue going back to 2007, when Ping An Insurance (Group) Co. of China Ltd. purchased the Dutch-Belgian financial services firm Fortis at a top-of-the-market price.

In 2016, at a time when Chinese insurers' asset bases were rapidly expanding, the sector participated in a number of headline-grabbing deals, including sizeable or controlling stakes in listed Chinese companies. Concerns of concentrated exposure led the regulator to cap individual investment stakes at no more than 5% of the insurer's assets.

We expect the sectors' real-economy investments to expand, amid growing concerns and restrictions on equity investments. Regulators have put in place supportive policies and tax incentives to facilitate this new paradigm. For example, we see Chinese insurers increasingly shifting their fixed-income investments toward local government and infrastructure-related projects. By doing so, the insurers are able to benefit from capital gains tax-free policies, in particular for local government fixed-income investments.

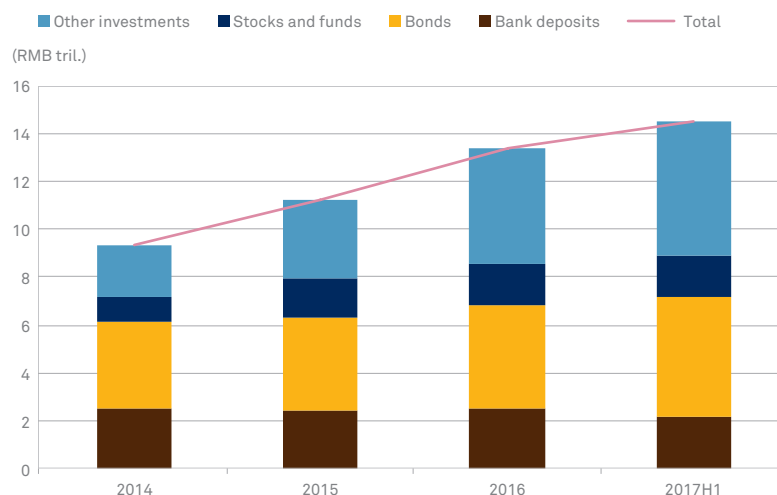
Another benefit of increasing allocations to infrastructure: this sector provides long-term investments that will help alleviate the sector's asset-liability mismatch problem. New guidelines and an emphasis on the private-public partnership (PPP) model should provide further opportunities. The central government's "Belt and Road" initiative

is another likely source of future investments for insurers' expanding balance sheets.

We also anticipate that the insurance sector will engage in privatization deals, debt for equity swaps, and other transactions that will arise from state-guided efforts to reduce financial risk and encourage corporate deleveraging. For example, China Life Insurance Co. Ltd. was one of 10 companies (both private and state-owned) that participated in a mega US\$11.7 billion deal to sharply reduce China Unicom's state ownership levels. China Life took a 10% stake in Unicom, the largest of all the deal participants.

China's insurers collectively have Chinese renminbi 16.43 trillion (US\$2.15 trillion) in assets (see chart 1). As such, the sector is in a position to play a role in the country's deleveraging and financial reform efforts. Still, questions remain, such as whether insurers will be properly compensated for any potential high-risk state-guided investments. This could come, for example, through guaranteed returns, or deal sweeteners by way of tax breaks, price discounts, or other benefits.

Chart 1: Investment Allocation In China's Insurance Industry



RMB: Renminbi, tril.: Trillion, H1: First half, % yoy: Year on year percentage growth.
Source: China Insurance Regulatory Commission.

TABLE 2: China Insurance Premiums Have Seen Multi-Year Growth

	2013	2014	2015	2016	2017H1
Total Direct Premiums* (RMB bil.)					
Life	1,074	1,269	1,586	2,169	1,786
P&C	648	754	842	927	528
No. of Insurers					
Life	64	65	73	81	83
P&C	70	71	75	77	82

* As of June 30, 2017. RMB: Chinese renminbi. bil.: Billion. P&C: Property and Casualty. H1: First half. Source: China Insurance Regulatory Commission

No Risk, No Reward

More stringent risk and discipline controls will not completely shut down recent trends, or instantly mature the sector's risk management culture. Risk management remains an evolving story in China.

Amid concerns of reckless and ill-timed forays into the global investment markets, we expect overseas activity to slow. Tighter capital controls also act as constraint on overseas acquisitions. That said, we believe Chinese insurers will continue to show interest in global activity, given the wider world's broader choices of investments. The current allocation towards overseas investments is low, when compared with international insurers. Chinese insurers have only US\$49 billion in foreign-currency investments.

We also note that allocations to alternative investments (wealth management, debt schemes, and trust plans) reached a new high for most insurers in 2016 and remain high. Some alternative investments benefit from credit enhancement features that often come in the form of collateral or credit supports from external parties. The

underlying assets in these alternative investments are commonly tied to the infrastructure and real estate sectors. In our view, these shadow-banking-related investments are high credit risks and less transparent when compared with vanilla fixed-income investments. We consider these instruments as illiquid, and have observed that some Chinese insurers continue to hold them.

Keep in mind that in the past year, a large volume of guidelines has been introduced over a short span of time. Effectively executing the new rules could prove challenging, given that the changes have come swiftly, and China's managerial risk-management know-how is still developing. While we believe discipline will improve and risks become more contained amid tighter supervision, we also expect that some risk-control efforts will remain superficial. On the bright side, Chinese policymakers seem to be quickly learning from their missteps, as indicated, for example, by the planned revisions to the C-ROSS framework.

Only a rating committee may determine a rating action and this report does not constitute a rating action.

China's Insurers Turn To Big Data And Digital Technology For Competitive Edge

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China's insurance marketplace is growing fast but the sector's profit margins are moderate. Our survey of the 25 leading Chinese insurers shows that new premiums written and assets under management continue to rapidly expand.

However, returns on equity and assets have edged down for many insurers, amid volatile capital markets, low interest rates, and intense competition. While this year's strong Chinese stock market performance might boost earnings in the short run, in the long run we believe the country's insurers need to improve their business strategies and risk management in order to sustain their

credit profiles. We expect that insurers who can master big data and adapt to new cost-saving technologies will be better able to withstand pressures on earnings.

Our study also highlights a continued widening credit quality between the insurance majors and small and midsize players, with capitalization

Overview

- Competition is intensifying for Chinese insurers given the backdrop of slower economic growth and rising regulatory costs
- China's biggest insurers tend to have stronger financial profiles and a better capacity to adjust to a changing landscape
- New technologies will shape the direction of insurance companies in areas of distribution, pricing, and claims administration
- A regulatory crackdown on risky practices will cause pain to some insurers, but is necessary for long-term stability

being the key constraint on credit profiles. Increasing allocations into alternative investments and equities, in pursuit of investment yield, have diluted capital positions. The bigger players tend to have the strongest stand-alone credit profiles, due to their well-established franchises and extensive distribution networks, and better access to funding.

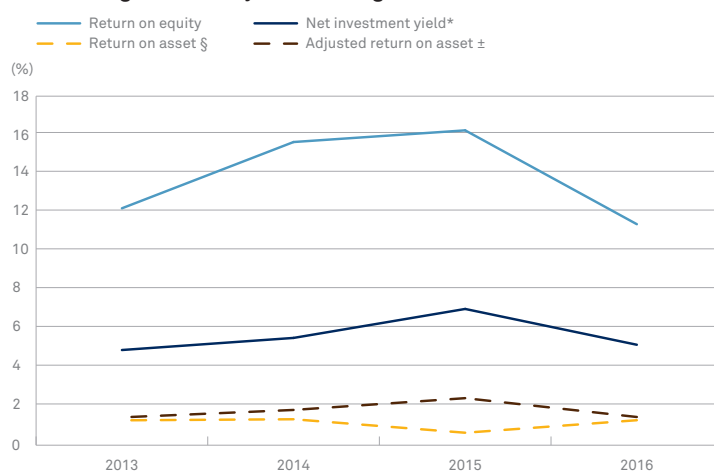
That said, given strong overall market growth for insurance products, the future is still wide open. A key deciding factor might be technology. We believe technology will disrupt traditional insurance business models. One example is Zhong An Online Property & Casualty Insurance Co., an online Chinese insurer which recently filed to list on the Hong Kong stock exchange. Digitalization, big data analytics, and access to multi-distribution channels will increasingly dictate the future of China's insurance marketplace.

Fast Growth, Slower Profits

We examined the financial data of 25 Chinese insurers over the past several years: the top 12 life insurers, top 12 property and casualty (P&C) insurers, and one reinsurer. Our survey covered their premiums, investment assets, key profitability metrics, and solvency ratios. One key takeaway is that assets are growing faster than profits, which erodes capital bases. This is ultimately an unsustainable path.

China's bigger players have the strongest financial profiles and have been able to maintain their dominant market shares. Of the four biggest life insurance companies, three have above-average business and financial profiles: China Life Insurance Co. Ltd., Ping An Life Insurance Co. Ltd., and China Pacific Life Insurance Co. Ltd. The exception is Anbang Life Insurance Co. Ltd. Anbang has jumped up the ranking to third from fourth last year in the life segment, and has a 9% market share. But this aggressive growth has left the company with a thinning regulatory solvency buffer, given the capital intensive products that Anbang has sold.

Chart 1: Average Profitability Of 12 Leading Chinese Life Insurers



*Net investment yield calculation includes realized gains/losses, shares of profits of affiliates, and excludes unrealized gains/losses. \$Return-on-asset calculation excludes investment gains/losses. ±Adjusted-return-on-asset calculation includes investment gains/losses. Source: Company information, S&P Global Ratings' calculations.

While the biggest players have not escaped the margin pressures arising from intense competition and rising regulatory costs, small and midsize insurers are more vulnerable to these trends. For example, this year the China Insurance Regulatory Commission (CIRC) imposed sales limits on short-to medium-duration products, which were popular for their potential for investment gains, and has guided the sector to focus more on long-term protection products. This shift has forced the smaller players--many of which relied heavily on bancassurance distribution channels--to shift their product strategies and start building their own agency force. This is costly.

One upside to the shift to longer-duration products is that they generally have higher margins, so in the long run could shore up profitability. Again, however, the more established players have competitive advantages, due to their already established agency sales forces. For them, the main pressure of the new dynamics has been the poaching of staff by smaller players trying to scale up their agency forces.

The big get bigger but it's not all upside

The Chinese insurance industry's strong market growth has created a few Chinese insurers that are among the largest globally in the life, nonlife, and reinsurance sectors. This includes China Life Insurance, China Reinsurance (Group) Corp., and PICC Property and Casualty Insurance Co. Ltd. These insurers continue to have strong relationships with the central government, which feed through into lower funding costs and bigger potential government support in the case of distress.

However, Chinese government-related insurance groups also have the responsibility to take on some business that commercial players have less incentive to provide. For example, the big government-related entity (GRE) insurers have

played pioneering roles in providing insurance coverage to the inland cities. Such coverage (medical, pension, agriculture and catastrophe) is often thin in margins.

Given their huge asset bases, GRE insurers have also been directed to buy shares to stabilize the stock market in financial downturns. In recent years, GRE insurers have expanded overseas, both through acquisitions and organically. This is in part to support the insurance needs of Chinese companies as they go global, including through "Belt and Road" initiatives. Increasingly, we expect the big state insurers to allocate more assets to real-economy development projects and national development strategies. This could prove a good match for their long-term liabilities; on the other hand, state-directed investments raise concerns over risk-versus-return calculations.

The P&C Sector: New Stress, New Opportunities

Big players have even a bigger sway in China's P&C insurance market. PICC alone holds a 34% market share. The next biggest player in this segment, Ping An Property & Casualty Insurance Co. of China Ltd., has nearly a 20% share. Add in the third largest, China Pacific Property Insurance Co. Ltd., and nearly 60% of this segment's market share is locked up.

We believe the launch of the second phase of motor insurance pricing reforms in China will increase volatility in the underwriting performance of P&C insurers over the next two years. That's because motor insurance contributes more than 70% of the sector's premium income. However, we expect the reforms to support a more sustainable and healthy market discipline in the sector over the longer run.

On June 9, 2017, CIRC announced updated premium adjustment factors for motor insurance, allowing for more pricing autonomy within the sector. In particular, the regulator will now allow for differentiated pricing floors for various regions in the country. This follows a liberalized pricing framework that was first implemented in June 2015, and a year later applied to all regions in China.

Since the debut of motor insurance pricing reforms, drivers with good driving records can enjoy more favorable premiums through the application of a wider range of no claims discounts. A number of large P&C players have already established various techniques to support more efficient underwriting and claim-handling, and develop risk-classification models.

We believe the small and midsize P&C insurers are less prepared to adjust to these regulatory-led market changes. However, the higher discount factor permitted by CIRC for direct distribution channels (i.e. insurers can offer lower-premium

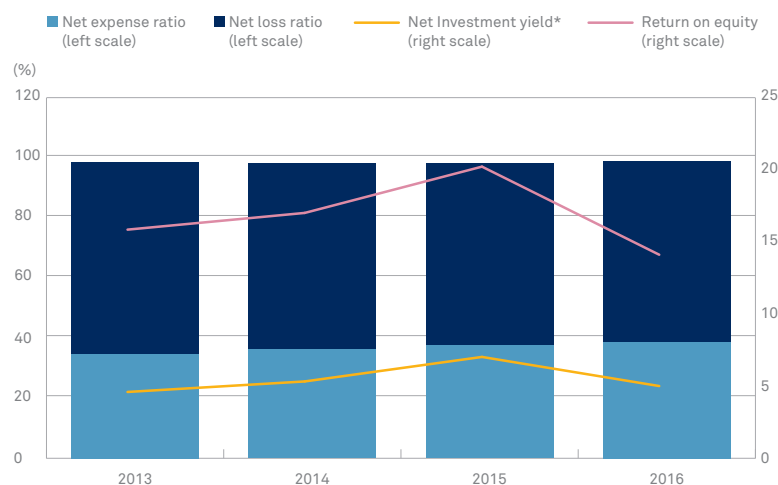
motor insurance products) as part of the reforms will prompt policyholders to acquire motor insurance policies directly from insurance companies, bypassing intermediaries. In our view, this will result in insurers strengthening their efforts to establish strong tele-marketing and online sales channels.

Besides motor insurance pricing reforms, the P&C sector is also hampered by slower new car sales, and slower GDP growth. As such, this sector has also been hit hard by price wars.

Technology Will Disrupt, But Also Help

China is already a leader in digital technologies that allow customers to execute a range of financial services online or even on their mobile phones. As a result, the pool of data on financial customers is ever expanding. Chinese insurers can use this data to improve customer services, enhance cross-selling, pinpoint marketing efforts, and better understand the needs for policyholders.

Chart 2: Average Profitability Of 12 Leading Property & Casualty Insurers



*Net investment yield calculation includes realized gains/losses, share of profits of affiliates, and excludes unrealized gains/losses.

Source: Company Information, S&P Global Ratings' calculations.

TABLE 1: Business And Financial Profiles Of China's Top 25 Insurers

Financial Profile	Business Profile		
	Below Average	Average	Above Average
Above Average	<p>Sinosafe General Insurance Co. Ltd.</p> <p>Huatai Property & Casualty Insurance Co. Ltd.</p> <p>AXA Tianping Property & Casualty Insurance Co. Ltd.</p>		<p>China Life Insurance Co. Ltd.</p> <p>China Pacific Life Insurance Co. Ltd.</p> <p>Ping An Life Insurance Co. of China Ltd.</p> <p>China Reinsurance (Group) Corp.</p>
Average	<p>Yingda Taihe Property Insurance Co. Ltd.</p>	<p>New China Life Insurance Co. Ltd.</p> <p>Taiping Life Insurance Co. Ltd.</p>	<p>PICC Property & Casualty Insurance Co. Ltd.</p> <p>Ping An P&C Insurance Co. of China Ltd.</p> <p>China Pacific Property Insurance Co. Ltd.</p>
Below Average	<p>Anbang Life Insurance Co. Ltd.</p> <p>Huaxia Life Insurance Co. Ltd.</p> <p>BOC Insurance Co. Ltd.</p>	<p>ABC Life Insurance Co. Ltd.</p> <p>ICBC AXA Assurance Co. Ltd.</p> <p>PICC Life Insurance Co. Ltd.</p> <p>Sunshine Life Insurance Corp. Ltd.</p> <p>China Life Property & Casualty Insurnace Co. Ltd.</p> <p>China United Property Insurance Co. Ltd.</p> <p>Sunshine Property & Casualty Insurance Co. Ltd.</p> <p>Taiping General Insurance Co. Ltd.</p>	<p>Taikang Insurance Group Inc.</p>

Key:

Life Insurers

P&C Insurers

Reinsurer

Moreover, having greater data sets at hand could enable insurers to design customized products and break away from homogenous product offerings. One reason for price wars in the sector is that insurers are all pushing similar products, and as such can often only undercut the competition on price alone. Meanwhile, regulatory costs are on the rise, and slowing economic growth will limit investment opportunities. If deployed and adapted properly, technology could help offset some of these pressures.

Over time, big data might be able to help insurers cut out middle men and get straight to the customers, offsetting rising cost pressures. This could particularly help smaller players that often pay high distribution fees. That said, the biggest insurers have invested more in technology and may thus have an advantage. Many of them already have a head start, and are operating various well-established internet and WeChat platforms to support their insurance policy sales and claim handling process.

Hope Remains For Mid-Size Insurers

China has been getting tougher over rising risks in the financial system, largely in response to a spurt of risky investments by insurers with fast-growing balance sheets. After a number of reforms announced by CIRC this year, we expect market discipline to improve and risk measures to tighten.

The rapid expansion of some insurance companies in 2014-2016 is unlikely to repeat itself. Instead, a more sustainable growth model that focuses on insurance protection products will likely emerge. In our view, insurance companies will resume their focus on underwriting and cut back on speculative investments, while more prudently managing their regulatory solvency positions. The need to strengthen risk management and compliance will hike up operational costs, however, and once again this burden will fall more heavily on small and mid-size insurance companies. This is because the larger players already have more standardized risk management frameworks in place.

However, hope is not all lost for the mid-tier insurers. Speedier product customization, coupled with precise or targeted geographic outreach, should allow mid-tier insurers to stay relevant within China's under-penetrated insurance industry. The country's increasingly affluent population will provide an abundance of growth opportunities for the still young insurance industry.

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Business Profile: Above Average

- Leading life insurer in China with extensive geographic coverage
- Well-established brand in China supported by a strong distribution network
- Reduced market share due to sales initiatives on longer-term, regular premium, protection-type products

Financial Profile: Above Average

- Demonstrated access to equity and debt capital markets for funding requirements
- Strained capital and earnings profile, though moderated by increasing sales of higher margin products
- Heightening exposure to credit and market risks due to increasingly aggressive investment appetite

Other Factors:

- Core subsidiary of China Life Insurance (Group) Co. (CLG)
- Very high likelihood of extraordinary support from the Chinese government through CLG

Major Shareholders

China Life Insurance (Group) Co. Ltd.	68.37%
HKSCC Nominees Ltd.	25.88%
China Securities Finance Co. Ltd.	2.02%
Central Huijin Asset Management Co. Ltd.	0.42%

Background Information

Type	Life insurer
Established	2003
Head office location	Beijing
Registered capital (mil. RMB)	28,265
2017 1H Ranking by direct premium	#1
2017 1H Ranking by total policy written*	#1
S&P Global Ratings	A+/Watch Neg

*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products

Chart 1: Gross Written Premium

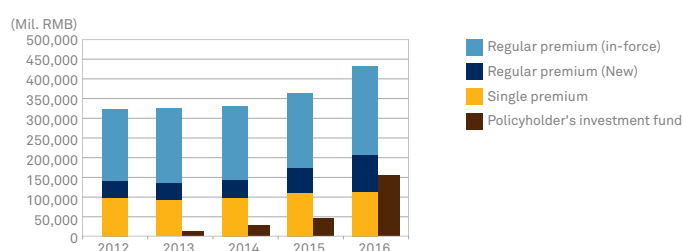
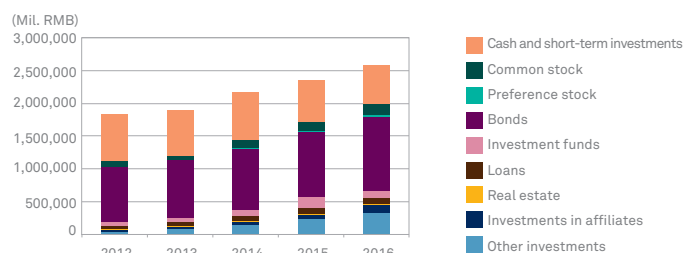
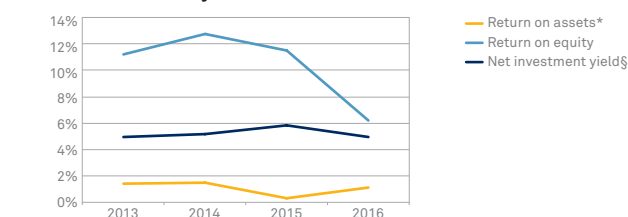


Chart 2: Investment Assets*



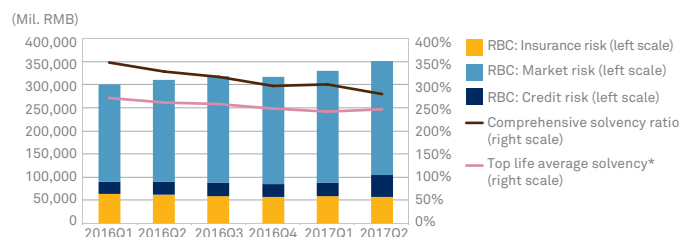
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/loss, share of profits of affiliates, and excludes unrealized gain/loss.

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability.
C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

Ping An Life Insurance Co. of China Ltd.

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spgglobal.com

Serene Hsieh, Taipei (886) 2 8722-5820; serene.hsieh@spgglobal.com

Business Profile: Above Average

- Second-largest life insurer with diverse franchise in China
- A high level of control on effective distribution channel with well-recognized brand strength
- Sound operating performance supported by its strong focus on sales of high margin products and satisfactory agency productivity

Financial Profile: Above Average

- Demonstrated access to offshore debt capital markets
- Average capitalization supported by strong earnings and value generation, though moderated by high dividend payout to group
- Heightening sensitivity to market volatility due to increasing exposure to high risk assets

Other Factors:

- Integral role for the wider Ping An Group's strategy to develop into a financial services conglomerate
- Potential capital drain to support sister company Ping An Bank

Major Shareholder

Ping An Insurance (Group) Co. of China Ltd.	99.51%
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Background Information

Type	Life insurer
Established	2002
Head office location	Shenzhen
Registered capital (mil. RMB)	33,800
2017 1H Ranking by direct premium	#2
2017 1H Ranking by total policy written*	#2
S&P Global Ratings	Unrated

*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium

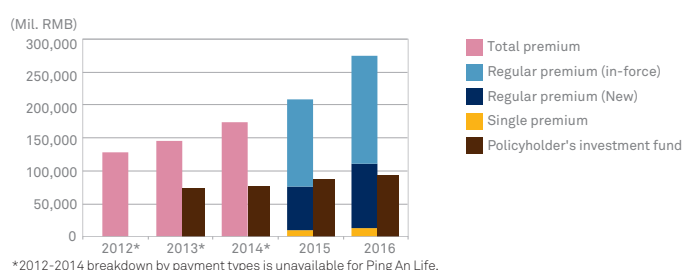


Chart 2: Investment Assets*

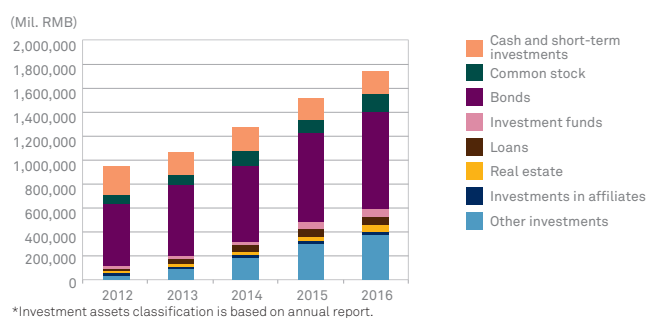


Chart 3: Profitability Metrics

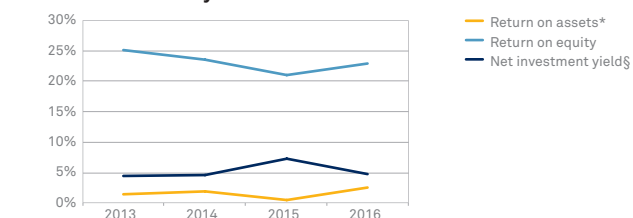
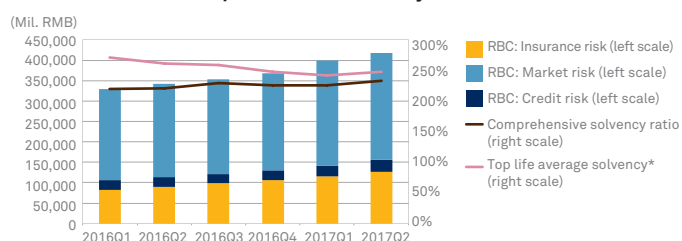


Chart 4: C-ROSS Comprehensive Solvency Ratio



RMB—Renminbi.
Sources: Company information.
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

Anbang Life Insurance Co. Ltd.

Wenwen Chen, Hong Kong (852) 2533-3559; wenwen.chen@spglobal.com

Patty Wang, Taipei (886) 2 8722-5823; patty.wang@spglobal.com

Business Profile: Below Average

- Aggressive business growth driven by sale of short to medium term products previously, though recent regulatory restriction had resulted in a slowdown in such product sales
- Uncertain future growth and profitability given tightening regulatory purview and brand deterioration
- Limited control over distribution channels due to reliance on non-exclusive bancassurance channels

Financial Profile: Below Average

- Thin regulatory solvency buffer due to aggressive growth of thin-margin short-term products
- High financial leverage reflective of significant reliance on debt financing
- Strain on liquidity due to pending hike in policy surrender and limitation of new product offering
- Reduced investment concentration in financial sector following divestment of major banks' stocks
- Manageable foreign exchange exposure given natural hedge of overseas assets and liabilities

Other Factors:

- Potential group support from Anbang Insurance Group

Major Shareholder

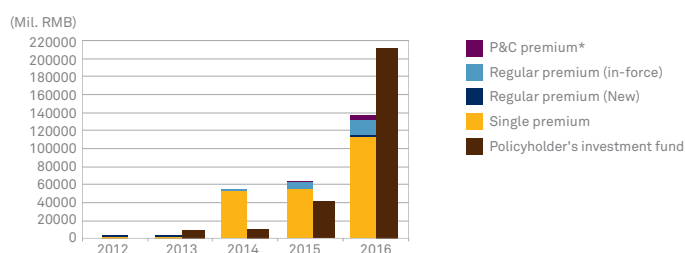
Anbang Insurance Group	100.00%
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Background Information

Type	Life insurer
Established	2010
Head office location	Beijing
Registered capital (mil. RMB)	30,790
2017 1H Ranking by direct premium	#3
2017 1H Ranking by total policy written*	#3
S&P Global Ratings	Unrated

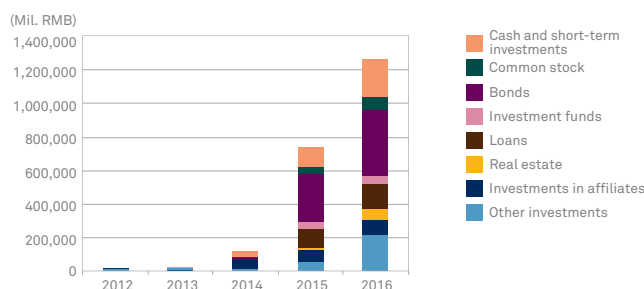
*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium



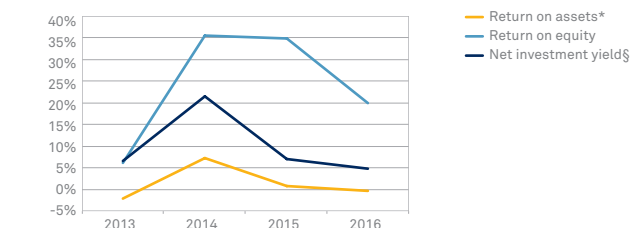
*Property & casualty (P&C) premium due to consolidation of P&C business in 2015.

Chart 2: Investment Assets*



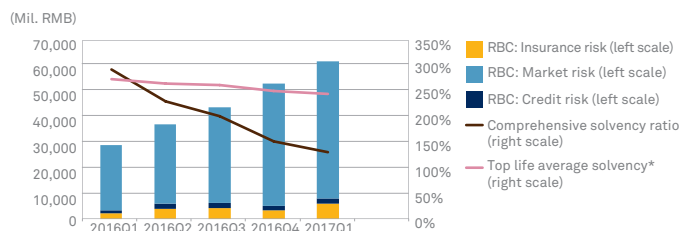
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability.
C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

China Pacific Life Insurance Co. Ltd.

Wenwen Chen, Hong Kong (852) 2533-3559; wenwen.chen@spglobal.com

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spglobal.com

Business Profile: Above Average

- Solid competitive position as one of the top-four life insurers, supported by leading market position and extensive geographic coverage in China
- Increasing focus on long-term sustainable growth, backed by growing agency force
- Sound operating performance supported by strong new business margin growth and good expense control

Financial Profile: Above Average

- Above-average capitalization level despite rising sensitivity to credit and market risks
- Heightening exposure to risky assets including equity and alternative investments
- Demonstrated access to onshore equity and debt capital markets for funding requirements

Other Factors:

- Potential group support from China Pacific Insurance (Group) Co. Ltd.

Major Shareholder

China Pacific Insurance (Group) Co. Ltd.	98.29%
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Background Information

Type	Life insurer
Established	2001
Head office location	Shanghai
Registered capital (mil. RMB)	8,420
2017 1H Ranking by direct premium	#4
2017 1H Ranking by total policy*	#4
S&P Global Ratings	Unrated

*Total policy includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium

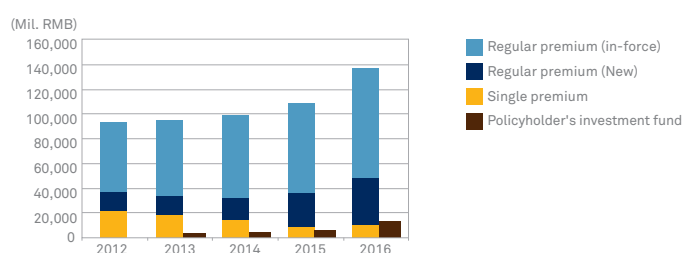
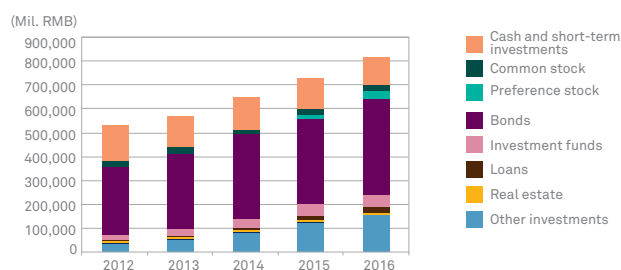
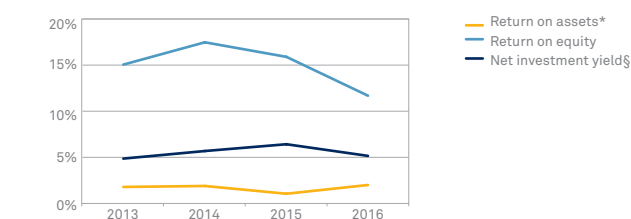


Chart 2: Investment Assets*



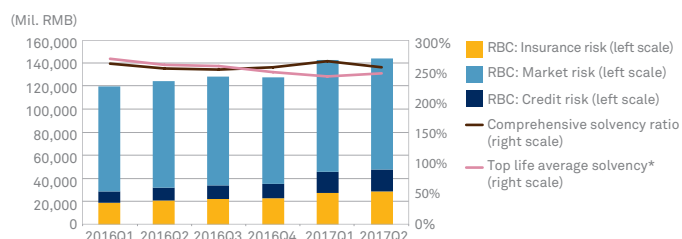
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/loss, share of profits of affiliates, and excludes unrealized gain/loss.

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability.
C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

PICC Life Insurance Co. Ltd.

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Charles Wang, Hong Kong (852) 2533-3505; charles.wang@spglobal.com

Business Profile: Average

- Benefit of the PICC Group's strong brand
- Potential operating performance volatility following restructuring of business to focus on regular premium
- Heavy usage of bancassurance channel, which limits effective control over quality of business

Financial Profile: Below Average

- Below-average capital position due to relatively small capital base
- Significant investment risk sensitivity, owing to concentrated exposure to Industrial Bank Co. Ltd. and high exposure to risky assets including equity and alternative investments
- Ample sources of external capital and liquidity, benefiting from both group's listed status and track record of capital injection from parent

Other Factors:

- Potential group support from The People's Insurance Company (Group) of China Ltd., though small profit contribution

Major Shareholders

The People's Insurance Company (Group) of China Ltd.	71.08%
Sumitomo Life Insurance Co.	10.00%
PICC Property and Casualty Co. Ltd.	8.62%
Asia Financial Holdings Ltd.	5.00%
Bangkok Bank Public Co. Ltd.	5.00%

Background Information

Type	Life insurer
Established	2005
Head office location	Shanghai
Registered capital (mil. RMB)	25,761
2017 1H Ranking by direct premium	#5
2017 1H Ranking by total policy written*	#6
S&P Global Ratings	Unrated

*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium

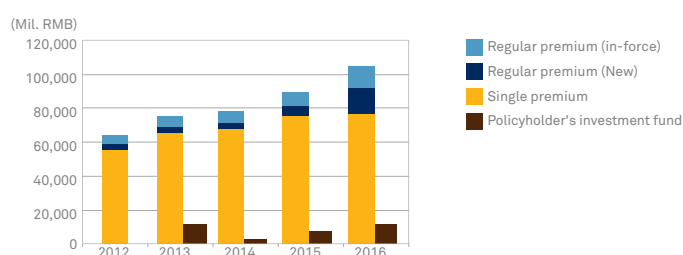
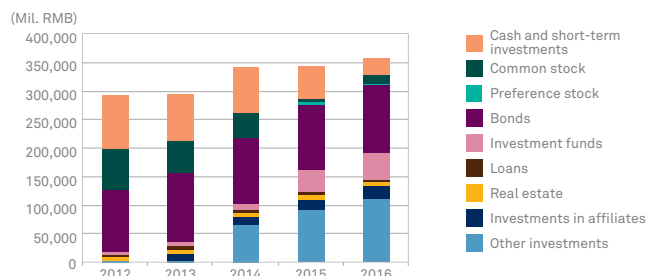
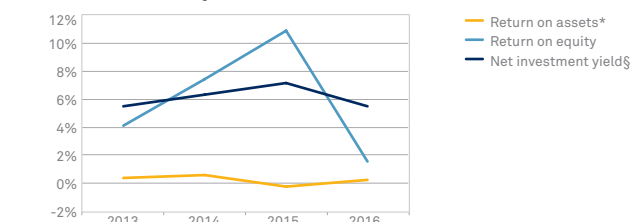


Chart 2: Investment Assets*



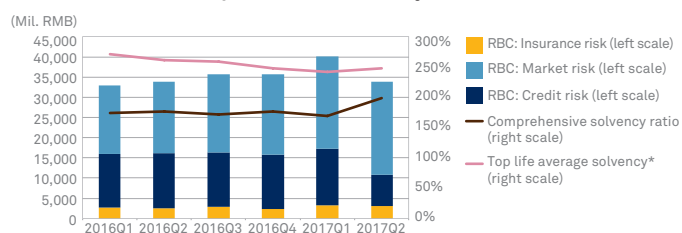
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Return on assets calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

Taiping Life Insurance Co. Ltd.

Wenwen Chen, Hong Kong (852) 2533-3559; wenwen.chen@spglobal.com

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spglobal.com

Business Profile: Average

- Benefit from parent group China Taiping Insurance Holdings Co. Ltd (CTIH)'s brand and reputation as a government-related entity
- Average but growing presence among Chinese domestic life insurance companies, supported by focus on regular premium products
- Strengthening, though average, profitability, reflective of improving expense ratio and increased contribution from high margin products

Financial Profile: Average

- Average capital position due to fast-growth insurance strategy and deleveraging initiatives
- Expansion of financial leasing subsidiary, which may introduce volatility in earnings and require capital support due to start-up phase
- Increasing exposure to risky assets to maintain strong investment performance, which widens its sensitivity to market and credit risks

Other Factors:

- Integral position within CTIH group given dominant capital and profit contribution
- Potential operational and financial support from joint-venture partner Ageas Group

Major Shareholders

China Taiping Insurance Holdings Co. Ltd.	75.10%
Ageas Insurance International N.V.	12.45%
Cubemax Prime International Investment Ltd.	12.45%

Background Information

Type	Life insurer
Established	1984
Head office location	Shanghai
Registered capital (mil. RMB)	10,300
2017 1H Ranking by direct premium	#6
2017 1H Ranking by total policy written*	#9
S&P Global Ratings	Unrated

*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

China's Top Life Insurers

Chart 1: Gross Written Premium

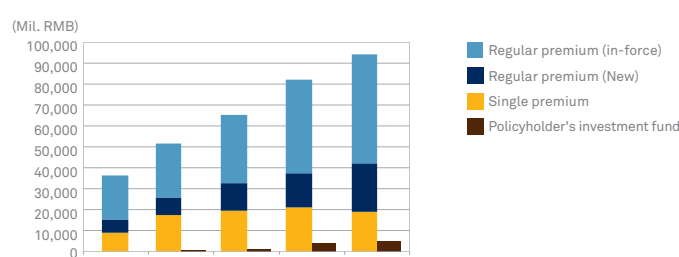
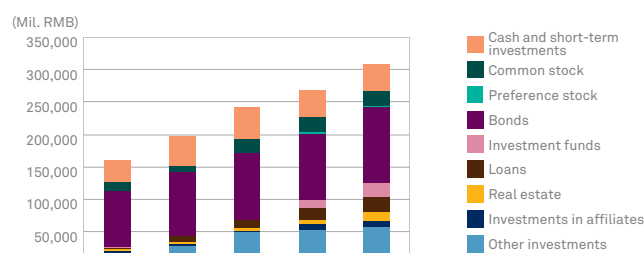
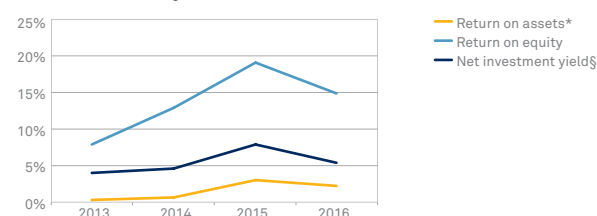


Chart 2: Investment Assets*



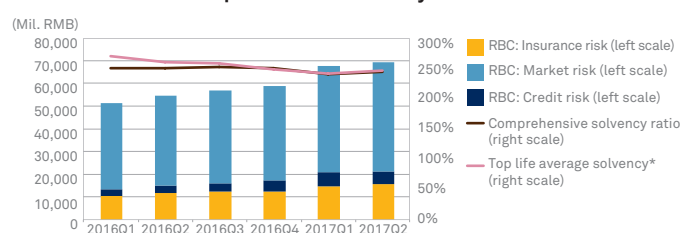
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability.

C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

Taikang Insurance Group Inc.

(previously known as Taikang Life Insurance Co. Ltd.)

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Charles Wang, Hong Kong (852) 2533-3505; charles.wang@spglobal.com

Business Profile: Above Average

- Above-average profitability, reflective of strong investment performance
- Good brand recognition and market position in the Chinese life insurance market
- Strengthening control over distribution channel through development of agency force, telemarketing, and online sales channels

Financial Profile: Below Average

- Above-average reliance on subordinated debt to support regulatory capital
- Extensive usage of repurchase agreement (repo) relative to absolute capital size
- Rising exposure to retirement home projects and real estate, which may weaken its liquidity position

Major Shareholders

Guardian Investment Holdings Ltd.	23.8%
The Goldman Sachs Group, Inc.	12.6%
Tetrad Ventures Pte Ltd.	11.4%
Beijing Wuhong Union Investment Co. Ltd.	11.0%

Background Information

Type	Life insurer
Established	2016
Head office location	Beijing
Registered capital (mil. RMB)	3,000
2017 1H Ranking by direct premium	#7
2017 1H Ranking by total policy written*	#7
S&P Global Ratings	Unrated

*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium

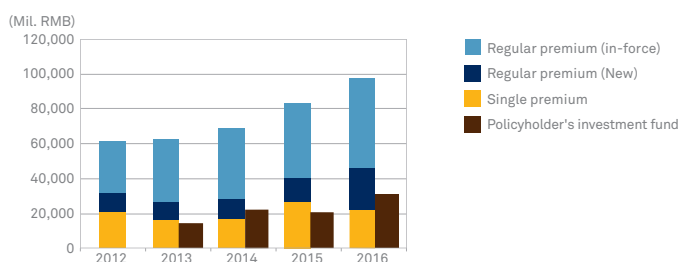
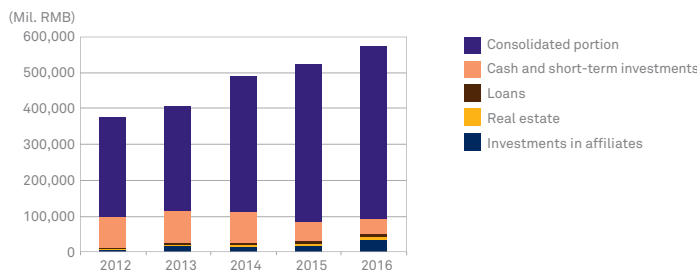
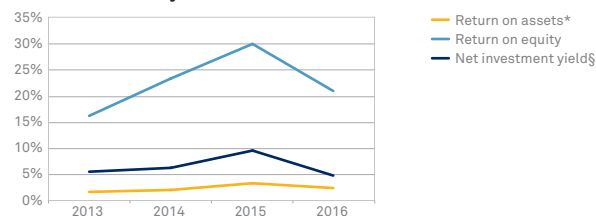


Chart 2: Investment Assets*



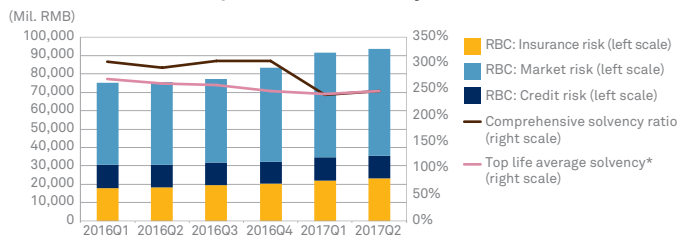
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

New China Life Insurance Co. Ltd.

Judy Chen, Hong Kong (852) 2532-8059; judy.chen@spglobal.com

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spglobal.com

Business Profile: Average

- Highly diversified business footprint with meaningful nationwide network
- Declining top-line premium growth following deliberate strategy transition to regular premium products
- Improving earnings profile arising from sale of more-profitable regular premium products, moderated by upcoming maturity payouts

Financial Profile: Average

- Above-average regulatory solvency partially supported by subordinated debt issuance, though subject to increasing sensitivity to credit risk
- Reducing cash position, signifying greater allocation to high-risk assets

Other Factors:

- Potential government support flowing through state-owned shareholders

Major Shareholders

HKSCC Nominees Ltd.	33.10%
Central Huijin Investment Co. Ltd.	31.30%
China Baowu Steel Group Co. Ltd.	15.10%
China Securities Finance Co. Ltd.	2.98%
Central Huijin Asset Management Co. Ltd.	0.91%

Background Information

Type	Life insurer
Established	1996
Head office location	Beijing
Registered capital (mil. RMB)	3120
2017 1H Ranking by direct premium	#8
2017 1H Ranking by total policy written*	#10
S&P Global Ratings	Unrated

*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium

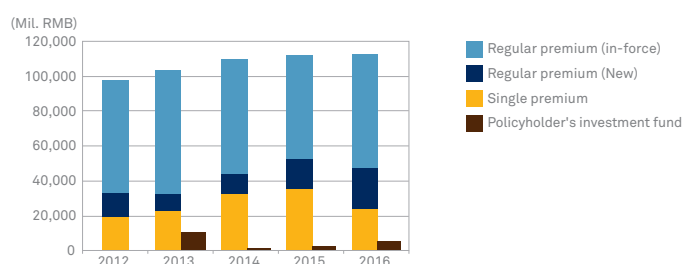
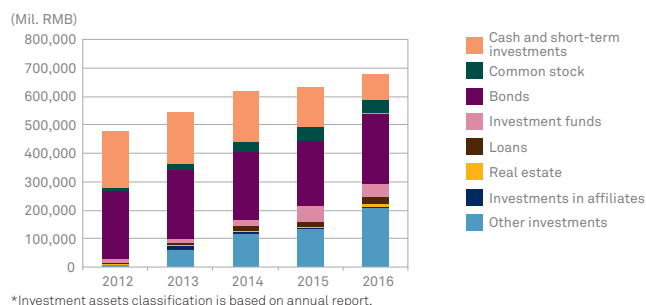
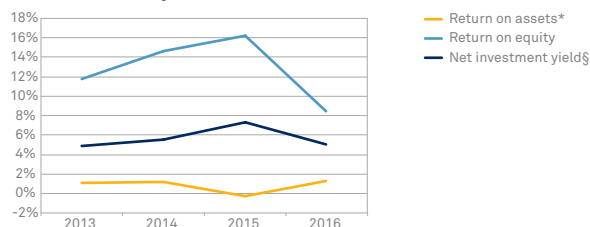


Chart 2: Investment Assets*



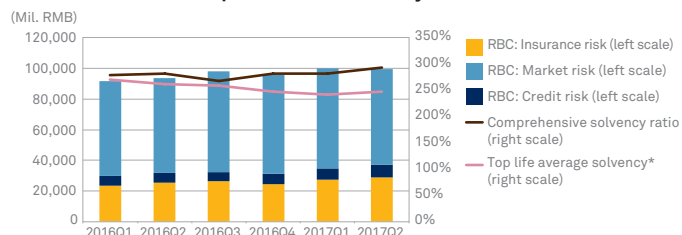
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

Huaxia Life Insurance Co. Ltd.

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spglobal.com

Business Profile: Below Average

- Weak operating performance, attributed to significant operating expenses and sale of low margin products
- High reliance on bancassurance, which limits company's control over distribution channels

Financial Profile: Below Average

- Significant financial leverage due to significant debt financing and potentially thin fixed-charge coverage
- Very high exposure to risky assets, weakening its capital position
- Potential liquidity pressure due to heightening policy maturity, partially moderated by high cash position

Major Shareholders

Beijing Shiji Lihong Computer Software Co. Ltd.	20.00%
Qianxi Shihao Electron Technology Co. Ltd.	20.00%
Shandong Lingdu Juzhen Commerce and Trade Co. Ltd.	14.90%
Beijing Zhongsheng Century Technology Co. Ltd.	13.40%
Beijing Baili Bowen Technology Co. Ltd.	13.37%

Background Information

Type	Life insurer
Established	2006
Head office location	Beijing
Registered capital (mil. RMB)	15,300
2017 1H Ranking by direct premium	#10
2017 1H Ranking by total policy written*	#5
S&P Global Ratings	Unrated

*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium

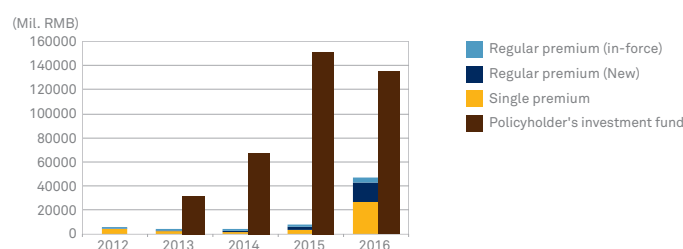
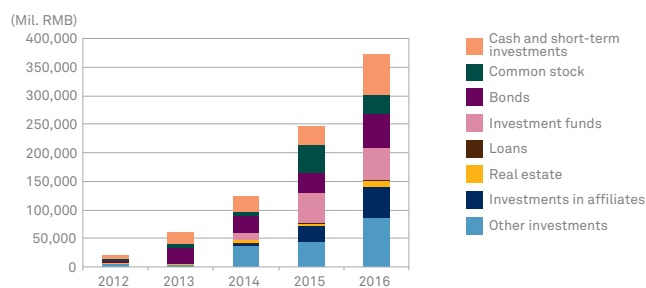
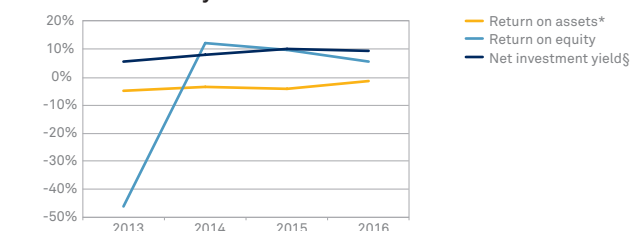


Chart 2: Investment Assets*



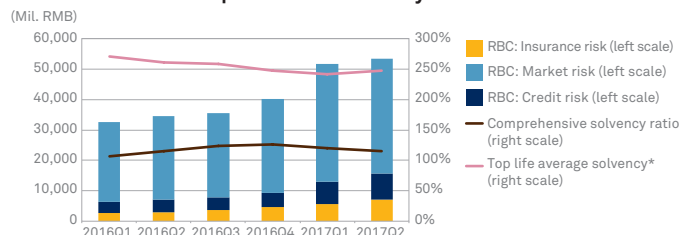
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/loss, share of profits of affiliates, and excludes unrealized gain/loss.

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

ICBC-AXA Assurance Co. Ltd.

Judy Chen, Hong Kong (852) 2532-8059; judy.chen@spglobal.com

Charles Wang, Hong Kong (852) 2533-3505; charles.wang@spglobal.com

Business Profile: Average

- Benefit of brand and reputation of both ICBC and AXA
- Below-average operating expenses due to cross-selling via parent bank
- High reliance on reinsurance, diluting profitability and competitive position

Financial Profile: Below Average

- Deteriorating capital adequacy due to rising exposure to credit risk despite capital injection from the parent
- Aggressive investment strategy, leading to high exposure to risky assets including equities, property, and alternative investments
- Very low financial leverage, reflecting limited debt issuance

Other Factors:

- Potential capital and technical support from its major shareholders

Major Shareholders

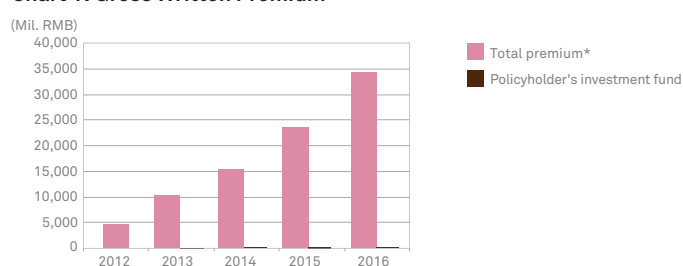
Industrial and Commercial Bank of China Ltd.	60.0%
AXA China S.A.	27.5%
China Minmetals Corp.	12.5%

Background Information

Type	Life insurer
Established	1999
Head office location	Shanghai
Registered capital (mil. RMB)	8,705
2017 1H Ranking by direct premium	#15
2017 1H Ranking by total policy written*	#16
S&P Global Ratings	Unrated

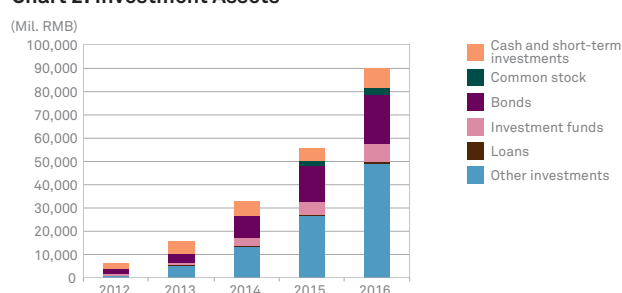
*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium



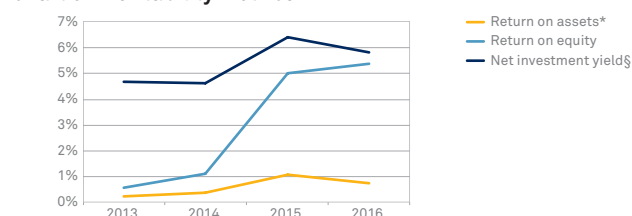
*Breakdown by payment types is not available for ICBC-AXA.

Chart 2: Investment Assets*



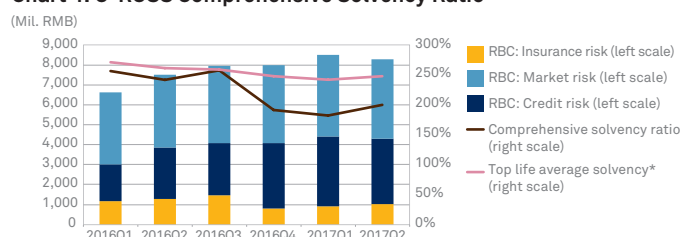
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. §Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

Sunshine Life Insurance Corp. Ltd.

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spglobal.com

Business Profile: Average

- Average profitability given gradual shift to more-profitable protection-type products, though subject to investment market volatility
- Potential deterioration of reputation following recent disciplinary action from regulator
- High reliance on uncontrolled bancassurance channel, which limits company's business quality

Financial Profile: Below Average

- Deteriorating capitalization, reflecting its aggressive investment appetite
- High exposure to equities, reflecting sizable equity stakes in some listed companies (e.g. Yili Group)
- Unhedged foreign exchange exposure following sizable foreign-currency issuance, which introduces capital and earnings volatility
- High financial leverage, reflecting significant debt issuance

Other Factors:

- Potential group support from Sunshine Insurance Group and sister company, Sunshine P&C

Major Shareholder

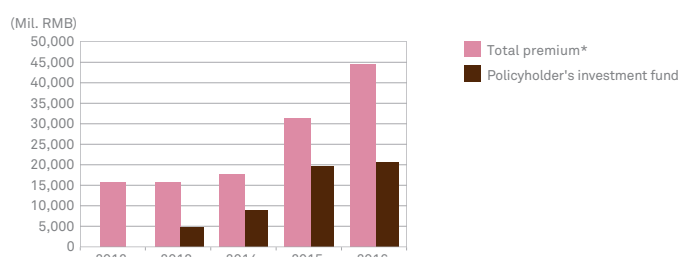
Sunshine Insurance Group Co. Ltd.	99.99%
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Background Information

Type	Life insurer
Established	2007
Head office location	Sanya
Registered capital (mil. RMB)	9,171
2017 1H Ranking by direct premium	#16
2017 1H Ranking by total policy written*	#14
S&P Global Ratings	Unrated

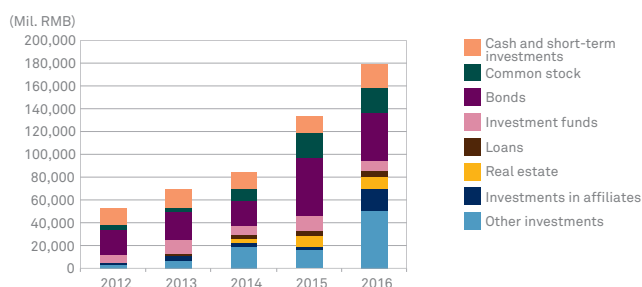
*Total policy written includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium



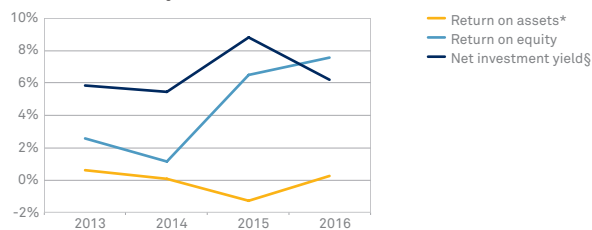
*Breakdown by payment types is not available for Sunshine Life.

Chart 2: Investment Assets*



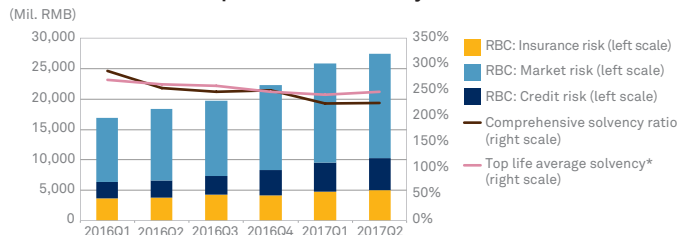
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

ABC Life Insurance Co. Ltd.

Judy Chen, Hong Kong (852) 2532-8059; judy.chen@spglobal.com

Richie Jiang, Hong Kong (852) 2532-8003; richie.jiang@spglobal.com

Business Profile: Average

- Potential decline in top-line growth following tightened regulations around sale of universal life policies
- Concentrated product offering of universal life policies, reflective of high utilization of tied- bancassurance channel through bank parent

Financial Profile: Below Average

- Below-average capitalization, reflecting a thin regulatory solvency buffer, moderated by high reinsurance utilization
- Vulnerable to market volatilities and large losses due to small capital base
- Very low financial leverage, reflecting limited debt issuance

Other Factors:

- Potential group support from The Agricultural Bank of China Ltd.

Major Shareholders

Agricultural Bank of China Ltd.	43.4%
Beijing Zhongguancun Science City Construction Co. Ltd.	14.0%
Chongqing International Trust Co. Ltd.	10.3%
Tibet Shannan Century Jinyuan Capital Co. Ltd.	11.7%

Background Information

Type	Life insurer
Established	2005
Head office location	Beijing
Registered capital (mil. RMB)	2,511
2017 1H Ranking by direct premium	#18
2017 1H Ranking by total policy*	#20
S&P Global Ratings	Unrated

*Total policy includes direct premium and policyholder investment funds, excludes premium from unit-linked products.

Chart 1: Gross Written Premium

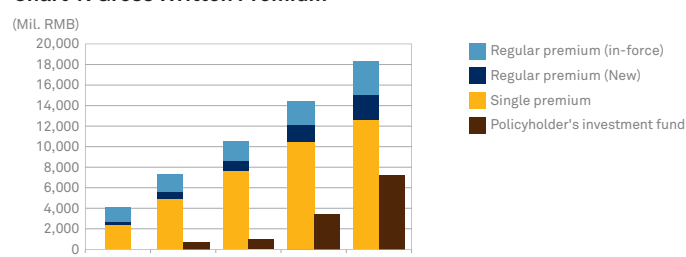
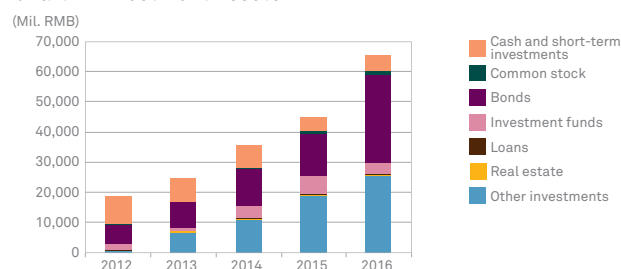
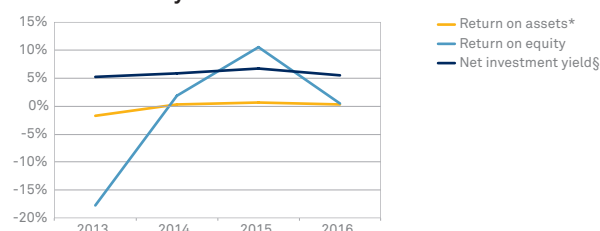


Chart 2: Investment Assets*



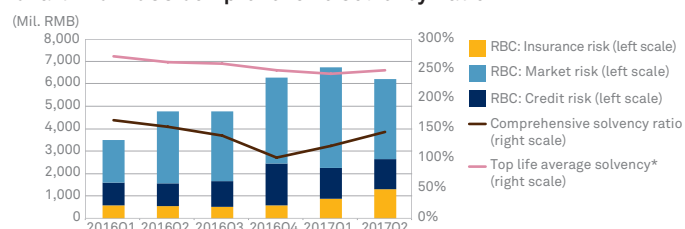
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Calculation excludes investment gains/losses. \$Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top life average solvency calculation includes the 12 Life insurers covered in this publication; 2017Q2 average figures calculation excludes solvency status of Anbang Life due to information unavailability. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information
CIRC—China Insurance Regulatory Commission,
S&P Global Ratings' calculation.

PICC Property and Casualty Co. Ltd.

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Charles Wang, Hong Kong (852) 2533-3505; charles.wang@spglobal.com

Business Profile: Above Average

- Very strong brand and reputation, supported by its long history in China's P&C insurance sector
- China's largest P&C insurer with extensive geographic presence in the country

Financial Profile: Average

- Ample sources of external capital and liquidity as a listed company and regular bond issuer
- High allocation to equity and alternative investment, which increases insurer's sensitivity to market risk
- Potential investment concentration risk given sizable investment in Huaxia Bank Co. Ltd.
- Potential turbulence from catastrophe risk given company's high exposure to agricultural and commercial property business within China

Other Factors:

- Potential extraordinary government support given company's majority ownership by the Chinese central government and role in carrying out government mandate

Major Shareholder

The People's Insurance Company (Group) of China Ltd.	68.98%
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Background Information

Type	P&C insurer
Established	2003
Head office location	Beijing
Registered capital (mil. RMB)	14,828
2017 1H Ranking by direct premium	#1
S&P Global Ratings	Unrated

Chart 1: Gross Written Premium

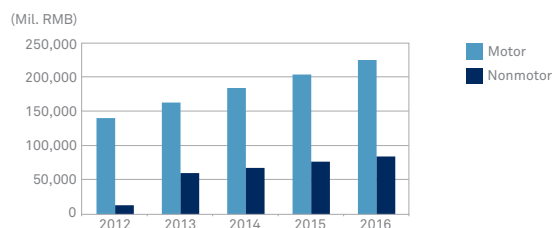
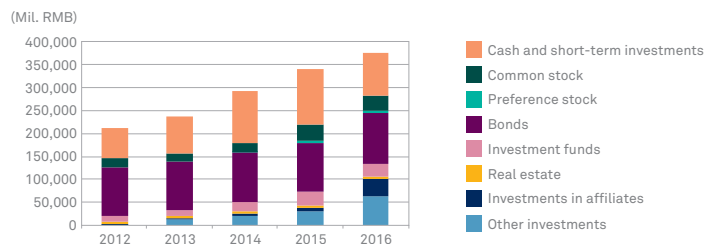
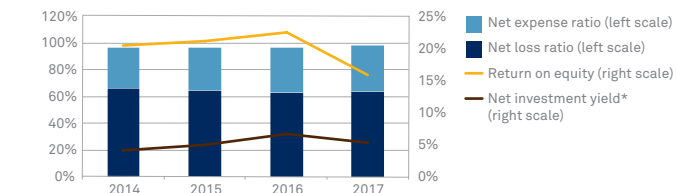


Chart 2: Investment Assets*



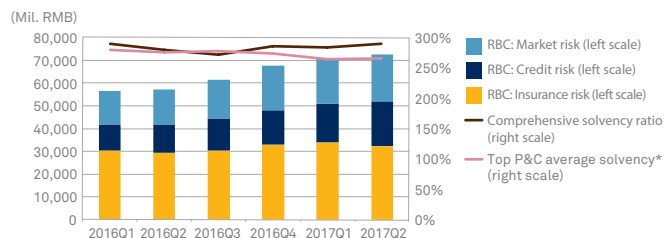
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

Ping An Property & Casualty Insurance Co. of China Ltd.

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spglobal.com

Serene Hsieh, Taipei (886) 2 8722-5820; serene.hsieh@spglobal.com

Business Profile: Above Average

- Well-established brand name and extensive geographic coverage as the second-largest P&C insurer in China
- High level of controls on distribution channels with majority of premium incomes coming from direct sales, tele-and-internet marketing, and cross-selling initiatives
- Satisfactory underwriting performance, while growth of guarantee insurance may cause volatility

Financial Profile: Average

- Reducing capital buffers stemming from increased allocation to high-risk assets
- Low foreign exchange exposure and satisfactory investment diversification
- Good access to capital markets owing to its parent group's listed status and track record of debt-raising activities

Other Factors:

- Core operating subsidiary of Ping An Group, the only global systematically important insurer in Asia-Pacific

Major Shareholder

Ping An Insurance (Group) Company of China Ltd.	99.51%
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Background Information

Type	P&C insurer
Established	2002
Head office location	Shenzhen
Registered capital (mil. RMB)	21,000
2017 1H Ranking by direct premium	#2
S&P Global Ratings	A-/Stable

Chart 1: Gross Written Premium

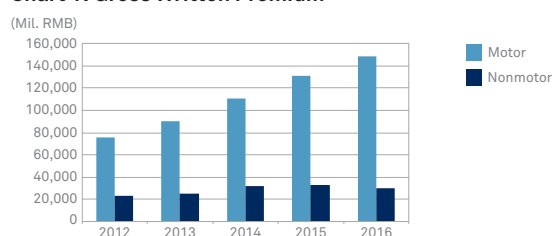
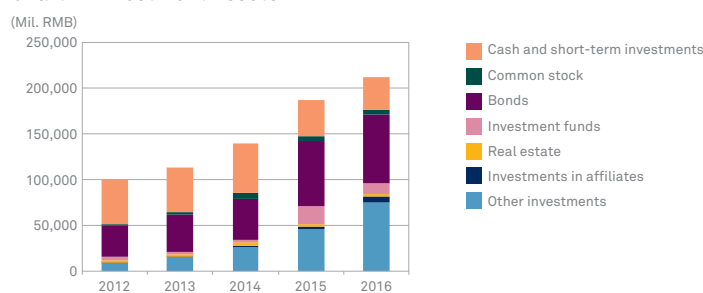
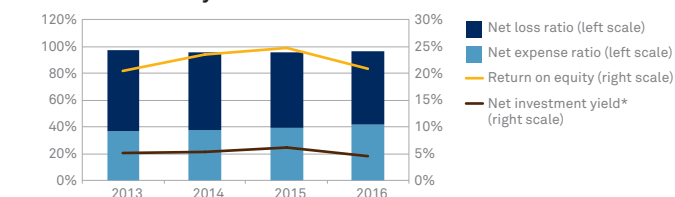


Chart 2: Investment Assets*



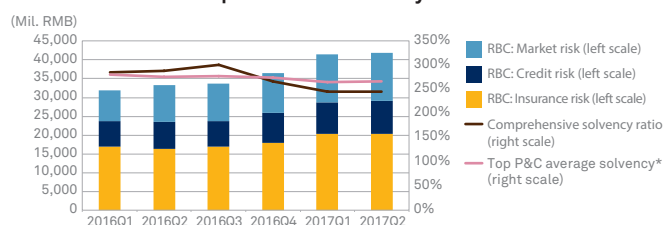
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication.
C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

China Pacific Property Insurance Co. Ltd.

Wenwen Chen, Hong Kong (852) 2533-3559; wenwen.chen@spglobal.com

Effie Tsai, Taipei (886) 2 8722-5814; effie.tsai@spglobal.com

Business Profile: Above Average

- A leading P&C insurer in China, supported by strong brand reputation and presence in the country
- Improved underwriting performance through continuous business restructuring
- Expanding footprint within the agriculture insurance market following increase in investment stake in Anxin Agriculture Insurance Co. Ltd.

Financial Profile: Average

- Strong financial flexibility with good access to capital markets and other external funding sources
- Declining capital buffer stemming from increasing allocation to risky assets and catastrophe risk exposure
- Diversified investment portfolio, with increased investments in alternative assets

Other Factors:

- Core subsidiary of China Pacific Insurance (Group) Co. Ltd. (CPIC Group)

Major Shareholder

China Pacific Insurance (Group) Co. Ltd.	98.50%
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Background Information

Type	P&C insurer
Established	2001
Head office location	Shanghai
Registered capital (mil. RMB)	19,470
2017 1H Ranking by direct premium	#3
S&P Global Ratings	A/Stable

Chart 1: Gross Written Premium

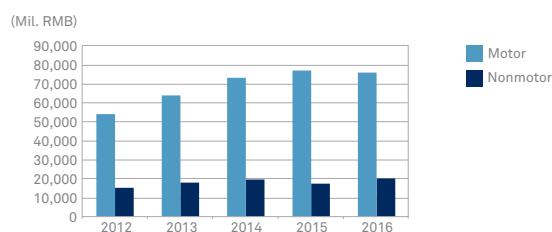
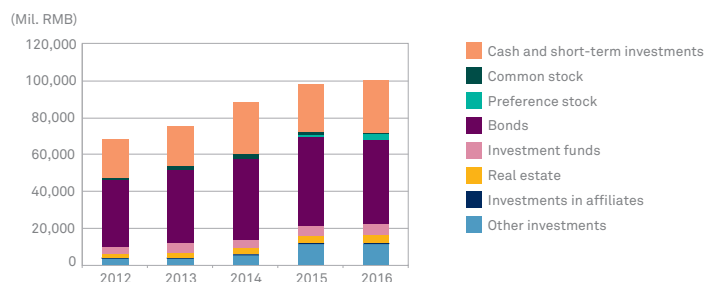
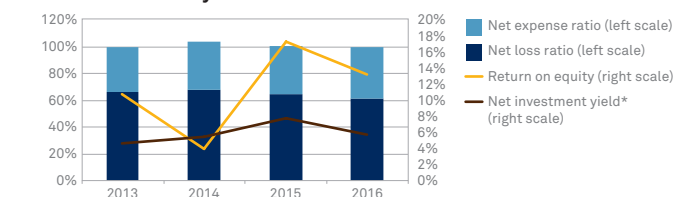


Chart 2: Investment Assets*



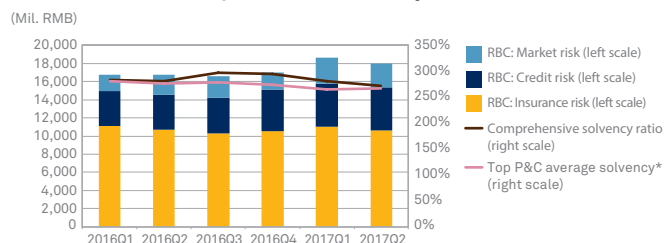
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information, S&P Global Ratings' calculation.

China Life Property & Casualty Insurance Co. Ltd.

Judy Chen, Hong Kong (852) 2532-8059; judy.chen@spglobal.com

Richie Jiang, Hong Kong (852) 2532-8003; richie.jiang@spglobal.com

Business Profile: Average

- Well-recognized brand name benefiting from that of the broader China Life Group
- Strong synergy through cross-selling strategy within the group

Financial Profile: Below Average

- Diminishing capitalization due to exposure to riskier nonmotor business
- Increasing risk appetite, reflecting high exposure to equity and alternative investments

Other Factors:

- Potential extraordinary support from government through parent group and sister company, China Life Insurance Co. Ltd.

Major Shareholders

China Life Insurance (Group) Co. Ltd.	60%
China Life Insurance Co. Ltd.	40%

Background Information

Type	P&C insurer
Established	2006
Head office location	Beijing
Registered capital (mil. RMB)	15,000
2017 1H Ranking by direct premium	#4
S&P Global Ratings	Unrated

Chart 1: Gross Written Premium

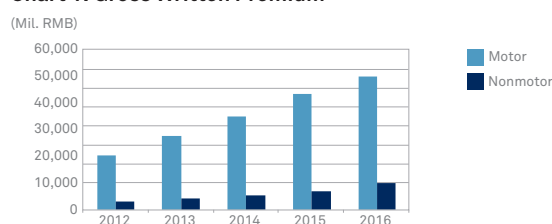
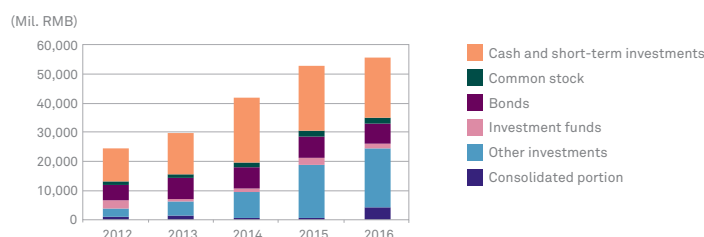
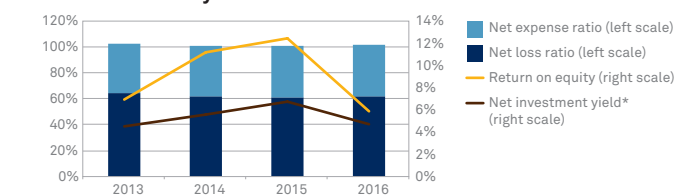


Chart 2: Investment Assets*



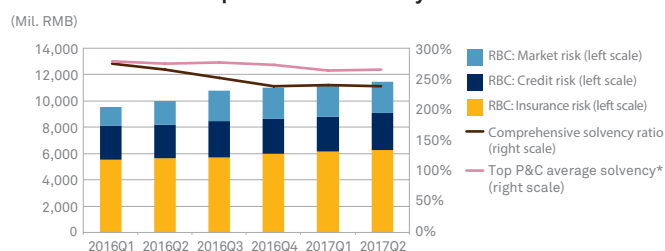
*Investment assets classification is based on the annual report disclosure.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C Average Solvency calculation includes the 12 P&C insurers covered in this publication.
C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

China United Property Insurance Co. Ltd.

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Effie Tsai, Taipei (886) 2 8722-5814; effie.tsai@spglobal.com

Business Profile: Average

- Second-largest agriculture insurance provider in China, with growing market presence
- Average brand and reputation, in our view, due to prior regulatory intervention

Financial Profile: Below Average

- Below-average capitalization level due to significant catastrophe insurance risk (incurred from agriculture insurance portfolio)
- High allocation to risky assets such as equities and alternative investment, which exposes insurer to sizable market and credit risk

Other Factors:

- Potential support from ultimate parent China Orient Assets Management Corp., through China United Insurance Holding Co. Ltd., given company's substantial contribution to the group in terms of assets and profit

Major Shareholders

China United Insurance Holding Co. Ltd.	87.93%
Zhongrong Xinda Group Co. Ltd.	7.79%

Background Information

Type	P&C insurer
Established	2006
Head office location	Beijing
Registered capital (mil. RMB)	14,640
2017 1H Ranking by direct premium	#5
S&P Global Ratings	Unrated

Chart 1: Gross Written Premium

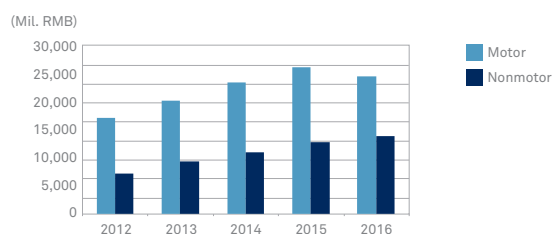
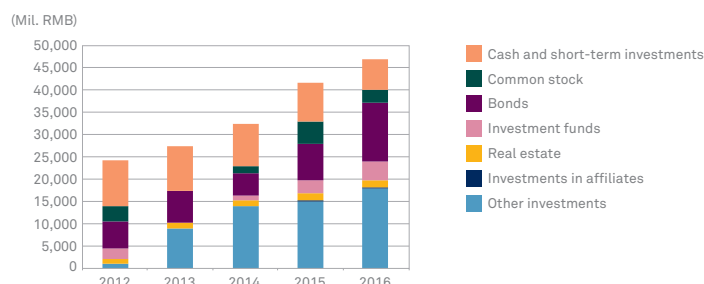
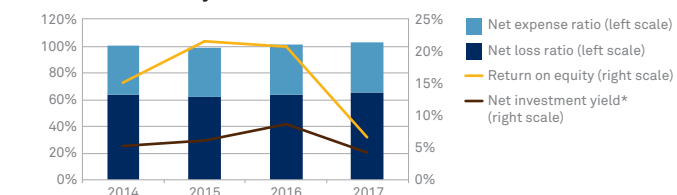


Chart 2: Investment Assets*



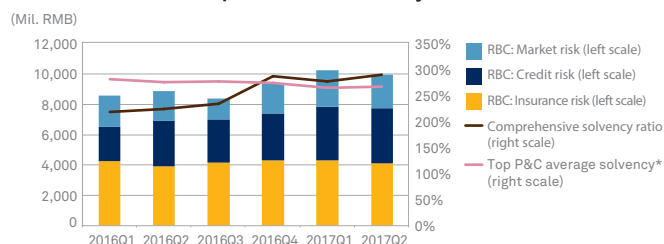
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

Sunshine Property and Casualty Insurance Co. Ltd.

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spglobal.com

Business Profile: Average

- One of the largest Tier 2 P&C insurers, with good geographic diversification and established network
- Above-average exposure to risky guarantee insurance, leading to potential volatility in operating performance

Financial Profile: Below Average

- Diminishing capitalization, reflecting its rising insurance and market risk exposures
- Growing allocation to risky and illiquid assets such as equity, real estate, and alternative investments
- Heightened financial leverage, given increasing reliance on debt issuance

Other Factors:

- Potential capital drain to support Sunshine Group's life insurance subsidiary

Major Shareholders

Sunshine Insurance Group Co. Ltd.	95.83%
Sunshine Life Insurance Corp. Ltd.	4.17%

Background Information

Type	P&C insurer
Established	2005
Head office location	Beijing
Registered capital (mil. RMB)	5,088
2017 1H Ranking by direct premium	#7
S&P Global Ratings	Unrated

Chart 1: Gross Written Premium

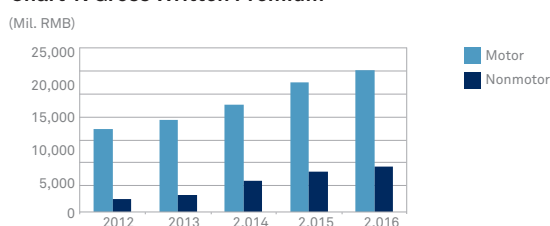
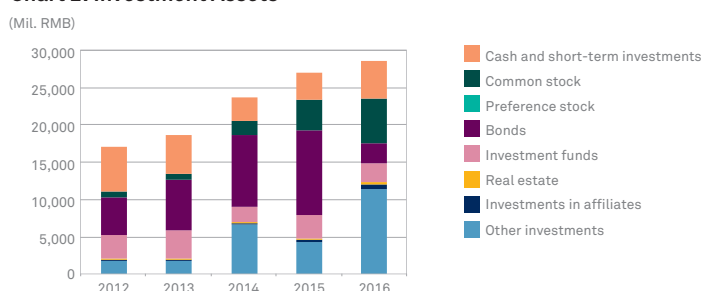
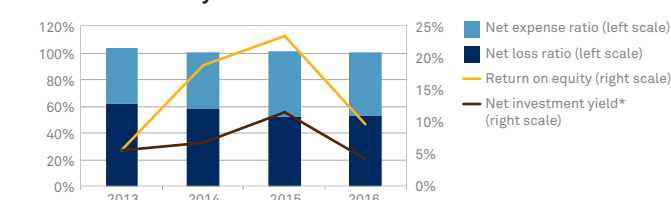


Chart 2: Investment Assets*



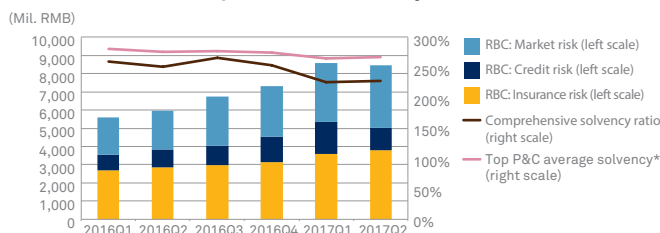
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication.
C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

Taiping General Insurance Co. Ltd.

Wenwen Chen, Hong Kong (852) 2533-3559; wenwen.chen@spglobal.com

Judy Chen, Hong Kong (852) 2532-8059; judy.chen@spglobal.com

Business Profile: Average

- Good brand and reputation benefiting from that of the group
- Improving control over distribution channels due to increasing direct sales and coordination with group resources
- Above-average expense ratio due to high operating expenses

Financial Profile: Below Average

- Weakening capitalization reflecting rising sensitivity to asset risks
- Good access to the capital market given its parent group's listed status, and support from reinsurance companies if needed

Other Factors:

- Strong commitment of business and financial support from the parent group, underpinned by parent's track record of capital injections to support Taiping's business expansion

Major Shareholder

China Taiping Insurance Holdings Co. Ltd.	99.99%
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Background Information

Type	P&C insurer
Established	2001
Head office location	Shenzhen
Registered capital (mil. RMB)	5,070
2017 1H Ranking by direct premium	#8
S&P Global Ratings	A-/Stable

Chart 1: Gross Written Premium

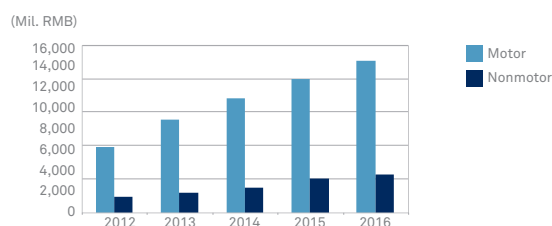
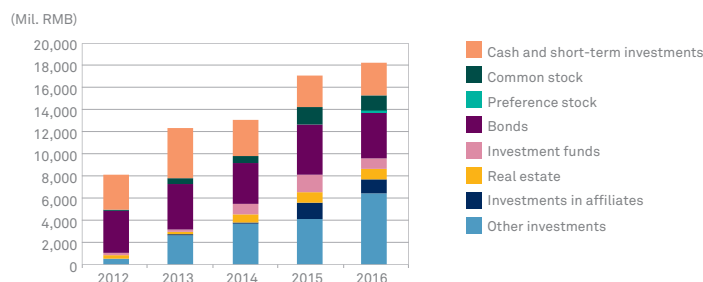
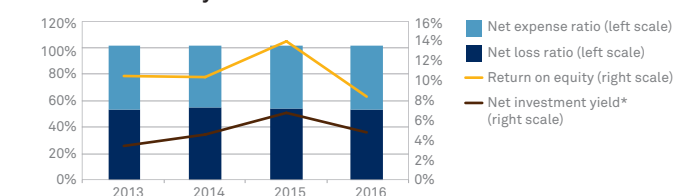


Chart 2: Investment Assets*



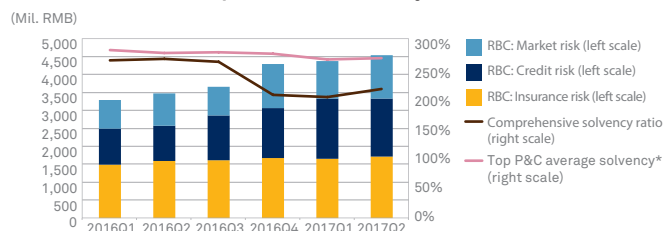
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

Yingda Taihe Property Insurance Co. Ltd.

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Richie Jiang, Hong Kong (852) 2532-8003; richie.jiang@spglobal.com

Business Profile: Below Average

- Benefits from parent group's business referrals given status as the group's sole P&C insurance subsidiary
- Good underwriting profitability over property insurance business, though moderated by underwriting losses from motor and liability insurance lines

Financial Profile: Average

- Stable, though below average regulatory solvency ratio due to sizable property insurance (subject to higher risk charge under C-ROSS)
- Very low financial leverage, reflecting limited debt issuance
- Potential sources of capital and earning volatility stemming from catastrophe exposure to property and engineering insurance

Other Factors:

- Potential group support from State Grid Corp. of China

Major Shareholders

Yingda International Holding Group Co. Ltd.	20.0%
China Power Finance Co. Ltd.	7.4%
Provincial subsidiaries of State Grid Corp. of China*	72.6%

*Comprises 25 provincial subsidiaries, where each accounts for no more than 5 % of the ownership.

Background Information

Type	P&C insurer
Established	2008
Head office location	Beijing
Registered capital (mil. RMB)	3,100
2017 1H Ranking by direct premium	#11
S&P Global Ratings	Unrated

Chart 1: Gross Written Premium

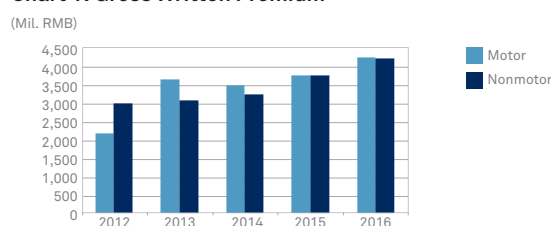
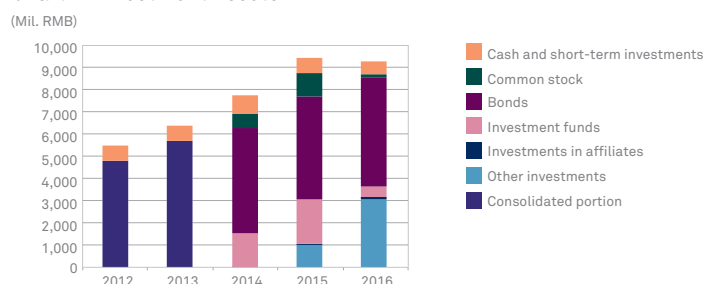
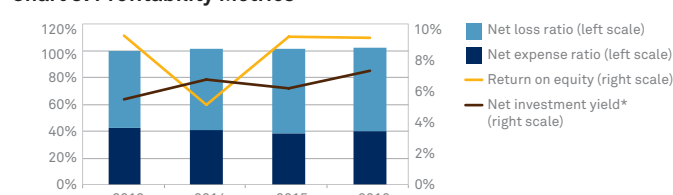


Chart 2: Investment Assets*



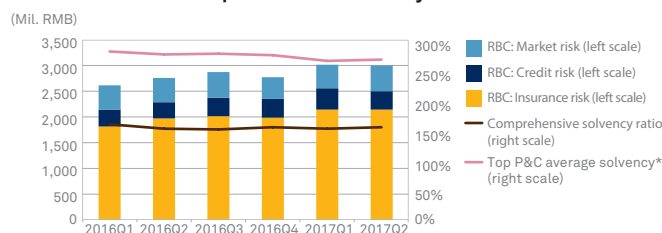
*Investment assets classification is based on annual report

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

Sinosafe General Insurance Co. Ltd.

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Richie Jiang, Hong Kong (852) 2532-8003; richie.jiang@spglobal.com

Business Profile: Below Average

- Steady top-line growth supporting its position as a mid-tier P&C insurance company
- Above-average reliance on profitable motor line, which is susceptible to market competition and a high expense ratio
- Weak underwriting performance over nonmotor lines such as accident insurance and property insurance

Financial Profile: Above Average

- Very low financial leverage, reflecting limited debt issuance
- Volatile investment performance in the past few years, due to risky investment strategies
- Deteriorating regulatory solvency due to poor profitability and heightening investment and insurance risk exposures

Other Factors:

- Potential reduction in management influence from single shareholder following new regulatory guidelines to tighten shareholder ownership

Major Shareholders

Tehua Investment Holding Co. Ltd.	20.0%
Guangzhou Zeda Cotton & Hemp Textile Co. Ltd.	14.8%
HNA Capital Group Co. Ltd.	12.5%
Hunan Xianghui Asset Operation Co. Ltd.	12.1%

Background Information

Type	P&C insurer
Established	1996
Head office location	Shenzhen
Registered capital (mil. RMB)	2,100
2017 1H Ranking by direct premium	#12
S&P Global Ratings	Unrated

Chart 1: Gross Written Premium

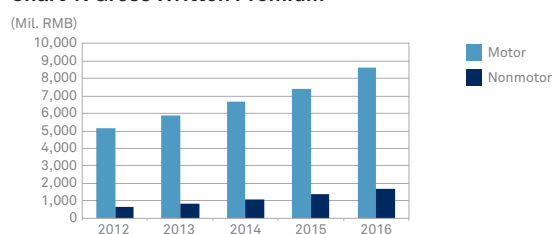
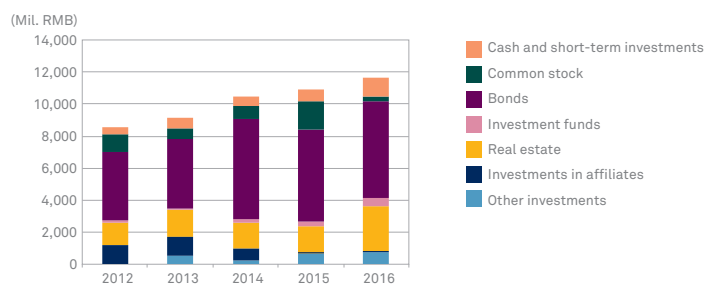
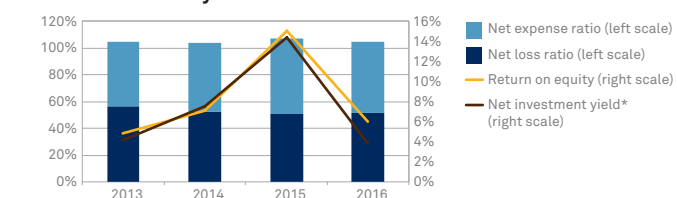


Chart 2: Investment Assets*



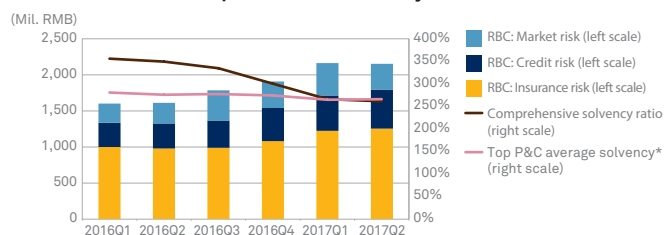
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

Huatai Property & Casualty Insurance Co. Ltd.

Judy Chen, Hong Kong (852) 2532-8059; judy.chen@spglobal.com

Mark Li, Hong Kong (852) 2533-3585; mark.li@spglobal.com

Business Profile: Below Average

- Niche business model of exclusive agent (EA) leading to good control over distribution channel
- Modest operating performance reflecting a high expense ratio, and above-average reinsurance utilization

Financial Profile: Above Average

- Very low financial leverage, reflecting limited debt issuance
- Deteriorating but above-average regulatory solvency ratio

Other Factors:

- Potential group support from both Huatai Insurance Group Co. Ltd. and wider Chubb Insurance Group

Major Shareholder

Huatai Insurance Group Co. Ltd.	100.0%
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Background Information

Type	P&C insurer
Established	2011
Head office location	Beijing
Registered capital (mil. RMB)	3,000
2017 1H Ranking by direct premium	#14
S&P Global Ratings	Unrated

Chart 1: Gross Written Premium

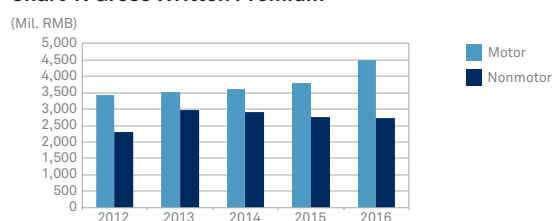
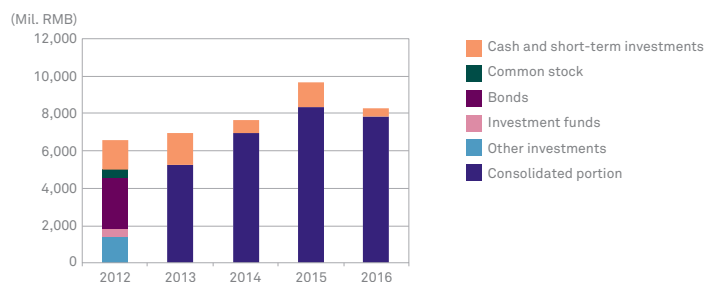
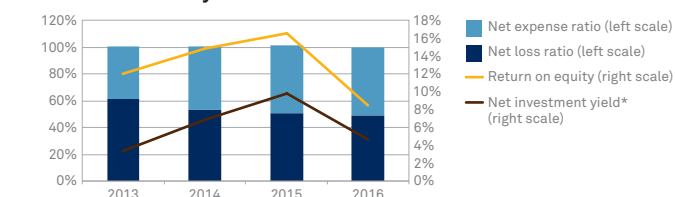


Chart 2: Investment Assets*



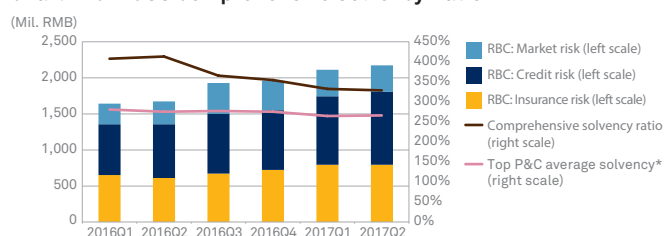
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication.
C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

AXA Tianping Property & Casualty Insurance Co. Ltd.

Sandy Lau, Hong Kong (852) 2532-8057; sandy.lau@spglobal.com

Charles Wang, Hong Kong (852) 2533-3505; charles.wang@spglobal.com

Business Profile: Below Average

- Largest foreign-owned P&C insurer in China
- Significant concentration and revenue dependency on highly competitive motor insurance businesses
- Persistent high expense ratio contributes to weak profitability, despite improving loss experience

Financial Profile: Above Average

- Above-average and improving capitalization, underpinned by low insurance risk and reduced appetite for risky investments
- Low financial leverage given limited debt issuance

Other Factors:

- Potential capital and technical support from the single largest shareholder, AXA Group

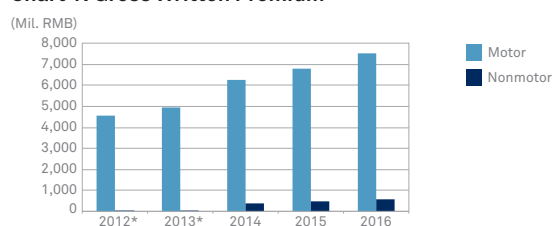
Major Shareholders

AXA Versicherungen AG	50.0%
Shanghai Yike Venture Capital Co. Ltd.	14.9%
Hainan Huage Industry Investment Co. Ltd.	10.1%
Hubei Tianmao Group Co. Ltd.	9.3%

Background Information

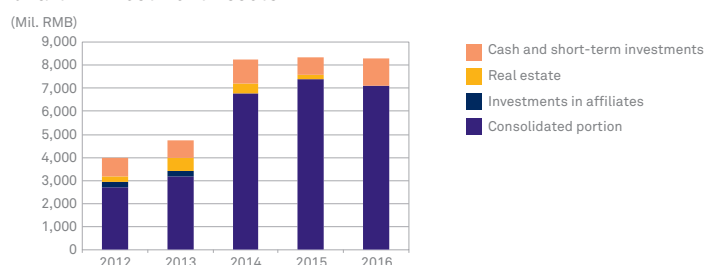
Type	P&C insurer
Established	2004
Head office location	Shanghai
Registered capital (mil. RMB)	846
2017 1H Ranking by direct premium	#15
S&P Global Ratings	Unrated

Chart 1: Gross Written Premium



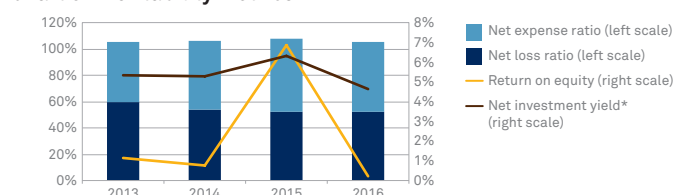
*2012/2013 figures refer to the premiums for Tianping Auto Insurance Co. Ltd.

Chart 2: Investment Assets*



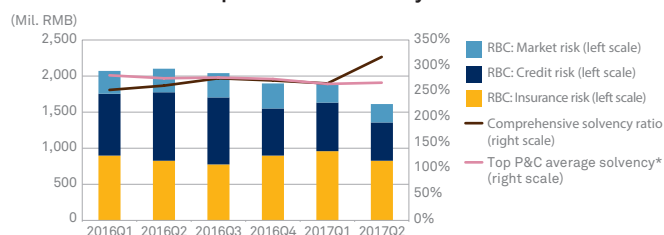
*Investment assets classification is based on annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

BOC Insurance Co. Ltd.

Wenwen Chen, Hong Kong (852) 2533-3559; wenwen.chen@spglobal.com

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spglobal.com

Business Profile: Below Average

- Strong business synergy with the parent bank, with a high level of controlled distribution and extensive geographic coverage in China
- Small but improving competitive position through an expanded insurance product offering

Financial Profile: Below Average

- Weakened capital and earnings due to increasing investment appetite
- Aggressive investment strategy through higher allocation to alternative investments
- Likely additional capital or liquidity support from the parent bank when needed

Other Factors:

- Highly strategically important subsidiary of Bank of China Ltd.

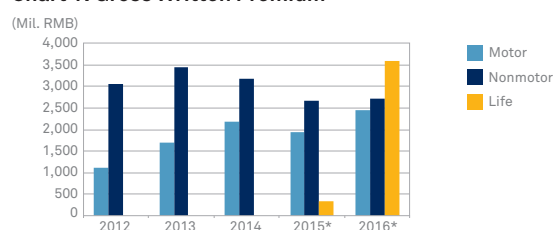
Major Shareholder

Bank of China Ltd.	100.00%
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Background Information

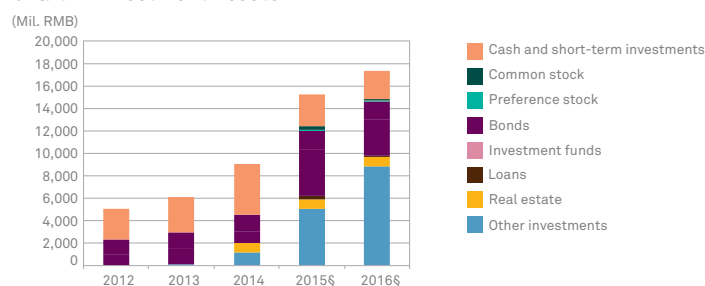
Type	P&C insurer
Established	2005
Head office location	Beijing
Registered capital (mil. RMB)	4,535
2017 1H Ranking by direct premium	#18
S&P Global Ratings	A-/Stable

Chart 1: Gross Written Premium



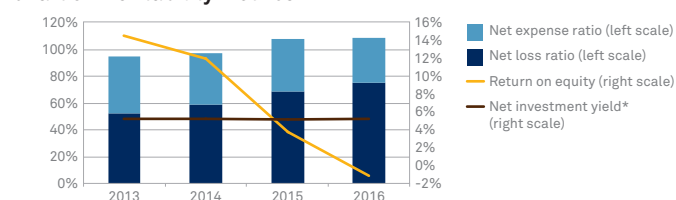
*Life premium due to consolidation of Life business in 2015.

Chart 2: Investment Assets*



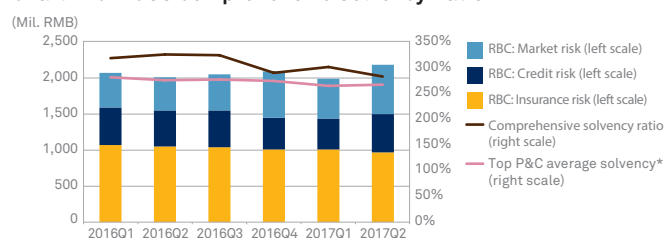
*Investment assets classification is based on annual report.
§Figures for 2015/2016 refer to consolidated results in the annual report.

Chart 3: Profitability Metrics



*Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Top P&C average solvency calculation includes the 12 P&C insurers covered in this publication.
C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
Sources: Company information,
S&P Global Ratings' calculation.

China Reinsurance (Group) Corp.

Wenwen Chen, Hong Kong (852) 2533-3559; wenwen.chen@spglobal.com

Eunice Tan, Hong Kong (852) 2533-3553; eunice.tan@spglobal.com

Business Profile: Above Average

- Very strong competitive position as the largest reinsurer in China with established connection with Chinese domestic insurers
- Good operational diversity, with presence in life reinsurance, P&C reinsurance, and direct P&C insurance businesses
- Relatively lower geographical diversity, technical, and market knowhow outside China than global reinsurance peers

Financial Profile: Above Average

- Diminishing capitalization given increasing risky asset exposure
- Potential volatility in capital and earnings due to catastrophe risks, and investment concentration in Everbright Bank

Other Factors:

- High likelihood of extraordinary support from the Chinese government

Major Shareholders

Central Huijin Investment Ltd.	71.56%
Ministry of Finance People's Republic of China	12.72%

Background Information

Type	Reinsurer
Established	1996
Head office location	Beijing
Registered capital (mil. RMB)	42,480
S&P Global Ratings	A/Stable

Major Subsidiaries	Group Status (if any)	S&P Global Ratings
China Continent Property and Casualty Insurance Co. Ltd. (China Continent)	Not available	Unrated
China Property and Casualty Reinsurance Co. Ltd. (China Re P&C)	Core	A/Stable
China Life Reinsurance Co. Ltd. (China Re Life)	Core	A/Stable

Chart 1: Gross Written Premium

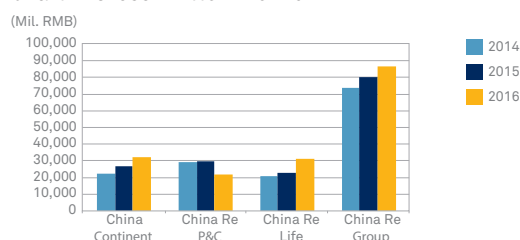
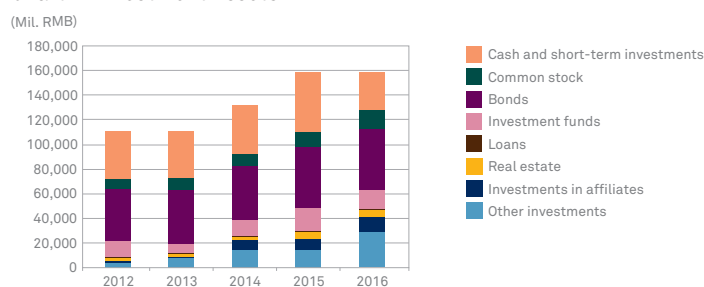
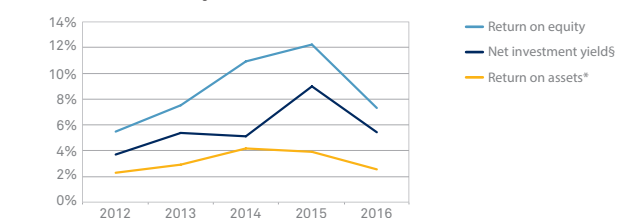


Chart 2: Investment Assets*



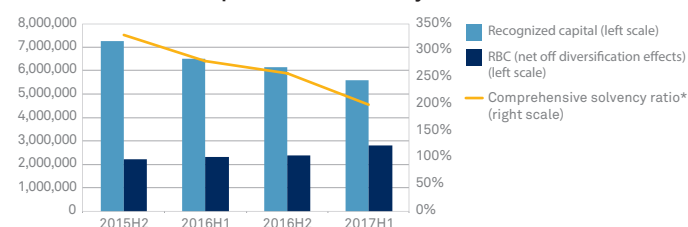
*Investment assets classification is based on the annual reports (China GAAP version) of China Re Group.

Chart 3: Profitability Metrics



Profitability metrics above refer to that of China Re Group.
 \$Net investment yield calculation includes realized gain/(loss), share of profits of affiliates, and excludes unrealized gain/(loss).
 *Return-on-assets calculation excludes investment gains/losses.

Chart 4: C-ROSS Comprehensive Solvency Ratio



*Comprehensive solvency ratio above refers to the consolidated solvency status of China Re Group. C-ROSS: China-Risk Oriented Solvency System. RBC: Risk Based Capital.

RMB—Renminbi.
 Sources: Company information, S&P Global Ratings' calculation.

Market Share Of China's Life Insurers

(Mil. RMB)

Company	Ownership	Reported premium as of 2017 1H		Market share (by policy written [a]+[b])			Market share (by direct premium [a])		
		Direct premiums [a]	Policyholder investment fund [b]	Market share	2017 1H ranking	2016 ranking	Market share	2017 1H ranking	2016 ranking
China Life Insurance Co. Ltd.	Domestic	346,168.6	52,099.3	18.7%	1	1	19.4%	1	1
Ping An Life Insurance Co. of China Ltd.	Domestic	226,516.3	54,913.3	13.2%	2	2	12.7%	2	2
Anbang Life Insurance Co. Ltd.	Domestic	188,861.1	2,755.3	9.0%	3	3	10.6%	3	4
China Pacific Life Insurance Co. Ltd.	Domestic	110,551.3	8,869.2	5.6%	4	7	6.2%	4	3
Huaxia Life Insurance Co. Ltd.	Domestic	54,660.7	59,000.2	5.3%	5	4	3.1%	10	12
PICC Life Insurance Co. Ltd.	Domestic	83,288.5	7,945.4	4.3%	6	10	4.7%	5	7
Taikang Insurance Group Inc.	Domestic	76,110.9	13,980.6	4.2%	7	8	4.3%	7	10
Funde Sino Life Insurance Co. Ltd.	Domestic	58,003.4	25,886.2	3.9%	8	5	3.2%	9	8
Taiping Life Insurance Co.	Domestic	78,935.1	2,933.3	3.8%	9	12	4.4%	6	9
New China Life Insurance Co. Ltd.	Domestic	61,239.3	3,106.3	3.0%	10	9	3.4%	8	5
Tianan Life Insurance Co. Ltd. of China	Domestic	33,917.7	21,636.8	2.6%	11	13	1.9%	13	15
Hexie Health Insurance Co. Ltd.	Domestic	35,932.0	1,311.2	1.7%	12	6	2.0%	11	6
Guohua Life Insurance Co. Ltd.	Domestic	34,263.3	2,487.2	1.7%	13	17	1.9%	12	17
Sunshine Life Insurance Co.	Domestic	28,207.3	5,097.7	1.6%	14	14	1.6%	16	13
China Post Life Insurance Co. Ltd.	Domestic	32,213.7	2.8	1.5%	15	20	1.8%	14	16
ICBC-AXA Assurance Co. Ltd.	Foreign	31,496.3	44.2	1.5%	16	18	1.8%	15	14
CCB Life Insurance Co. Ltd.	Domestic	17,737.4	10,454.9	1.3%	17	16	1.0%	21	11
Aeon Life Insurance Co. Ltd.	Domestic	19,093.2	4,721.1	1.1%	18	24	1.1%	19	21
PICC Health Insurance Co. Ltd.	Domestic	16,542.8	5,825.5	1.0%	19	21	0.9%	23	18
ABC Life Insurance Co. Ltd.	Domestic	20,666.6	948.2	1.0%	20	22	1.2%	18	22
Evergrande Life Assurance Co. Ltd.	Foreign	15,524.5	5,974.6	1.0%	21	15	0.9%	25	41
Qian Hai Life Insurance Co. Ltd.	Domestic	21,016.5	268.9	1.0%	22	11	1.2%	17	19
June Life Insurance Co. Ltd.	Domestic	18,168.5	77.3	0.9%	23	19	1.0%	20	44
Union Life Insurance Co. Ltd.	Domestic	15,615.3	1,980.8	0.8%	24	25	0.9%	24	20
Happy Life Insurance Co. Ltd.	Domestic	16,741.8	466.5	0.8%	25	23	0.9%	22	26

Source: China Insurance Regulatory Commission.

Market Share Of China's Property & Casualty Insurers

(Mil. RMB)

Company	2017 1H premium data		Market share (by direct premium)		
	Ownership	Direct premium	Market share	2017 1H ranking	2016 ranking
PICC Property and Casualty Co. Ltd.	Domestic	179,317.1	34.0%	1	1
Ping An Property & Casualty Insurance Co. of China Ltd.	Domestic	103,443.0	19.6%	2	2
China Pacific Property Insurance Co. Ltd.	Domestic	51,963.7	9.8%	3	3
China Life Property & Casualty Insurance Co. Ltd.	Domestic	31,880.1	6.0%	4	4
China United Property Insurance Co. Ltd.	Domestic	21,651.1	4.1%	5	5
China Continent Property & Casualty Insurance Co. Ltd.	Domestic	18,601.6	3.5%	6	6
Sunshine Property and Casualty Insurance Co. Ltd.	Domestic	16,378.7	3.1%	7	7
Taiping General Insurance Co. Ltd.	Domestic	10,684.1	2.0%	8	8
China Export & Credit Insurance Corp.	Domestic	7,964.1	1.5%	9	9
Tianan Property Insurance Co. Ltd. of China	Domestic	7,233.7	1.4%	10	10
Yingda Taihe Property Insurance Co. Ltd.	Domestic	5,859.7	1.1%	11	13
Sinosafe General Insurance Co. Ltd.	Domestic	5,512.0	1.0%	12	11
Yongan Property Insurance Co. Ltd.	Domestic	4,389.8	0.8%	13	12
Huatai Property & Casualty Insurance Co. Ltd.	Domestic	4,051.6	0.8%	14	15
AXA Tianping Property & Casualty Insurance Co. Ltd.	Foreign	3,980.9	0.8%	15	14
Alltrust Insurance Co. Ltd.	Domestic	3,411.1	0.6%	16	16
Anbang Property & Casualty Insurance Co. Ltd.	Domestic	3,298.5	0.6%	17	17
BOC Insurance Co. Ltd.	Domestic	2,829.0	0.5%	18	18
Guoyuan Agricultural Insurance Co. Ltd.	Domestic	2,655.2	0.5%	19	21
Sunlight Agricultural Mutual Insurance Co.	Domestic	2,631.9	0.5%	20	29
ZhongAn Online P&C Insurance Co. Ltd.	Domestic	2,567.3	0.5%	21	25
Zking Property & Casualty Insurance Co. Ltd.	Domestic	2,514.8	0.5%	22	19
Dinghe Property Insurance Co. Ltd.	Domestic	2,452.1	0.5%	23	27
Anhua Agricultural Insurance Co. Ltd.	Domestic	2,407.8	0.5%	24	20
Du-Bang Property & Casualty Insurance Co. Ltd.	Domestic	2,072.2	0.4%	25	22

Source: China Insurance Regulatory Commission.

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