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China's Insurance Market Overview

Characteristics, Trends, Challenges and Opportunities for Foreign Insurers

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Commentary

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CONTENT

INTRODUCTION

While the insurance business in mature markets is relatively safe and well understood, it offers little or no growth prospect, especially when the economic activity slacks. Insurance players, like those of many other industries, are keenly looking for opportunities offered by the globalisation.

A number of emerging markets including Kingdom of Saudi Arabia, Malaysia, Mexico, Turkey, UAE etc., are widely considered as attractive growth markets. Ongoing regulatory changes could further create significant opportunities in these areas. However, China dwarfs these markets, by its size, speed of economic development, complexity and the scale of opportunities. With the economic policy and regulatory development picking up pace, China provides significant opportunities for international growth. Nevertheless, it also presents huge challenges. We believe that for companies to be successful in China, it is key not only to have a clear growth strategy, but more importantly, to understand and adopt to the complexity, the nature of risks and the implicit rules of this market.

In this report, we discuss our view on the main characteristics of China's insurance industry and highlight prospective opportunities and risks for foreign insurers in the market.

INDUSTRY HIGHLIGHTS

- China's insurance industry is highly concentrated in the top three largest players in both life and non-life sectors (the top three largest players accounted to 54% market share in life and 65% for non-life). Foreign insurers have negligible market shares, which are increasing, but very slowly.
- China's non-life insurance market is highly imbalanced and concentrated in the motor insurance, which accounts for more than 70% of the total non-life premiums.
- Overall Industry growth slowed down due to a dip in the life business, but non-life (36% of China's insurance market) and health insurance continue to expand at fast pace and increase their shares in the industry.
- The number of foreign players is increasing. European insurers have the largest share of premiums and gain weight relative to other regions. At the end of 2013, companies with European shareholdings accounted for 51% of the total foreign-owned life premiums and 38% of the non-life premiums.
- Industry regulations and various government incentives have been both the most important driver of growth and the main source of challenges for local and foreign insurers.
- China's government and the China Insurance Regulatory Commission (CIRC) are willing and committed to modernise and develop further the local insurance market through market reforms and the help of foreign players. However, it is still highly complex and protective of domestic insurance players.
- Several significant milestones had been recently achieved in opening the insurance market. For example, the liberalisation of merger and acquisition (M&A) rules, the opening of the motor third party liability line, the setting up of the China (Shanghai) Pilot Free Trade Zone (SFTZ) with fewer restrictions for foreign players and the intention to develop a larger number of business lines and products, among others.

OUTLOOK

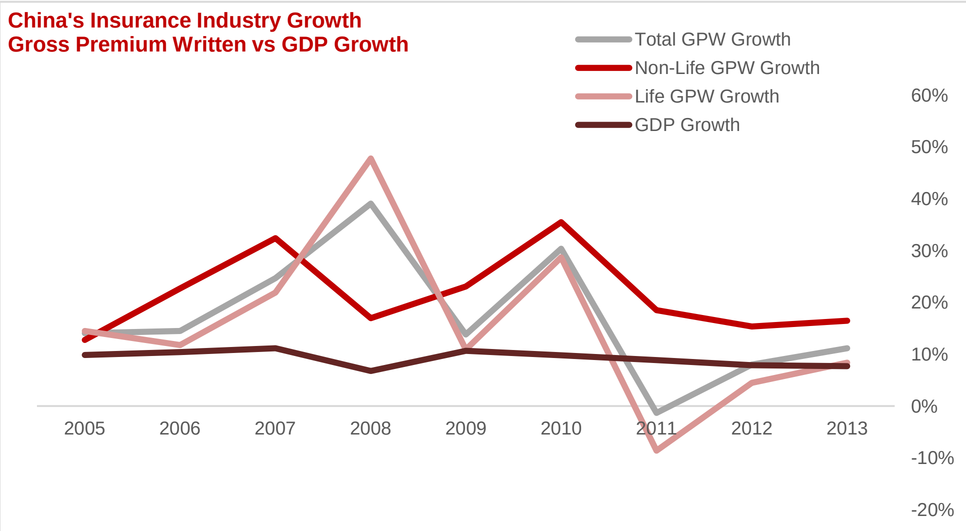
- China's insurance market promises high growth in a global context of limited industry growth prospects, based on a number of static (low penetration, low density and large population) and dynamic factors (fast economic developments, accelerating social development and an economic growth-focused policy).
- The speed and scale of the insurance industry development in China will be highly dependent on the upcoming regulatory reforms. We expect the opening of the market to pick up speed, but complexity to remain a major issue.
- We expect M&A activity and the level of market consolidation to increase, resulting in a faster growth of the foreign insurers' market share.
- We believe that the European insurers will increase their market share in China, relative to the other foreign insurers. However, patience and longer-term shareholder commitments might be tested.
- We expect the overall insurance market in China to grow at around 15% in 2014-2015 with health and non-life businesses expanding faster than the life business.

CHINA'S INSURANCE MARKET – GROWTH PROSPECTS AND MACRO DRIVERS

China's insurance market promises high growth in a global context of limited industry growth prospects, based on relatively static and dynamic factors

China's insurance market is one of the largest and fastest growing in the world. It is fuelled by the world's second largest economy with an average 10% GDP growth over the last 30 years. Although China's GDP growth has been slowing down, it is widely expected to be well above other largest economies at around 7.5% - 6.9% in the next few years[1], and is fully sufficient in our opinion, to further stimulate the development of the insurance industry.

China's insurance industry has been growing even faster than the GDP at a compound annual growth rate (CAGR) of 16.5% (5 year CARG to 2013 of 11.5%) over the last decade[2]. These rates indicate very favourable growth conditions for China's insurance industry. At the end of 2012, China stood as the fourth largest insurance market of the world[3]. Gross premiums written (GPW) grew by 11.2% and reached EUR206.3[4] billion (RMB1.7 trillion) end of 2013. While during the same period, total premiums in US, Japan and UK stood at EUR962.9 billion, EUR495.6 billion and EUR235.9 billion[5], respectively.



Source: CIRC, Bloomberg.

Life insurance has been the main growth driver dominating China's insurance industry. A sharp fall in the life insurance growth rates from 2011 has slowed down the overall market growth. During the last three years, non-life insurance has been growing faster and at more stable rates, while slowly increasing its market share. At the end of 2013, life insurance accounted for 64% and non-life for 36% of China's insurance market. Over the last decade, the life sector has grown at a CAGR of 14.63% (5 year CARG to 2013 of 7.4%) and the non-life sector at a CAGR of 21.3% (5 year CARG to 2013 of 21.2%).

In our opinion, getting back to the historic heights of 30% - 40% growth in overall market is unlikely to repeat in the future, unless significant regulatory reforms and tax incentives are implemented. However, we expect the market to grow at high rates at around 15%, well above developed and many developing markets, based on a number of dynamic and relatively static macroeconomic and geo-politic factors.

[1] IMF
[2] CIRC, Dagong Europe.
[3] Swiss Re Sigma 3 2013
[4] CIRC, this figure excludes premiums from reinsurance.
[5] Swiss Re Sigma 3 2013

We identified three important relatively static factors that indicate the potential growth of an insurance market in the long term, relative to mature markets: low insurance penetration, low insurance density and large population. In our view, these factors are highly unlikely to change significantly in the short to medium term.

- **Low insurance penetration** (measured as GPW/GDP) - It stood at 2.96% end of 2012, compared with 6% to 12% in developed markets around the world. This indicates the relatively small size and spread of the insurance industry in the Chinese economy. Looking deeper, life insurance penetration rate was 1.7% and non-life only 1.3%[6]. The fact that China is the world's largest and still growing manufacturer[7] while having such low insurance penetration also implies highly undeveloped non-life insurance sector and growth potential, particular in property & fire, liability, trade credit, business interruption and other lines.
- **Low insurance density** (measured as GPW/Capita) - It stood at USD178.9 end of 2012 indicating a relatively low awareness compared with mature markets around the world, where it ranges from USD2,000 to USD7,000 per capita. Considering the density per sector, life insurance in China, similar to the global industry, has a relatively higher density compared to non-life, at USD102.9 and USD76 per capita. The low density suggests that market expansion could be immense as insurance awareness and disposable income per capita grow closer to those of the developed markets (in 2013 disposable income grew by 12.4% in rural areas and 9.7% in urban areas)[8]. If we assume China to reach the lower level of developed markets density, the insurance industry premiums would increase by more than ten times and would be twice the size of the US's insurance market GPW – the largest insurance market in the world at the end of 2012.
- **Largest population in the world** - China has the largest and steadily growing population in the world, with 1.4 billion[9] inhabitants by 2013. Only last year, the population has increased by 6.7 million. In comparison, Europe's population was 815 million, North America's 348 million and Latin America 598 million by the end of 2012[10]. In addition, population in China is aging faster than in Europe or North America. We expect this will boost the demand for new products and services to meet the aging population's needs.

We also identified three dynamic factors important to the Chinese insurance industry growth and development: fast economic development, economic growth oriented policy and accelerating social and technological development. We believe these factors carry a higher degree of uncertainty regarding future direction and speed of progress in the medium to long term. Despite the short-term inevitable fluctuations, we consider these factors to have 'moderate' to 'positive' trends and overall, to carry positive impact to the industry.

- **Fast economic development** – China has been leading the world's economic growth by the size and the speed of its development. The sustainability of growth is a matter of concern not only for the Chinese authorities but also globally. We expect the country's economic growth to slow down, yet stay sufficient to stimulate the insurance sector expansion.
- **Economic growth oriented policy** – The government's policy is focused on maintaining economic growth and moving towards a more 'market driven' economy to maintain wealth creation in the country. The plans are promising, but only time will show the effectiveness of execution. The opening, development and regulation of China's insurance market are highly dependent on the government's policy direction

[6] Swiss Re Sigma 3 2013
[7] United Nations
[8] China National Bureau of Statistics
[9] China National Bureau of Statistics
[10] Swiss Re Sigma 3 2013

and its predictability. Although sudden individual developments are difficult to foresee, in the long term, we believe economic policy will have positive impact and will aid further the insurance market development.

- **Accelerating social and technological development** – Social development in China is picking up pace, driven by a rapidly growing middle class and their evolving needs, including strong need for more financial security and predictability of the future. The society is highly technology savvy and the penetration is high and still growing. As an example, the mobile phone industry has been growing at record levels with mobile subscriptions reaching 1.2 billion in 2013, compared to 0.6 billion[11] in 2008. We expect this development will fuel insurance product innovation and push insurers to approach target audience in a more innovative, cost efficient and faster ways.

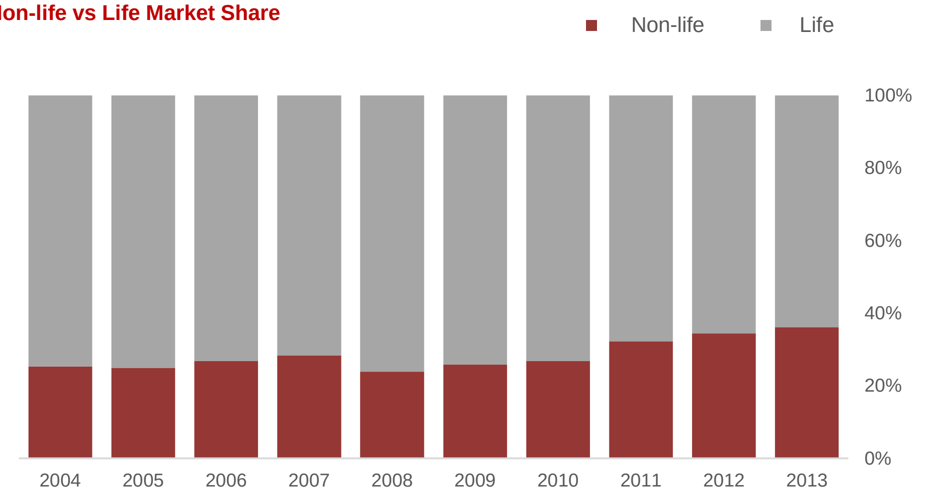
[11] Dagong Europe – Industry Compass: Telecom May 2014

CHINA'S INSURANCE MARKET – STRUCTURE AND MICRO GROWTH DRIVERS

Despite the impressive market size and wide geographical spread, the industry is highly concentrated in the top three largest players and few business lines, in particular motor

China's insurance market regulator requires legal entity separation for life and non-life insurance. Currently, the industry is dominated by the life insurance that also includes the health sector, as defined by CIRC, although some non-life players also provide health insurance. At the end of 2013, there were 68 active life insurers of which 40 were regarded as local and 28 foreign; while there were 64 active players in the non-life market and the local-foreign split was 43 and 21[12].

China's Insurance Market Composition
Non-life vs Life Market Share



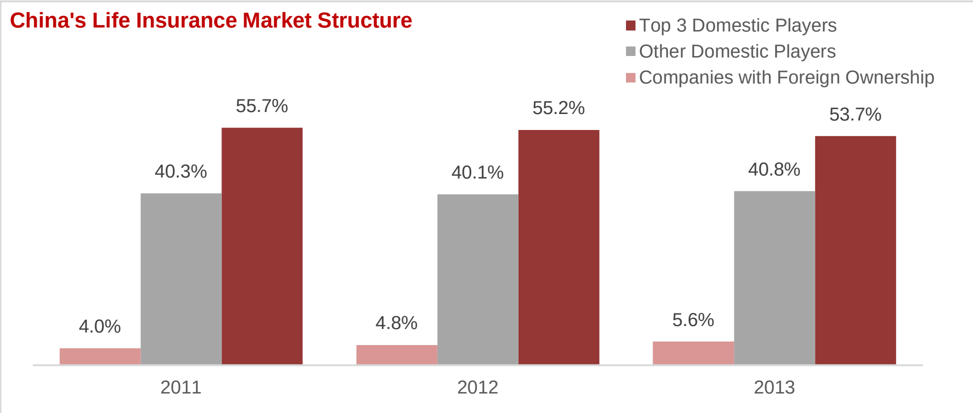
Source: CIRC, Dagong Europe.

Life insurance – Continues to dominate the market despite slower growth rates

Life insurance market is highly concentrated in the top three insurers (China Life had 30.4% market share, Ping An Life 13.6% and New China Life 9.6%) occupying 53.7% of the market, while the remaining 37 local players accounted for 40.7% and the 28 foreign players shared the remaining 5.6%. Over the last three years, the market shares were relatively stable, with a slight increase of the foreign companies' share to 5.6% from 4%.

The life business has seen extraordinary historical premium growth rates at a CAGR of 28.5% during 2006–2010, and has dominated the industry with a market share of over 60%. However, growth slacked in 2011 and 2012 due to changes in reporting basis of China's GAAP from 2011 (started to exclude most premiums from variable universal life and investment-linked products) and the new banc-assurance regulation imposed by the China Banking Regulatory Commission (CBRC) in November 2010, which has limited the banks' collaboration with up to three insurance companies only. The growth is slowly coming back, as life insurers adjust their strategies, but nowhere near the historic heights.

[12] CIRC. Representative offices or branches not reported in CIRC's statistics were not considered in this research.



Source: CIRC.

Banking distribution in China, as in many other countries, is becoming increasingly important. Banks and insurance companies have widely adopted the banc-assurance model. The common ownership allows both parties to leverage on their expertise, increase distribution capabilities and customer base and lower costs by integrating operations, etc.

Tied agent sales channel also plays an important role, historically employing a large number of sales agents. However, the efficiency and expertise levels have been low, while agent turn around high. We believe this channel will remain important, but to keep its relevance, immediate actions to increase efficiency, reduce costs and other significant improvements are required.

Health insurance – High growth potential

The health insurance sector is developing fast and increasing its importance. It has been rapidly growing over the last decade with CAGR 17.7% (5-year CAGR up to 2013 at 18.3%)[13], although from historically low levels. Despite the volatile growth rates ranging from -2% to 52%, total premiums had doubled roughly every five years.

In our view, there are three main factors explaining historical growth in health insurance, and we expect this trend to continue in the future:

- Insufficient and underdeveloped capacity of China's public health sector to provide wide range of timely and high quality services;
- Fast growing demand for health care services fuelled by a rapidly growing middle class, already relatively large affluent segment and increasing attention to health problems exacerbated by high level of pollution in densely populated areas; and
- Growing proportion of the aging population and the rising life expectations. At the end of 2013, 14.7% of China's population were aged 60 or over of which only 9.7% were aged 65 or over[14]. The percentage of population above the age of 65 in China is well below the US, Japan and UK with 14%, 24% and 17% respectively by the end of 2012[15]. It is widely expected that in coming decades these numbers of elderly people in China will multiply.

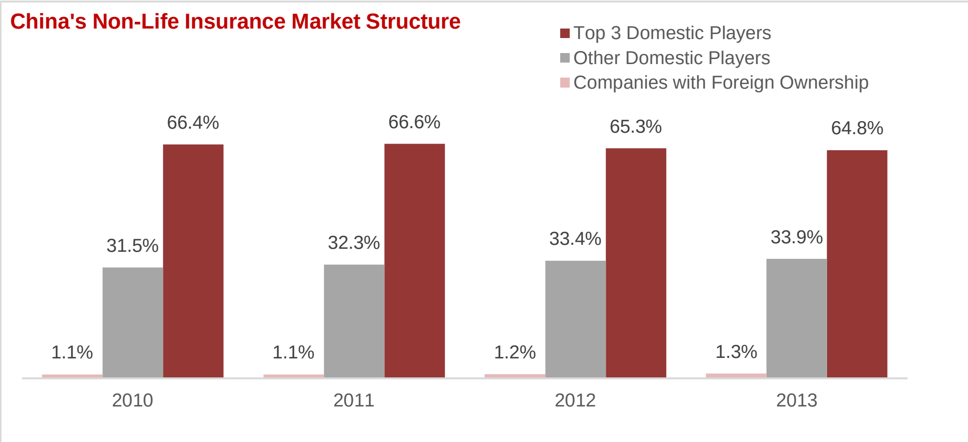
China's government recognises the seriousness and complexity of the current situation and encourages the private sector to boost supply of health services and help satisfy the ever growing demand. The recent establishment of the foreign professional health insurance institutions in the SFTZ also supports CIRC's plans for the health sector development.

[13] CIRC's health sector data, which treats health insurance as subsector of life insurance
[14] China National Bureau of Statistics
[15] The World Bank

Non-life insurance – Gaining weight and delivering stable growth

Non-life market is even more concentrated than life, with the top three insurers (PICC 34.4% market share, Ping An 17.8% and China Pacific 12.3%), sharing 64.8% of the market, while the remaining 40 local players account for 33.9% and 21 foreign players for only 1.3%. Over the last four years, these market shares stayed relatively stable. We expect that in the near future the market share of foreign insurers will increase faster, boosted by the opening of motor market and the liberalisation of M&A rules.

Non-life market is dominated by motor insurance, which accounts for more than 70% of total non-life premiums. This indicates a highly imbalanced and underdeveloped state of the industry. The second and the third largest business lines – property and agriculture, account for about 7% and 4% respectively, and the rest is shared among other product lines. It is worth noting that developing insurance markets, including China, would see the overweighed share of the motor line to be gradually diluted by growth in other lines as the economy develops.



Source: CIRC.

Although non-life insurance is growing rapidly, it remains largely under-penetrated, due to various limitations including low product awareness, low penetration in rural areas and lack of effective distribution.

The major distribution channel for non-life is direct sales. However, the efficiency per headcount is low when compared with developed markets. Brokers and multi-agents are also playing important roles, especially for foreign players with limited own-distribution capabilities. Yet, high commission rates are forcing insurers to focus more on cheaper direct distribution channels. Telephone sales and internet platforms are growing fast and we expect will significantly increase their importance in the future.

For motor insurance, the number of passenger cars has jumped from virtually nothing 30 years ago to 137.4 million[16] by the end of 2013, making China the largest passenger car market in the world. However, the number of passenger cars per capita stood only at 10 cars per 100 inhabitants in 2013[17]. This is significantly lower compared to US or Europe where the number of cars per 100 inhabitants were at 39 and 48, respectively by the end of 2012[18]. We expect motor to maintain its dominance at least in the medium term and to continue driving the growth for the non-life sector.

Historically, the motor third party liability (MTPL) sector was open only for domestic players, to protect local companies from more advanced foreign competition. In our view, however, this slowed down the overall market development. Only in 2012 did foreign insurers gain full

[16] China National Bureau of Statistics
[17] China National Bureau of Statistics
[18] Dagong Europe – Industry Compass: Automotive May 2014

access to compulsory liability insurance for motor vehicle accidents. We expect the competition to push for improvements at the service level provided by local players.

For the agriculture insurance sector, China has positioned itself as the world's second-largest market by premium income after the US, and is eager to spread the use of climate-related insurance products into other sectors. Historic growth in agriculture was driven by government subsidies and focus on stimulating rural economy. We expect this to continue in the medium-term.

FOREIGN INSURERS IN CHINA

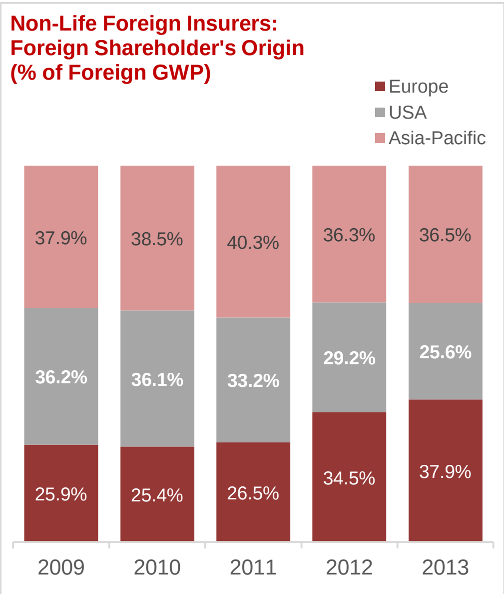
The number of foreign companies in China is increasing and European insurers are gaining weight relative to players from other regions

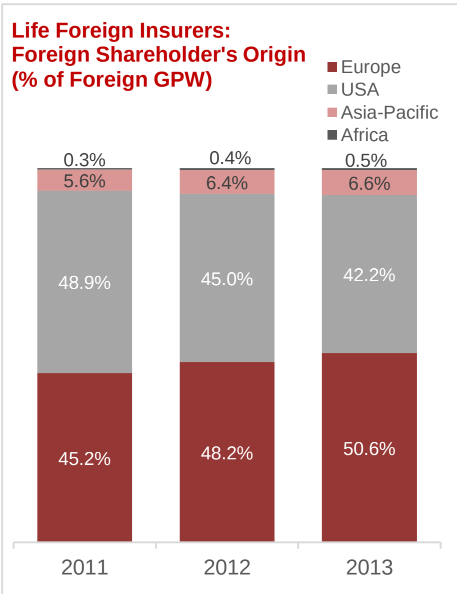
With the loosening of regulatory hurdles, the number of foreign insurers in China is steadily increasing. Few global players have deep historic ties with China. Therefore, the initial wave of foreign insurer registrations started only after China joined the World Trade Organisation in December 2001, dominated by foreign global life insurers. The second wave came after China lifted restrictions on foreign insurers to operate only in 15 cities and allowed group policy sales in December 2004. New entrants were led by foreign global non-life insurers.

We see signs of a third wave starting already and expect it to peak in the next one to two years as foreign players become more comfortable with market specifics, opening of previously closed product lines, easing of ownership and M&A rules and further regulatory reforms.

Almost all of the 20 largest global insurance groups have operations in China, at a larger or smaller scale. At the end of 2013 there were 49 registered foreign legal entities, with some global players having both life and non-life operations.

Although market shares of foreign insurers are very dynamic, due to new entrants coming to the market and frequent change of shareholders, we observe an increasing market share of companies with European shareholding origins relative to the others (mainly North American and Asian). At the end of 2013 it accounted for 50.6% of total foreign owned life premiums and 37.9% of total foreign owned non-life premiums. This could be explained by the relatively higher number of global insurers with European origins expanding to China and their more active and dynamic strategies, relative to peers from other regions. We expect European presence to grow further.





Source: CIRC, Dagong Europe.

The penetration of foreign insurers in China is one of the lowest in Asia due to the regulatory hurdles. Despite the high number of foreign insurance companies, successful distribution and brand establishment, profitability and premium volume in absolute terms have been limited, in particular in the non-life segment.

A number of foreign insurers are showing interests in expanding their geographical spread and tapping enormous growth opportunities in China. However, many are still hesitating to enter the market and are waiting for regulatory hurdles to open up further and the first movers to pave the way and develop the market.

Only at the beginning of this year did a number of large global players strengthen their commitment to the Chinese market, including Bupa, Zurich, Euler Hermes, etc. In addition, AXA's joint venture with Tian Ping Auto Insurance (18th largest non-life insurer, with GPW equal to 60% of total foreign players' premiums in 2013) also indicates the increasing foreign companies' interest and the changing market dynamics.

We expect foreign insurers to grow faster than the domestic players as they leverage on high technical expertise and fine-tune their distribution strategies. We expect foreign life insurers' growth will come from retirement, protection and health insurance products. For non-life insurers we expect the key growth driver to be access to the motor market and in a longer term, credit, property and weather protection related products.

REGULATION

Regulation initially structured to protect domestic players is evolving, and gradually opening the market to encourage competition, growth and wider social and economic development

China's insurance market is regulated by the CIRC, established in 1998. In our view, the CIRC is focused on monitoring market behaviour and developing insurance market while protecting domestic insurance players. This market has been growing at an impressive pace, and every significant growth spur was stimulated by direct regulatory or government actions, rather than market forces.

Complex rules, limited transparency, frequent changes and varying interpretation in different regions continue to present significant challenges for market participants and investors. However, we believe that the regulatory framework is slowly moving towards international standards.

The CIRC reforms the market at a slow pace, with pilot tests and careful assessments of possible impact. However, as soon as the framework and impact are clear, the pace and effects of implementation are dramatic. In recent years, we saw a number of important reforms and gradual liberalisation of the country's insurance industry, including the recent opening of MTPL to foreign insurers.

The CIRC separates registered insurance companies in China into domestic and foreign owned. Companies with 25% or more foreign ownership are considered 'foreign' and are subject to different and more detailed regulatory rules. The different regulatory treatment often constraints foreign insurers relative to domestic players. For this reason, some international players chose to invest below the threshold, in order to grow faster and avoid various restrictions and increased reporting.

Nevertheless, the majority of the largest international players chose to invest the maximum allowed shareholding stake in order to maximise control over decision-making and minimise potential shareholder conflicts.

CIRC defines maximum ownership differently for life and non-life. It allows only up to 50% foreign ownership in life insurance companies. For this reason, the majority of foreign life companies are joint ventures with 50/50 ownership split between the foreign insurer and the local company. For non-life, foreign players could invest up to 100%, with CIRC's approval. The majority of foreign non-life subsidiaries are wholly-owned.

CIRC has announced new rules that allow all insurers, both foreign and domestic, to own more than one company in the same segment of the industry, effective from June 1st 2014. Before that, the insurers could own only one company that competed in the same market segment (life or non-life). In addition, investors are now allowed to take loans to finance up to 50% of acquisitions instead of using their own funds solely. We expect this will provide opportunities for foreign insurers to expand, but also for market to consolidate, as smaller, poorly capitalised players will struggle to compete.

Based on CIRC and the government initiative, in the autumn of 2013, the SFTZ was opened with promoting the development of the insurance market as one of its goals. Free trade zones in general, aim to develop specific areas of the market and test the impact of new policies by providing more favourable conditions for foreign insurance companies than in the rest of Mainland China. The SFTZ is very important as it focusses on some of the key areas for the future market evolution. It encourages the spread of professional health insurance and reinsurance companies by allowing foreign investors to have 100% ownership in health insurance companies and enabling easier setting-up of reinsurance branches and subsidiaries, reduces regulation and increases companies' decision making power by allowing more flexible investment rules. It also encourages the development a specialty product range including natural catastrophe (NatCat) and weather related, marine liability, retirement products, etc. If the SFTZ pilot proves to be successful and will then be followed by another 12 new free-trade-zones approved by the central government, it will bring a significant boost not only to the insurance industry, but to the social and economic development as well.

CIRC is also in a process of reshaping its supervision closer to the standards of developed markets. We expect these reforms to have positive impact for the market. It is widely anticipated that in 2016, CIRC will roll out a three-pillar Solvency II like framework – more risk-based solvency regulations with quantitative solvency capital calculation, qualitative controls and enhanced reporting requirements. CIRC's publications indicate that it will be much simpler than the European Solvency II framework, in particular the approach to required solvency capital calculation.

We believe that CIRC's future focuses on customer protection, closer monitoring of insurance intermediaries, new solvency regulation and testing of new reforms in various pilot projects, will address important market-wide issues and stimulate industry evolution.

OPPORTUNITIES AND CHALLENGES FOR FOREIGN INSURERS IN CHINA

Although China's insurance market is widely considered as an attractive growth market and expansion destination for global insurance players, the risks and challenges it presents are often underestimated. We characterise China's insurance market as highly dualistic – dynamic and at the same time rigid, promising and at the same time constraining. We summarise our views of the most important factors as follows:

Top opportunities

- More transparent regulation and liberalisation of China's insurance market are expected to create significant opportunities not only for the insurance sector, but also for the countrywide economic and social development. The regulation is evolving and in the long term will foster more level playing field for all market participants, while increasing consumer protection and moving towards more sophisticated risk-based oversight.
- Growth focused economic policy and active use of fiscal instruments, in particular tax incentives, support economic growth and boost demand for insurance products.
- Rapidly growing middle-class and aging population are demanding higher life standards and future security, raising awareness and demand for life and non-life insurance products.
- The fast pace of technological development and wide spread and high level of consumer engagement provide opportunities for more sophisticated ways to deliver insurance products to customers, manage claims, etc.
- Huge uninsured population and vast geographical spread offer growth and risk diversification.
- High natural catastrophe exposure and government's intention to transfer some disaster recovery related social responsibilities to the private sector, will help to develop the insurance segment for weather related risks.

Main challenges

- Regulation is the main challenge for foreign insurers to develop successful business in China. The regulator acts protectively for local players while slowly opening and developing the industry with still high level of complexity, uncertainty regarding timing and direction, low transparency and various other barriers.
- Faster and sooner-than-expected economic slowdown, which could reduce the speed of the insurance product penetration and density.
- Limited investment and asset-liability management opportunities due to various investment restrictions, volatile and relatively shallow capital market and lack of long-term bond market.
- Constrained and slow expansion of distribution channels and shortage of high-quality sales personnel.
- Cultural misperception of insurance products and their economic benefits.
- Need for additional capital to sustain solvency positions while maintaining fast premium growth, suffering from bottom line losses or low profitability.

Key Success Factors in China

In our view, for foreign insurers to succeed in China while the industry is developing and adjusting to its ever-changing environment, it is crucial to have:

- Long-term vision and patience to achieve strategic plans. Adjusting to cultural differences, learning the ways businesses work in China and overcoming unexpected challenges take time, often longer than expected.
- Ability to respond quickly to regulatory changes and leverage on opening opportunities.
- Committed shareholders' ability and willingness to provide additional finance to support high growth, high operating expenses and low profitability at least in the medium term.
- Flexible, creative and innovative approach to expand distribution channels and provide new products, while keeping tight cost controls and ensuring high efficiency.
- Ability to access sufficient and reliable data that help to generate thorough underwriting, accurate pricing and risk modelling, leading to sustainable and profitable technical results.

EXHIBIT I

Foreign non-life insurers by GPW, excluding premiums from reinsurance

Company Name (Chinese)	Company Name (English)	GPW 2013		Premium Growth y-o-y
		RMB, '000	EUR '000	
安盟	Groupama AVIC Property Insurance Company	1,430,342	171,317	102.5%
美亚	AIG Insurance Company China	1,148,909	137,609	4.2%
利宝互助	Liberty Insurance Company	847,012	101,449	18.4%
安联	Allianz China General Insurance	655,978	78,569	14.0%
三星	Samsung Property & Casualty Insurance Company	611,729	73,269	18.8%
国泰财产	Cathay Pacific Property Insurance	518,742	62,131	97.6%
三井住友	Sumitomo Mitsui Banking Corporation	469,392	56,221	2.1%
东京海上	Tokio Marine Nichido Fire Insurance	469,296	56,209	-0.5%
苏黎世	Zurich Insurance Group	394,939	47,303	13.9%
富邦财险	Fubon Property Insurance	357,220	42,785	120.7%
日本财产	Sompo Japan Insurance Company	296,700	35,537	0.7%
丰泰	AXA - Winterthur Insurance	256,946	30,775	-1.9%
中意财产	Generali China Insurance	200,544	24,020	-12.1%
太阳联合	Sun Aliiance Insurance (China)	169,574	20,310	6.5%
丘博保险	Chubb Insurance (China)	131,150	15,708	-6.2%
现代财产	Hyundai Insurance (China)	104,732	12,544	12.5%
乐爱金	LIG Insurance (China)	98,037	11,742	12.9%
日本兴亚	Nipponkoa Property Insurance (China)	53,832	6,448	22.1%
爱和谊	Aioi Nissay Dowa Insurance (China)	49,663	5,948	3.1%
信利保险	XL Insurance (China)	35,888	4,298	-12.4%
劳合社	Lloyd's Insurance (China)	796	95	79.7%
Total		**8,301,421**	**994,289**	**23.6%**

Source: CIRC, Dagong Europe

EXHIBIT II

Foreign life insurers by GPW, excluding premiums from reinsurance

Company Name (Chinese)	Company Name (English)	GPW 2013 RMB, '000	GPW 2013 EUR '000	Premium Growth y-o-y
工银安盛	ICBC-AXA Life	10,287,195	1,232,132	116.5%
友邦	AIA	9,407,766	1,126,800	8.2%
中美联泰	MetLife	5,670,060	679,122	21.6%
中意	Generali China Life Insurance	4,788,938	573,587	11.0%
招商信诺	CIGNA & CMC Life Insurance	4,240,273	507,872	75.1%
信诚	CITIC-Prudential Life	4,133,292	495,058	14.1%
中英人寿	Aviva-Cofco Life	3,530,605	422,872	-2.0%
中宏人寿	Manulife-Sinochem	2,987,444	357,816	9.4%
华泰人寿	Huatai Life Insurance	2,891,867	346,369	1.2%
中荷人寿	ING-BoB Life Insurance	2,121,595	254,111	20.8%
中德安联	Allianz China Life	1,793,868	214,858	30.2%
海康人寿	AEGON-CNOOC Life	1,448,664	173,511	5.2%
交银康联	BoComm Life	1,344,033	160,979	86.4%
恒安标准	Heng An Standard Life	1,179,897	141,320	-19.7%
汇丰人寿	HSBC Life Insurance	759,378	90,953	43.6%
北大方正人寿	Peking University Founder Life Insurance	617,390	73,947	23.3%
国泰人寿	Cathay Life Insurance	476,028	57,015	6.8%
新光海航	Shin Kong - HNA Life	347,909	41,670	11.2%
中航三星	Samsung Air Chaina Life	336,485	40,302	22.2%
平安健康	Ping An Health Insurance Company of China	308,484	36,948	46.4%
长生人寿	Nissay-Greatwall Life	271,175	32,480	-18.2%
中新大东方	Great Eastern Life Insurance	259,664	31,101	-12.4%
君龙人寿	King Dragon Life Insurance	222,140	26,606	49.3%
瑞泰人寿	Old Mutual - Guodian	142,539	17,072	47.6%
中韩人寿	Sino Korea Life Insurance	89,301	10,696	
复星保德信	Pramerica Fosun Life Insurance	16,484	1,974	1075.5%
中法人寿	Sino-French Life Insurance	10,561	1,265	-69.2%
德华安顾	Ergo China Life	2,142	257	
Total		**59,685,176**	**7,148,696**	**25.6%**

Source: CIRC, Dagong Europe

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