

CPIC (SH601601, HK02601, LSE CPIC)
Stock Data (ending Sept. 30, 2022)

Total equity base (in million)	9, 620
A-share	6, 845
H-share	2, 775
Total Cap (in RMB million)	175, 538
A-share	139, 160
H-share (in HKD million)	40, 131
6-month highest/lowest	
A-share (in RMB)	22. 72/19. 18
H-share (in HKD)	19. 34/14. 04
GDR (in USD)	17. 76/13. 90

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Premium Income (Unit: in RMB million)

	Jan.- Sept.	Changes	Sept.	Changes
P&C	132, 733	12. 53%	14, 747	15. 44%
Life	189, 738	4. 41%	16, 782	9. 43%

Regulatory Updates

● State Council introduces polices to support private pension funds

On September 26, the State Council decided to introduce tax incentives for personal private pension funds with government support and operating on a commercial basis. Every participant is allowed to contribute annually up to 12,000 yuan, which is deductible before tax, to the individual pension account. Its investment income is tax-free and the actual tax rate on fund withdrawals is reduced from 7.5% to 3%.

According to Shanghai Securities Daily, a wide range of financial products is eligible for the fund, including commercial pension insurance such as annuity and endowment insurance, as well as other insurance products designated by CBIRC. Eligible insurance products should have a minimum insurance period of 5 years with benefits limited to survival payment, maturity payment, death, full disability, and payment in the event of incapacitation.

Insurance companies shall meet certain requirements to engage in the private pension fund business: first, the minimum level of the owner's equity as of the end of the preceding quarter shall be 5bn yuan and 75% of the share capital (paid-in capital); second, the comprehensive solvency margin ratio as of the end of the previous quarter shall not be lower than 150%, with core solvency margin ratio not lower than 75%; the coverage ratio of insurance contract reserve as of the end of the preceding quarter shall not be lower than 100%.

Industry Information

● Insurance sales personnel declined by 11.1% in 1H from end of 2021

On September 19, CBIRC released statistics concerning sales personnel of insurance companies in the first half of 2022. As at June 30, there were a total of 5.707mn sales people registered with the national intermediary regulatory information system, down by 712,000 from the end of last year. Of this, 4.014mn were with the 94 life/health insurance companies, accounting for 70.3% and down by 3.4 percentage points; 1.693mn with the 90 P/C insurance companies, making up the remaining 29.7%.

By gender, the headcount of women was 3.846mn, with a share of 67.4%, and that of men 1.861mn, with a share of 32.6%. Of this, the share of female sales personnel of life/health insurers reached 74.6%, and in P/C insurers, the split was almost half-half. In terms of educational background, 2.625mn have senior high school education, representing 46% of the total; 2.258mn have college education, accounting for 39.6%; 824,000 have junior high school or below education, making up 14.4%. By legal status, 5.217mn, or 91.5% of the sales personnel are on agency contracts with insurance companies; 396,000, or 6.9% of the sales personnel are on payroll of insurance

companies; the remaining 94,000 people, or 1.6% belong to other contractual relations.

Company News

● CPIC Home retirement community in Zhengzhou starts construction

On September 21, the ground-breaking ceremony of CPIC Home retirement community in Zhengzhou was held in Zhengdong New Area, making it the 10th such project by CPIC. The community has a total floor space of 87,000 square meters, with about 700 retirement apartments and over 1,100 beds under planning. It's scheduled for completion in early 2025.

At the same time, the facility in Putuo District of Shanghai is scheduled for opening in 2023. With a total floor space of 17,000 square meters and 3 levels above ground and 1 level underground, the project maps out 170 apartments and 300 beds, with spaces for elderly people with cognitive impairment and those requiring different levels of care and nursing. While the retirement community in Chongming District of Shanghai focuses on those who are relatively healthy and can take care of themselves, the one in Putuo District caters for those aged above 85 and thus in need of more nursing.

Since 2018, CPIC Home has seen 12 projects up and running in Chengdu, Dali, Hangzhou, Xiamen, Nanjing, Chongming of Shanghai, Putuo of Shanghai, Wuhan, Beijing, Qingdao, Zhengzhou and Sanya. Of these, those in Chengdu, Dali and Hangzhou are operational.