



# O2O Strategy Day



# Disclaimer

- This presentation does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire securities of CNinsure Inc. (“CNinsure” or the “Company”) in any jurisdiction or an inducement to enter into investment activity, nor may it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. Specifically, this presentation does not constitute a “prospectus” within the meaning of the U.S. Securities Act of 1933, as amended. Any decision to purchase securities in the proposed offering should be made solely on the basis of the information contained in the statutory prospectus in due course in relation to the proposed offering.
- This presentation has been prepared by the Company solely for use at the O2O Strategy Day. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its affiliates, advisors or representatives will be liable (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation. The company may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes.
- This presentation contains statements of a forward-looking nature. These statements which are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995, include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company. You can identify these forward- looking statements by terminology such as “expects,” “plans,” “will,” “estimates,” “projects,” “intends,” or words of similar meaning. These forward-looking statements involve known and unknown risks and uncertainties and are based on current expectations, assumptions, estimates and projections about CNinsure and the industry. CNinsure undertakes no obligation to update any forward-looking statements to reflect subsequent occurring events or circumstances, or changes in its expectations, except as may be required by law. Although CNinsure believes that the expectations expressed in these forward-looking statements are reasonable, it cannot assure you that its expectations will turn out to be correct, and investors are cautioned that actual results may differ materially from the anticipated results. Further information regarding risks and uncertainties faced by CNinsure is included in CNinsure's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F.
- By attending this presentation, participants agree not to photograph, copy or otherwise reproduce these materials in any form or pass on these materials to any other person for any purpose.



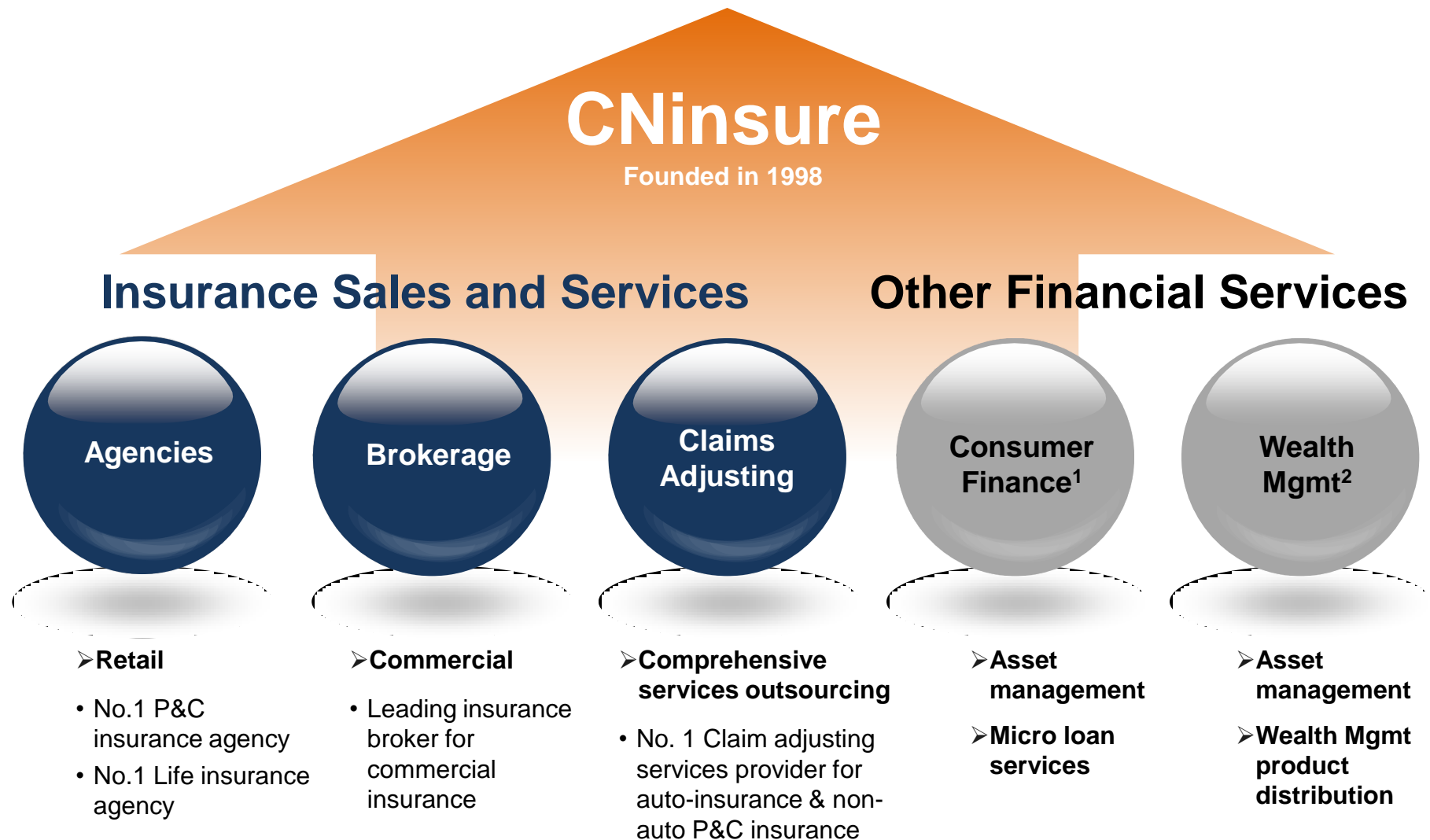
# O2O Strategy Day



October 21, 2014

**Hu, Yinan**

**Chairman, Founder**



# Largest Independent Insurance Intermediary in China



## Nationwide Sales and Service Network

**6.5+ bn** premiums per year (comparable to medium insurance company)

**~10%** market share in independent insurance intermediary industry

**50,000** agents

**1,500** adjusters

**3,000** employees

**500** sales outlets

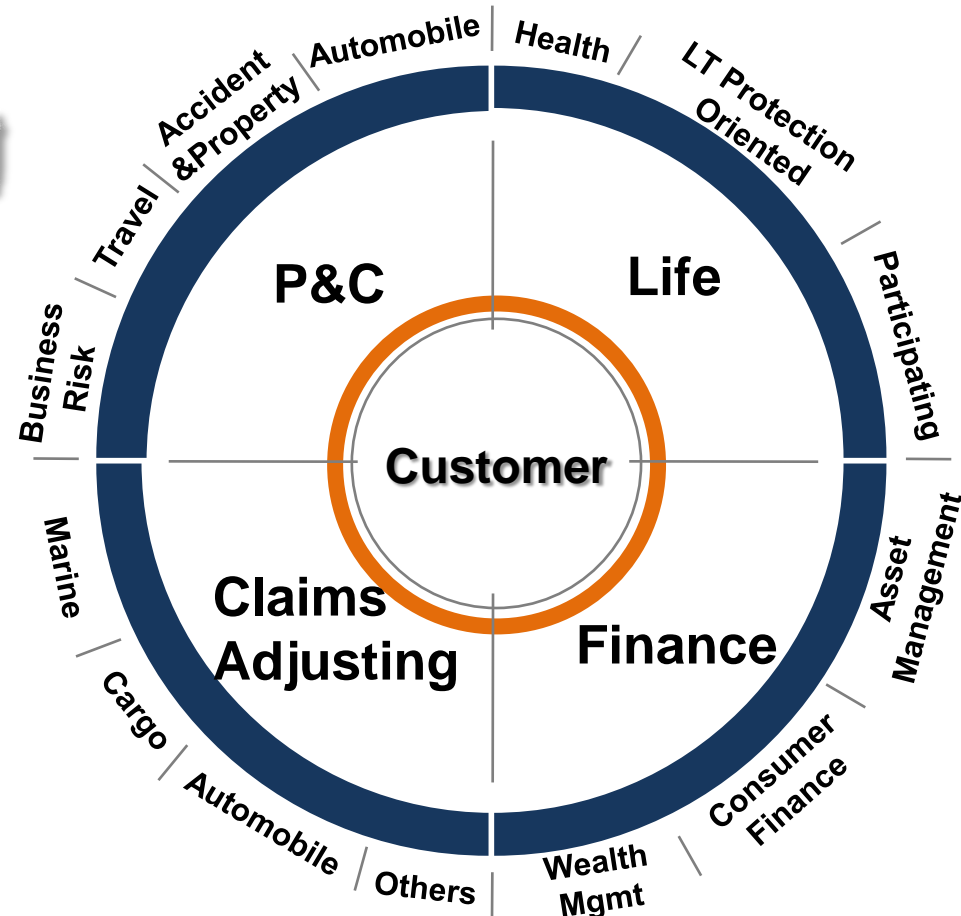
**28** provinces covered

**70+** insurer partners



CNinsure Sales/Services Outlet

## Diversified Product and Service Offerings



# Key Market Forces are Changing...

## Regulatory Environment is Changing

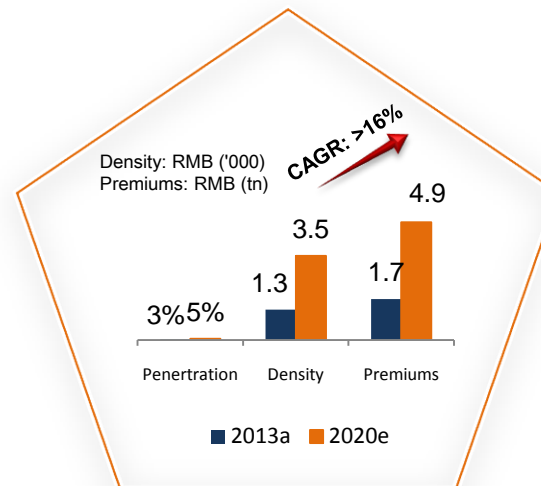
- Ten guidelines of the State Council 2014 for insurance industry <sup>1</sup>
- Pricing deregulation in life insurance and auto insurance
- Independent agent system reform

## Regulatory Environment

### Insurers Demanding Efficiency

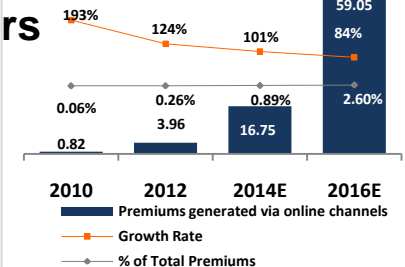
- Lower cost
- Better service quality
- Better customer satisfaction

Insurers



Consumers

### Consumers Turning Online



Competitors

### Competition is Intensifying

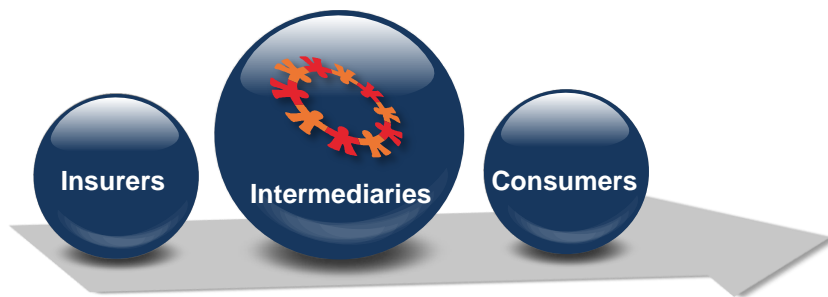
- Internet companies tapping into insurance market
- Insurers initiating tele/online direct sales
- Independent online insurance super market emerging

Agents

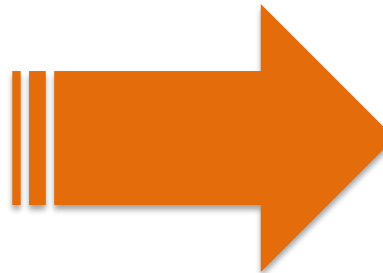
### Agents Seeking Support in all Fronts

- Under cost pressure, sales agent calls for more support: "I want some supports that help enhance efficiency and lower down my operating cost."

## Leading O2O Insurance Sales & Service Platform



**One Link in the Value Chain**



**Creating New Market  
Reconstructing Industry  
Ecosystem**



# O2O Strategy Day



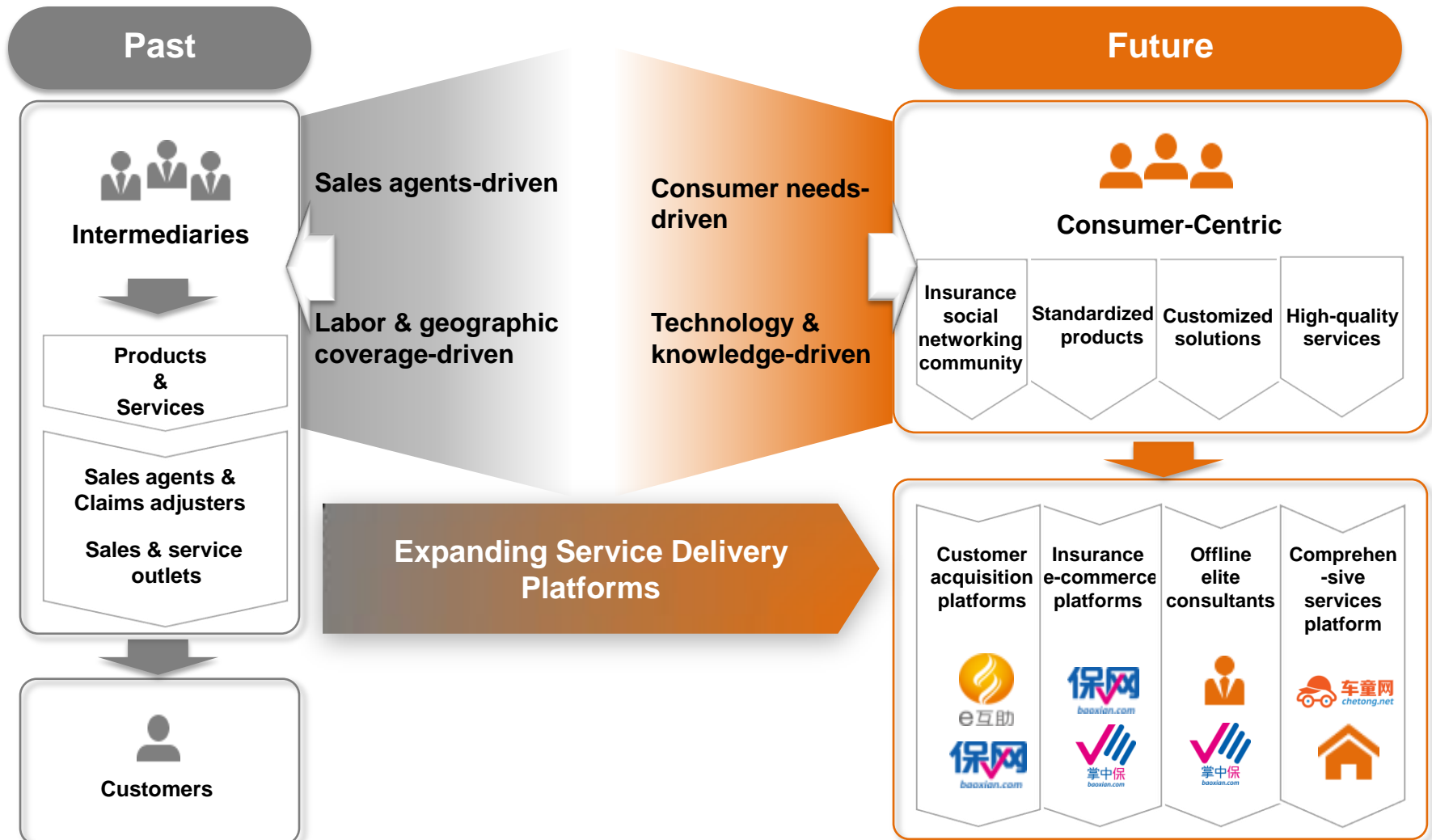
October 21, 2014

Wang, Chunlin

CEO



# Our Industry Leading Transformational Model





Video about eHuzhu



## The 1st Non-Profit Online Mutual Aid Platform in China

**微力量 聚万众 助一人**  
国内首家上市公司发起的网络互助平台



**抗癌无忧**  
不因一场病，拖累全家人后半生。

**关爱无界**  
爱家人，所以想的更长远和周全。

**死神无畏**  
即使离开，仍做永不倒下的顶梁柱。

已有**174425**人参与计划

 **马上加入**  
50万互助金

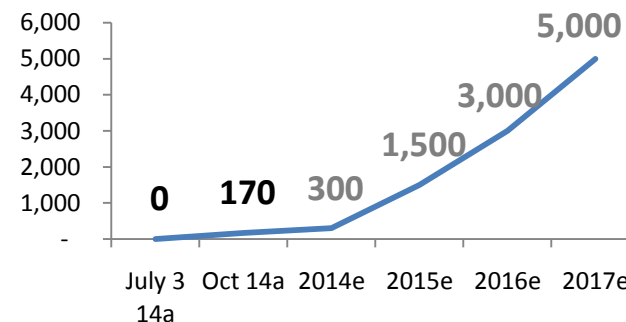
 **了解平台**  
上市公司发起

 **联系我们**  
关注公众号

 **资讯空间**  
健康频道

## Building Massive Customer Base

(‘000) **Rapid Growth in Paid Members**



## Boosting Consumption in Our Existing Product Offerings

- Property & Casualty Insurance
- Life Insurance
- Wealth Management Products

## Creating New Revenue Stream

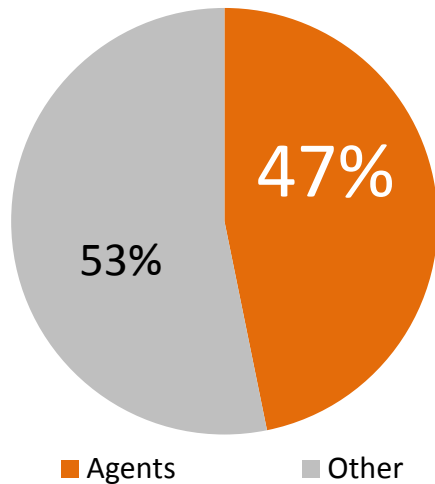
- A platform that offers financial aid to support Chinese families to cope with cancers and disasters on a mutual aid basis
- A customer and data base that can be monetized in healthcare area in the future

Video about CNpad



### Agent Remains the Dominant Distribution Channel in China

Sales Agents in China: **> 3 Mn**  
 Premium Contribution : **> RMB700Bn**  
 (P&C vs. Life): 1:3  
 Market Share: **47%**



### Agents' Rising Demand for More Efficient Business Solution





- Price comparison
- Easy Payment
- Fast transaction

- Higher efficiency and diversified revenue streams
- Lower per policy acquisition cost
- Excellent professional image
- Channel consolidation for low-cost expansion
- Centralize back-office management
- High-calibred sales team
- Automated customer data generation

- Fewer front-end staff required for providing quotations
- Improved agent and customer's experience
- Higher efficiency in data analysis and less stress for back-office system

## Key Values



## Key Technologies

Auto Insurance Quoting Engine

Data Analysis System

Core Transaction Engine

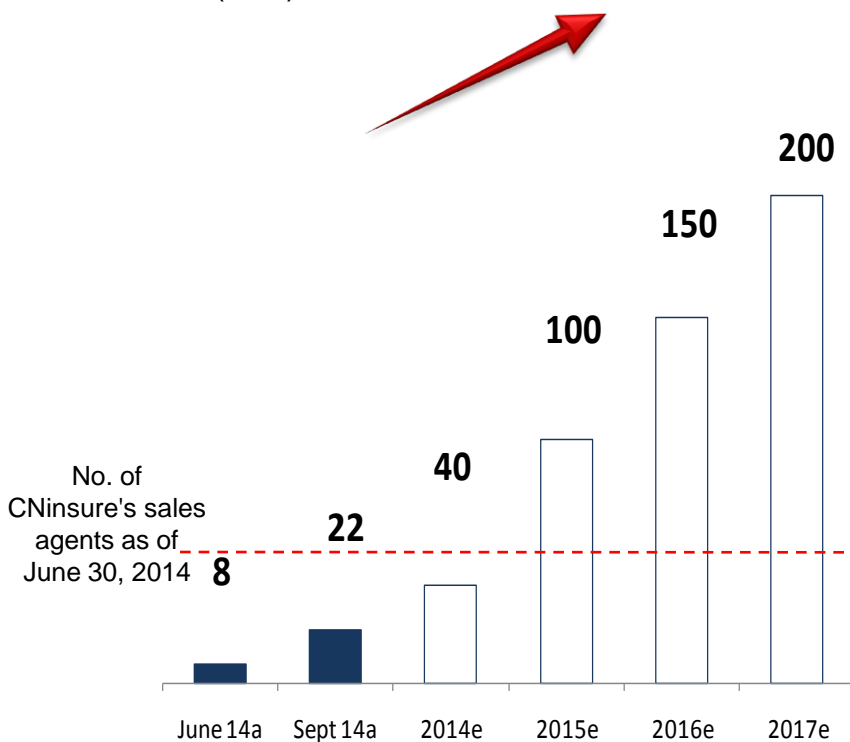
Task Assignment Engine

Payment Engine

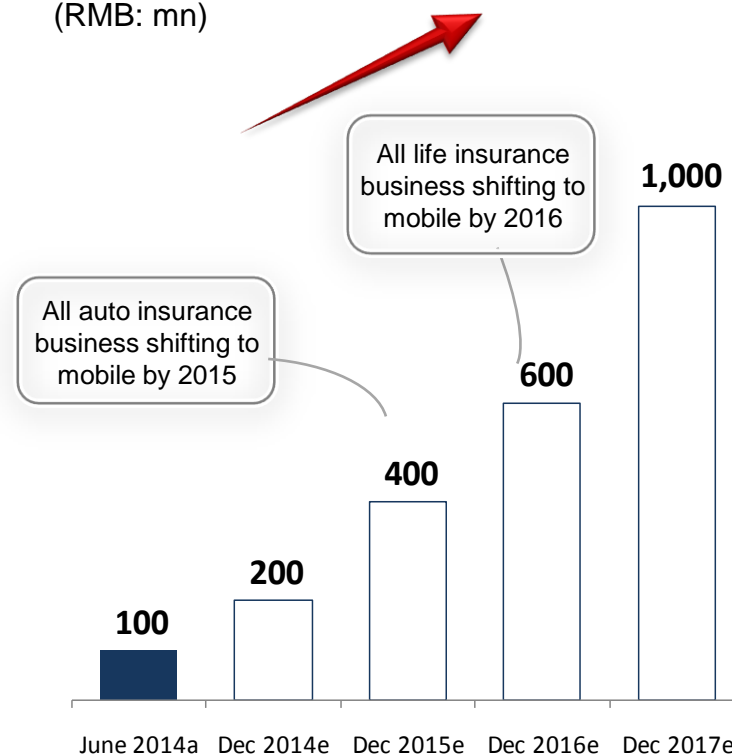
Automatic Task Processing Engine

**CNpad App Users**

('000)

**Monthly Transaction Volume**

(RMB: mn)







Video about chetong.net



### Strong Demand for Insurance After-Sales Services



Insured Vehicles: **> 130 Million**

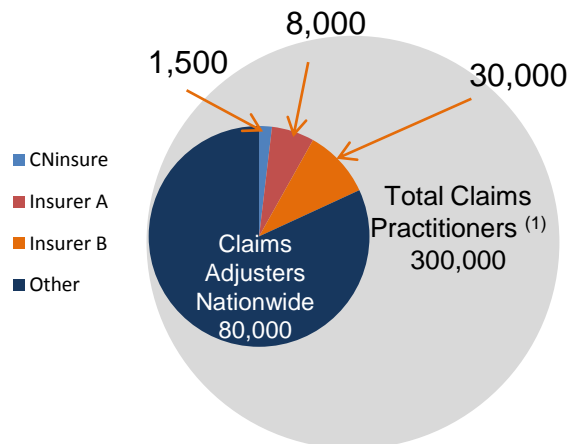


Auto Insurance Premium Annual Growth: **>20%**



Cases of Insurance Accidents/day: **>250,000**

### Breakdown of Claims Service Practitioners



### Inadequate Service Capabilities



Major Insurers: extensive service coverage but limited service range;



SM Insurers: lack of competitive advantage largely due to limited service network presence and poor service capabilities;



Traditional claims adjusting service providers: costly and slow expansion;

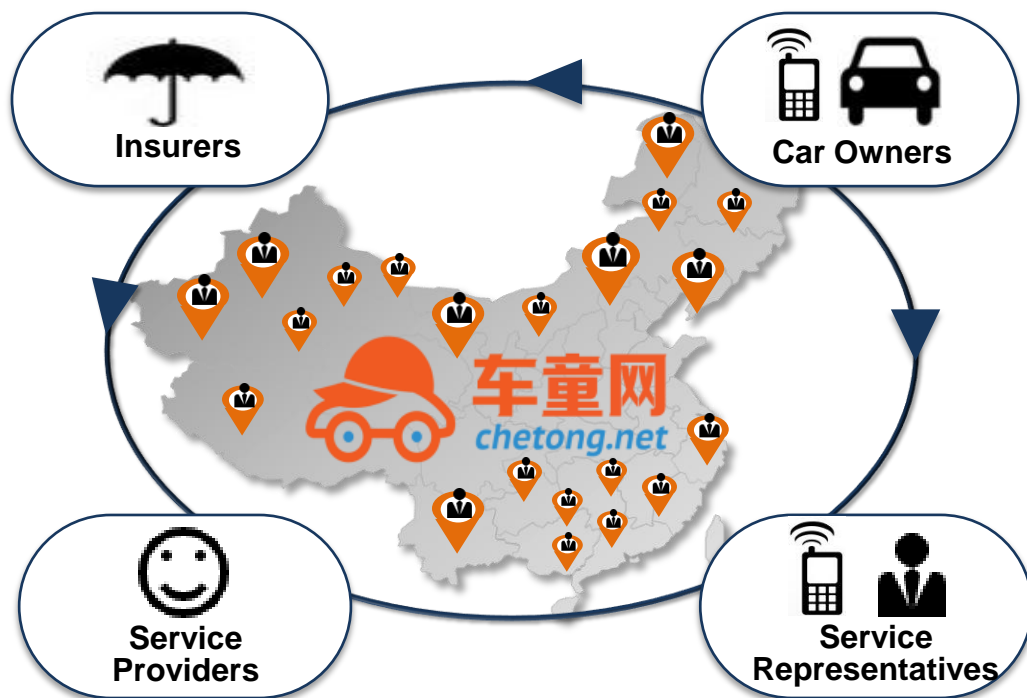


Claims service practitioners: low efficiency and low income;



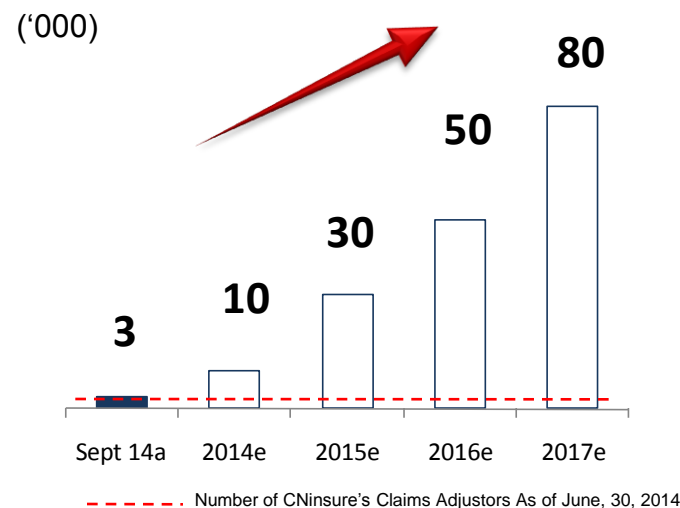
Lack of high quality service platform with nationwide reach

## LBS-based O2O Insurance After-sales Services Platform



Claims services (inspection & loss assessment), emergency assistance, quick repair, car service, valet driving and other value-added services

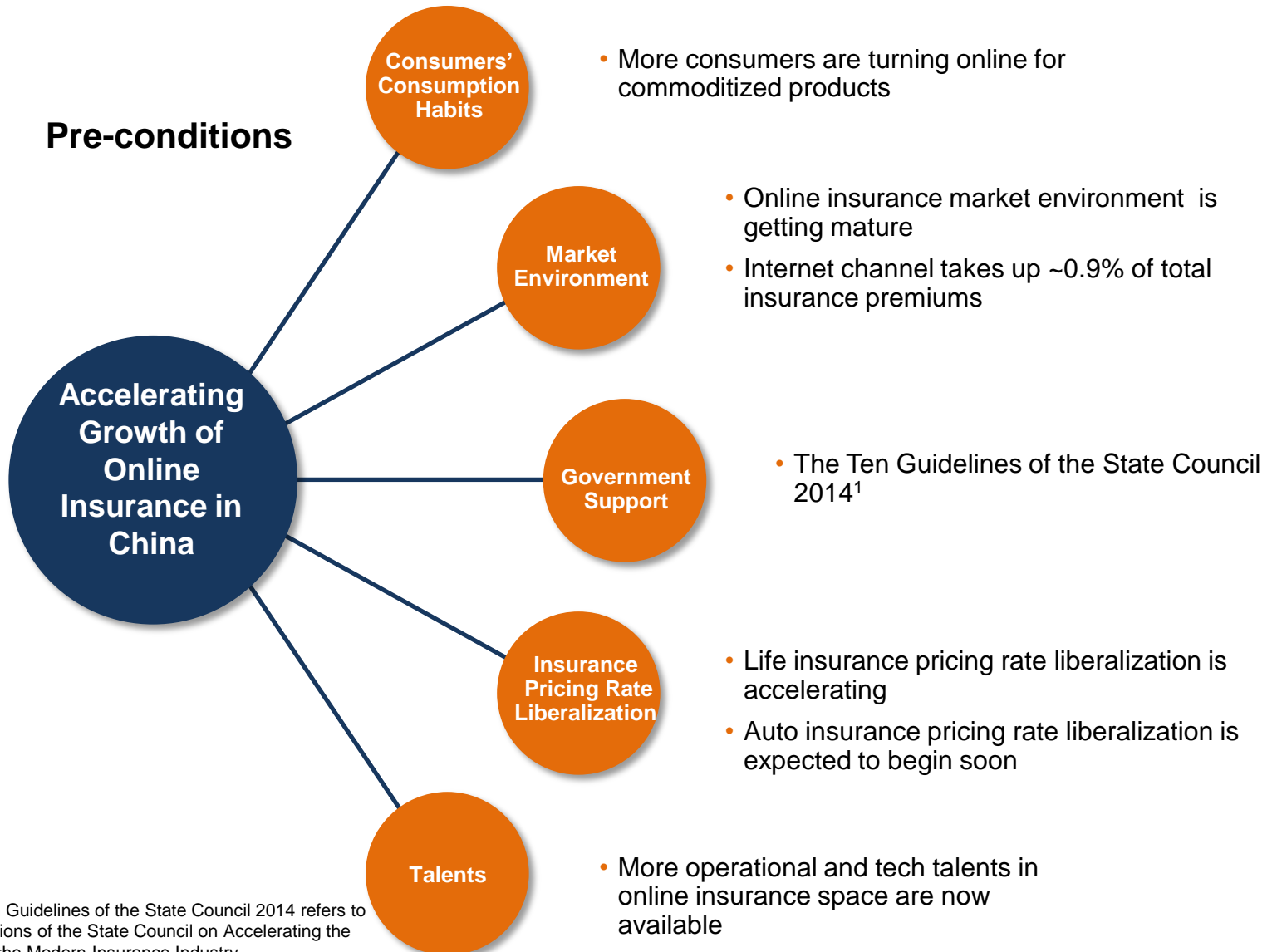
## Rapid Growth of Service Representatives



## Service Range Expansion Roadmap

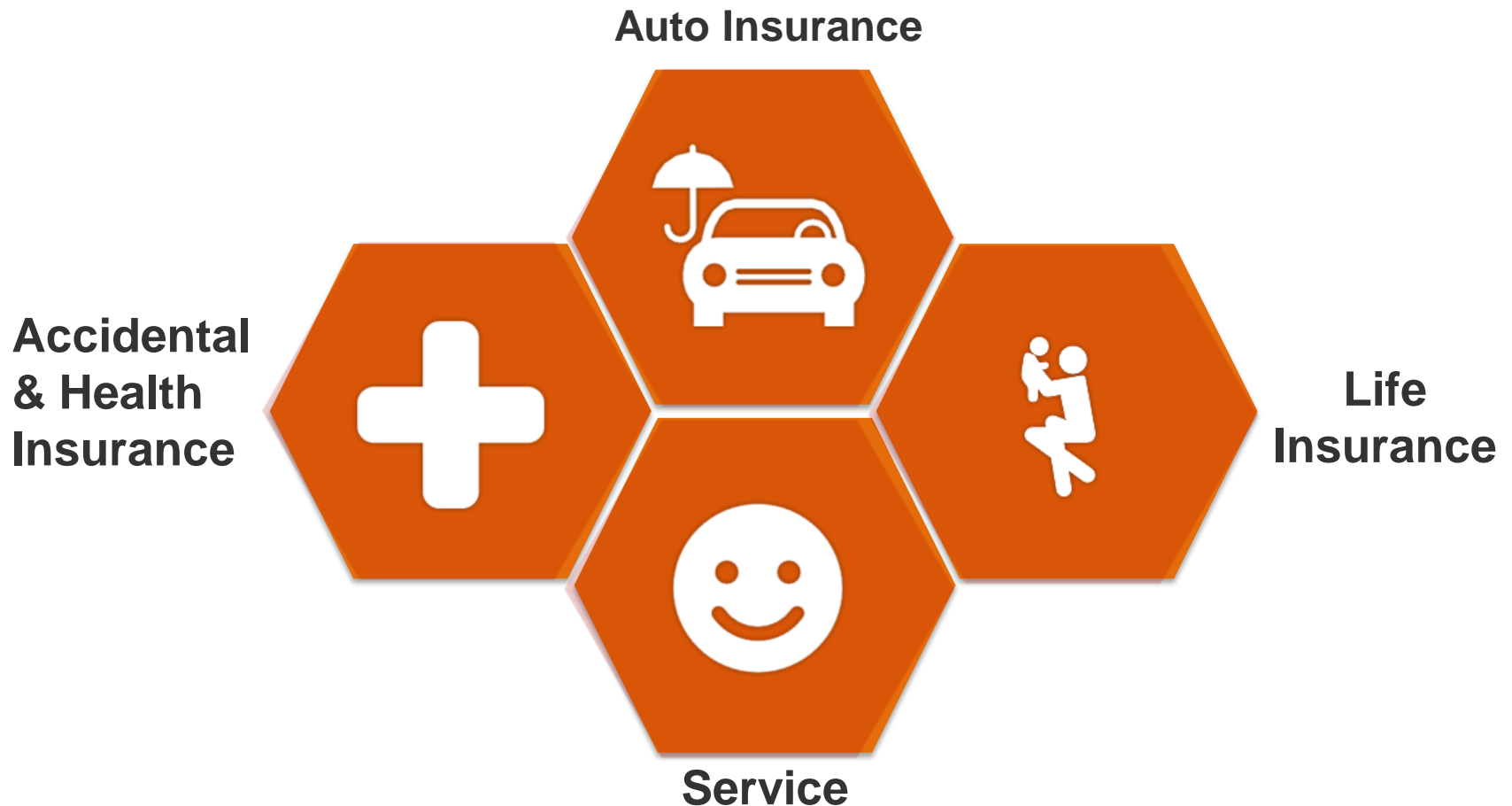
Vehicle Claims Services	Special Vehicle Claims Services	Emergency Assistance & Quick Repair	Car Services & Valet Driving Services	Other Value-added Services
-------------------------	---------------------------------	-------------------------------------	---------------------------------------	----------------------------





Note: 1. The Ten Guidelines of the State Council 2014 refers to the Several Opinions of the State Council on Accelerating the Development of the Modern Insurance Industry

**To build the most authoritative and most visited independent online vertical insurance marketplace in China**



## Accidental & Health Insurance

### Search and Compare

Children Insurance



XXX Dental Medical Insurance

Xxx Endowment Insurance (Participating Insurance)

Children's Critical Health Insurance

**Children's Health Insurance**

General Accidental Insurance

Children's Education Insurance Program

Sunshine Angel Children's protection Plan

XXX Life Insurance

## Auto Insurance

Insurer A

**VS.**

Insurer B

¥3809.98

Rate

¥4010.35

13 Items

Claims Guarantee

12 Items

3 Main Coverage  
+  
5 Riders

Types of Coverage

4 Main Coverage  
+  
4 Riders

4 Stars

Customer Review  
Rating

3 Stars

Renewal  
0.7698

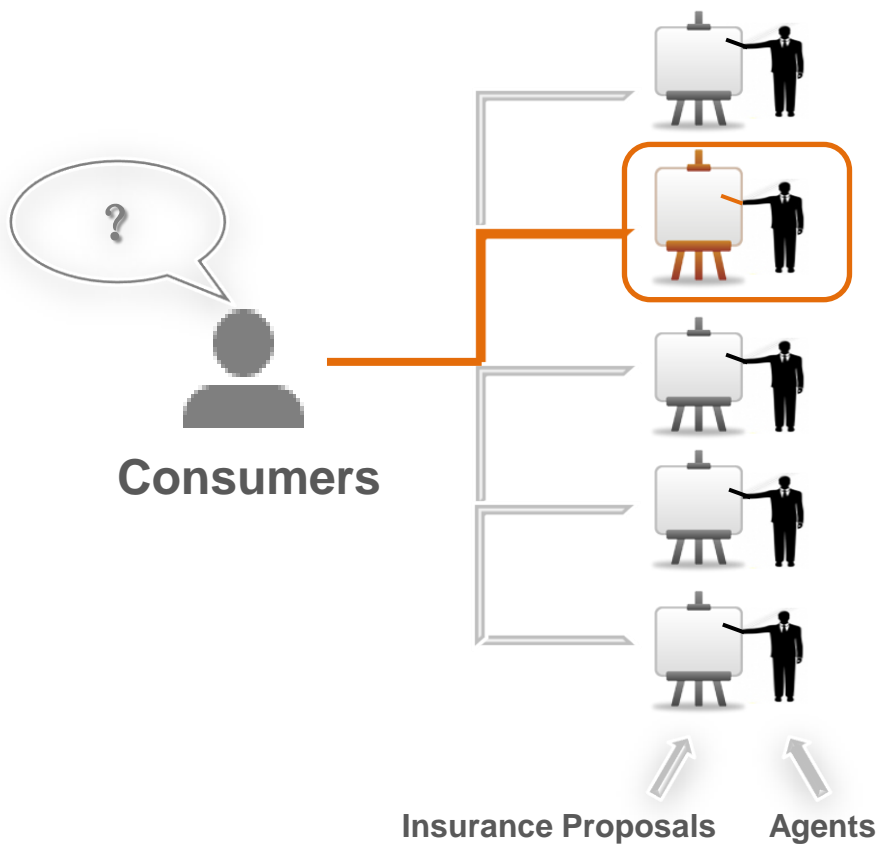
Discount Factor

Conversion  
0.9000

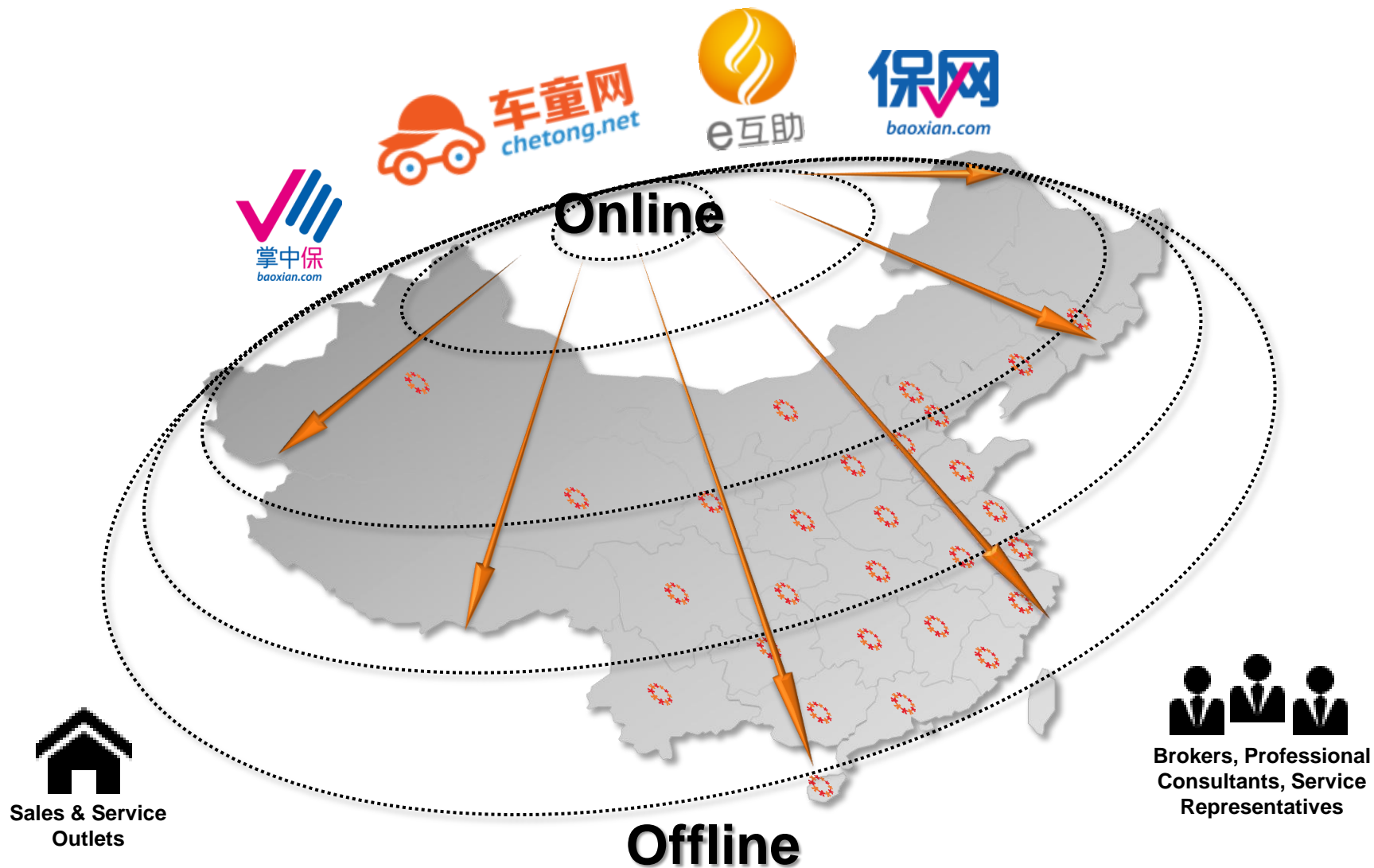
High

Promotion

Medium

**Life Insurance****Insurance Review**

# Leading O2O Insurance Sales & Service Platform







## Key Personnel in Online Operation

### Ma, Jianling CNpad APP & C Plan

- Joined CNinsure in 2008
- Abundant experience in insurance industry
- Received a bachelor's degree in mathematics from Peking University and a master's degree in computer science from Sun Yat-Sen University

### Ye, Zhiyuan chetong.com

- Joined CNinsure in 2007
- Co-founder of CNinsure Insurance Surveyors & Loss Adjustors Co., Ltd.
- Received a bachelor's degree in Automatization from Tsinghua University

### Yu, Qiao eHuzhu

- Joined CNinsure in 2009
- Abundant experience in insurance industry
- Received MBA degree from Peking University

## Key Personnel of IT Team

### Li, Jun

- Joined CNinsure in 2007
- A senior engineer in insurance IT infrastructure with 20 years experience
- Received a master's degree in computer science from Wuhan University

### Yuan, Hong

- Joined CNinsure in 2010
- Prior to joining CNinsure, he worked with Shanda and Chineseall.com and used to be a researcher in Astronaut Center Of China and one of the chief designers of ground training stimulator system for Shenzhou airship
- Received a bachelor's degree and a master's degrees in computer science from Nankai University and National University of Defense Technology, respectively.
- A visiting scholar in State University of NY

### Tian, Yuan

- Joined CNinsure in 2010.
- Co-founder of baoxian.com. Prior to that, he worked with Prudential insurance, Ford and U.S. Business Network Inc. etc.
- Received a bachelor's degree in information technology from National University of Defense Technology and a MBA degree in LaSalle University at US.



# O2O Strategy Day



October 21, 2014

**Ge, Peng**

**CFO**

# Capital Expenditure Plan for 2015-2017

As of June 30, 2014, the Company had **RMB2.6 bn** cash and cash equivalents and short-term investments.

## Strengthening offline sales & service network

- Minority shares buy-out
- Acquire insurance agencies to tap into new markets

## Developing online/mobile initiatives and marketing

- Market our online/mobile platforms
- Invest in upgrading and maintaining the IT infrastructure of our online/mobile initiatives

## Investing in O2O ecosystem

- Acquire companies that boast high-end technology and large customer base
- Diversify products offerings by investing in insurer and other insurance related business

# Capital Expenditure Plan for 2015-2017

## ➤ Development & Investment in online/mobile initiatives and marketing Initiatives

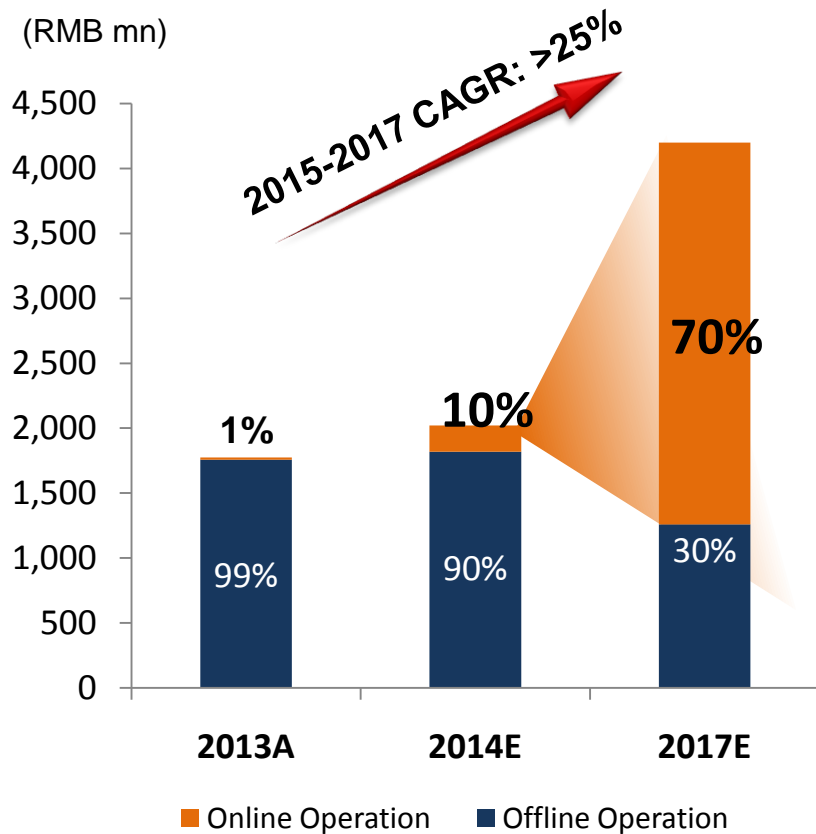
Online/Mobile Platforms	IT Infrastructure (RMB, mn)	Marketing (RMB, mn)	Targets in 2017	Remarks
CNpad APP	150	150	<ul style="list-style-type: none"> <li>APP users 150,000</li> <li>Annual transaction volume 10bn</li> </ul>	
chetong.net	60	80	<ul style="list-style-type: none"> <li>No. of Service representatives: 80,000</li> </ul>	Introduction of strategic investors
eHuzhu	30	250	<ul style="list-style-type: none"> <li>No. of paid members: 5 mn</li> </ul>	
C Plan	1,000		<ul style="list-style-type: none"> <li><b>Accident &amp; Health Insurance UV:</b> 50mn times annually</li> <li><b>Auto Insurance Price Comparison channel UV:</b> 100mn times annually</li> <li><b>Life Insurance Auction Channel UV:</b> 10 mn requests for proposals annually</li> <li><b>Insurance Reviews Board:</b> over 100mn pieces of reviews annually</li> <li><b>Annual transaction volume:</b> RMB 5bn</li> </ul>	Introduction of strategic investors or acquisition of peer companies

## ➤ Acquisition

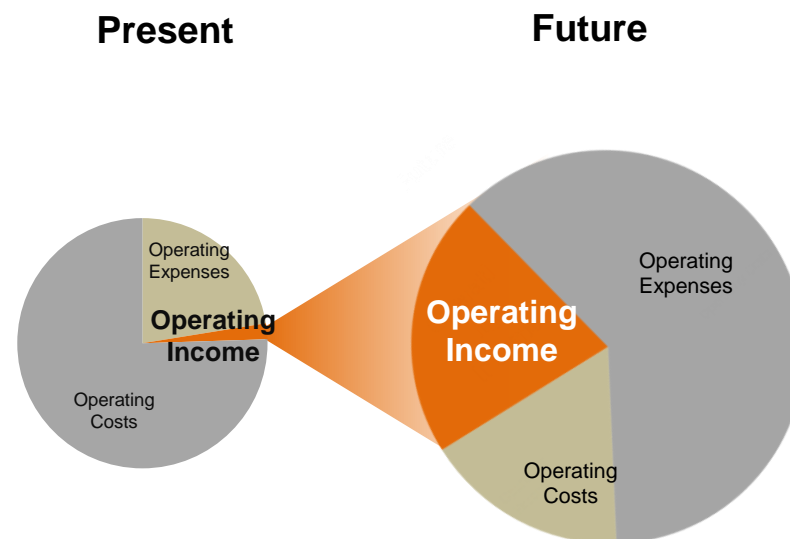
Acquisition	Estimated Considerations (RMB, mn)
Minority shares buy-out	600
Investments in O2O ecosystem	TBD

# Financial Outlook

## Rapid Growth of Online Revenues



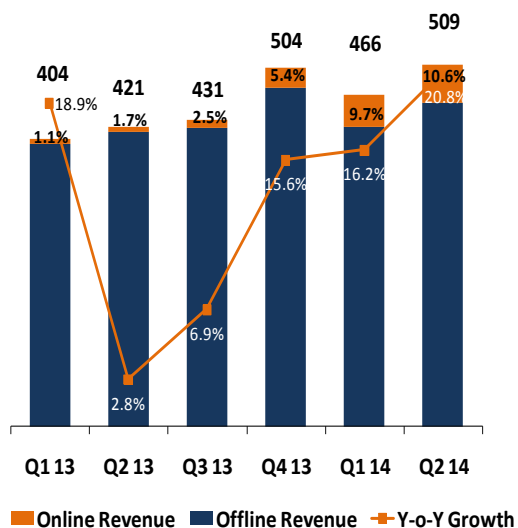
## Clear Margin Expansion



# Improvements in Financial Performance

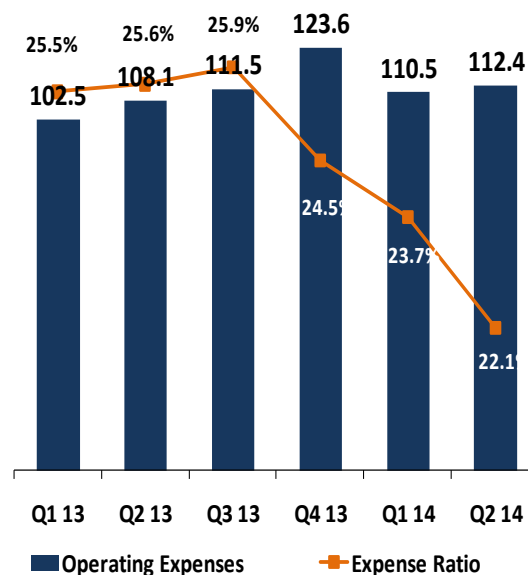
## Total Revenue & Online Revenue Growth

(RMB mn)



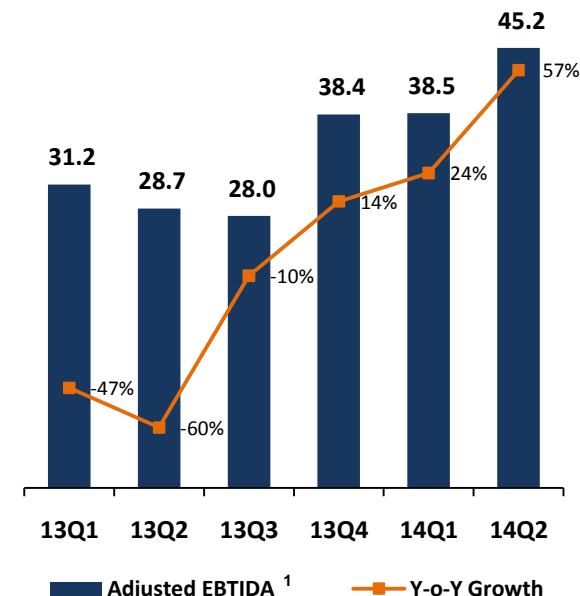
## Expense Ratio Going Down

(RMB mn)



## Bottom Line Growth Picking up

(RMB mn)



Note: (1) Adjusted EBITDA is defined as net income before income tax expense, investment income, interest income, depreciation, amortization and compensation expenses associated with stock option.

# Q & A