



PROGRESS | INTERGRATION | PROSPECTS

Individual Sales
System Reform

Tianjin 2023.10.31



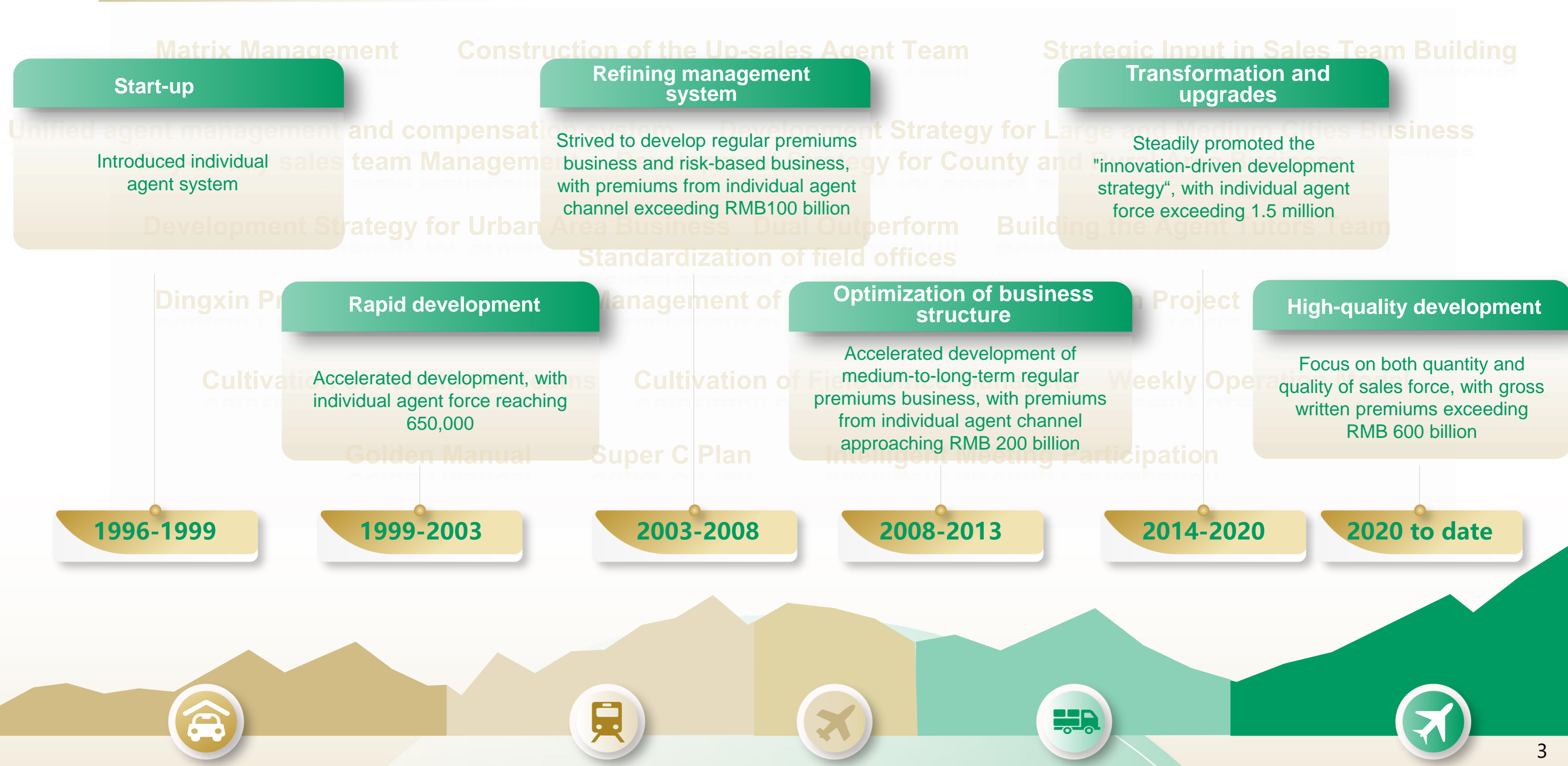
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Building a World-Class Life Insurance Company



The image features a central circular graphic. Inside the circle is a landscape scene with a river or stream flowing through a valley. The text 'Origin Reform Background' is centered over the landscape. The word 'Origin' is in a dark brown color, 'Reform' is in a teal color, and 'Background' is in a green color. The background of the entire image consists of several concentric, semi-transparent circular bands in shades of beige and gold, with some teal and green curved segments interspersed. A large, stylized number '1' is positioned to the left of the central circle.

Origin Reform Background

1

2022.11

Opinions on Further Improving the Individual Agent System of the Life Insurance Industry (Consultation)



To optimize the design of the individual agent system and the commission and incentives distribution mechanism, and regularize product sales and service innovation.

...

2023.09

Measures for the Administration of Insurance Sales Activities



Insurance companies and insurance intermediaries shall fulfill the main responsibility of sales management, establish and improve the management system of insurance sales, strengthen the management of the sales personnel they entrust over the authenticity of their identity and their sales business, and regularly check and evaluate the effectiveness and implementation of the system.

...

2023.10

Notice on Strengthening the Management for Promoting Stable and Healthy Development of Life Insurance Business



To fulfill the responsibility of management and control, and strictly align sales practices with regulatory filings to regularize sales activities and protect the legitimate rights of clients.

...

01 Diversified Client Needs



The post-80s and post-90s generations have become the main force of current and future insurance purchases, with more digitalized product access and more refined demands.



The post-60s and post-70s-generations gradually retiring have diversified demands on protection, pension and health.

02 Rational Decision-making

44%

When choosing financial products and services, 44% make independent decisions based on their own experience and knowledge.

27%

consult third-party professionals.

11%

are guided by insurance agents.

Clients with higher education are more inclined to **rely on their own** knowledge and experience to make investment decisions. Those with lower levels of education are more inclined to follow the advice of agents or acquaintances.

03 Influence of the Internet on Information Access

51%

obtain financial product information through the Internet.

The post-80s and post-90s generations prefer obtaining **financial information** from **the Internet**.



Channel Competition

Peer Competition



Financial Sector Competition

Emerging channels including bancassurance, intermediary brokers, and the Internet are growing rapidly.



Leading insurance companies have started to innovate their agent channels and drive agent transformation.



Banks, brokerages, funds, and family offices make deployment in individual finance and insurance market.

Development Requirement

Market Background:

Demographic dividend

Core Drivers:

Sales + Product

Development Model:

Popularization of protection and expansion of scale

First growth curve



Market Background:

Talent dividend

Core Drivers:

Professionalism + Service

Development Model:

Upgrading of protection and productivity-driven growth

Second growth curve

Stage



2

Progress Reform Direction

China Life's individual agent system reform follows regulatory guidances, responds to market demands, leverages its own strengths, and **optimizes the fundamentals** with the support of its ecosystem and technology, through measures such as structural adjustment, foundation reinforcement and rural area in-depth cultivation, so as to achieve higher-quality and more efficient development. The Company seizes new opportunities of market segmentation, **deploys new sales strategy**, caters to the demands of the new generation of clients, and enhances development with innovation.

Reform Principles



Reform Direction

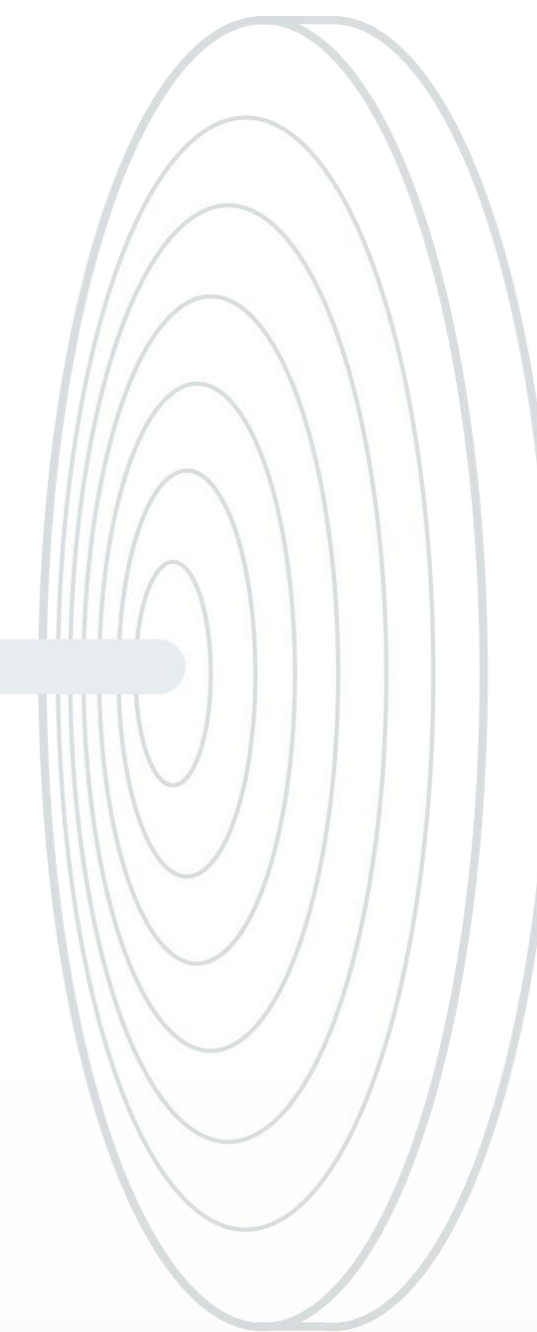
Specialization



Professionalism



Integration



Building a World-Class Life Insurance Company

Six measures to establish new agent team

- 1.1 New positioning
- 1.2 New framework
- 1.3 New system
- 1.4 New sales Mode
- 1.5 New empowerment
- 1.6 New development

Six measures to upgrade existing sales force

- 2.1 Structural upgrade
- 2.2 Agent development upgrade
- 2.3 Foundation upgrade
- 2.4 Regional upgrade
- 2.5 Sales upgrade
- 2.6 Service upgrade

Technology and Ecosystem support reform and development

Creation of Products and Services Ecosystem

Empowerment of Sales with Technology

3

Integration Reform Measures



Six Measures to Establish New Sales Team (Seed Plan)

New Positioning

New Framework

New System

New Sales Mode

New Empowerment

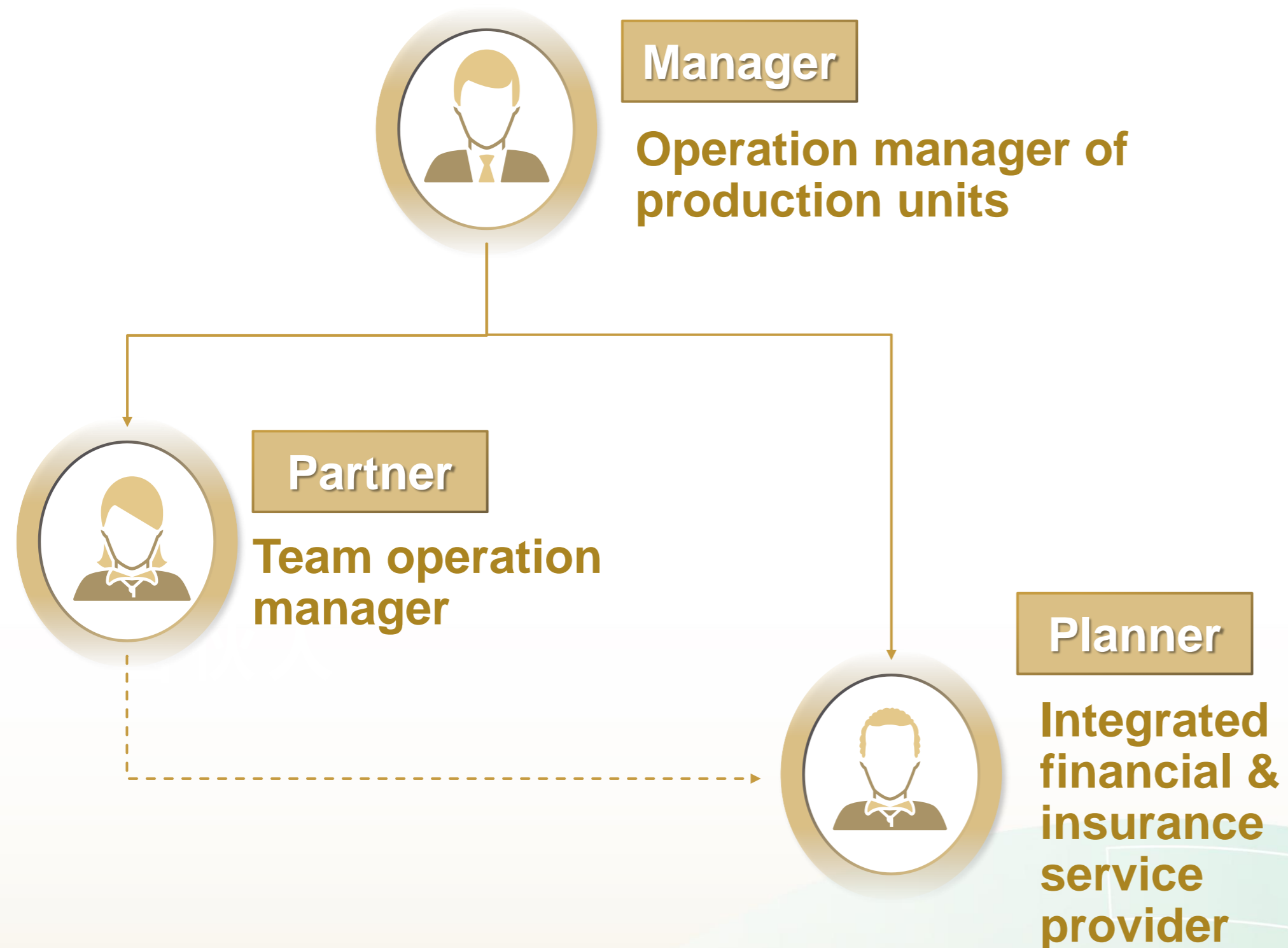
New Development

Seed Plan

Financial Life Planner

- **Goal:** To become a long-term partner in safeguarding the health and wealth of people, serving their pursuit of a better life, and upgrading their protection.
- **Positioning:** Adhere to the concept of specialization, value and integration; build up new sales layout under market segmentation, leading the industry innovation.

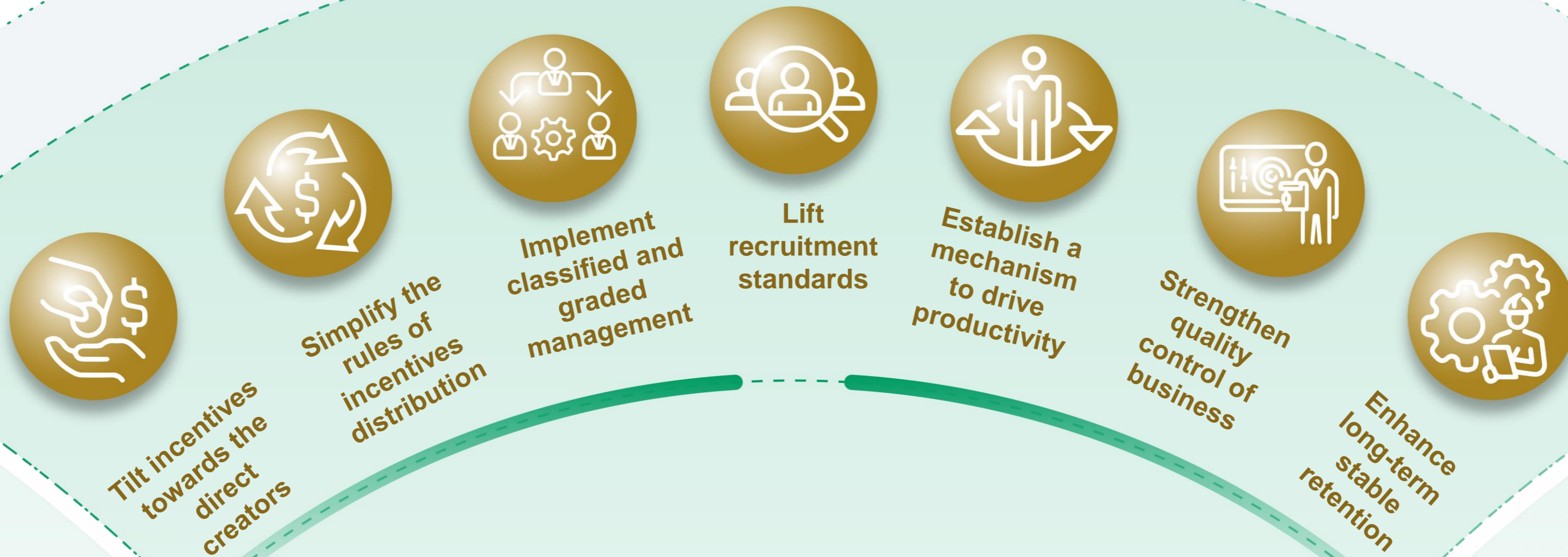
New Framework



Transitioning from multi-layer to flat organizational structure

Transitioning from one person taking multiple responsibilities to specialization

New System



New Sales Mode



Create unique sales model

Integration of scenario marketing, content production and technology empowerment

Provide multi-dimensional values

Pre-sales risk mitigation, precise decision-making during sales, and after-sale economic compensation



Improve sales efficiency and reduce difficulty

New Empowerment



Comprehensive

Provide supports based on "**commonality + personality**", and build a "**steadiness + agility**" empowering system



Precise

Accurately match the target, content and timing of empowerment with **intelligent supports**



Market-oriented

Form a pattern of encouraging experience output and mutual empowerment through the marketization of **mechanisms and content**

Breakthrough of circles

Adhere to high standards
Undergraduates from universities
in first-and second-tier cities



Direct recruitment

“Company recruitment” +
“individual recruitment”
Direct recruitment of agents



Management model adaptation

Establish a management
model adapted to the new
generation agents
Balance between delegation
and control



Integrated operation

On-line and off-line integrated work model
Independent, convenient and open



Six measures to Upgrade Existing Sales Force (Sales Channel Strengthening Program)

Structure Upgrade

Agent Development Upgrade

Foundation Upgrade

Regional Upgrade

Sales Upgrade

Service Upgrade

Upgrade team structure and strengthen professional competence

Optimize productivity structure

Zhongxin Project, Team Building 4.0,
and Star Project

2.4 pps

Percentage of medium-to-high
productivity agents increased

Optimize age structure

Evergreen Project

7

Pilot branches

Optimize capability structure

Lingyue Project

Tengyue Project

Chuoyue Project

5,000+

Cultivate elite agents with
million level FYP

40,000+

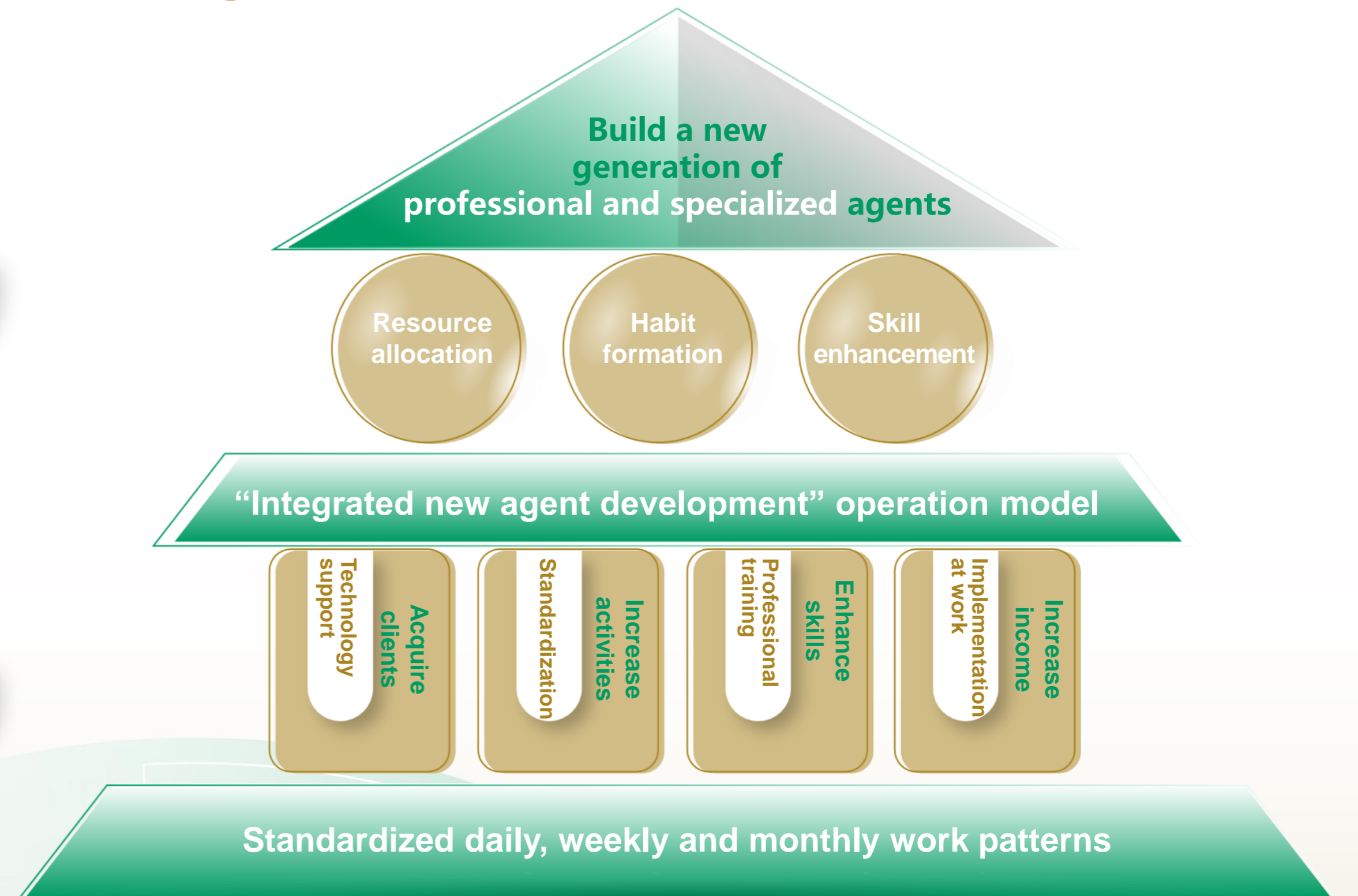
Cultivate team managers

54%

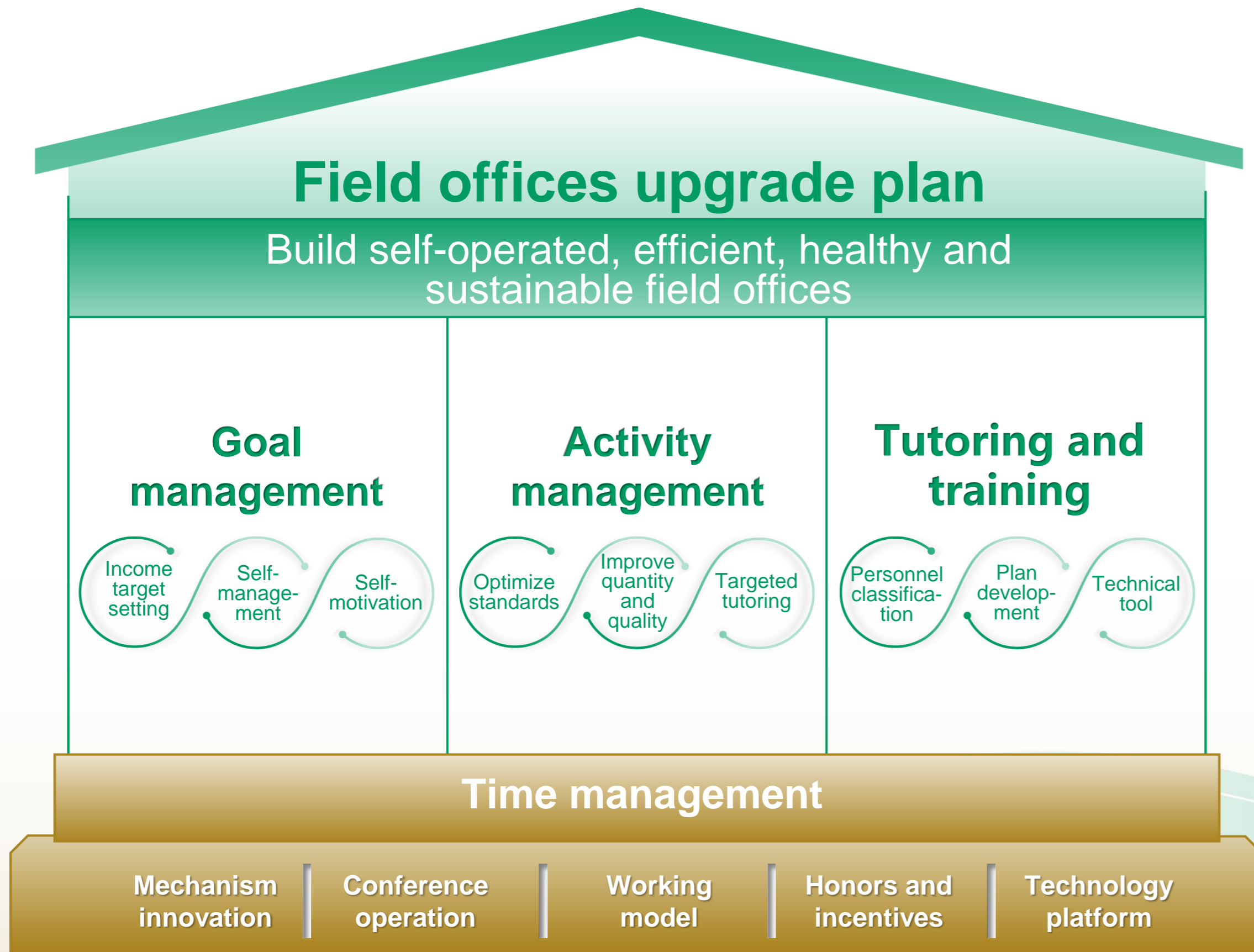
Training coverage for new agents
with less than 1 year experience

Agent Development Upgrade

Upgrade training and empowerment, and innovate new agent development



Upgrade management and strengthen operational units



Regional Upgrade

Upgrade county and rural operations and deeply explore lower-tier markets

Strategic positioning

+

Differentiated distribution

+

Clear model



Standardized premiums YoY

3%



First-year regular premiums YoY

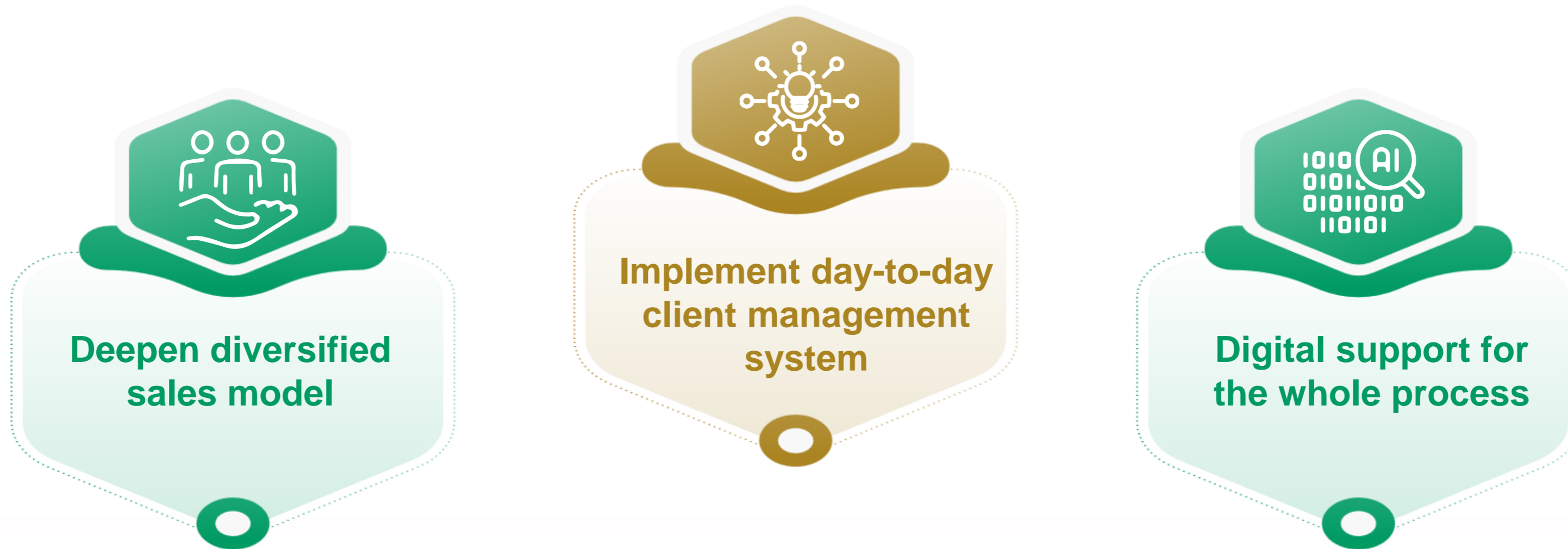
8%



FYRP with 10y+ payment duration YoY

10%

Upgrade sales model to match client demands



350

All institutions covered

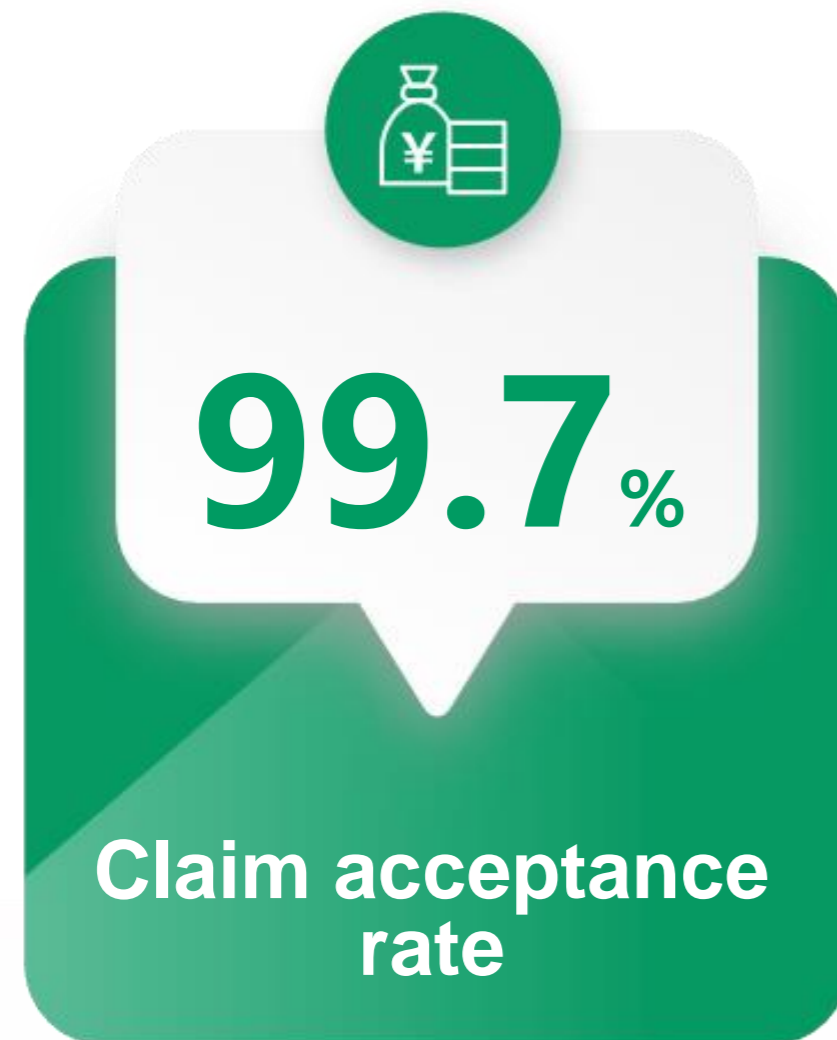
80 million +

Sales leads pushed

130,000

Daily average number of agents serviced

Provide a full range of services to support sales





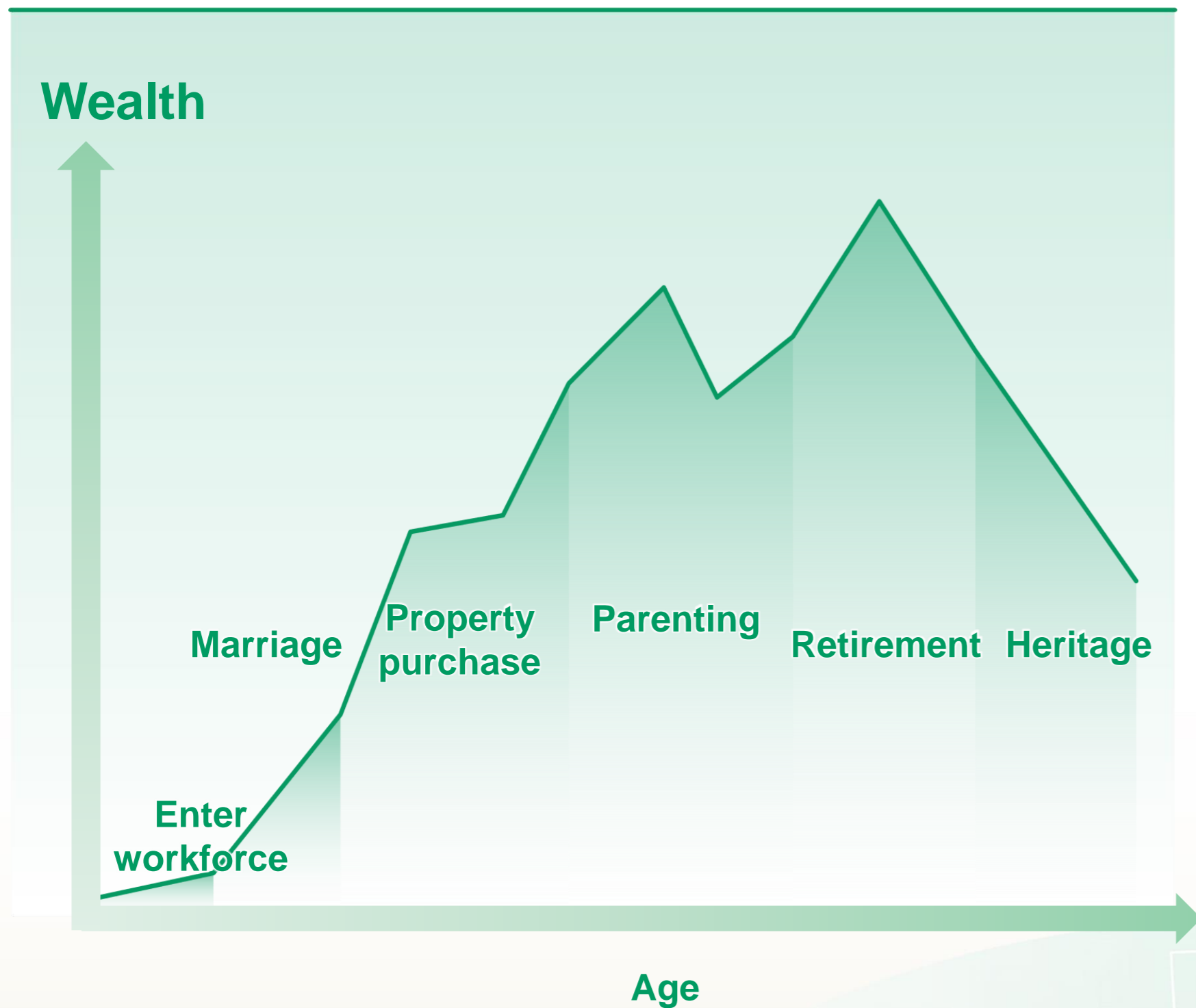
**Blueprint for the New Team,
Upgrading of Existing Teams;
Complementing Each Other**

Ecosystem and Technology Support Reform and Development

Creation of Products and Services Ecosystem

Empowerment of Sales with Technology

Products and Services Ecosystem



Accompany clients at life milestones and serve them throughout the whole life cycle



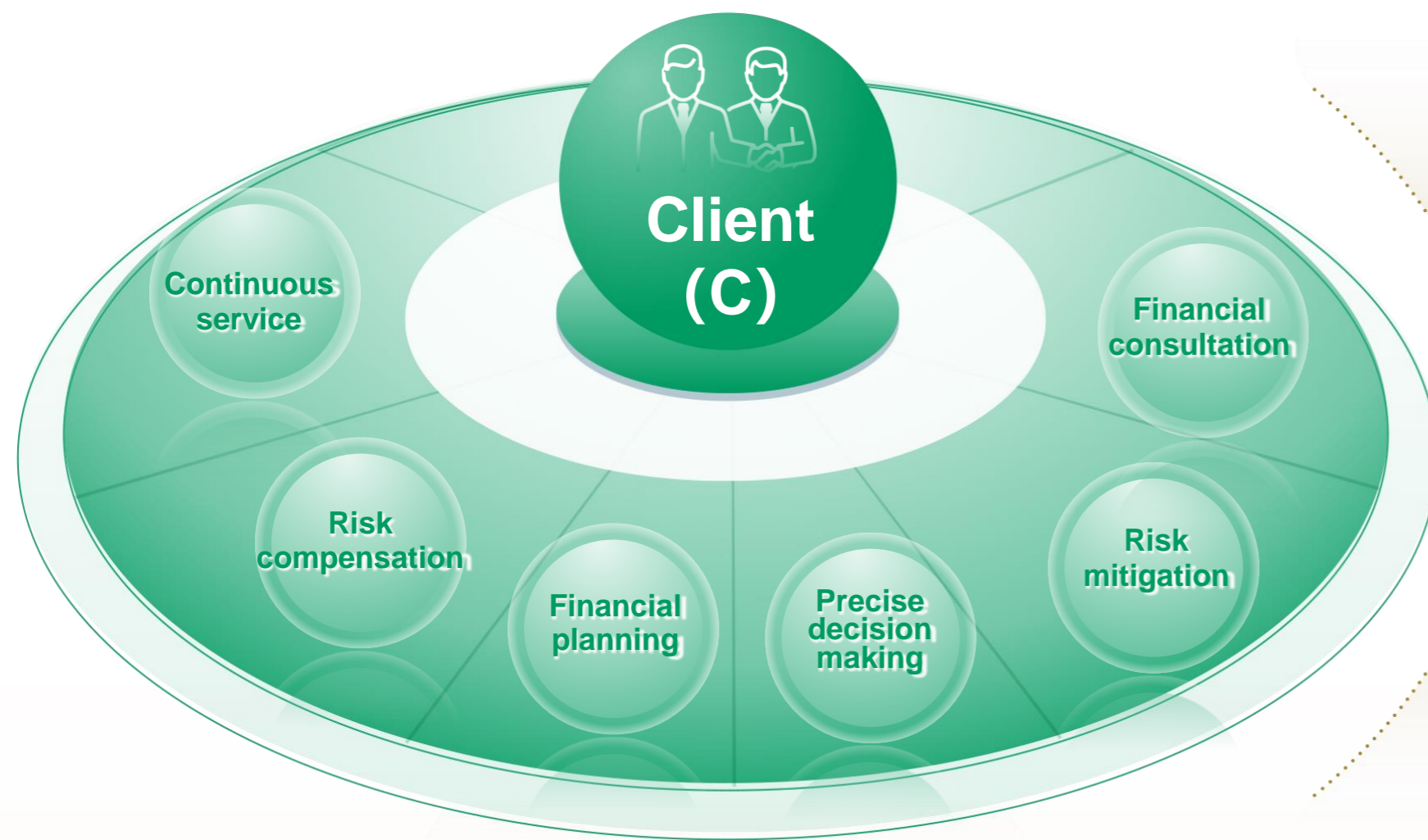
Provide matched financial and insurance products and services to families



Offer ecosystem services to enhance the sense of value of life insurance products

Empowerment of Sales with Technology

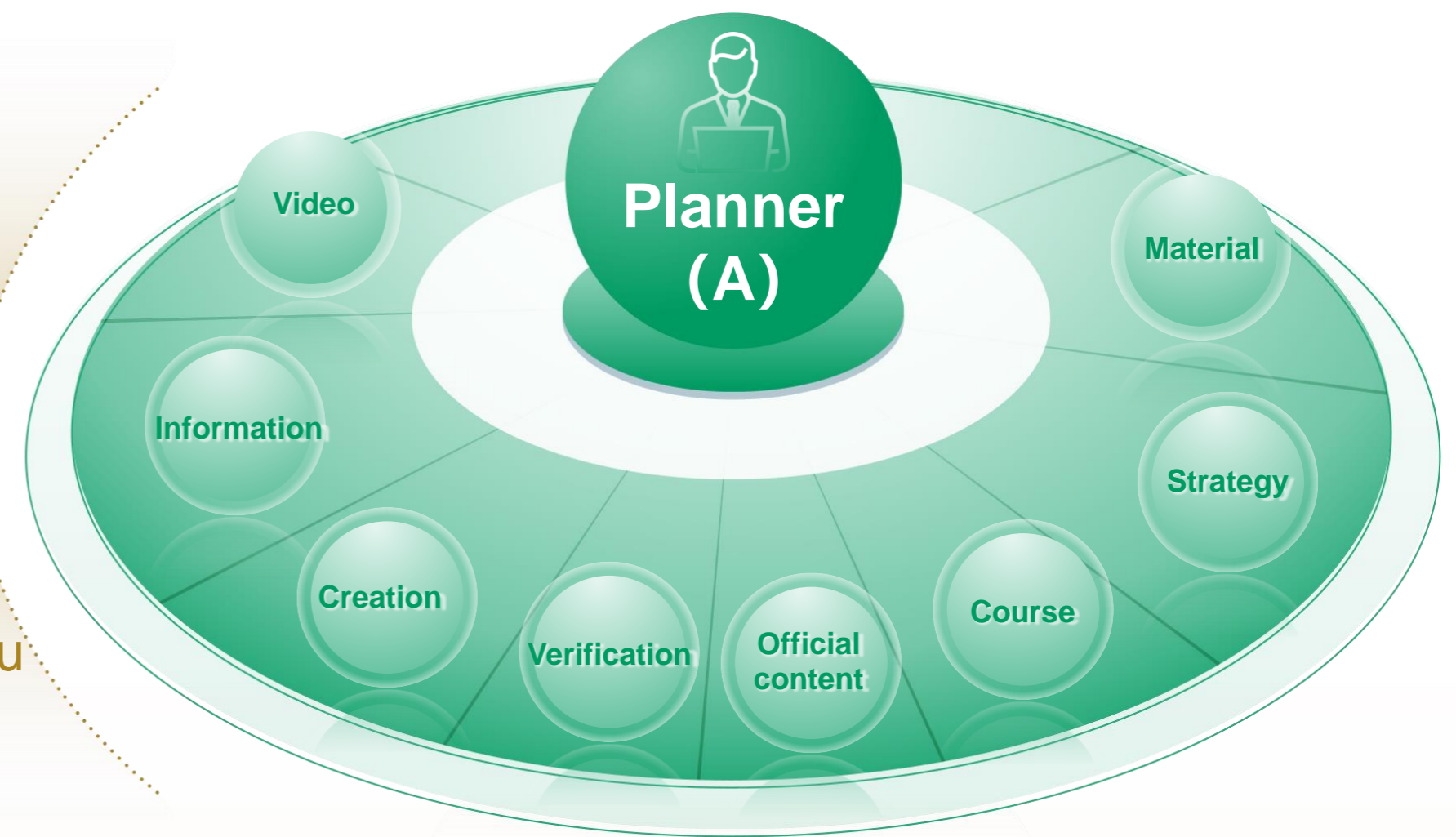
Ling Xiao Platform



Social media channels

- WeChat
- TikTok
- Kuaishou
- Xiaohongshu
-

Ling Yu Platform





4

Prospects Outlook of Reform

Eight Reform Programs

Accelerate reforms in quality, efficiency
and driving forces

1 PARTY BUILDING
FOUNDATION PROGRAM

2 TALENTS DEVELOPMENT
PROGRAM

3 SALES CHANNEL
STRENGTHENING PROGRAM

4 INTEGRATED SALES
SYNERGY PROGRAM

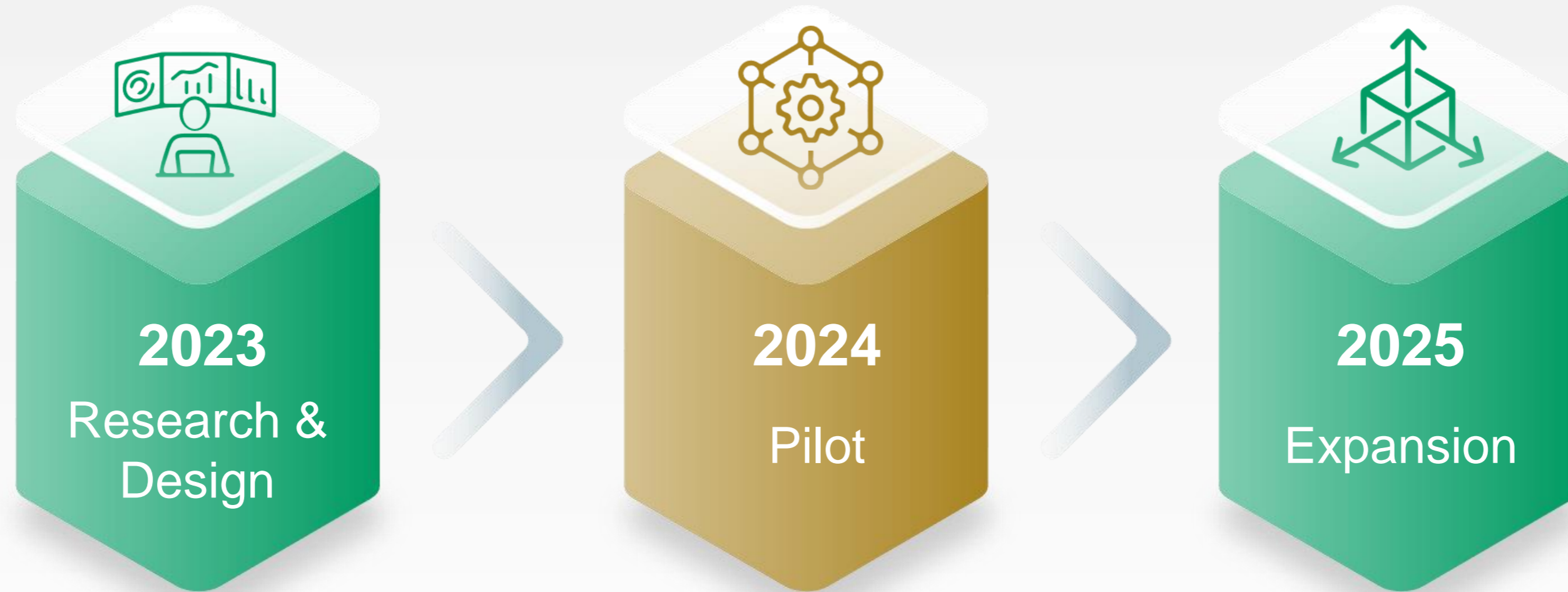
5 CLIENT RESOURCES
MANAGEMENT PROGRAM

6 GOVERNMENT-CORPORATE
COLLABORATION PROGRAM

7 HEALTHCARE AND SENIOR CARE
ECOSYSTEM PROGRAM

8 FINTECH AND DIGITALIZATION PROGRAM

Reform Outlook



2025

Establish new sales team under "Seed Plan"

Drive expansion with 3-5 demonstration projects

Upgrade existing agent teams under "Sales Channel Strengthening Program"

New policies productivity per agent increased by 30% compared with 2022

**Those Pro-actively Reform Progress;
Those Stand Still Regress.**

**20 Years of Concerted Efforts;
The Beginning of a New Journey.**

THANK YOU

