



O2O Strategy Day



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O2O Strategy Day



October 21, 2014

Hu, Yinan

Chairman, Founder

CNinsure

Founded in 1998

Insurance Sales and Services

Other Financial Services

Agencies

Brokerage

Claims Adjusting

Consumer Finance¹

Wealth Mgmt²

➤ Retail

- No.1 P&C insurance agency
- No.1 Life insurance agency

➤ Commercial

- Leading insurance broker for commercial insurance

➤ Comprehensive services outsourcing

- No. 1 Claim adjusting services provider for auto-insurance & non-auto P&C insurance

➤ Asset management

➤ Micro loan services

➤ Asset management

➤ Wealth Mgmt product distribution

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

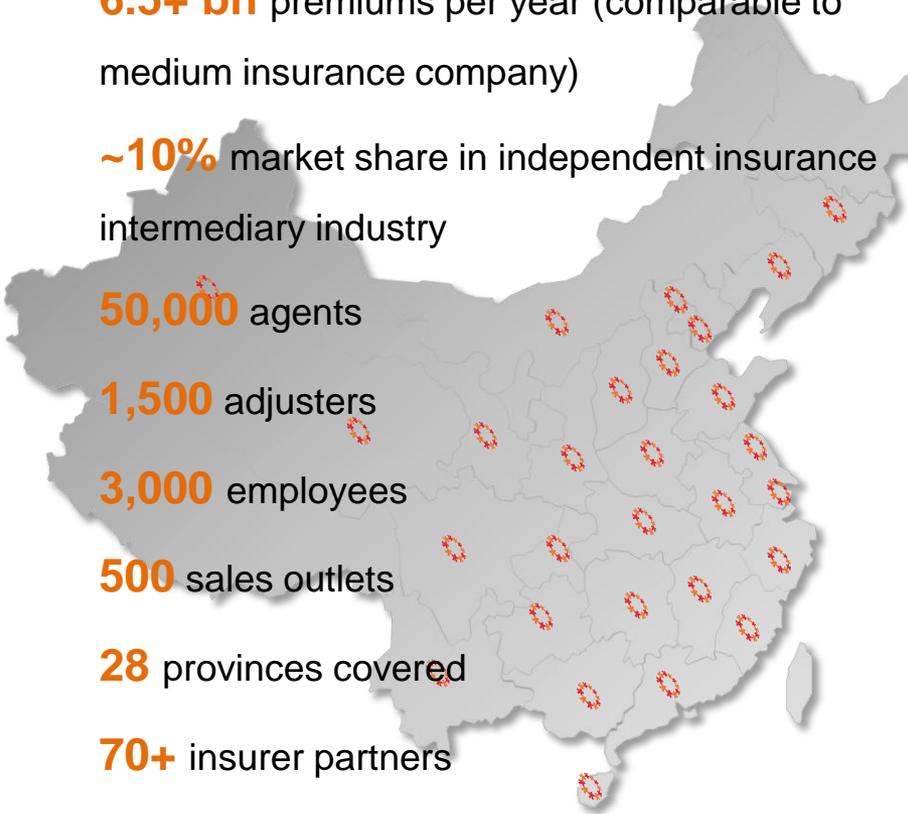
1,500 adjusters

3,000 employees

500 sales outlets

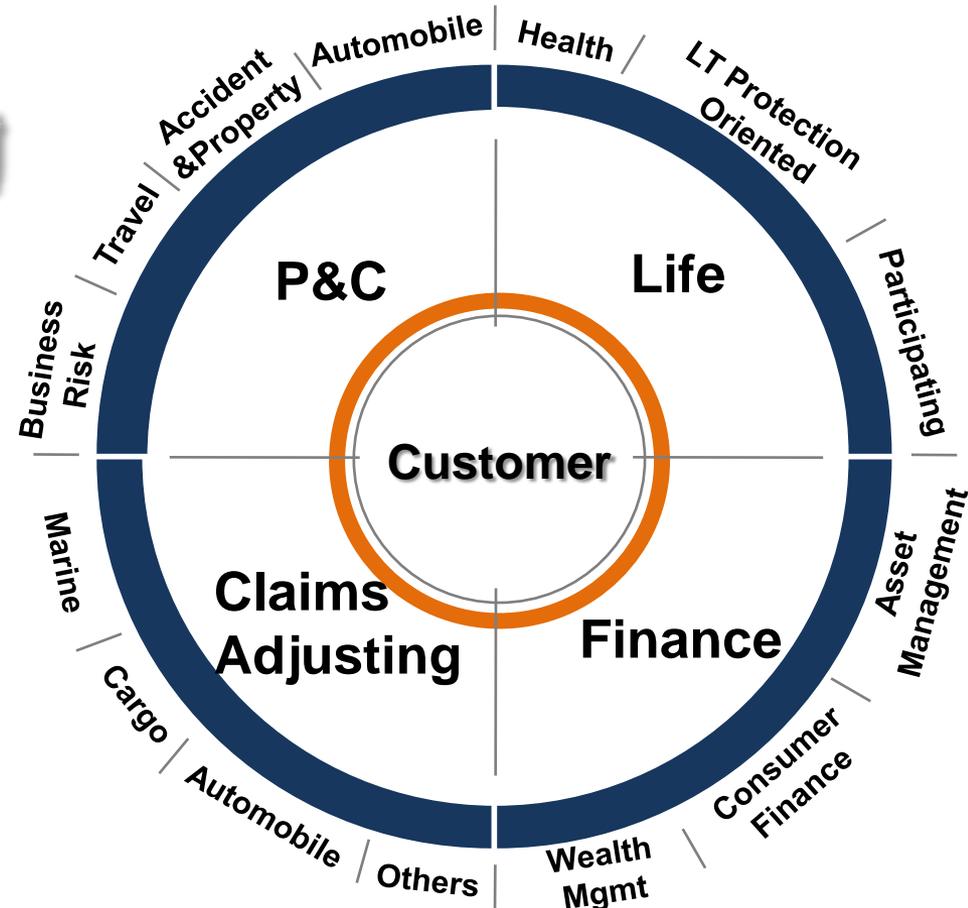
28 provinces covered

70+ insurer partners



 CNinsure Sales/Services Outlet

Diversified Product and Service Offerings



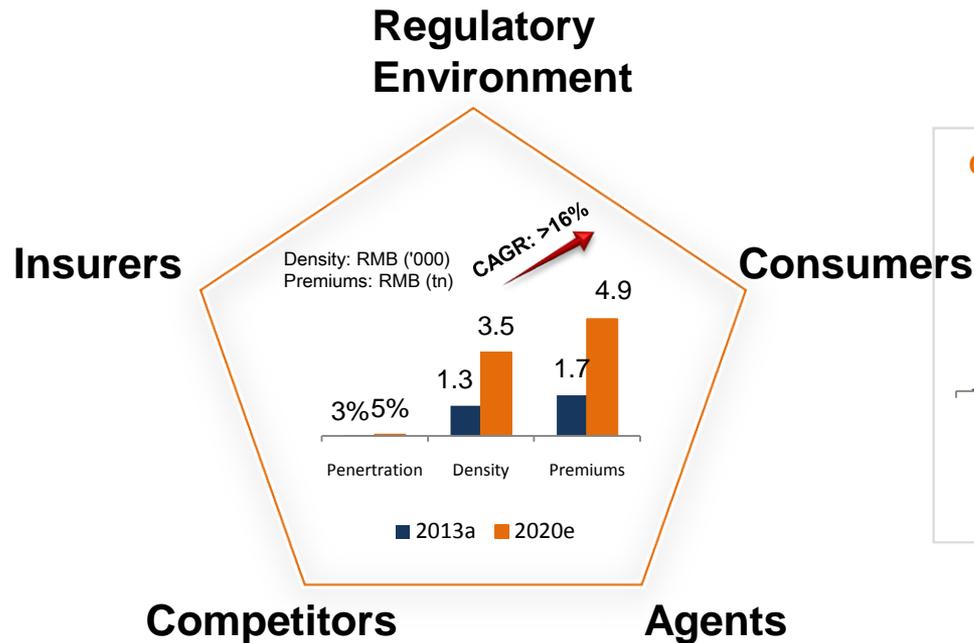
Key Market Forces are Changing...

Regulatory Environment is Changing

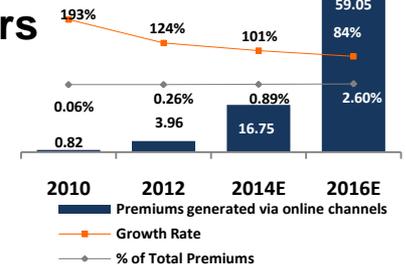
- Ten guidelines of the State Council 2014 for insurance industry ¹
- Pricing deregulation in life insurance and auto insurance
- Independent agent system reform

Insurers Demanding Efficiency

- Lower cost
- Better service quality
- Better customer satisfaction



Consumers Turning Online



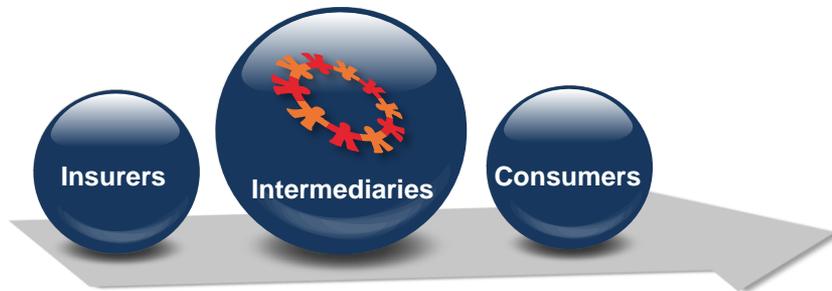
Competition is Intensifying

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

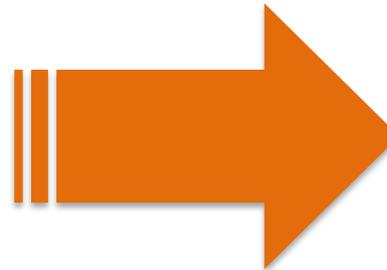
Agents Seeking Support in all Fronts

- 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

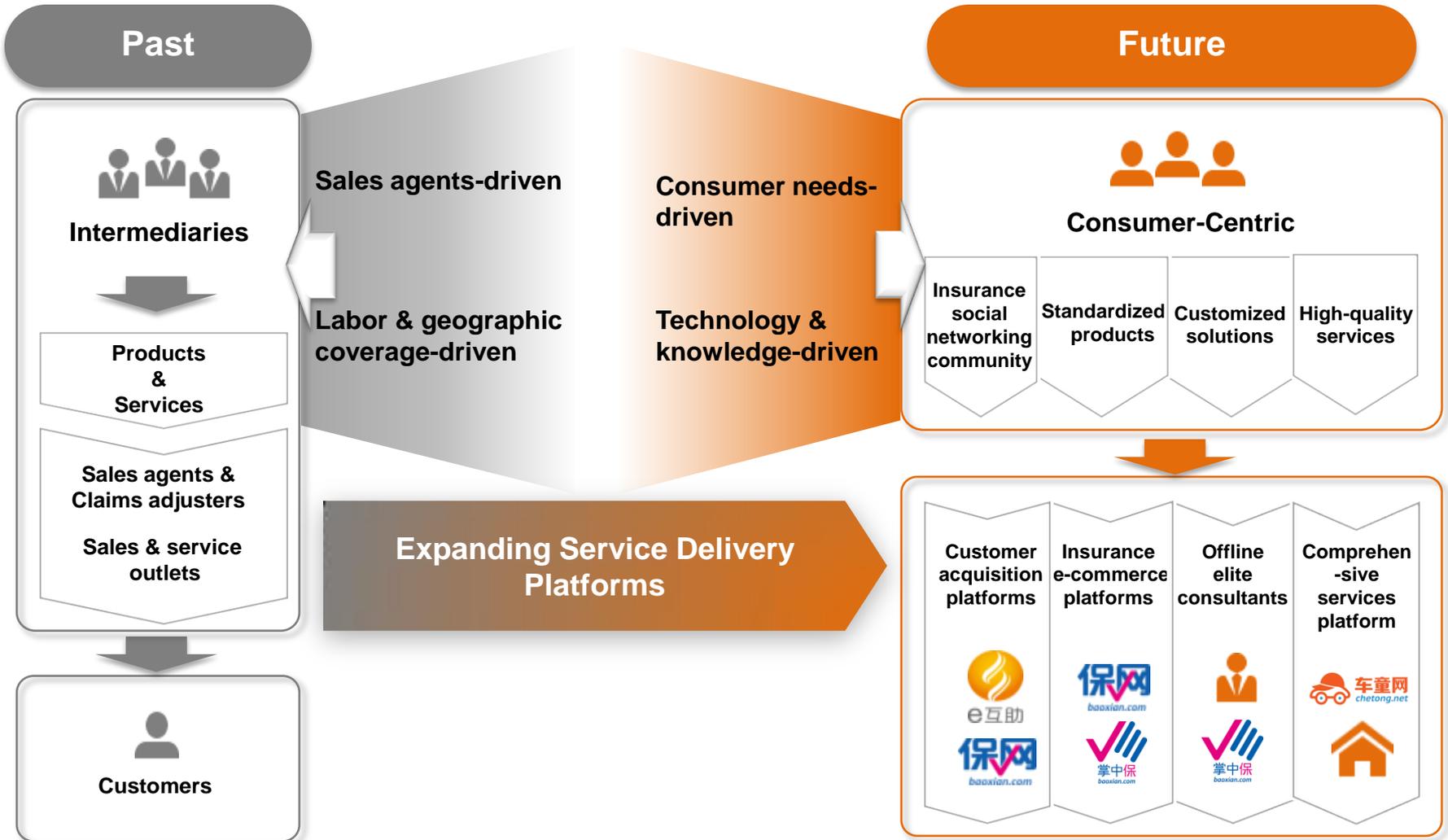


October 21, 2014

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



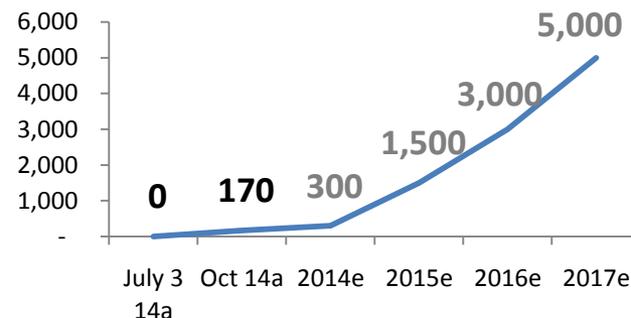
联系我们
关注公众号



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

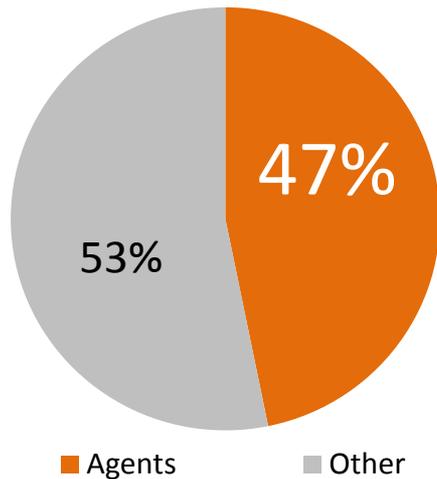
- A platform that offers financial aid to support Chinese families to cope with cancers and disasters on a mutual aid basis
- A customer and data base that can be monetized in healthcare area in the future

Video about CNpad



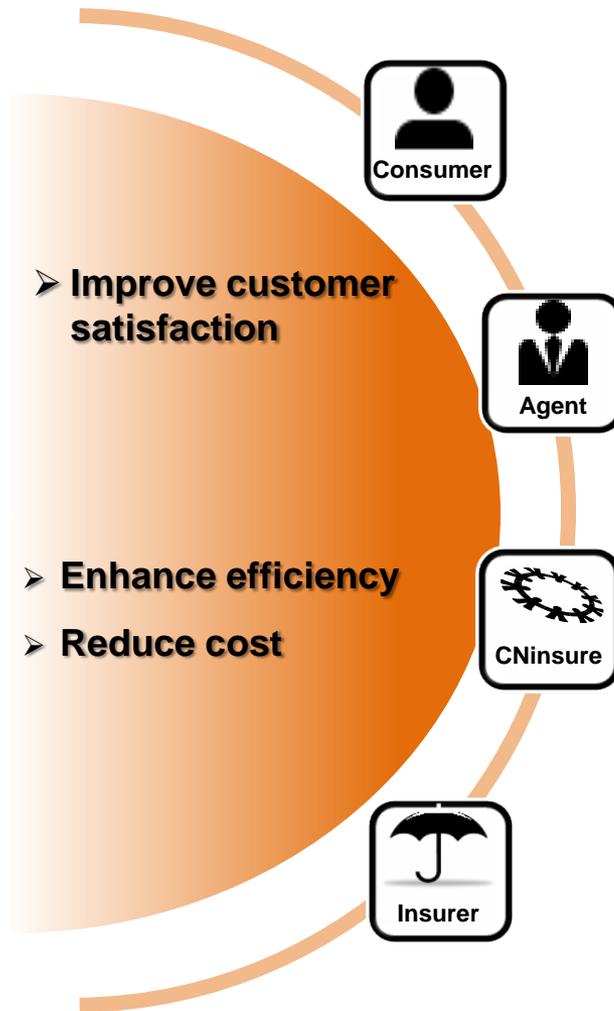
Agent Remains the Dominant Distribution Channel in China

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

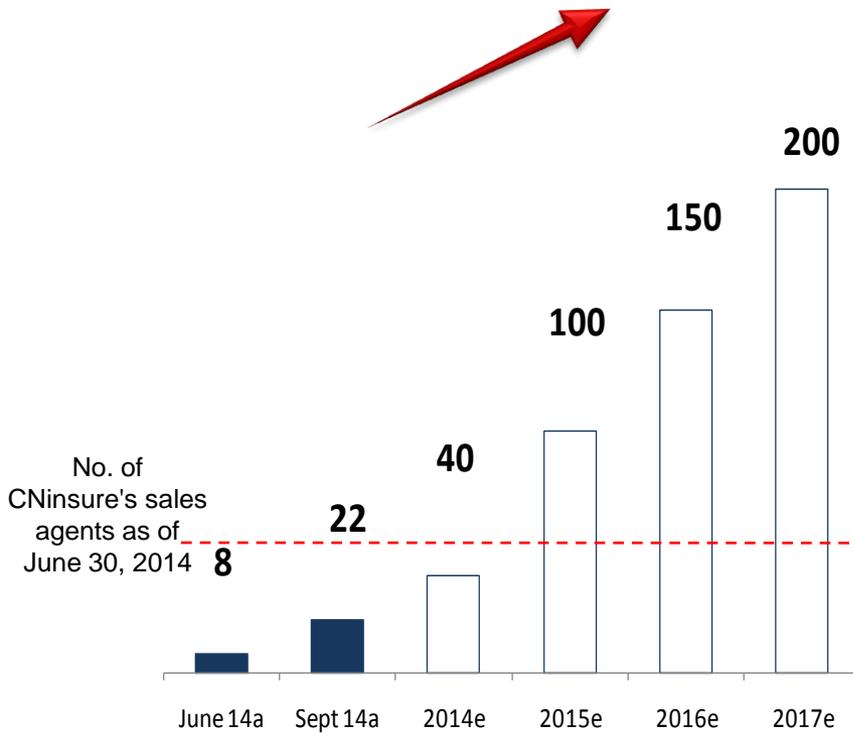
Task Assignment Engine

Payment Engine

Automatic Task Processing Engine

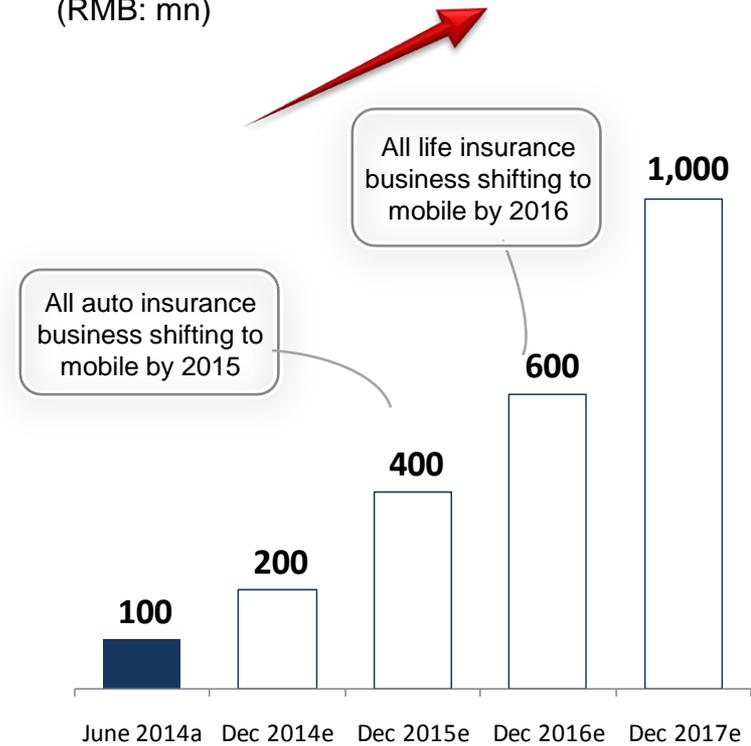
CNpad App Users

('000)



Monthly Transaction Volume

(RMB: mn)



Video about chetong.net



Strong Demand for Insurance After-Sales Services



Insured Vehicles: **> 130 Million**

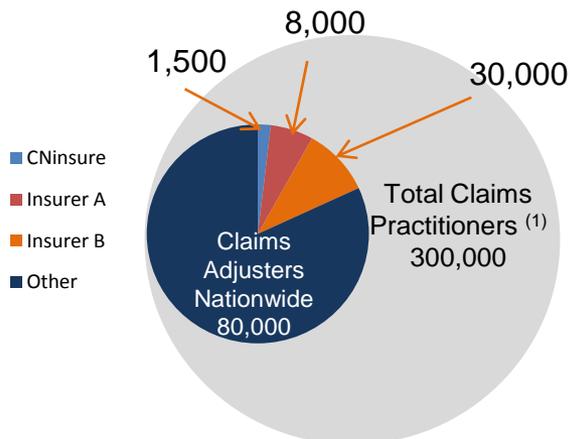


Auto Insurance Premium Annual Growth: **>20%**



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;

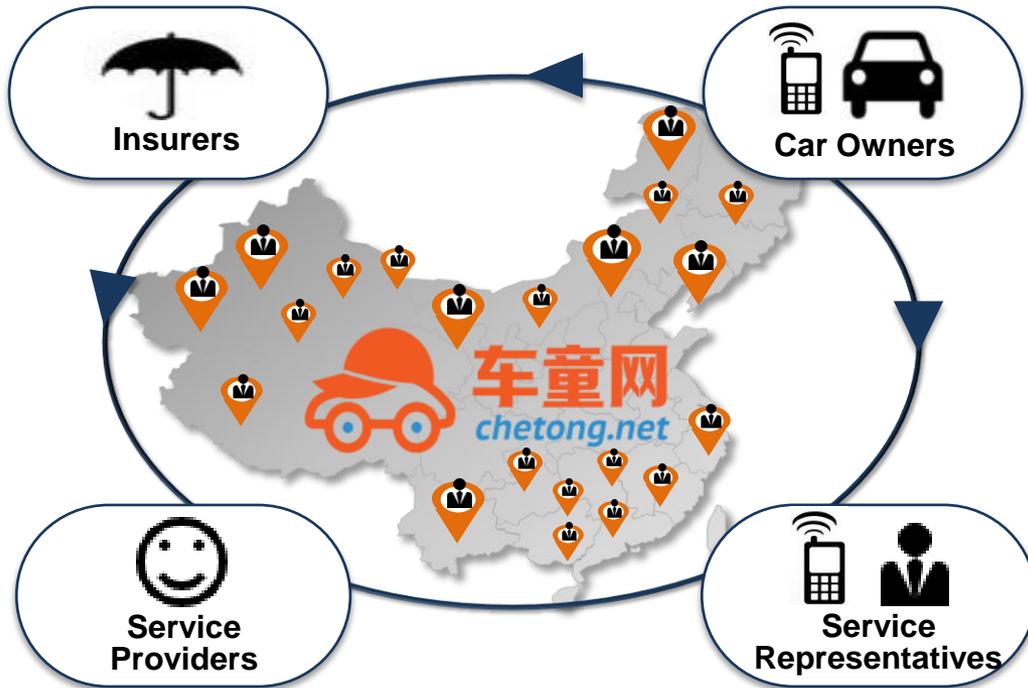


Claims service practitioners: low efficiency and low income;



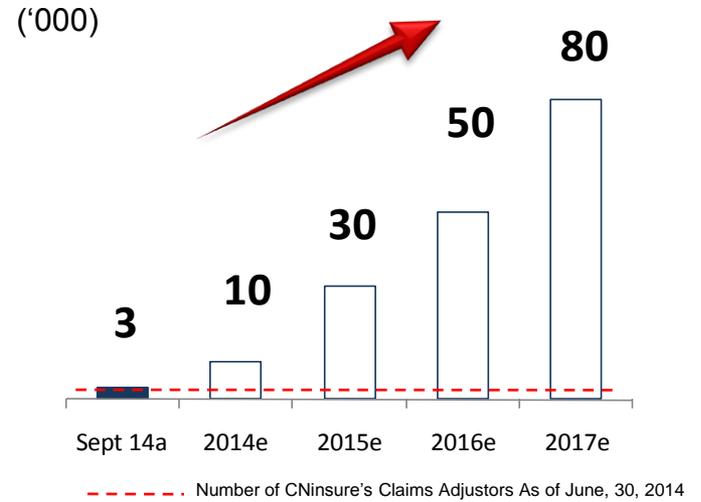
Lack of high quality service platform with nationwide reach

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

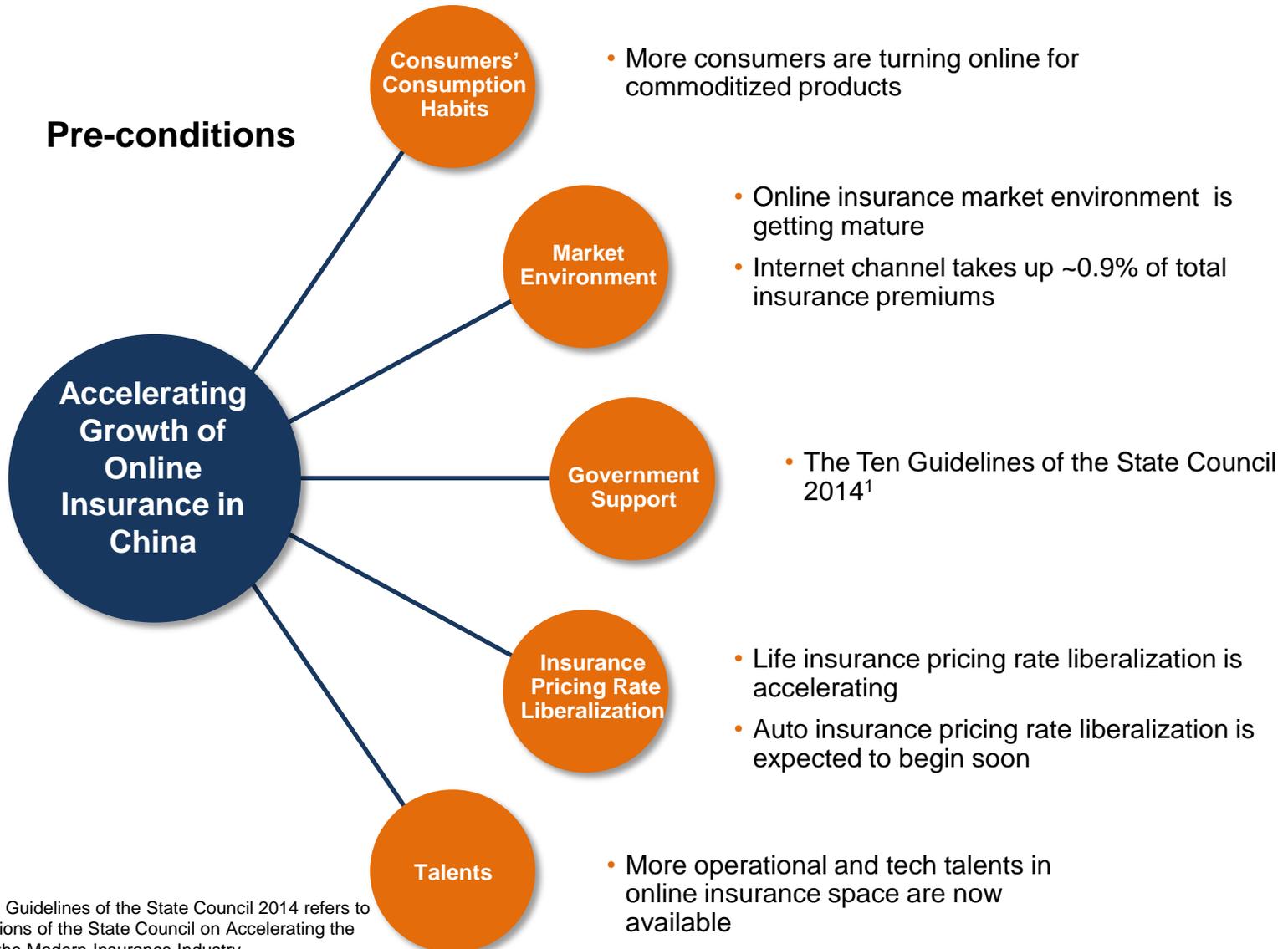
Rapid Growth of Service Representatives



Service Range Expansion Roadmap

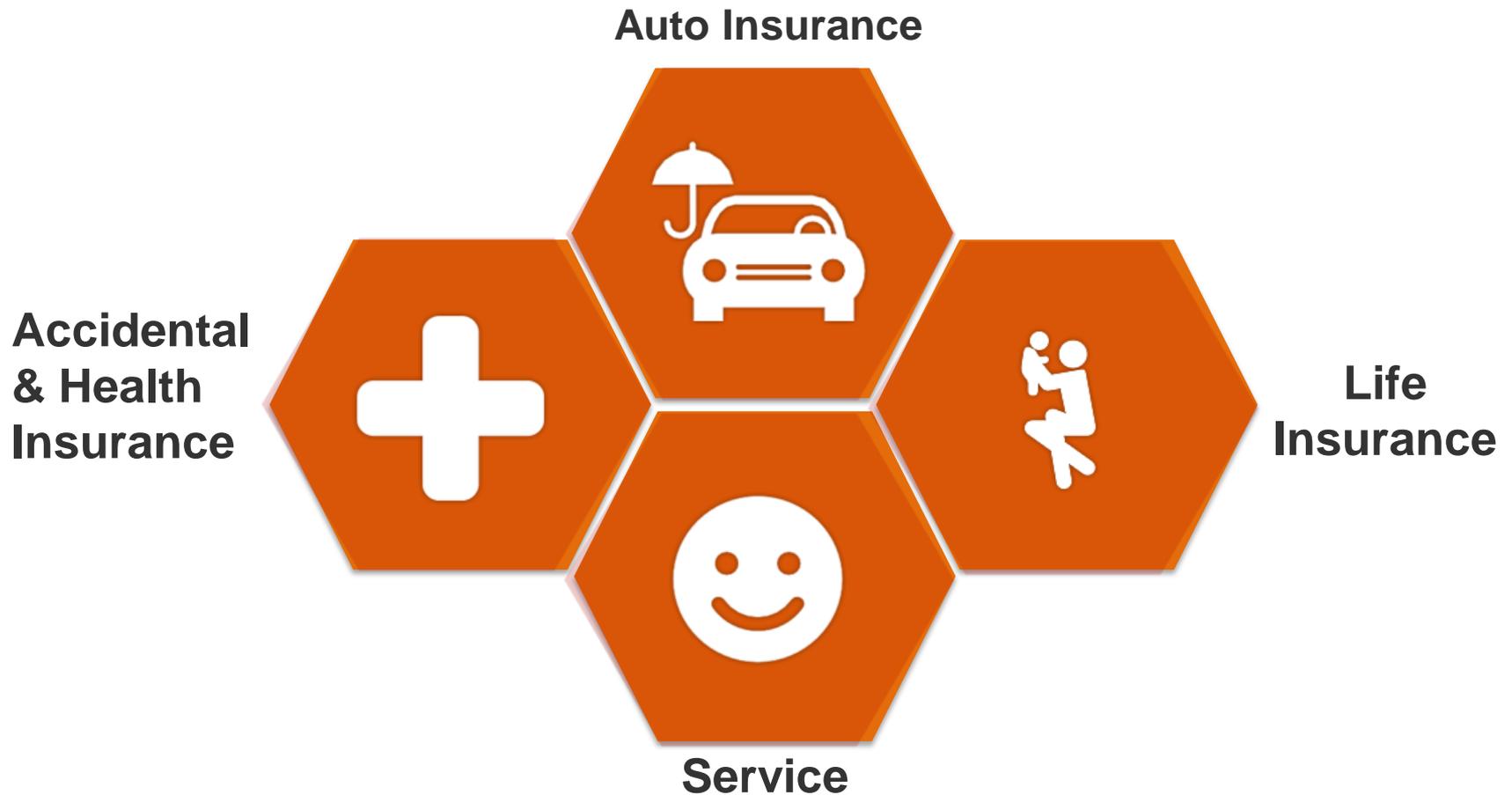
- Vehicle Claims Services
- Special Vehicle Claims Services
- Emergency Assistance & Quick Repair
- Car Services & Valet Driving Services
- Other Value-added Services





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

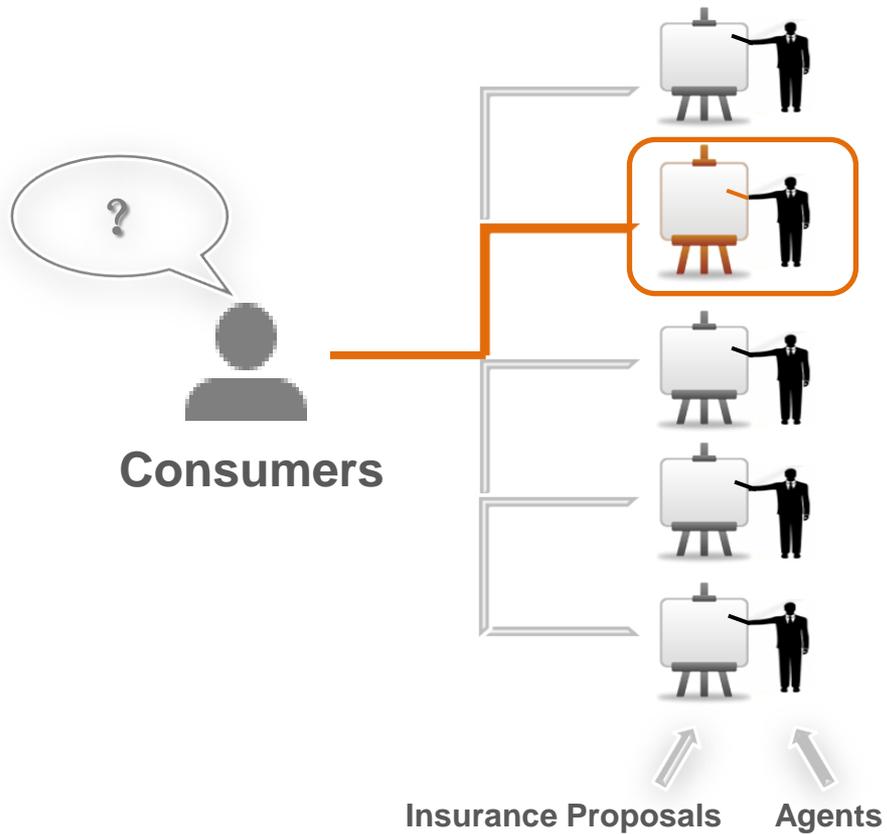
High

Promotion

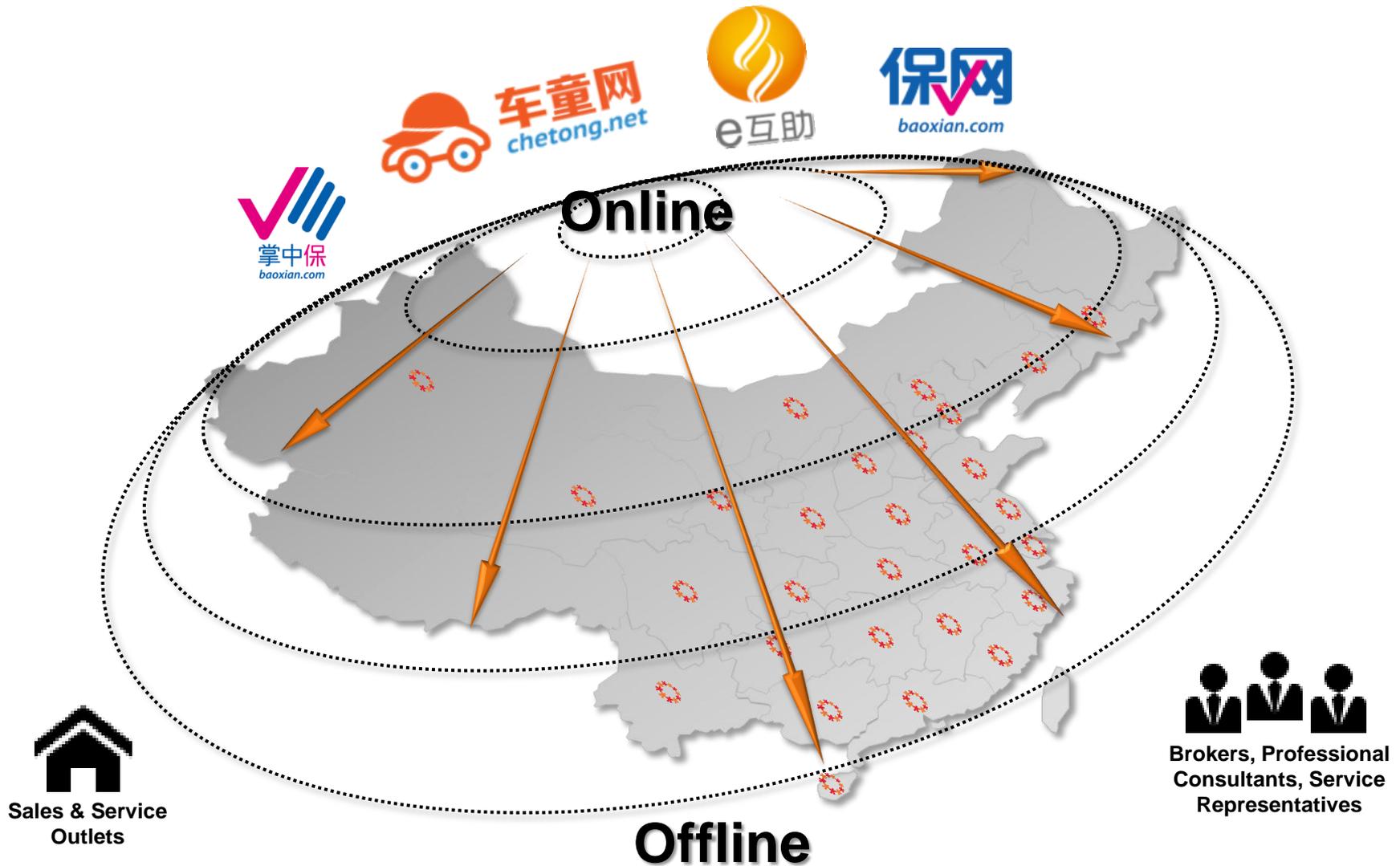
Medium

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

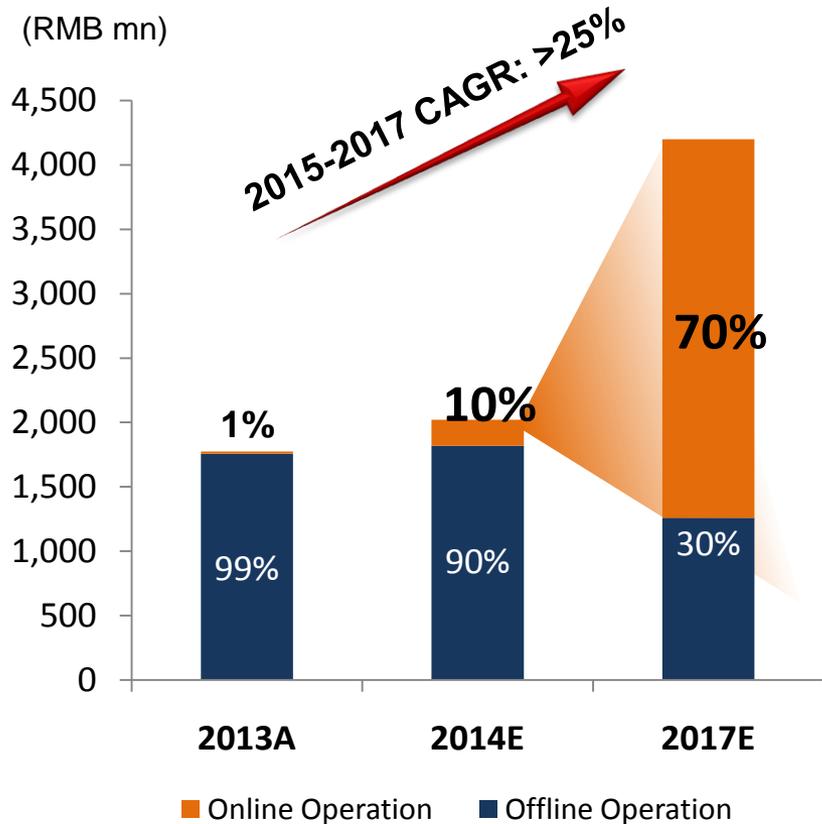
➤ Development & Investment in online/mobile initiatives and marketing Initiatives

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

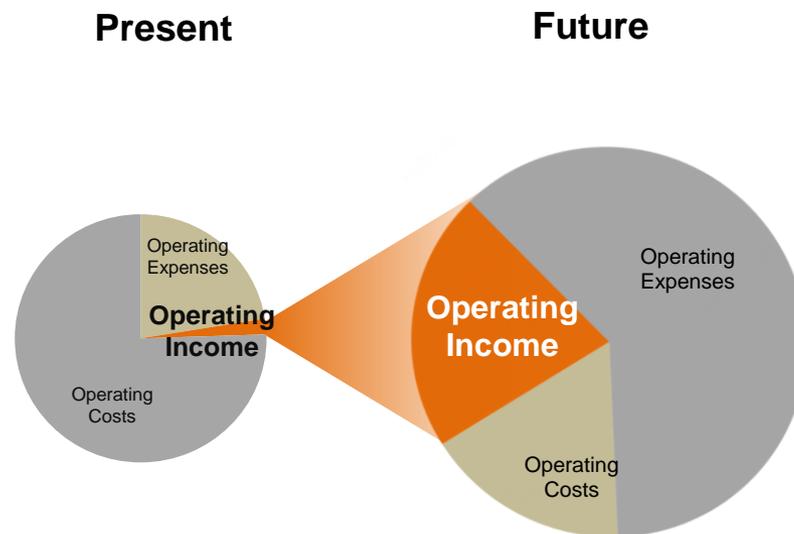
➤ Acquisition

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

Rapid Growth of Online Revenues



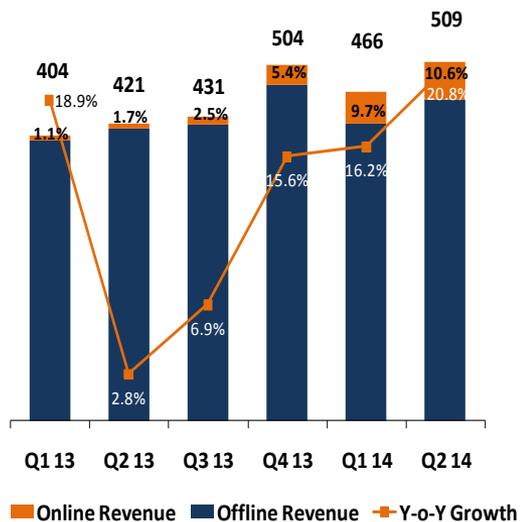
Clear Margin Expansion



Improvements in Financial Performance

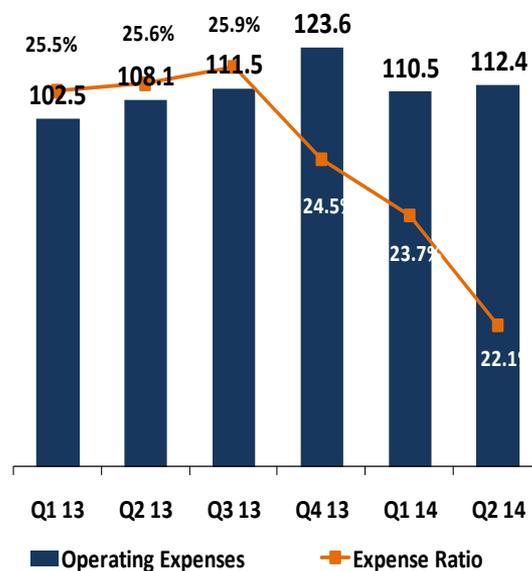
Total Revenue & Online Revenue Growth

(RMB mn)



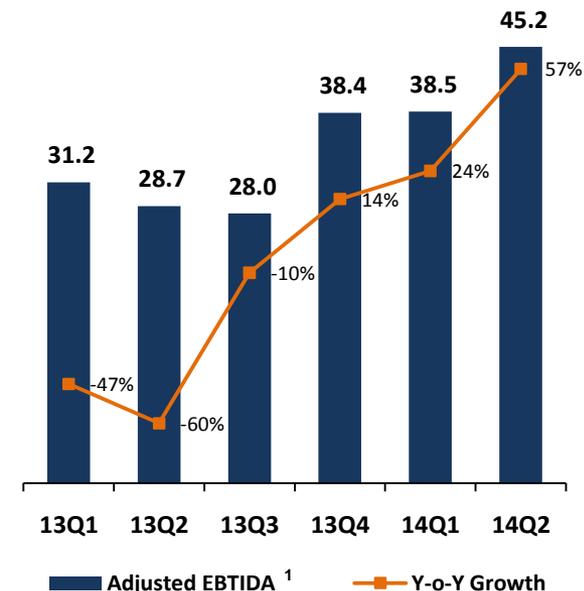
Expense Ratio Going Down

(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