

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國太平洋保險(集團)股份有限公司

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02601)

**ANNOUNCEMENT IN RESPECT OF DISCLOSURE OF
RELEVANT PRESENTATIONS ON 2018 INVESTOR DAY**

This announcement is made pursuant to the disclosure requirements under Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company hereby announces that it will host an investor day for 2018 on Thursday, 15 November 2018 and make presentations on “Health Insurance Business” and “Digitalization Effort and Progress”.

For specific details of the abovementioned presentations, please refer to the appendix of this announcement.

By Order of the Board
China Pacific Insurance (Group) Co., Ltd.
KONG Qingwei
Chairman

Shanghai, the PRC, 15 November 2018

As at the date of this announcement, the Executive Directors of the Company are Mr. KONG Qingwei and Mr. HE Qing; the Non-executive Directors of the Company are Mr. HUANG Dinan, Mr. WANG Tayu, Mr. KONG Xiangqing, Ms. SUN Xiaoning, Mr. WU Junhao and Mr. CHEN Xuanmin; and the Independent Non-executive Directors of the Company are Mr. BAI Wei, Mr. LEE Ka Sze, Carmelo, Mr. LAM Chi Kuen, Mr. ZHOU Zhonghui and Mr. GAO Shanwen.

* *Note:* The appointment qualification of Mr. Huang Dinan is subject to approval by China Banking and Insurance Regulatory Commission.

Satisfying Demand for Health Protection to Pursue High-quality Development

---- An Overview of CPIC's Health Insurance Business

Chengdu November 15, 2018



Steady growth of health insurance demand

01

Social insurance only meets the basic health care demand

- ◆ Social insurance can not satisfy people's diverse needs for health protection
- ◆ Private insurance is an important **“top-up”**

02

Deficit of social security medical fund

- ◆ Total health care spending in 2017: **RMB5.16 trillion**
- ◆ CAGR of social security medical fund between 2008 and 2017: contribution **21.8%**, pay-out **24.0%**

03

Heavy burden on people's pockets

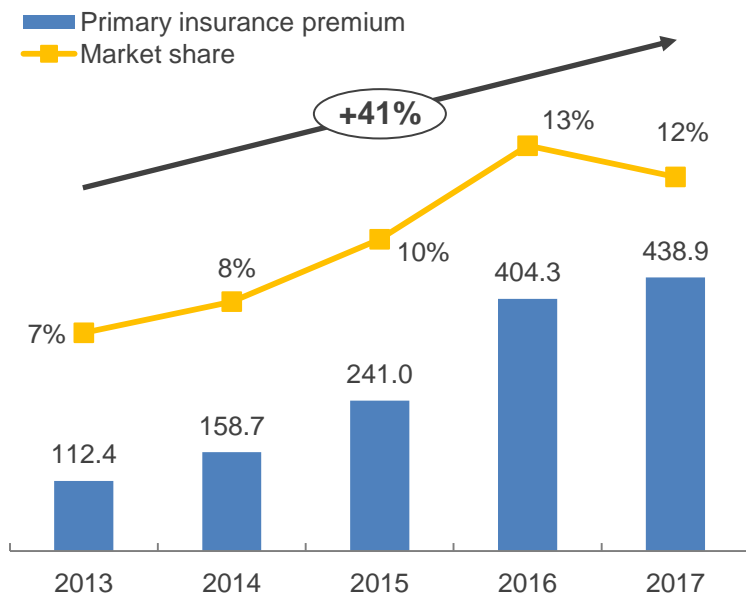
Personal out-of-the-pocket spending as a share of total health care expenditure in 2015

- ◆ the USA: 11.1%
- ◆ the UK: 14.8%
- ◆ Germany: 12.5%
- ◆ China: **35.0%**

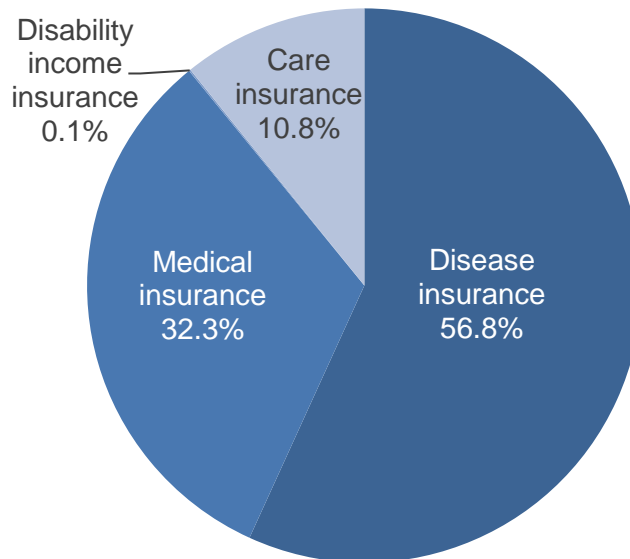
Rapid growth of health insurance market, dominated by disease and medical insurance

Primary insurance premium growth and market share of health insurance

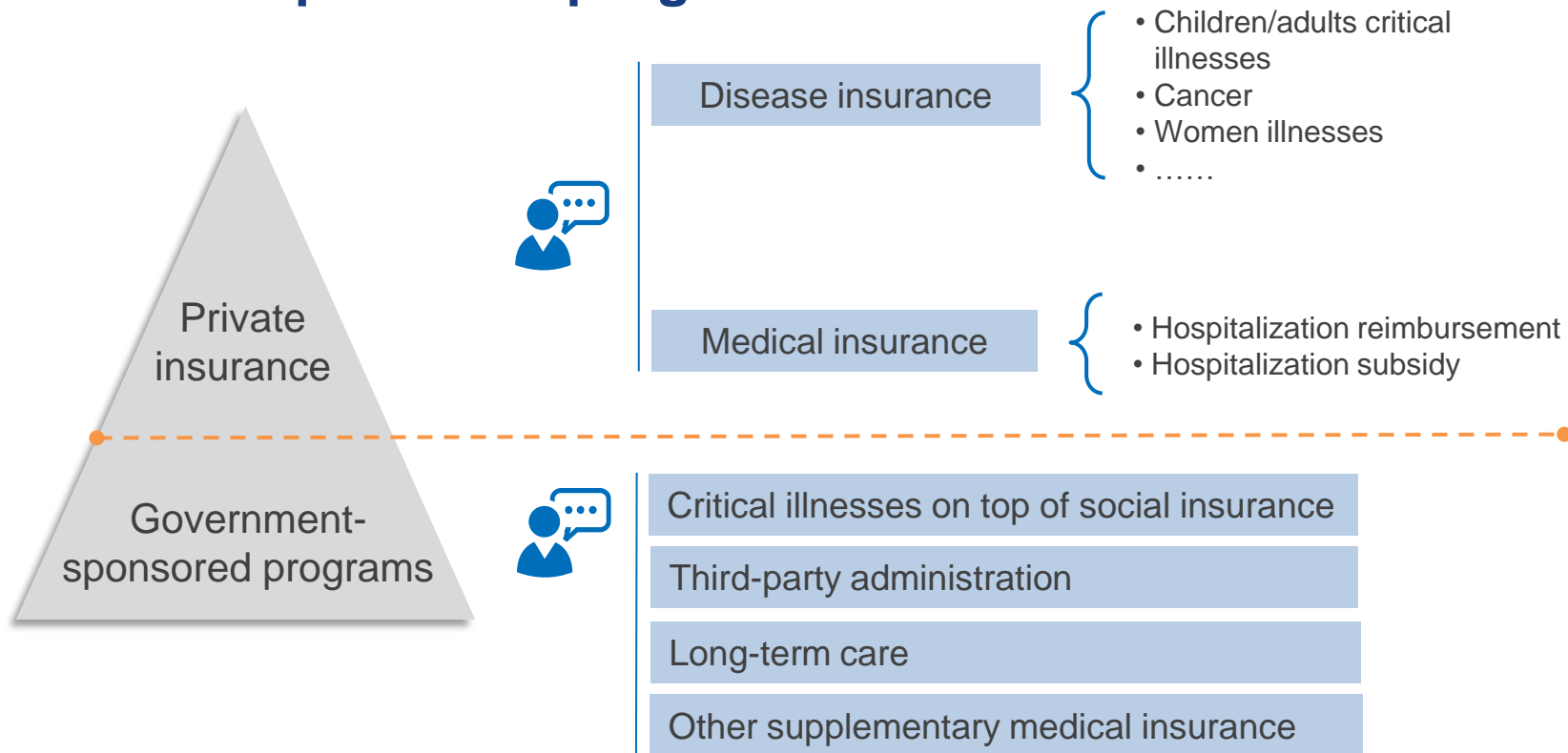
(Unit: RMB billion)



Mix of health insurance premiums in 2017



Satisfy customer's diverse needs through private and government-sponsored programs



Diversification of disease insurance product line-up to meet customer's personalized needs for protection



CI with increased sum assured

◆The “*Jinyou*” series is historically the “pillar” critical illnesses product . It offers participating of profits in the form of increased SA over the years. With product upgrading, its coverage expands, adding benefits like waiver of premiums and multiple payments for minor illnesses.



CI with flat sum assured

◆Building on the edge of the previous CI product with increased SA, we launched “*Jinnuo Rensheng*”, a traditional CI product offering flat SA, which is also the pillar of the current CI line-up.



Cancer product

◆ With increased cancer incidence and detection rate, people's demand for cancer protection grows rapidly. The “*Aiwuyou*” product is tailor-made for cancer protection, covering against the most prevalent cancers for lower premiums.



Pure consumption CI

◆To meet customers' diverse demand, we launched “*Xingfu Ankang*” in February 2018, a CI product offering more value for lower premiums.

Diversification of medical insurance product line-up to meet customer's personalized needs for protection



Baiwan (million in face amount) medical insurance

◆ The product series offers high level of protection for lower premiums, covering a wide range of illnesses and medication under social insurance, filling market niches. Main products include *“Lexiang Baiwan”*, *“Quanjiatong”* and *“Yue Jiabao”*.



Anti-cancer medical insurance

◆ To meet demand for better treatment and experience, we launched *“Xin'an Zhizhong”*, an cancer product covering against medical expenses in public hospitals of tier-2 grade and above for both government-subsidized and “market-oriented” services, as well as the Shanghai Proton & Heavy Ion Hospital.



Tailor-made hospitalization medical insurance

◆ To meet demand for reimbursement of hospitalization expenses not covered by social insurance, we launched *“Xin Anyi”*, which sets no deductibles, allowing for application by both individuals and families, with domestic second opinion service for critical illnesses.

Tailor-made products based on customer segmentation



Children

- ◆ *“Shaoer Chaonengbao”*, a tailor-made CI plan which offers wide coverage, waiver of premium for both insured and applicants, and return of premiums with a value growth of 50%.
- ◆ *“Siji Baobei”*, a customized disease plan, providing one-off payments on CI/ designated CI, medical reimbursement for out-patient and first-aid, as well as health counselling for families.



Youth

- ◆ *“Jinxiu Qiancheng”*, a tailor-made CI product, with an insurance period of 30 years. Offers high value for reasonable premiums, now being sold in Shenzhen on a trial basis.



The elderly

- ◆ *“Yinfa Ankang”*, customized for those aged 50 and above, with guaranteed renewals. Cap on age of applicants raised to 65 years, in line with the product development philosophy of “offering protection for people’s entire life-cycles”.



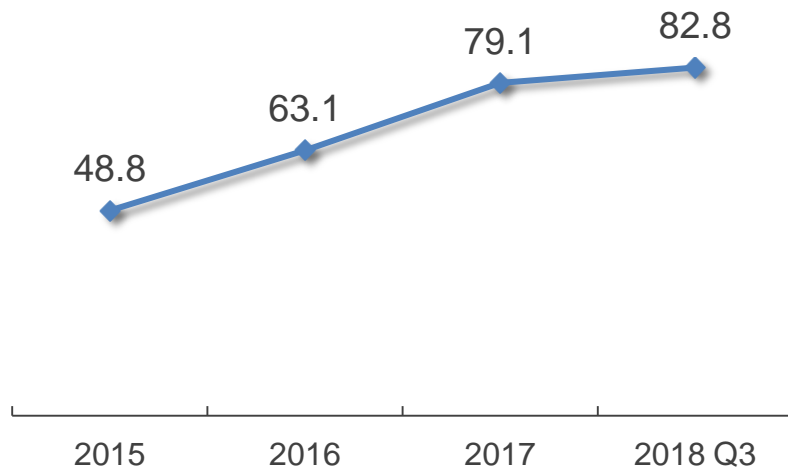
Women

- ◆ *“Huayang Nianhua”*, offering cover against mental illnesses, the first of its kind in China, with features of low premiums, high level of protection against both mental and physical critical illnesses, and the benefit of cash subsidies.

Share of customers taking out long-term CI increased continuously

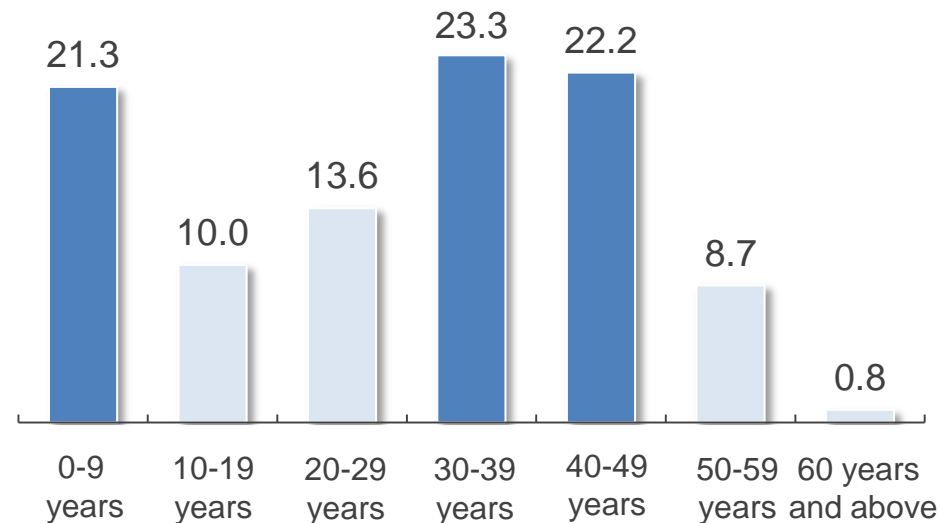
Share of customers taking out long-term CI

(Unit: %)



Distribution of CI customers

(Unit: %)

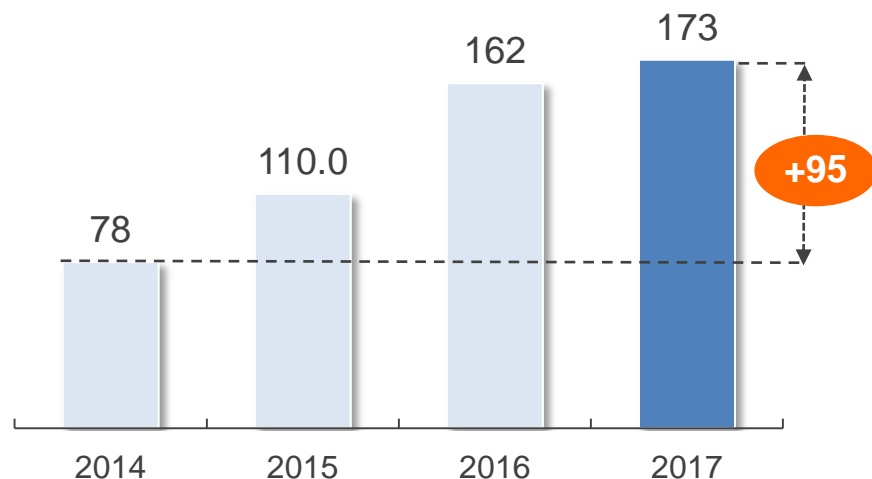


Note: The chart on the left is based on applicants, and that on the right the insured.

Average sum assured on CI per customer increased continuously, with that over 300,000 seeing the fastest growth

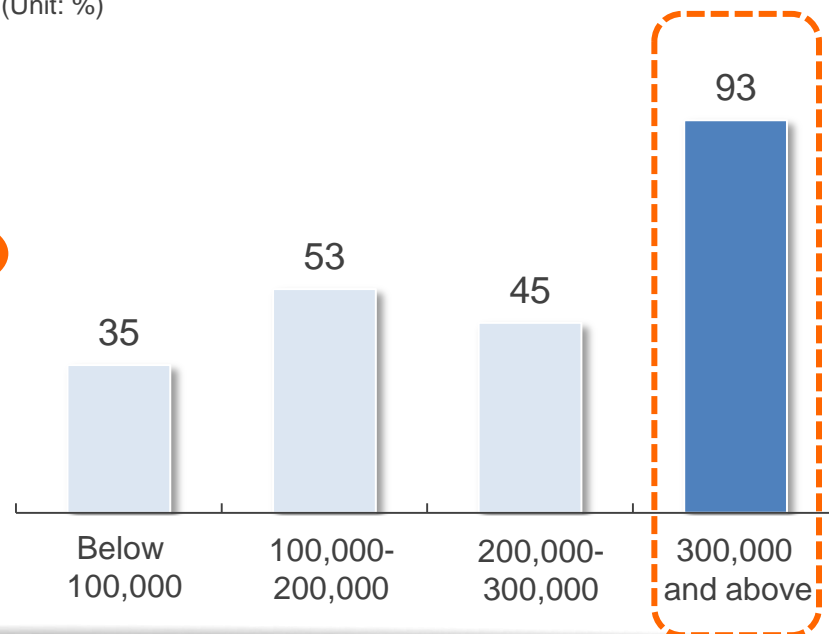
Growth of average SA on CI new sales customers

(Unit: RMB thousand)



Growth of CI new sales customers by cohorts of SA in 2017

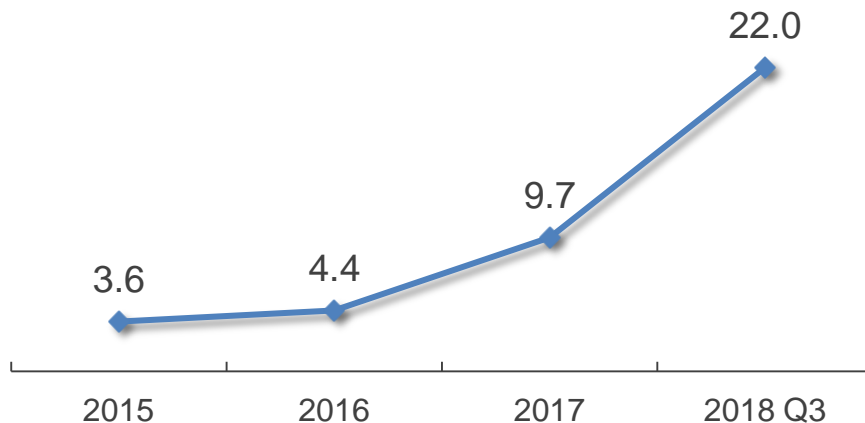
(Unit: %)



The number of customers with both CI and medical grew rapidly

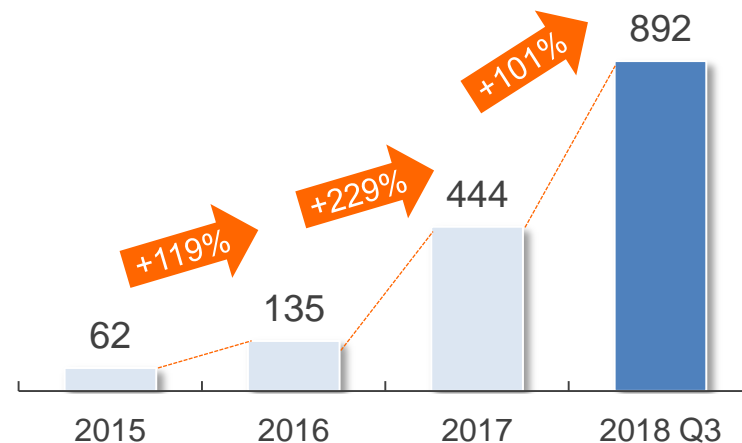
Share of CI new sales customers who purchase short-term medical

(Unit: %)



Number of customers with both CI and short-term medical

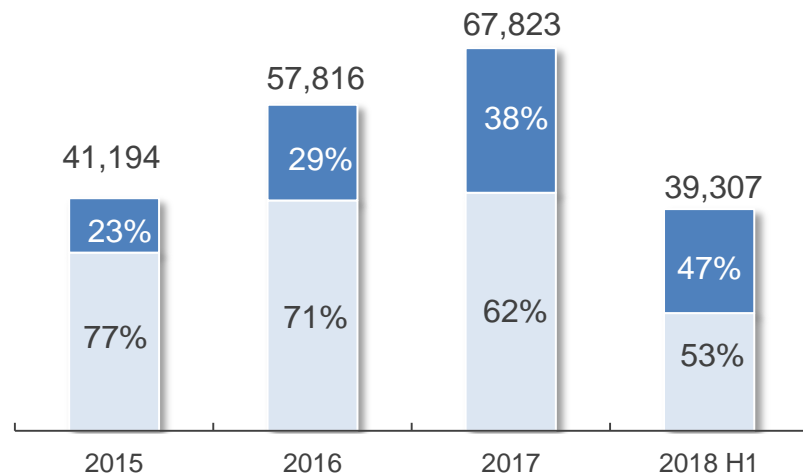
(Unit: thousand)



Long-term health insurance promotes business mix improvement

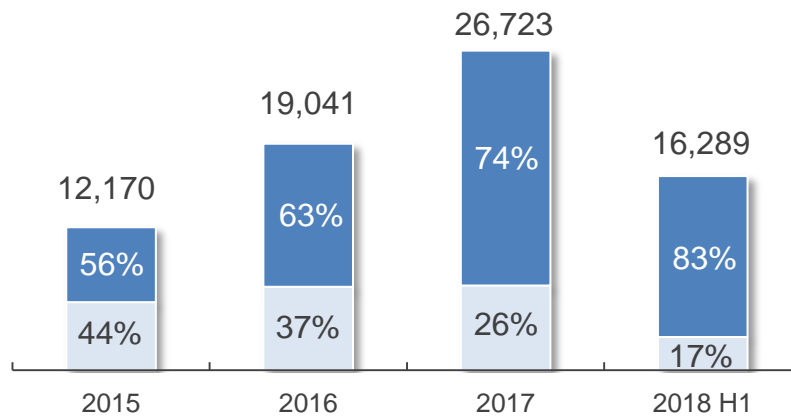
Annualized new premiums of CPIC Life

(Unit: RMB million)



New business value of CPIC Life

(Unit: RMB million)



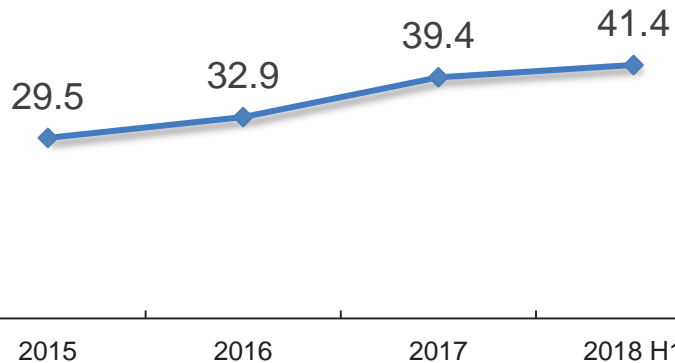
■ Long-term health insurance ■ Others

Note: Long-term health insurance includes whole life/endowment products that are bundled with long-term health products.

Long-term health insurance helps with NBV margin expansion and residual margin growth

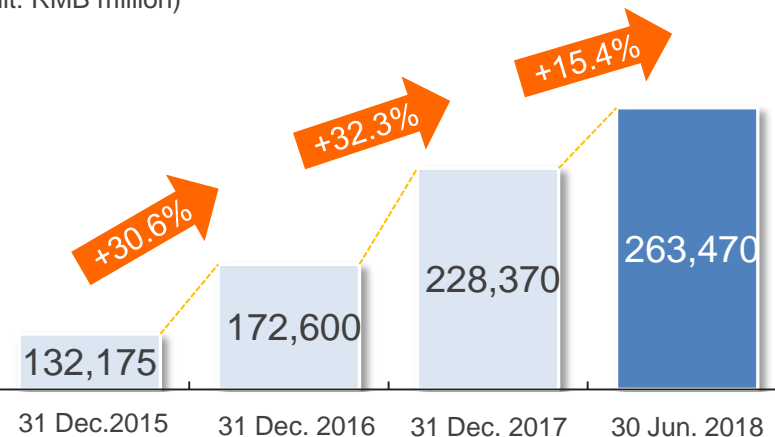
NBV margin of CPIC Life

(Unit: %)



Residual margin of CPIC Life

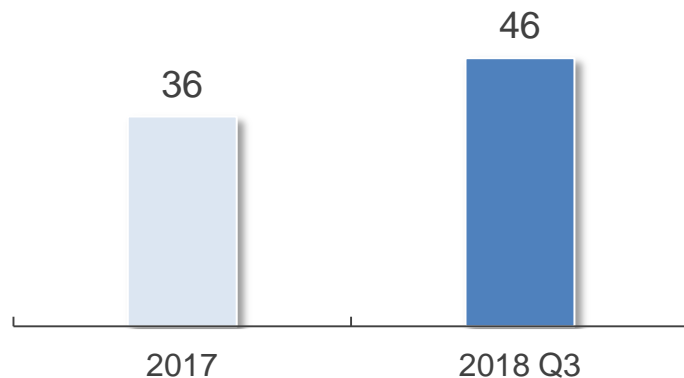
(Unit: RMB million)



Short-term medical helps with customer acquisition

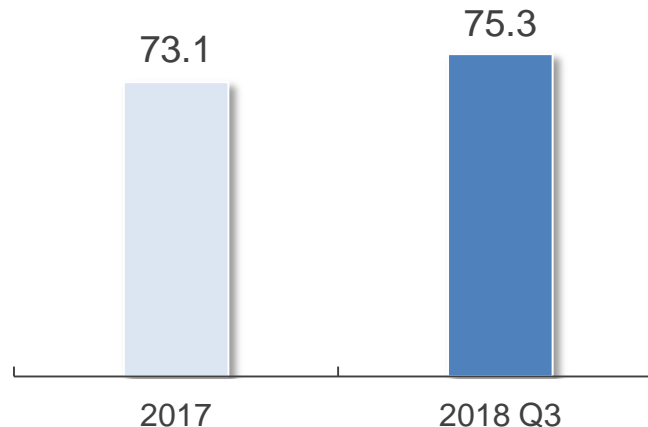
New customers for life agents acquired by short-term medical

(Unit: ten thousand)



Renewal ratio of short-term medical

(Unit: %)



Contributed to establishment of multi-tiered health care system

Early starter

- **The first** insurance company to participate in the establishment of a multi-tiered health care system.

Good experience

- **20** years of exploration and practice,
- Accumulation of advanced health care management and services
- Influential cases and wide recognition

Wide coverage

- **161** government-sponsored programs
- Covering **459** districts and counties in **22** provinces
- Benefiting **91 million** people

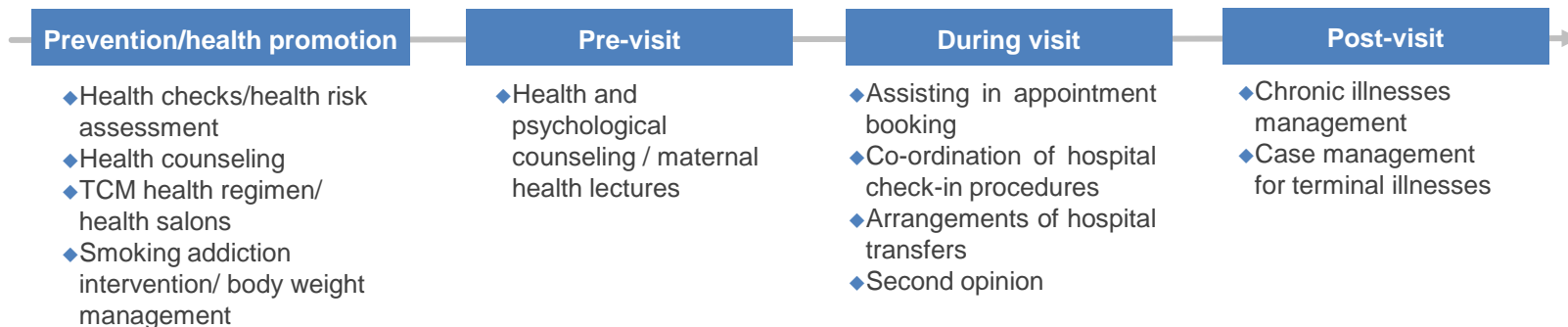
Extensive Recognition

- Total claims pay-out exceeded **8.3 billion**
- Benefiting **5.7 million** people
- Level of protection of people under coverage increased by **10-15%**
- All programs win recognition in government evaluation



- 61** Critical illness programs
- 18** Third-party administration programs
- 17** Long-term care programs
- 65** Other supplementary programs

Establishing health care management system to meet customer's diverse needs



Health management network



Global direct payment medical outfits

600,000+



In-house direct payment medical outfits in Greater China region

400+



Health check-ups and dentist network

1000+



Contracted senior experts

300+

Note: All data is based on period as at the end of September 2018.

Outlook



Health insurance big data

Initiate health insurance big data transformation project, establishing Group-level big data platform for health insurance, exploring big data application scenarios to improve decision-making capabilities for overall health insurance strategies.

Improving supply of products and services

Leveraging Group's hundred million customers and focusing on "insurance products + health management" to improve supply, increase penetration, and enhance customer loyalty.

Synergy and collaboration

Promote synergy across business segments and subsidiaries to foster an integrated model for health insurance development.

THANKS

平时注入一滴水



难时拥有太平洋

An Overview of CPIC's Digitalization Effort and Progress

Chengdu November 15, 2018





Digital empowerment based on customer footprints



Key interaction journeys between customers and insurance company



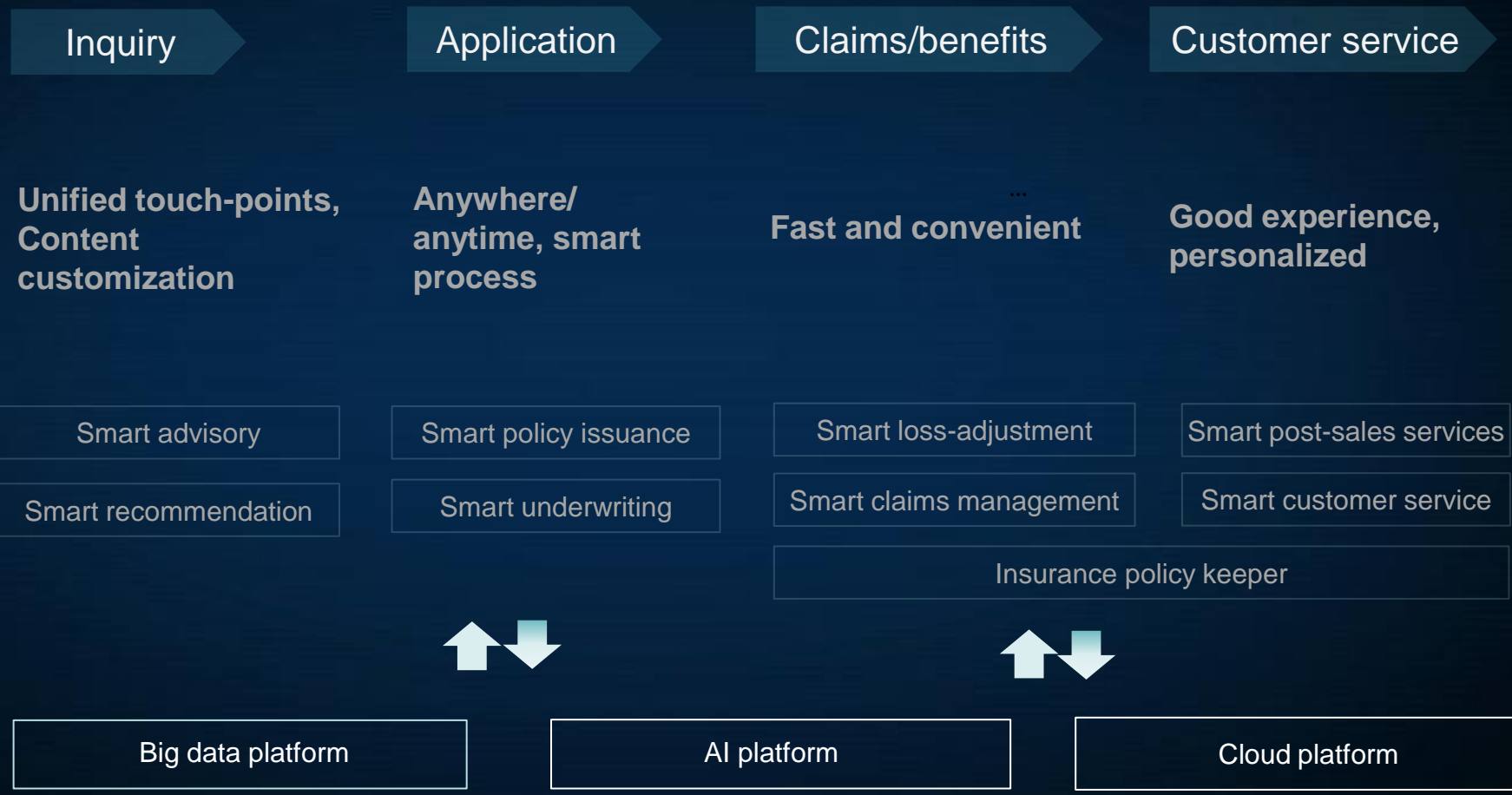
Customer's focus



Digital empowerment projects



Technical platforms

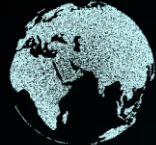




What has been delivered - 1



Products	Customer journeys	Description	Impact	
1. AlphaInsurance	Inquiry	Industry's first smart insurance advisory product, capable of understanding natural languages	200,000 visits on the day of its debut, over 1 million in 3 days, over 6.5 million so far	
2. Underwriting platform for life insurance	Application	Underwriting incorporated into policy entry for new policy issuance	15 million new policies every year no longer require manual underwriting	Ease the workload on over 2,000 operational back-office staff
3. Electronic policy system for long-term life insurance	Application	Fully digitalized process covering underwriting, policy issuance, policy delivery signing and welcome call for new sales	Previously 11 steps on print policy reduced to 4 steps, and turnaround for policy signing on delivery reduced from an average 15 days to 6 minutes	Saving 41.60mn in annual cost of policy issuance
4. Cloud policy issuance platform for P&C insurance	Application	Supporting large business volumes of hundreds of billions in premiums, with a centralized operational model centering on accurate matching, task management, time-line management and resources management	Average 4.87 minutes for policy issuance, down by 90.17%, Average 72.30 policies per person per day handled, up 315.28%	Released manpower of 3,283, saving annual cost of 137mn



What has been delivered - 2



Product	Customer journeys	Description	Impact	
1. "Taihuipei", smart claims management system for life insurance	Claims	Integrating data linking, advanced medical bills payment to be reimbursed, assistance when seeking health-care service and health management	Claims turnaround reduced to minutes	Covering branches of Hubei, Hu'nan, Liaoning, Dalian, and 10 top-notch public hospitals. Will be extended to 42 branches and 200 hospitals by the end of 2018
2. Anti-fraud platform for automobile insurance	Claims	Based on data of 70mn pieces of information, formulated atlas for auto claims featuring 6 entities and 12 relationships	Offers new tools to fight frauds	Handled 62,000 cases, reducing claims cost of 260mn
3. Smart ID verification platform	Customer service	Supporting ID verification based on multiple new technologies for C, B and E-end customers	Unification of 19 sets of on-line customer accounts and ID verification systems	Over 49mn customers accessing the platform
4. Smart post-sales service platform for life insurance	Customer service	Front-end facial recognition/ OCR, back-end protocol engine and decision-making system	Turnaround for post-sales verification reduced from maximum 2 days to 2 minutes, with the share of mobile apps increased to 71%, and electronic mail subscription rate of 65%	38mn pieces of electronic mail sent in 2018, saving annual mailing cost of 47.5mn



Cases in focus



Customer interaction interfaces



Insurance application process



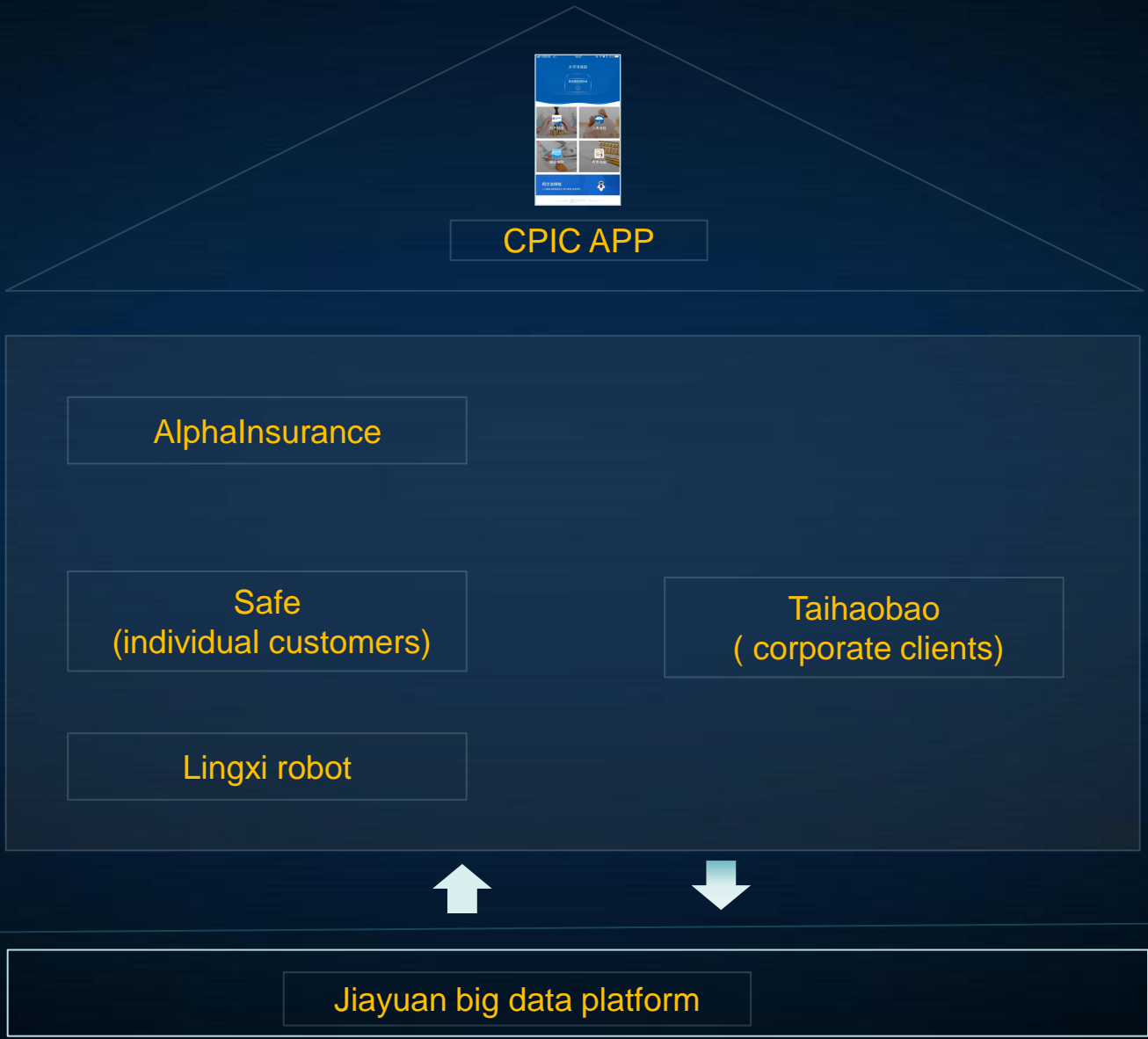
Customer service journey



Claims handling process



Technical platforms

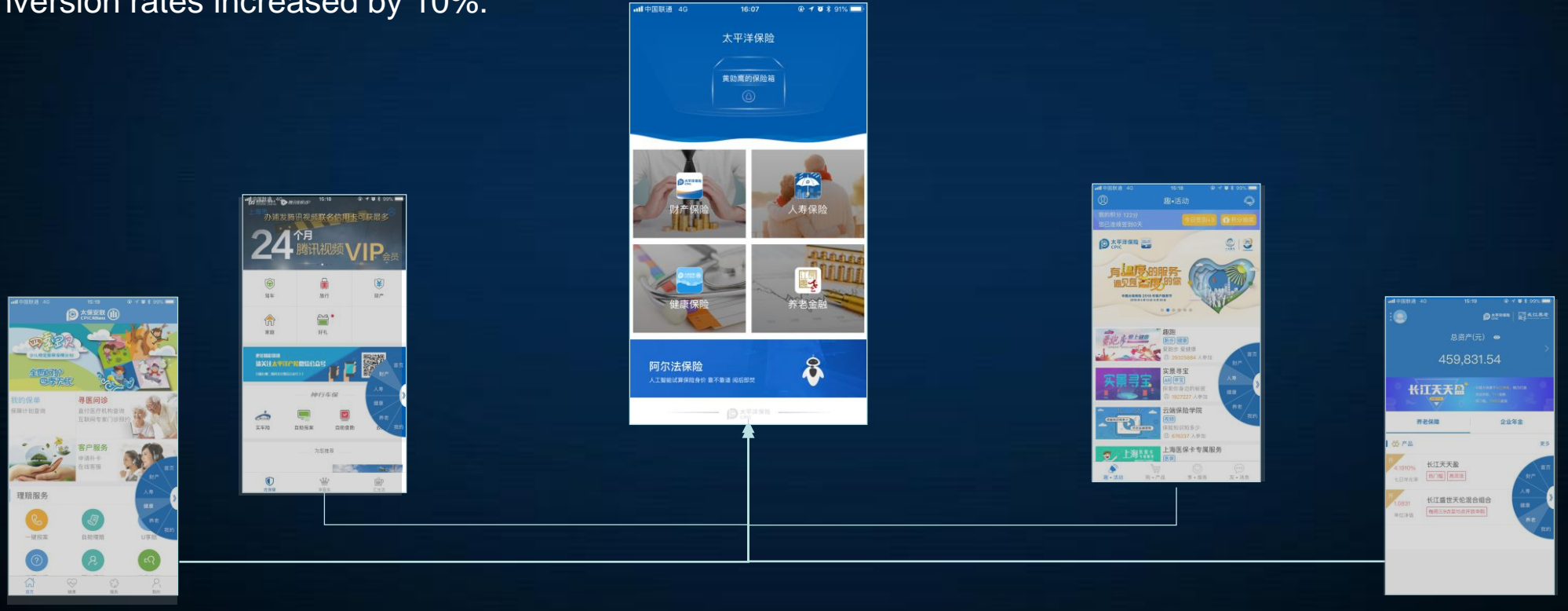




Digital application - CPIC APP, unified customer interaction portal



Unified previously fragmented apps, like those of CPIC, CPIC Life, CPIC Allianz, E-baotong, providing an integrated mobile access portal for C-end customers covering property and casualty, life, health, pension and wealth management to enhance customer experience. Plan to cover 20mn customers by the end of 2018, with active and conversion rates increased by 10%.



Unified customer information

CPIC APP base

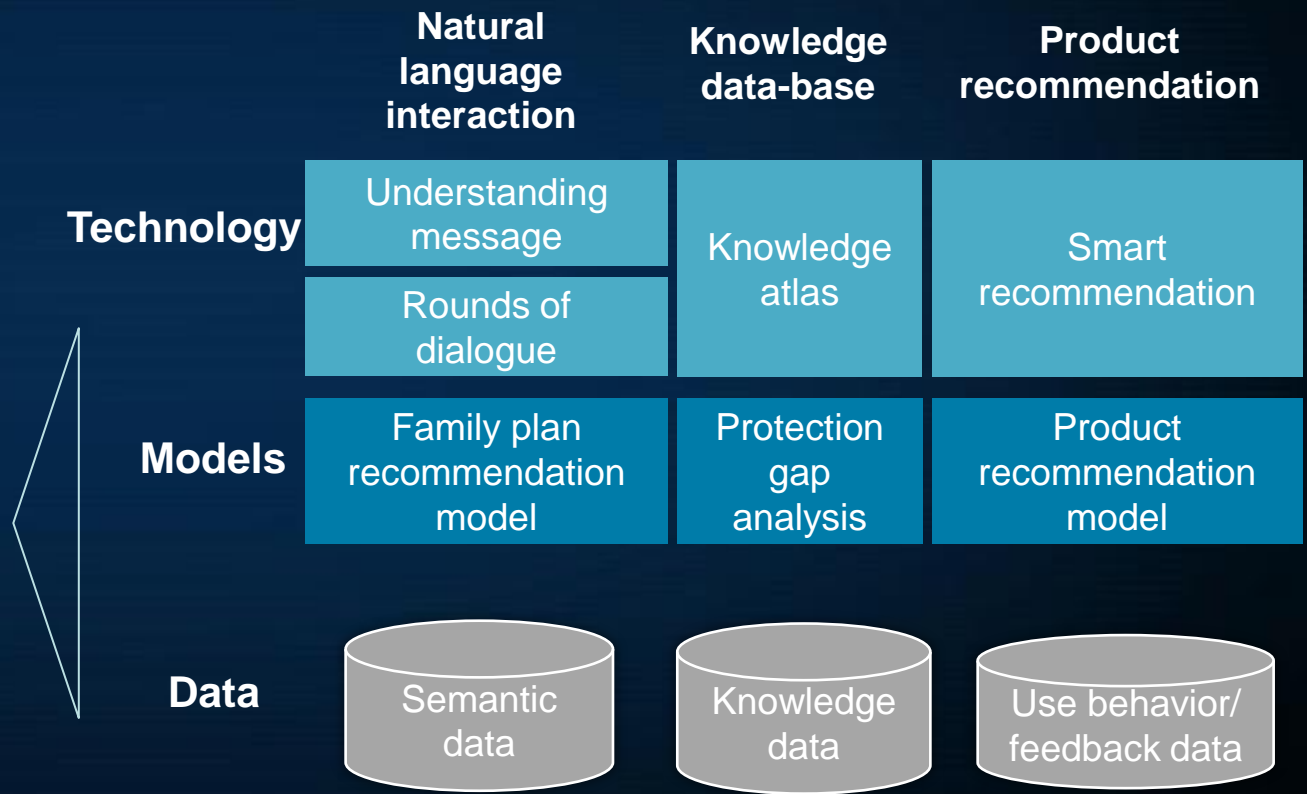


Digital application- AlphaInsurance



An phenomenon product providing smart advisory service, the first of its kind in the industry. A robot capable of understanding natural languages and interaction, personalized insurance recommendation based on protection gap analysis, helping with insurance education. Attracted 200,000 users on the day of its debut, exceeding 1mn in 3 days and currently over 6.5mn.

- Understanding insurance ABC
- Obtaining plan recommendation





Digital application - Insurance policy keeper "Safe"



An integrated platform for all individual customers, featuring full life-cycle policy service and value-added service, with 2 innovative designs for customer interaction, exhausting all possible interactions between customers and insurers, offering personalized customer services. So far 8mn customers own their own safes.

Customer initiating service

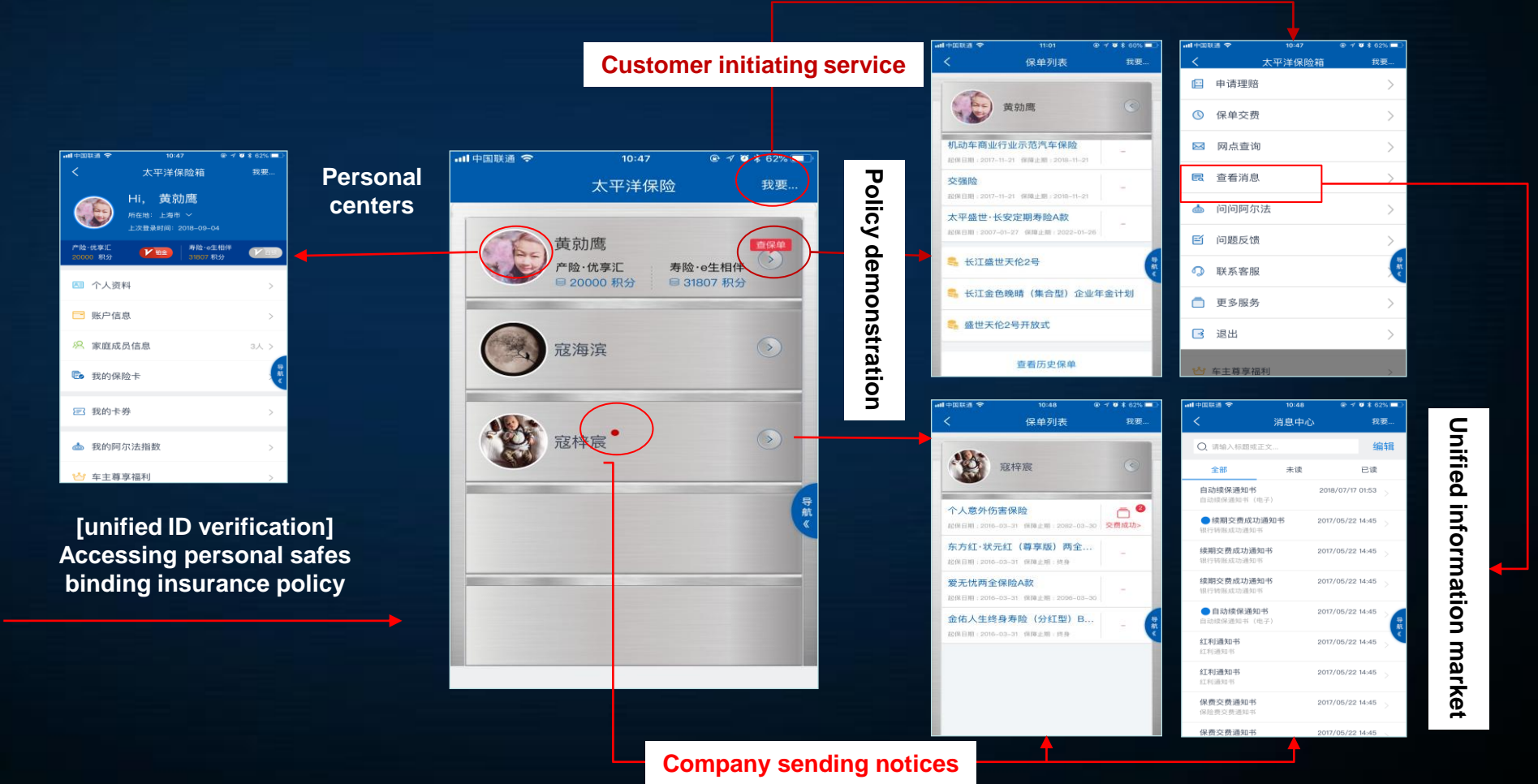
Personal centers

Policy demonstration

Unified information market

Company sending notices

[unified ID verification]
Accessing personal safes
binding insurance policy

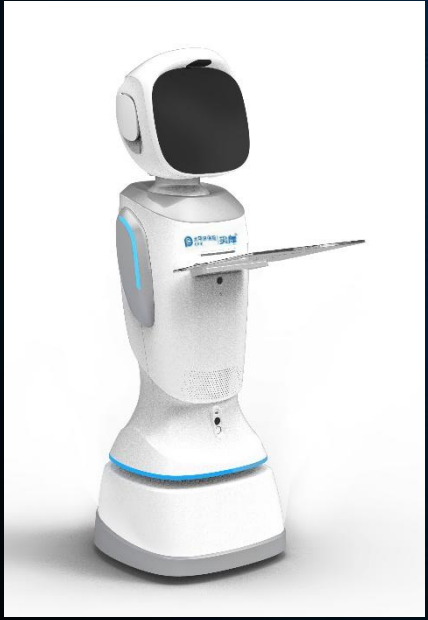




Digital application - the Lingxi Robot for smart claims management

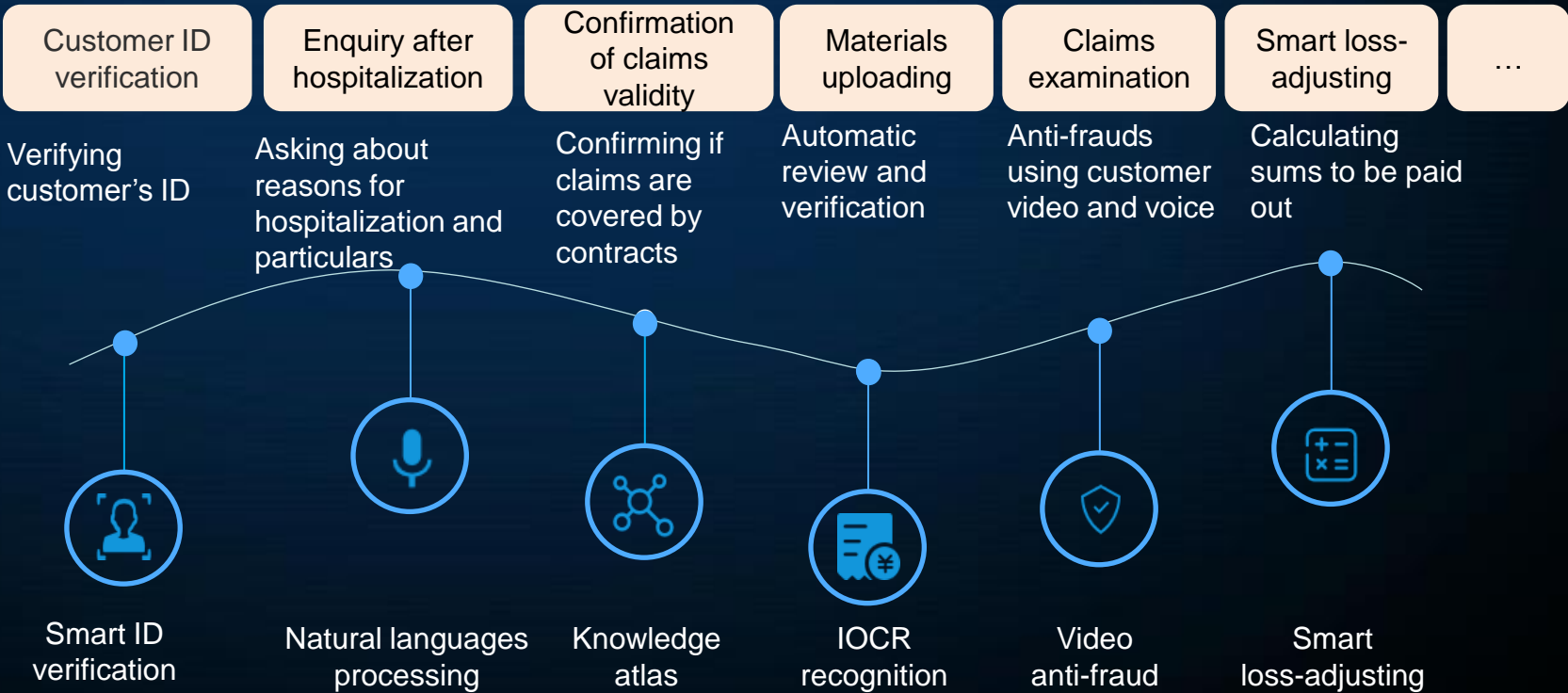


The Lingxi robots, underpinned by AI technology such as visual identification, language interaction, knowledge atlas, improve customer service procedures and extend the supply chain. Lingxi No.1 is installed in hospitals, facilitating claims handling. It went operational in 7 top-notch hospitals in Shanghai. Lingxi No.2 is mainly used in customer service centers. While handling claims, it also supports inquiry, queuing, customer information changes and insurance policy inquiry.



New claims process

AI algorithm and technological support





Digital application - Taihaobao, the smart loss-mitigation service



A manifestation of reducing claims costs using technology. Automatic detection of unsafe driving behaviors leveraging biotechnology, image recognition, AI, and big data. Enables clients to improve safe driving record, lowering accident incidence and in particular, that of deadly accidents. 14,000 devices have been installed among corporate clients, with claims ratio down by 39%, and mortality down by 47%. Deaths per 10,000 vehicles reduced from 46 to 5, down by 89%.

Frontal collision warning



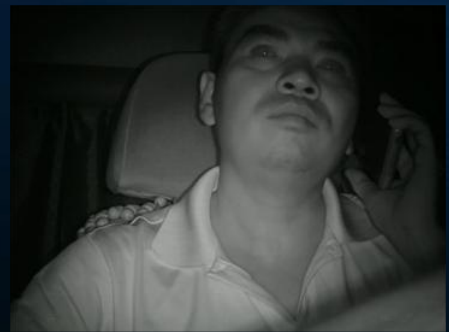
Yawning



Smoking



Telephoning



Distraction



保险 ADAS-部标数据平台

历史轨迹 车辆查询 报警次数统计 上传报警文件查询 报警明细查询 报警地图

综合监控

地图 卫星 三维 街景

浙A9M523[中通快递武汉车队]车速:62.60km/h
 沪EB1508[苏湾东方]车速:78.70km/h
 浙A8P319[中通快递济南车队]车速:77.70km/h
 粤BAE085[宏茂达车队]车速:55.30km/hm/h

实时数据 报警数据

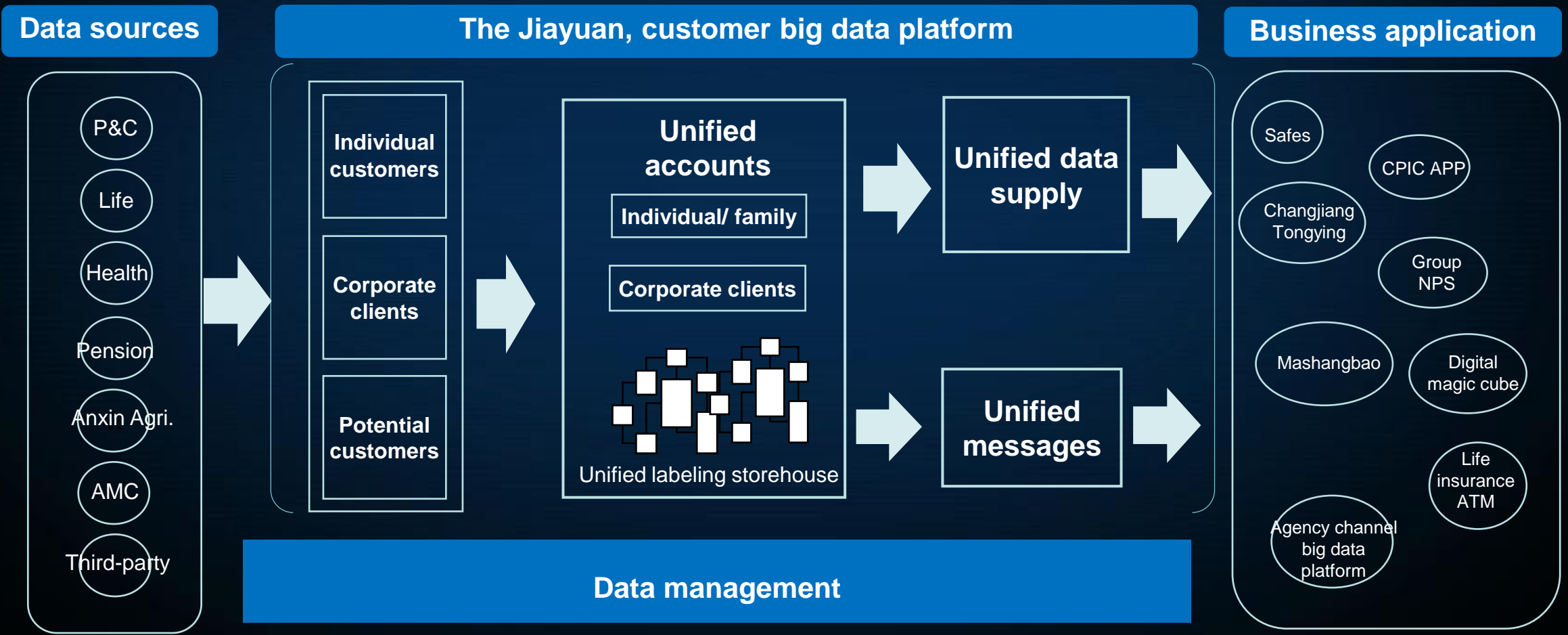
车牌号	所属车队	颜色	报警类型	报警来源	报警时间	报警地点	报警详情
1 粤BDY078	安运第9组外出组	黄色	分心二类	违规检测	2017-10-29T10:58:	广东省>深圳市>宝安区圣尚路,新锦安壹号公	10-29 11:03:27: [粤BAE085]前车报警 10-29 11:03:31: [浙A9G010]前车报警
2 浙ASQ032	中通快递北京车队	黄色	偏离或逆指镜头	违规检测	2017-10-29T10:58:	河北省>秦皇岛市>秦皇岛G0111(秦沈高速)	10-29 11:03:26: [浙A7M093]前车报警 10-29 11:03:17: [粤BAE085]前车报警
3 浙A1F488	中通快递杭州车队	黄色	前车报警	危险驾驶报警	2017-10-29T10:58:	浙江省>杭州市>江干区G60(杭州湾环线高速)	10-29 11:03:23: [浙A9G010]前车报警
4 粤B14161	宏茂达车队	黄色	偏离或逆指镜头	违规检测	2017-10-29T10:56:	广东省>深圳市>盐田区S271(长深高速),小径	10-29 11:03:10: [粤B21418]前车报警 10-29 11:03:04: [粤BM7617]前车报警 10-29 11:03:02: [浙A1L017]前车报警

536 922 183 36.76% 公安 地图车标: 行驶 停车 报警



Digital application - Jiayuan, a customer big data platform

A customer big data platform integrating both individual and corporate customers. With enhanced data governance, it helps to improve data supply, which, in turn, empowers cross-sell, up-sell and resources-sharing. The platform now houses 629mn pieces of individual customer information, with data volume exceeding 170T and daily synchronization of 400-500mn pieces.



感谢聆听
THANKS

平时注入一滴水



难时拥有太平洋