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中国人民保险集团股份有限公司

THE PEOPLE'S INSURANCE COMPANY (GROUP) OF CHINA LIMITED

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

(Stock Code: 1339)

VOLUNTARY ANNOUNCEMENT ANNOUNCEMENT IN RELATION TO RELEVANT PRESENTATION ON PICC 2019 CORPORATE DAY

This announcement is made by The People's Insurance Company (Group) of China Limited (the "Company") on a voluntary basis.

The Company will hold the PICC 2019 Corporate Day on 1 November 2019, and make presentation on the circumstances that "Insurance + Technology + Service" Facilitate The Transformation To High-quality Development.

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

By Order of the Board

The People's Insurance Company (Group) of China Limited

Miao Jianmin

Chairman

Beijing, the PRC, 31 October 2019

As at the date of this announcement, the executive directors of the Company are Mr. Miao Jianmin, Mr. Bai Tao, Mr. Xie Yiqun and Mr. Tang Zhigang, the non-executive directors are Mr. Wang Qingjian, Mr. Xiao Xuefeng, Ms. Hua Rixin, Ms. Cheng Yuqin and Mr. Wang Zhibin, and the independent non-executive directors are Mr. Shiu Sin Por, Mr. Ko Wing Man, Mr. Luk Kin Yu, Peter, Mr. Lin Yixiang and Mr. Chen Wuzhao.

PICC Group 601319.SH 1339.HK PICC P&C 2328.HK

**Promote “3411 Project” Optimize Business Model
Continue to Improve Value Creation**

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Build an Insurance Financial Group with Great Value Creation Capabilities

**Focus on “risk management +
wealth management”**

**Build the new “Insurance +
Technology + Service”
business model**

Increase value with professionalism

Unlock value with technology empowerment

Create value chain with service extension

Amplify value with integration and synergy

Become a top player by grabbing market share in cities

01

Increase Value with Professionalism

With the weakening external environment and changing regulatory policies, we are required to strengthen our professional thinking to proactively promote each subsidiary, especially the three insurance subsidiaries, to deepen their transformation and development, to achieve benchmarking with first-class and advanced peers, and to realize business model transformation, structure optimization, replacement of growth drivers and value enhancement. At present, each subsidiary has drawn up a detailed transformation and development plan.

P&C Sticks to the “Two Integrations” Strategy, Implements “Top Ten Priorities”

1

Integrate technology
innovation and
business model
innovation

2

Implement
digitalization strategy

3

Integrate policy
business and
commercial business

4

Develop Internet
insurance and tele-
marketing

5

Step up direct sale team
building and culture
nurturing

6

Improve claim
management quality
and efficiency

7

Effectively compete
with the peers

8

Win tough battles in
central cities and
defensive battles in
suburban areas

9

Strengthen
differentiated steering
of branches

10

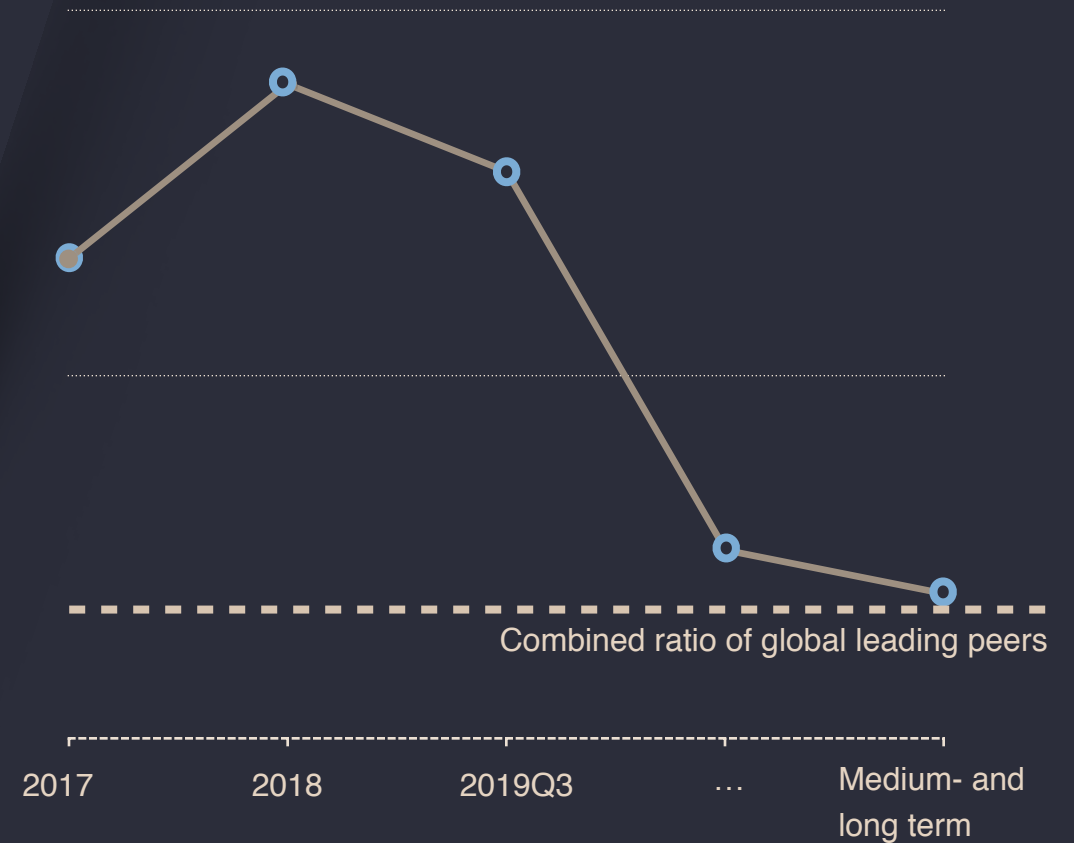
Improve risk
management in key
areas

Note: unless otherwise specified, P&C refers to PICC P&C excl. PICC (Hong Kong).

Continue Cost Reduction and Efficiency Improvement

Commercial property insurance business

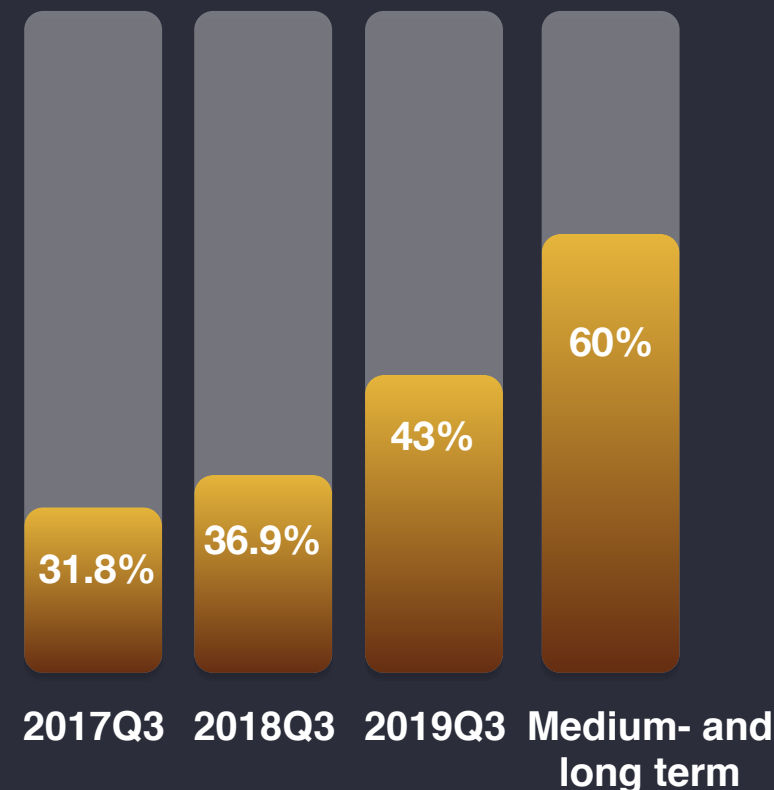
Medium-and long-term target of combined ratio, benchmarks global leading peers



Optimize Business Structure

While strengthening and expanding auto insurance, we will accelerate the development of non-auto insurance to enable the business structure gradually reach target of leading players in the world with non-auto insurance accounting for

60%



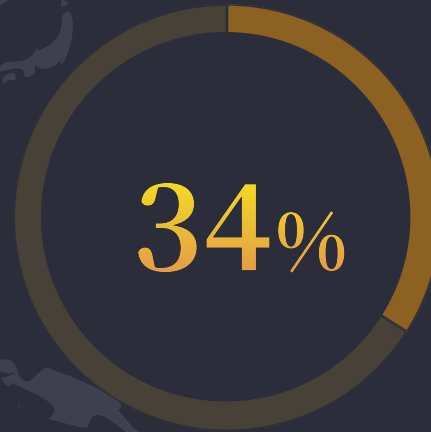
Expand the Scale Advantage

Ranked in First in Asia, Third in the world

Enhance the leading position in the market



PICC P&C growth rate in
comparing with the market



Market share
up by 0.6% YoY



Incremental
market share

Note: data as of 2019Q3

Life Focuses on Value, Pushes for “3 Shifts”

Take the new business value to a higher level in the next 3-5 years.



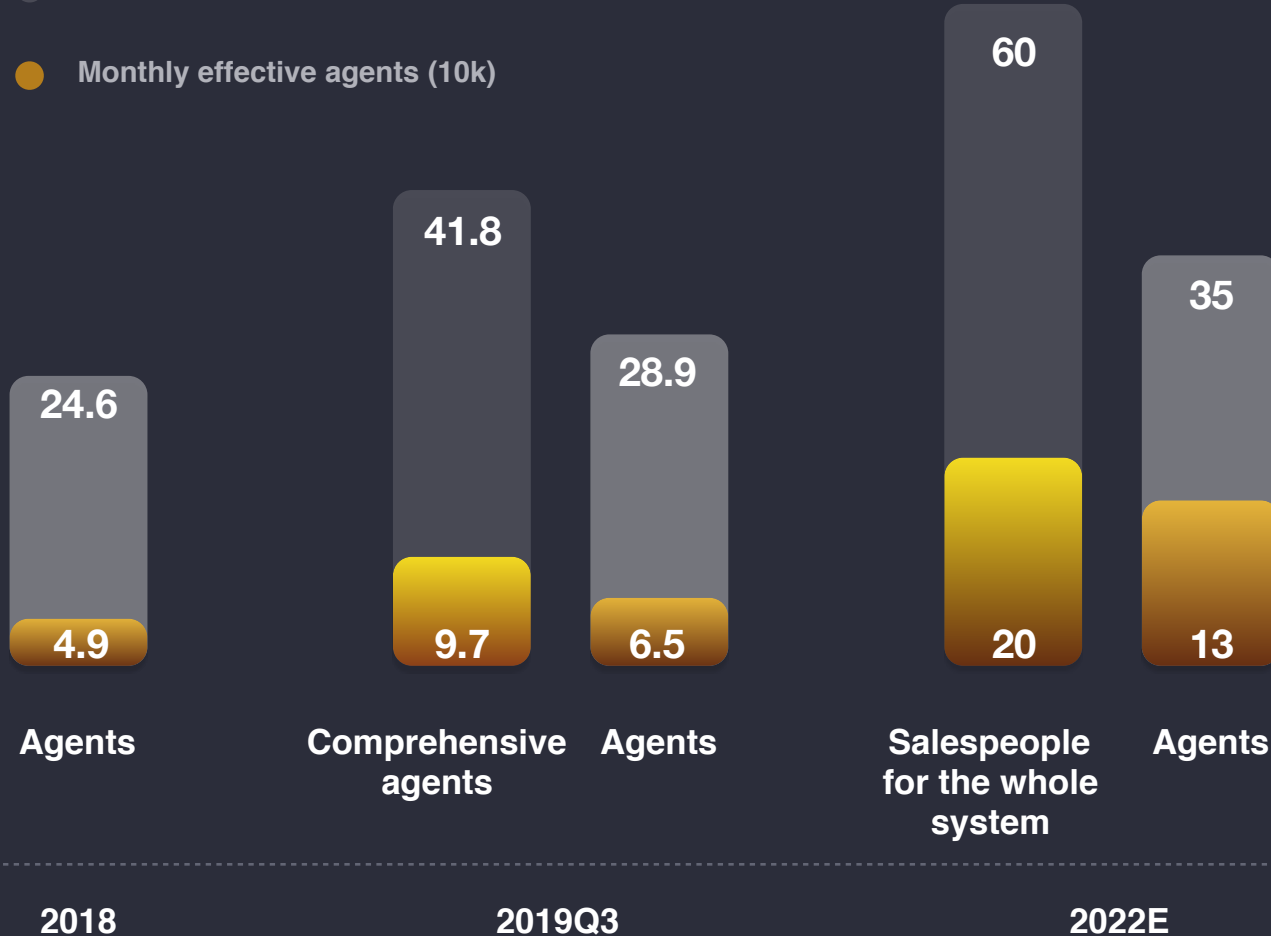
- From extensive to **intensive**
- From scale-driven to **value-driven**
- From bancassurance to **agency** channel

NBV grew **25.6%** in 1H2019, ranking **first** among key peers.

Strengthen the Team

● Total agents (10k)

● Monthly effective agents (10k)



Implementation plan for individual insurance strategy

A million salesforce

Falcon Action

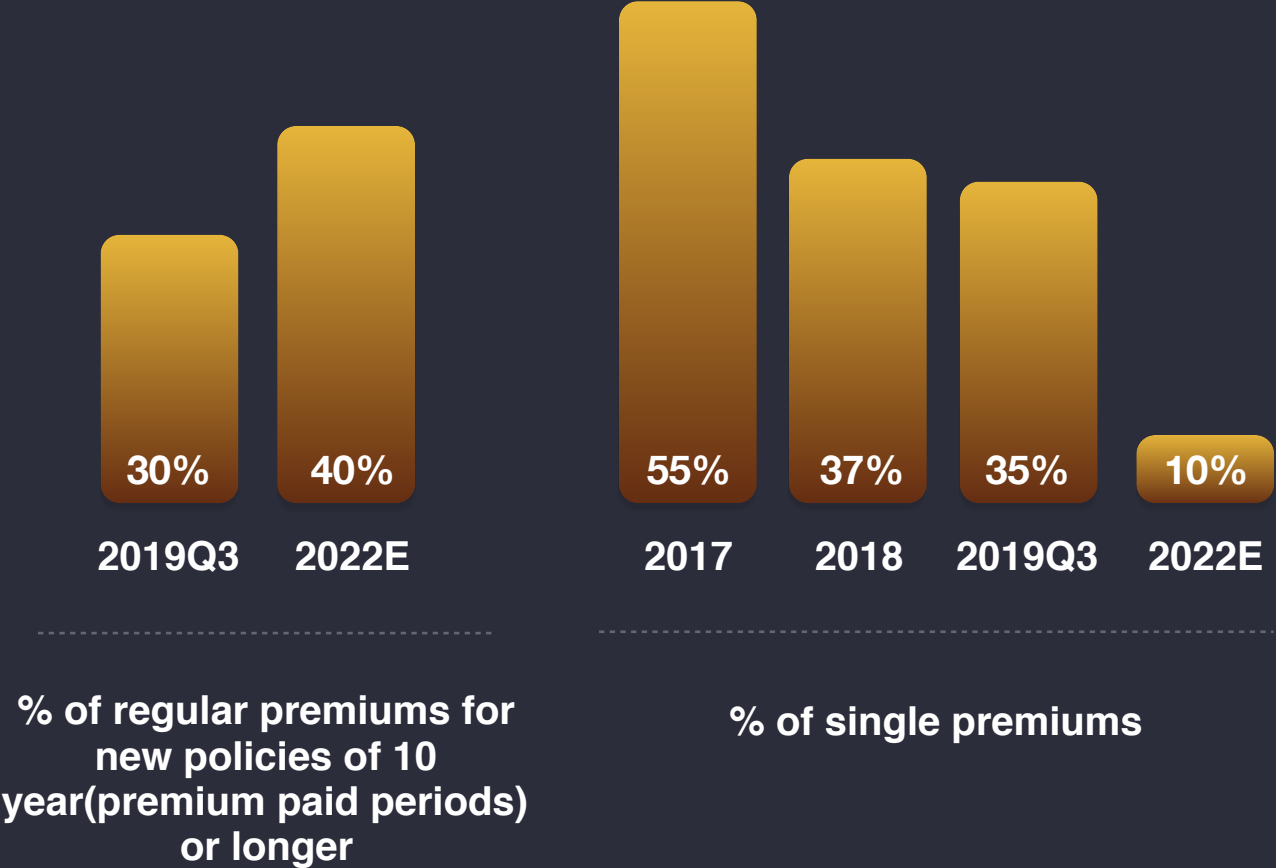
Improvement plan for organization
for sales team

Plan proprietary operation
for standard outlets

.....

Invested RMB1.12bn on team building in 2018,
and plans to invest in 2019 **2.29 bn.**

Improve Regular Premium Business



By 2022, we aim to achieve

continued fast growth in

regular premiums on new policies with regular premiums (incl. renewal) accounting for **90 %** of total written premiums.

The percentage of regular premiums for new policies of 10 years (premium paid periods) or longer exceeds

40 %

Health Focuses on Professionalism, Promotes Holistic Reform

Stick to the direction of “professional, capable, efficient and flatten”, and benchmark to leading global health insurers, creating value as a special health insurer.



Business Expansion Capabilities

In the first three quarters, PICC Health achieved the premium income of RMB4.88 billion through the Internet channels, up 447.4% YoY.

Significant potential for valuation growth

Stop institutional expansion **1**

4

3

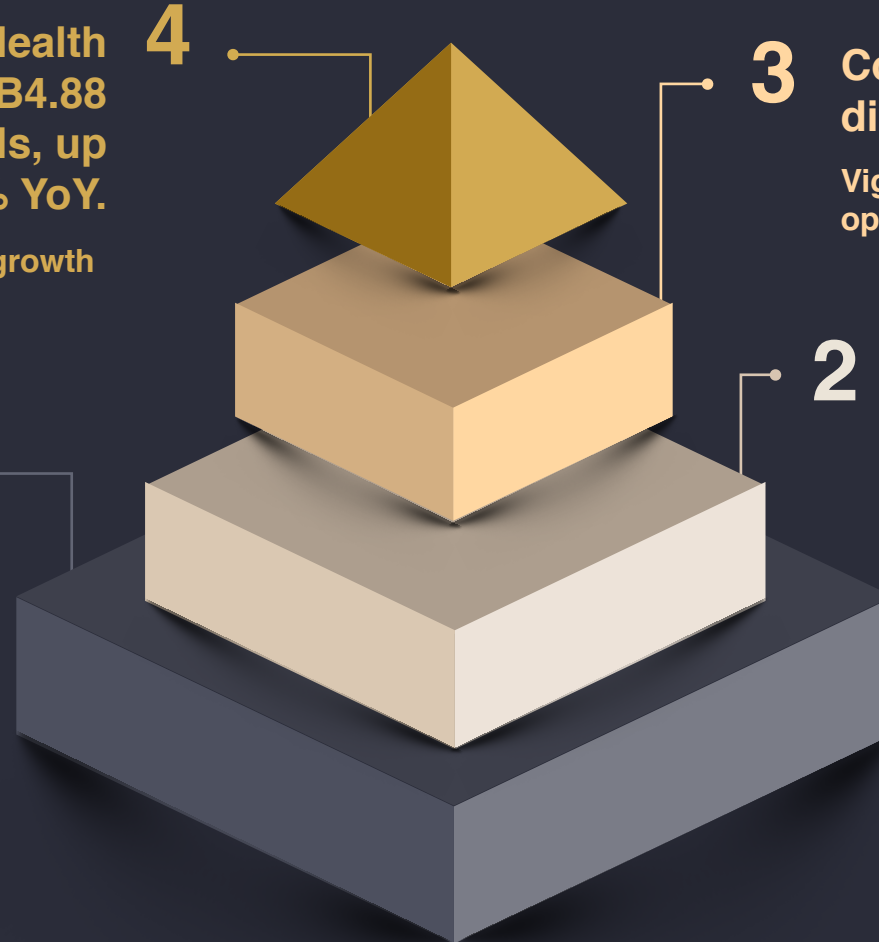
Combine proprietary and third-party distribution channel

Vigorously develop online business, and strengthen, optimize and expand commercial health insurance.

2

Pool resources to recruit senior professional and technical personnel

Especially talents with healthcare expertise



Underwriting and Claiming Control Capabilities

System integration



PICC Health has achieved system integration in 121 social security projects, with a coverage rate of

31%

Intelligent review



Has launched the intelligent review system in **15** cities, realizing the intelligent review, real-time monitoring and “one-stop” settlement of medical expenses.

Refusal to pay unreasonable medical expenses



Taking Tianjin Branch as an example, with the help of the intelligent review system, the unreasonable medical expenses which the Branch had refused to pay hospitals accounted for **21%** of the paid amount.

Winning NHSA project



PICC Health won the NHSA's

Inspection Project of Combating Insurance Fraud in 2019.

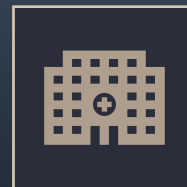
Professional Health Management Capabilities

Expand healthcare cooperation network offline with
the goal of realizing the “three 90%” by 2021

90%



Build cooperation relationship
with **90%** of doctors
nationwide.



Build cooperation
relationship with **90%** of
hospitals nationwide.

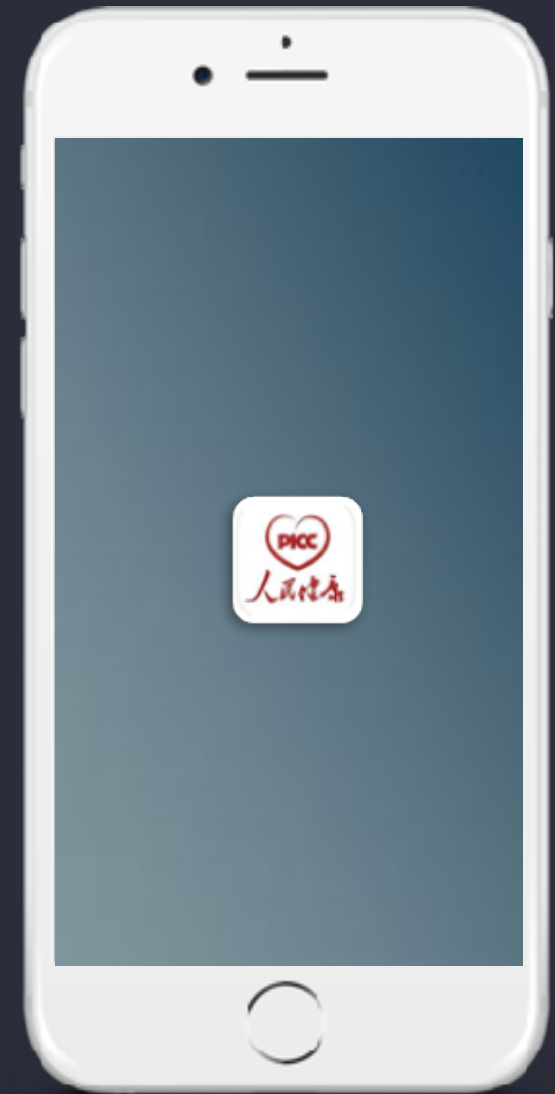


Build cooperation
relationship with **90%** of
pharmacies nationwide.

Professional Health Management Capabilities

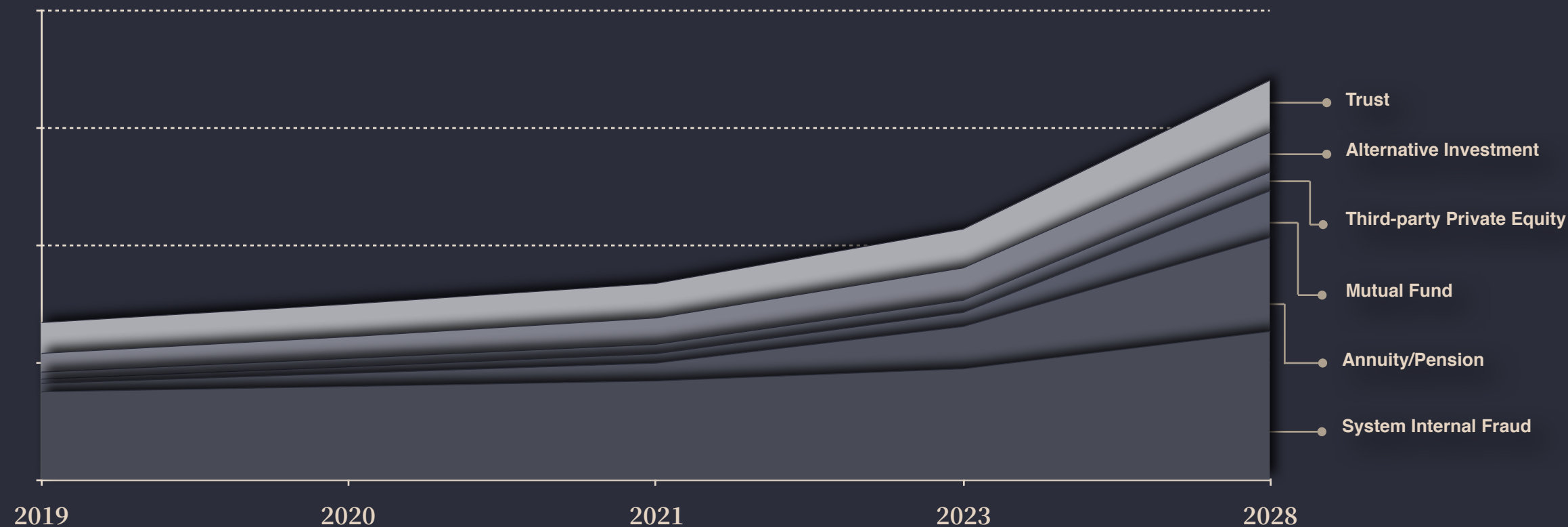
Develop online PICC Health APP with the goal of building the industry-leading star APP.

- Promoting the PICC Health APP with the Group wide efforts.
- Striving to make the PICC health APP **ranking top** in the industry.
- Having registered users of about **100 million**, and active users of about **5 million** by 2021.



Investment Segment: Growing Wealth Management Business While Building Core Business

Wealth Management Business Planning



Investment Segment: Growing Wealth Management Business While Building Core Business

Wealth Management Business Planning

2023

- **Double** 3rd party AUM
- 3rd party assets accounts for over **55%**
- Profit contribution exceeds **8%**

2028

- **Double** 3rd party AUM again
- Profit contribution exceeds **12%**
- Build the segment as a contributor of incremental profit for the Group

Construct a Sustainable, Diverse New Pattern of Earnings Growth

PICC P&C

Build the biggest P&C
companies in the world

“Cornerstone”

PICC Life

Bring NBV to a new level

“New Pillar”

PICC Health

Develop a robust
commercial health
insurance business

“New Highlight”

Investment

Grow wealth management
business

**“Contributor to
incremental
profit”**

02

Unlock Value with Technology Empowerment

Integrate technology innovation and business model innovation; build digital infrastructure; promote digital operation transformation; promote growth of online clients; unlock the value of data.

Promote the Integration of Business Model Innovation and Technology Innovation

Modern insurers empowered by technology

**Increase investment in IT
Develop plans and
standards for information
system architecture
Build technology team**

.....

Build Digital Infrastructure

Smart PICC Digital strategies

Monitoring Management

Security Management

Application architecture
Organic unification of front, middle and back offices

Front Desk

- 95518
- APP
- Website

Middle Desk

- General services
- Special services

Back Desk

- Business data
- Database
- Datalake

Technology architecture
Coexisting of centralized architecture with distributed architecture

Unified interactive experience Multi-terminal adaptation

- Centralized architecture
- Distributed architecture

- Centralized database
- Distributed database

Basic architecture
Cloud-service architecture

Elastic scaling Multiple centres

- Cloud computing
- Cloud Internet

- Cloud security
- Cloud storage

Integrated management of
R&D and maintenance

Disaster-tolerant management
(Multiple centers)

Build Digital Infrastructure

Smart PICC Digital strategies

Digital infrastructure

- PICC is comprehensively promoting the construction of **8** aspects and **42** sub-projects of the new-generation IT architecture.
- PICC has built a cloud service-based infrastructure environment with micro-service-oriented application platform and architecture of distributed technology.

Successful launch

- Successfully launching the overall architecture of the new-generation data center network.
- PICC completed the deployment of the first IPv6 protocol-based intelligent cloud network in China.
- Officially launched "PICC Cloud" platform.
- Leading the industry by opening the first 5G network-based business outlet in China.

Promote Digital Operation Transformation

Underwriting

Mobile issuing

- The ratio of mobile issuing at PICC Health and PICC Life was **84%** and **97%** respectively.
- The issuance rate of e-contracts of PICC Health and PICC Life reached **99%** and **84%**.

Claims

Intelligent claim and loss assessment

- The number of documents and data required for auto insurance claims at PICC P&C Headquarters and branches was optimized from 170 previously to **18**.
- 70% of small claims in pilot areas of auto insurance intelligent claim settlement achieved the time of survey and damage assessment reducing from 30-50 minutes to less than **5 minutes**.
- The image recognition rate in intelligent loss assessment of 39 common exterior covering parts is close to **90%**.

Customer service

Intelligent robot technology

- The accuracy of intelligent voice navigation at customer service platform 95518 was up to **90%**.
- Hit rate of conversational response by intelligent robot increased to **79%**.
- The AI substitution rate in Beijing Branch of PICC P&C reached **73%**.

Promote Growth of Online Clients



PICC APP

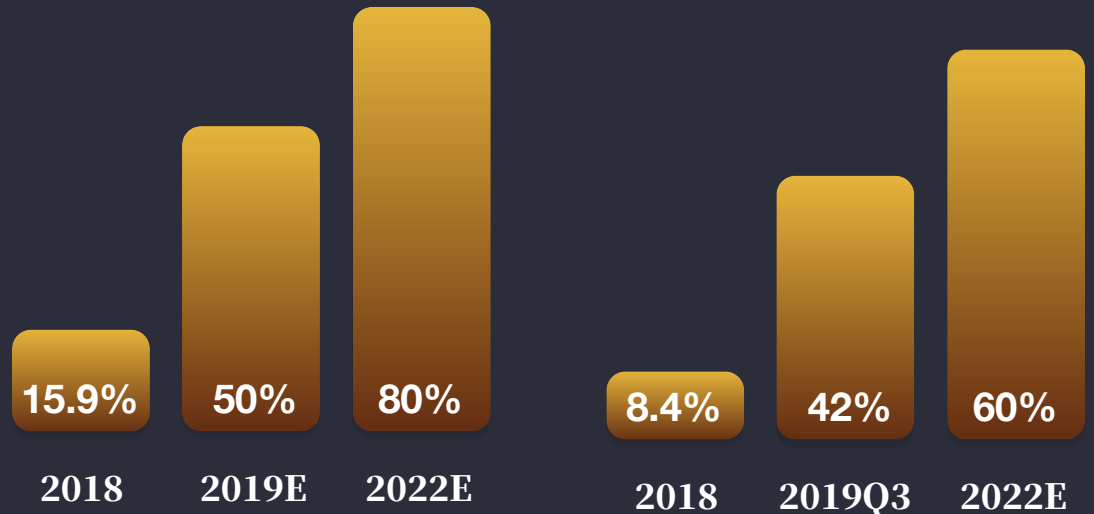
- Installments exceeded **6.5 million** in 6 months since launch
- Registered users **5.0 million**
- MAUs **960k**



PICC Official WeChat Account

% of auto insurance online users

% of auto insurance online claims service



Unlock the Value of Data

PICC has a large customer base. Its critical illness insurance alone covers 490 million people. Active commercial customers are in the range of 70 to 80 million.



Automatic customer call verification

- Customer information accuracy is **78%**.
- The figure is increased by **22.8ppts** from the end of 2017.



AI + marketing

- In the first three quarters, the connection recovery model garnered new premiums of **RMB1.79bn**, and smart referral service generated premiums over **RMB1.41bn**.
- We aim to **further improve** customer information accuracy and auto insurance renewal rate of about 70% which is the current level.

03

Create Value with Service Extension

Build service as PICC's core competitiveness; be a risk reduction manager, create shared value; be a high-quality service provider to create new service value; leverage the vast customer base and payer advantages.

Build Service as PICC's Core Competition

Extend value chain

Manager of risk
reduction

Provider of high-
quality **Service**

Be a Risk Reduction Manager, Create Shared Value

With the advance of technology, the insurance industry can play a more active role in a world of connection.



**“Before”
alert**

**“During”
response**

**“After”
compensation**

Build a new business model for risk reduction management, achieving a positive loop of shared value by reducing customers' risks and improving our profitability.

Be a Risk Manager, Create Shared Value

With the elevator safety comprehensive insurance pilot carried out in Ningbo, PICC has established an integrated risk management system for elevator safety including maintenance quality control beforehand, emergency professional rescue concurrently, and economic compensation afterwards by adding NFC chip and independently developing "elevator guard" maintenance process supervision system, and realized the obvious reduction of elevator failure rate and management cost.

- The data of the past two years showed the average **failure rate of elevators has decreased by about 50%**.
- The "insurance plus" model of Ningbo elevator insurance has attracted the attention of governments at all levels, and is opening **a potential market of elevator insurance**.



Be a High-quality Service Provider to Create New Service Value

Connect public service with insurance, and select quality life service to provide top insurance-related services.



Be a High-quality Service Provider to Create New Service Value

Working in sync with traffic police



- It was the first effort to build a collaborative platform with traffic police, and explored a new win-win service mode of strong coupling with government departments.
- Building a “doorway vehicle administration” for drivers.

Automobile service platform

“JIAANPEI” and “CHEZHUHUI”



- At present, the platform covers 362 cities nationwide, achieving a comprehensive loss reduction rate of 13% for property insurance supply.
- The goal is that by 2021 the “JIAANPEI” service will cover over 40,000 customers of auto maintenance enterprises, and the transaction volume will exceed 8 bn yuan.
- It provides more than 20 services such as car washing, maintenance and quick repair for auto insurance policyholders.
- It is hoped that by 2021, the App will have 5 million installed base and the daily order will exceed 50,000.

Unified health management platform for group customers



- Six top-quality services of electronic health records, online health consultation, appointment registration, chronic disease management, rehabilitation management and health insurance are provided.
- At present, it can realize real-time registration for customers at high-quality hospitals and appointment with designated medical experts in 145 cities in 25 provinces, door-to-door care in 350 cities in 31 provinces, and achieve delayering allocation of high-quality medical resources direct to home through remote consultation.
- In the first three quarters, health management services were provided to 63.46 million people-time, up by 17% YoY.

Leverage the Vast Customer Base and Payer Advantages



Start with vehicle, health and pension, and extend the insurance service value chain, grabbing more share of customers' perception and consumption.

04

Amplify Value with Integration and Synergy

PICC's value is by no means a “1+1=2” sum of its subsidiaries, but a multiplier effect of “1+1>2” by the synergies.

Step up Customer Resource Sharing

- **180 mm** individual customers for the group
- Initiate **customer information sharing** in compliance with the law, offering customers one-stop and diversifying financial and insurance service



- **Strengthen information protection for customers:**
 - Develop privacy protection policy
 - Improve procedure of information collection
 - Strengthen information safety

Pilot Team Co-building

As at the end of September, the comprehensive business development teams in three central cities reached 2,939, with first year regular premium averaging at RMB7,711 per month.



Set out fundamental laws

Build a training course system

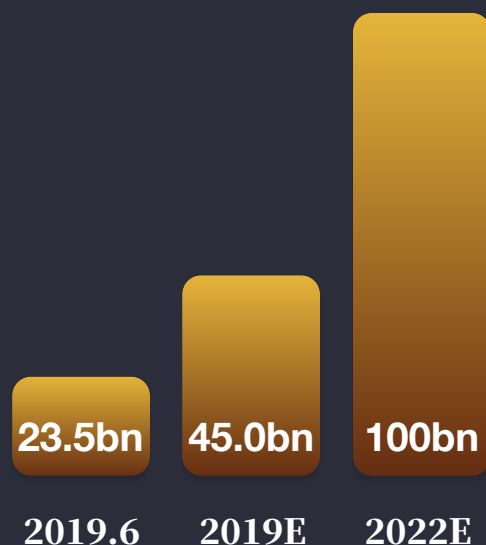
Improve commission settlement

Develop a supporting IT system

Optimize Production Synergic Sales

Improve conversion of policy-based agriculture insurance customers into commercial customers.

Premiums of commercial insurance through agriculture insurance network



Cross-subsidiary synergy

- Life segment drives growth of new policy regular premiums through business synergy
- PICC P&C steps up auto insurance sales through synergy

Cross-sales among subsidiaries' different channels

- Activate **390k** rural insurance coordinators for PICC P&C
- Develop the work plan for accelerating the combination of rural policy business and commercial business

Group Synergy has Evolved from “Physical Reaction” to “Chemical Reaction”

Continue to advance the
integration, selling auto, P&C, life
and health insurance, as well as
fund and trust products.....

“Nuclear reaction”

05

Become a Top Player by Grabbing Market Share in Cities

Central cities are at core of the nation's political and economic development; market share is stabilizing; business growth is stabilizing.

Central Cities Are at Core of the Nation's Political and Economic Development

Over $\frac{1}{4}$ of the population are in the 30 major cities.

40 major cities each with GDP of RMB500bn, together contribute half of China's GDP.



Market Share is Stabilizing

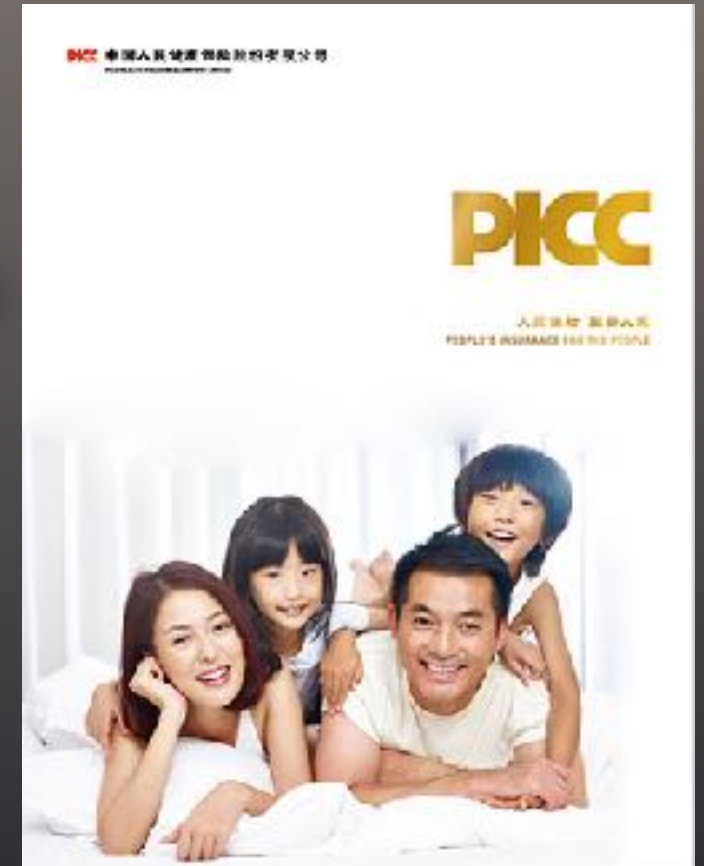
PICC P&C

In 2019H1, share of central city market was up by **0.8ppts** year on year.



PICC Health

In 2019H1, Shenzhen branch has been promoted to **top 5** of local life market.



Business Growth is Stabilizing

PICC Life



In 2019H1, first-year regular premiums are growing at **29.5%** in central cities, **7.3ppts** above the growth rate for the company as a whole.

PICC P&C



In 2019H1, Premiums are growing at **16%** in central cities, **1.2ppts** above market average.

PICC Health



In 2019H1, total written premiums are growing at **54%** in central cities, **8ppts** above the growth rate for the company as a whole.

Stable Quality and Benefit

PICC P&C



In 2019H1, **the combined ratio** of PICC P&C branches in key cities was **94.5%**, 3.1% lower than that of the company as a whole.

PICC Life



In 2019H1, PICC Life branches in key cities recorded a **68.4%** YoY increase of the new regular business with premiums paid period more than 10-year (incl.), a **40.4%** YoY growth in APE, and an **37%** YoY increase in monthly effective agents.

Over 3-5 years or a longer period of time, build a different PLCC and a new “Insurance + Technology + Service” business model with equal efforts on risk management and wealth management.

Thank You