

[For Immediate Release]



ZHONGAN ONLINE P & C INSURANCE CO., LTD.

(Stock Code: 6060)

**ZhongAn Online Announces Interim Results for 2018
Premium Income Increased Substantially By 106.6% To RMB5,148.2 Million Year-On-Year,
Key Indicators Are Significantly Optimized**

- ***Robust growth registered in emerging ecosystems: healthcare, consumer finance and automobile***
- ***InsureTech and Fintech solutions business unfolding backed by SoftBank Vision Fund***

Hong Kong, 27 August 2018 – ZhongAn Online P & C Insurance Co., Ltd. (“ZhongAn Online” or “ZhongAn” or the “Company”, stock code: 6060), the first Internet-based InsureTech company in China, announced today the interim results as at 30 June 2018.

As a leading Internet-based insurer in the world, the Company continued to deepen its strategy in five Internet ecosystems and deliver, together with its online platform partners, ecosystem-oriented, diverse insurance products and risk management solutions in the first half of 2018. The Company continued to optimize the collaboration model with its online platform partners by enhancing its cutting-edge technological capabilities in big data, cloud computing, artificial intelligence and blockchain (empowering partners through technology such as big data risk control, systems compatibility and product R&D, which in turn increases its own operational efficiency and deepens collaboration with these partners). For the first six months of the year, ZhongAn Online’s insurance products served more than 300 million policyholders, while the number of policies per policyholder was 8.4 and the premium contribution per policyholder was approximately RMB17.0.

For the six months ended 30 June 2018, ZhongAn Online’s total premiums amounted to RMB5,148.2 million, representing a year-on-year increase of 106.6%, up by five places to the top 13th player in China’s P&C insurance market, compared to that at the end of 2017.

Jeffrey Chen, Chief Executive Officer of ZhongAn Online, said: “The Internet has brought about the new economy with new risks and a new need for risk protection. In particular, there is an increasing demand among younger generation users for quality and ecosystem-oriented user experience. These have created enormous opportunities for our innovation and technology-driven Internet-based insurance business and our partners. Going forward, we will continue to focus on the robust growth in emerging ecosystems: healthcare, consumer finance and automobile, which the

total premium growth of the three ecosystems reached 402%, and maintaining stable development in the other two core ecosystems – lifestyle consumption and travel. Furthermore, as the first Internet-based insurer in China, ZhongAn is committed to promote the development of financial services industry with technology. We are proactively exploring partnership and investment opportunities in China and internationally to develop and market our technology solutions businesses through ZhongAn Technology and ZhongAn International.”

In the first half of 2018, ZhongAn Online’s combined ratio decreased by 9.1% to 124.0% compared with the whole year of 2017. In particular, the loss ratio decreased by 5.3% to 54.2% and the combined expense ratio decreased by 3.8% to 69.8%, compared with the whole year of 2017.

Francis Tang, Chief Financial Officer of ZhongAn Online, said: “The improvement in combined ratio is supported by four key factors – Firstly, the Company’s increasing focus on emerging ecosystems: healthcare, consumer finance and automobile has continuously helped optimize our client acquisition, products and risk control, etc. Secondly, the narrowed loss ratio was achieved through accumulating of user data at partnering ecosystem platforms. Thirdly, we have continued to optimize our product mix by decreasing the proportion of less profitable products. Lastly, the application of cloud computing, big data and artificial intelligence technologies has continued to boost the efficiency in underwriting and claims procedure. With total premiums expanding, economies of scale in our business are gradually materializing.”

Rapid grow in ecosystems, pushing new boundaries

During the first half of the year, ZhongAn continued to deepen competitive advantages in five core ecosystems, with emerging ecosystems: healthcare, consumer finance and automobile demonstrating robust growth.

The healthcare ecosystem continued to grow rapidly in the first half of the year. Thanks to ZhongAn’s ecosystem cross-over strategy, signature products such as “Personal Clinic Policy” and “Walk to Wellness Policy” were readily available on more partnering platforms, while Company’s products gained greater acceptance on ZhongAn’s own platforms, with transaction volume growing rapidly. For the six months of 2018, the health ecosystem recorded RMB1,557.2 million in gross written premiums, representing a y-o-y growth of 255.9%. In July, ZhongAn added ZhongAn Life Sciences to its health ecosystem, aiming to explore the application of cutting-edge technologies in the field of testing methods, gene and cell to help the public manage their health accurately and effectively. Announced at the same time, ZhongAn Life Sciences will build a laboratory with Orig3n from the United States.

As for consumer finance, ZhongAn has connected to 54 partnering platforms. These quality platforms were carefully handpicked and technology-empowered. The Company managed to build models jointly with these platforms, define target clients accurately and improve the application of data marketing and risk control, thus having effectively improved its claims and expenses, and increased depth and stickiness of its collaboration with the partners. For the first half of 2018, the premium income contributed by the consumer finance ecosystem was RMB1,484 million,

representing a y-o-y growth of 478.8%.

The automobile ecosystem have been growing in an explosive way since the fourth quarter of 2017. For the first six months of 2018, the automobile ecosystem recorded RMB462.9 million in gross written premiums, representing a month-on-month growth rate of 25% during the first half of 2018. As at June 2018, ZhongAn issued policies in 36 regions across the country, with business covering all areas of mainland China (except Hong Kong, Macau and Taiwan).

Technology solutions businesses and pan-industry development

ZhongAn's R&D investments reached RMB374 million in the first half of 2018, representing a y-o-y growth of 91% and accounting for 7.3% of its total premiums. In particular, R&D input to the insurance and science and technology segment amounted to RMB171.8 million and RMB201.7 million respectively. As to human resources, ZhongAn had 1,536 engineers and technicians in total, accounting for 53.2% of its total number of employees. ZhongAn's technology does not only support its business model of innovation and economies of scale, but also give rise to technology solutions that service various fields, notably inclusive finance and healthcare, leading innovation internally and externally with partners.

ZhongAn Technology, a wholly-owned subsidiary of ZhongAn, embraces the vision of empowering the public with technology, focusing on the research of cutting-edge technology applications. It currently develops and offers five series of technology services: the S series of InsureTech products, the H series of insurer technology products, the X series of intelligent data products, the F series of financial products and the T series of blockchain products. It is worth mentioning that the H Series launched the AI medical service platform and connected to the information system of over 200 Class II and above hospitals across the country by the first half of this year. In August of this year, ZhongAn Technology launched the ZhongAn Technology Intelligent Open Platform, the first domestic SaaS service platform in the insurance industry, with AXA Tianping, the largest foreign P&C insurer in China, becoming the first insurer to join this platform. Through technology-empowered medical and insurance ecosystems, the platform adopts SaaS to insurance claims service and brings more convenient, accurate and efficient insurance data services at a lower cost for the domestic insurance market.

ZhongAn partners with SoftBank in exploring international opportunities

ZhongAn International, a subsidiary of ZhongAn Online, serves ZhongAn's international development platform to explore partnership and investment opportunities to market and promote its fintech and InsureTech solutions business overseas. This month, ZhongAn International announced that it has entered into a Shareholder Agreement with SoftBank Vision Fund to boost ZhongAn's technology solutions businesses outside China. According to the agreement, the two parties have conditionally agreed to make a capital contribution in the amount of US\$200 million for the subscription of shares in the new operating entity for its business development and overall operation.

With ZhongAn's technology capability developed over the past five years, ZhongAn International

and SoftBank Vision Fund could be capable to provide innovative technology solutions for traditional insurance companies and other financial institutions through the operating entity. As for the Internet companies, the two parties will provide customized overall insurance, financial solutions to them by combining ZhongAn's insurance-related experience and insight into the Internet ecosystems.

The latest report released by UBS indicated that Asia is one of the world's markets with the lowest insurance penetration. InsureTech will disrupt Asia's insurance industry landscape, deepening the market penetration significantly. According to UBS projections, InsureTech may help deliver an annual cost saving of around US\$300 billion for Asia's insurance industry by 2025.

Part of MSCI China All Shares Index

As the first Internet-based InsureTech company in China, ZhongAn was officially included in the MSCI China All Shares Index on 1 June 2018, an important recognition by the capital markets for the Group's market value, industry position, overall performance and prospects. This is yet another capital markets recognition ZhongAn has gained, after the inclusions into the Stock Connect last December and Hang Seng China Enterprises Index in February, respectively.

###

About ZhongAn Online P & C Insurance Co., Ltd.

ZhongAn Online P & C Insurance Co., Ltd. is an online-only InsureTech company in China. It started operations in October 2013 and has developed ecosystem-oriented insurance products and solutions through scenario-based settings to serve its customers. The Company primarily offers products and solutions in the context of five major ecosystems, namely lifestyle consumption, consumer finance, health, auto and travel. ZA Online was the largest insurer in China as measured by the number of insurance policies sold and policyholders and the insured served since its inception in October 2013 to 31 December 2016. In November 2016, ZA Online set up ZhongAn Technology, a wholly-owned subsidiary which focuses on the research and development of cutting-edge financial technologies to export technological capabilities to the industry. On 28 September 2017, ZA Online became the first Fintech company to be listed on the HKEX. ZA Online established ZhongAn International in Hong Kong in December 2018 to explore international business development, collaboration and investment opportunities in the areas of Fintech and InsureTech in overseas market. In December 2017, ZhongAn Online established ZhongAn International to explore partnership and investment opportunities in the international market and promote its fintech and InsureTech solutions business overseas.

For further enquiries, please contact Hill+Knowlton Strategies Asia:

Cora Wan

Tel: (852) 2894 6226

Email: cora.wan@hkstrategies.com

Bowen Chui

Tel: (852) 2894 6233

Email: bowen.chui@hkstrategies.com