

May 23, 2018

Name of Listed Company: MS&AD Insurance Group Holdings, Inc.  
Name of Representative: Yasuyoshi Karasawa, President & CEO  
(Securities Code: 8725, Tokyo Stock Exchange and Nagoya Stock Exchange)  
Contact: Corporate Communications and Investor Relations Dept.  
<http://www.ms-ad-hd.com/en/ir/contact/index.html>

**Mitsui Sumitomo Insurance has signed an agreement to acquire shares  
in BoCommLife Insurance, a Chinese life insurance company**

Mitsui Sumitomo Insurance Company, Limited (“MSI”) (President: Noriyuki Hara), a subsidiary of MS&AD Insurance Group Holdings, Inc. (“MS&AD Holdings”) (President & CEO : Yasuyoshi Karasawa), has reached an agreement with Colonial Mutual Life Assurance Society Limited (“CMLA”), a life insurance subsidiary of a leading Australian bank, Commonwealth Bank of Australia (“Commonwealth Bank”), to purchase from CMLA the 37.5% shares in BoCommLife Insurance Company Limited (“BoCommLife”), a subsidiary of Bank of Communications Co., Ltd. (“BoComm”) based in China.

**1. Outline of the Investment**

Acquisition ratio: 37.5% of the outstanding shares of BoCommLife  
Acquisition price: RMB 4.325 billion (approximately JPY 74.7 billion, 1RMB=17.27JPY)  
MSI will purchase 37.5% of the outstanding shares of BoCommLife at RMB 4.325 billion after completion of scheduled capital increase to the existing shareholders by BoCommLife totaling RMB 3 billion  
Source of fund: Cash on hand  
Time of completion: Subject to the receipt of approvals from the relevant authorities, etc.

**2. Strategic Objectives of the Investment**

**(1) Further Enhance Profitability and Diversify our Business Portfolio by Entering into Chinese Life Insurance Market**

China is the third largest life insurance market in the world after U.S. and Japan, with expecting growth in the future. By entering into this market, MSI aims to enhance its growth potential and profitability as well as to achieve further risk diversification of its group-wide business portfolio.

**(2) Joint Venture (“JV”) with BoComm as one of the major five banks in China**

BoComm (Market capital of equivalent to approximately JPY 7.3 trillion at the end of April 2018) has significant influence as one of the major five Chinese banks and is an integrated financial group with subsidiaries including insurance, assets management, securities, leasing, and trusts. Having BoComm as JV partner will enable MSI to secure strong business base in Chinese life insurance market.

### (3) Obtain Strong, Stable and Lasting Bancassurance Channel

Like in other Asian countries, the importance of bancassurance channel is rising in Chinese life insurance market. The ratio of revenue through bancassurance to the overall premium revenue in China increased from 36.7% in 2013 to 44.1% in 2016. BoCommLife takes advantage of bancassurance channel of BoComm, which has strong customer base, and is expected to have stable growth.

### 3. Overview of BoComm

Established in 1908 in China, BoComm is the bank with over 100 years of history and is listed on the stock exchanges in Hong Kong and Shanghai.

With 3,270 branches in China, the bank covers the whole area of China. It operates in 16 countries outside China with branches in such cities as Tokyo, Hong Kong, Singapore, Seoul, New York, San Francisco, London, Frankfurt and Sydney, continuously growing as a global financial group with over 90,000 employees.

(1) Official corporate name	交通銀行股份有限公司 (English name: Bank of Communications Co., Ltd.)		
(2) Year of incorporation	1908		
(3) Head office	Shanghai, China		
(4) Representative	Peng Chun, Chairman		
(5) Number of employees	Approximately 91,240 (FY12/2017)		
(6) Major business	Banking		
(7) Capital	RMB 74.2 billion (approximately JPY 1.281 trillion)		
(8) Rating	Moody's: A3, Standard & Poor's: A-		
(9) Listed stock exchange	Hong Kong Exchanges and Clearance, Shanghai Stock Exchange		
(10) Fiscal year	Ending on December 31 of each year		
(11) Major shareholders and shareholding ratio	Chinese government 26.5%, HKSCC (Hong Kong Securities Clearing Company Limited) 20.1%, HSBC 18.7%, National Council for Social Security Fund 4.4%, China Securities Finance 3.2%, Capital Airports Holding Company 1.7%, etc.		
(12) Ties with MSI	No capital or personnel		
(13) Consolidated business results and financial conditions over the last three years (Unit: RMB million)			
Fiscal Term	Ended 12/2015	Ended 12/2016	Ended 12/2017
Consolidated net income	66,528	67,210	70,223
Consolidated net assets	538,092	632,407	676,271
Consolidated total assets	7,155,362	8,403,166	9,038,254

### 4. Overview of BoCommLife

Revenue from premium of BoCommLife in 2017 is ranked number 28 out of 85 companies including both domestic and foreign players and ranked number 4 out of 28 foreign players in China. BoCommLife has stable growth of its market share through the bancassurance channel with BoComm.

(1) Official corporate name	交銀康聯人壽保險有限公司 (English name: BoCommLife Insurance Company Limited)		
(2) Year of incorporation	2000		
(3) Head office	Shanghai, China		
(4) Representative	Weidong Hou, Chairman		
(5) Number of employees	1,529 (FY12/2017)		
(6) Major business	Life insurance business		
(7) Capital*	RMB 2.1 billion (approximately JPY 36.2 billion)		

(8) Rating	None		
(9) Listed stock exchange	Not listed		
(10) Fiscal year	Ending on December 31 of each year		
(11) Shareholders and shareholding ratio	BoComm: 62.5%, CMLA: 37.5%		
(12) Ties with MSI	No capital or personnel ties		
(13) Business results and financial conditions over the last three years (Unit: RMB million)			
Fiscal Term	Ended 12/2015	Ended 12/2016	Ended 12/2017
Premium income	4,072	9,703	13,130
Net income	203	204	256
Net assets*	2,290	2,179	1,886
Total assets	11,284	23,397	33,256

\*The figures after fiscal term of 12/2017 exclude the RMB 3 billion of the scheduled capital increase, which will be executed before MSI purchases the equity interest in BoCommLife

\*The figures are based on round down rules

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