

2019 Nine Months Results

October 2019



Cautionary Statements Regarding Forward-Looking Statements

To the extent any statements made in this report contain information that is not historical, these statements are essentially forward-looking. These forward-looking statements include but are not limited to projections, targets, estimates and business plans that the Company expects or anticipates will or may occur in the future. These forward-looking statements are subject to known and unknown risks and uncertainties that may be general or specific. Certain statements, such as those including the words or phrases “potential”, “estimates”, “expects”, “anticipates”, “objective”, “intends”, “plans”, “believes”, “will”, “may”, “should”, and similar expressions or variations on such expressions may be considered forward-looking statements.

Readers should be cautioned that a variety of factors, many of which are beyond the Company’s control, affect the performance, operations and results of the Company, and could cause actual results to differ materially from the expectations expressed in any of the Company’s forward-looking statements. These factors include, but are not limited to, exchange rate fluctuations, market shares, industry competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions and other risks and factors beyond our control. These and other factors should be considered carefully and readers should not place undue reliance on the Company’s forward-looking statements. In addition, the Company undertakes no obligation to publicly update or revise any forward-looking statement that is contained in this report as a result of new information, future events or otherwise. None of the Company, or any of its employees or affiliates is responsible for, or is making, any representations concerning the future performance of the Company.

Contents

Overview

Insurance Business

Banking Business

Technology Business

Overview

Business highlights

Group

Customer development

Life & Health insurance

Banking

Technology

- Operating profit attributable to shareholders of the parent company rose **21.5%** year on year to **RMB104,061 million**. Net profit attributable to shareholders of the parent company rose **63.2%** year on year to **RMB129,567 million**.
- Retail customers exceeded **200 million** having risen **9.5%** year to date. In the first nine months, the Group acquired **29.72 million** new retail customers, of whom **11.58 million** were sourced from internet users within the Group's five ecosystems which now boast **594 million** users.
- Operating profit after tax of the life and health insurance business rose **30.5%** year on year. New business value (NBV) rose **4.5%** year on year driven by **5.3 pps** expansion in NBV margin to **48.1%**.
- Ping An Bank's revenue and net profit rose **18.8%** and **15.5%** year on year respectively. The risk compensation was further strengthened with provision coverage ratio of non-performing loans rising **30.94 pps** year to date to **186.18%**.
- Ping An's technology patent applications increased by **7,977** year to date to **20,248**. Ping An's AI interview system HR-X and OneConnect's FiMAX Trade Finance Blockchain Network won the "**Human Capital Innovation Award**" and the "**Best Application of Advanced Technology in a Product or Service Award**" of the BAI Global Innovation Awards respectively.

Overview

Insurance Business

Banking Business

Technology Business

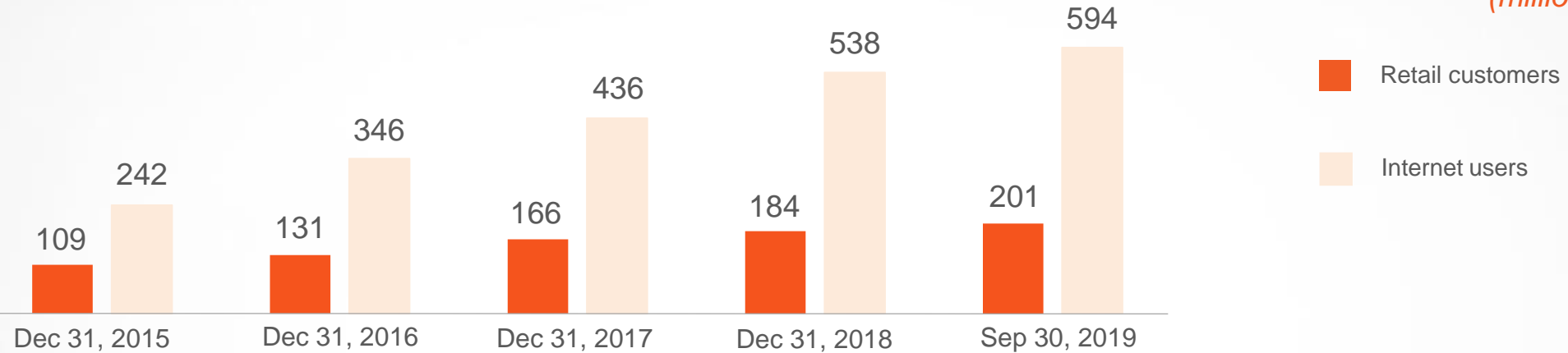


Customer Development

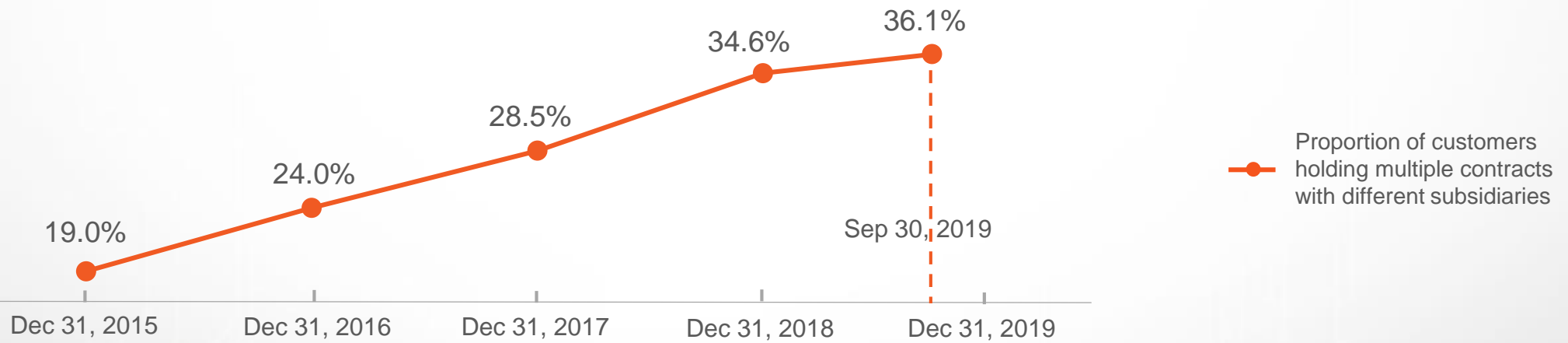
Increased customers, users and cross-selling

Significant potential to further penetrate our 594 million internet users

(million persons)



Cross-selling penetration ratio has increased along with growth in customers



Overview

Insurance Business

Banking Business

Technology Business



Financial Review

Highlights for 9M 2019

(in RMB)

Operating profit⁽¹⁾

104,061 million

+21.5%

Net profit⁽¹⁾

129,567 million

+63.2%

NBV

(Based on 11% RDR)

58,805 million

+4.5%

NBV margin

(Based on 11% RDR)

48.1%

+5.3 pps

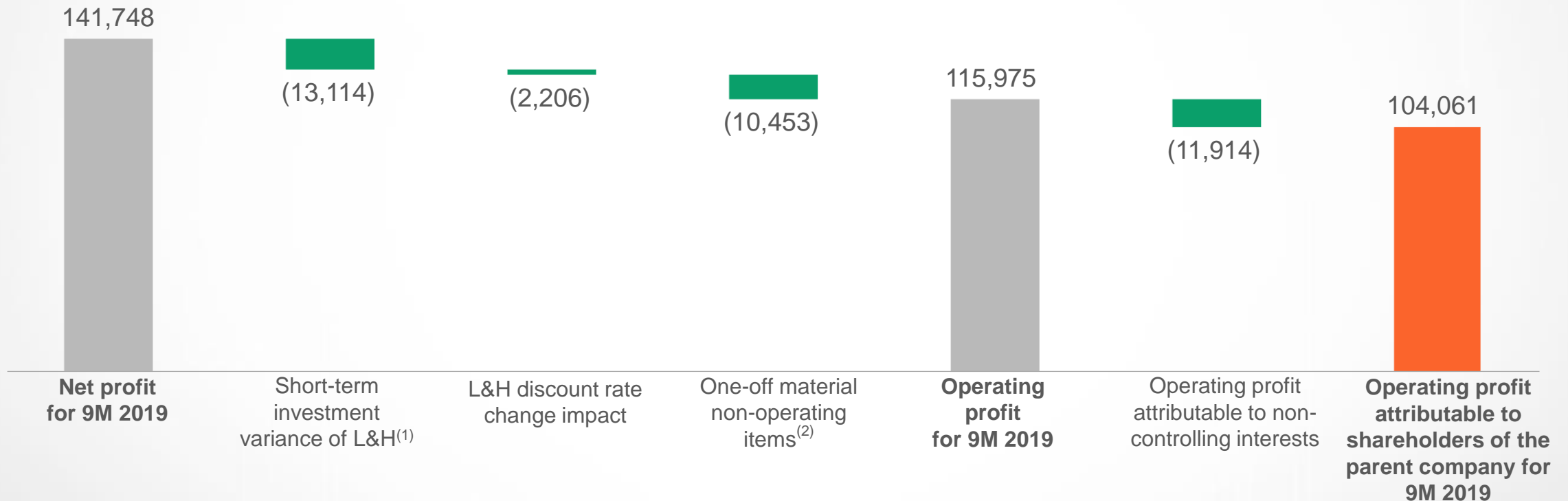
Note: (1) Both the operating profit and the net profit are attributable to shareholders of the parent company.

Operating profit: excluded non-operating items to reflect underlying results and trends

Operating Profit =

Net Profit - Short-term Investment Variance - Discount Rate Change Impact - One-off Material Non-operating Items

(in RMB million)



Notes: (1) Short-term investment variance is the variance between the actual investment return and the EV ultimate investment return assumption (5%), net of the associated impact on insurance and investment contract liability.

(2) Impacts of one-off non-operating items are material items that management considered to be non-operating income and expenses, which in the first nine months of 2019 refer to the one-off impact of the decrease in income tax for 2018 factored into the income tax for 2019 as a result of the Company's insurance subsidiaries implementing the *Circular on Pre-tax Deduction of Fee and Commission Expense for Insurers* (the "Circular") issued by the Ministry of Finance and the State Administration of Taxation on May 29, 2019.

(3) Figures may not match totals due to rounding.

Group operating profit rose 21.5% YoY

	9M 2019	Proportion (%)	9M 2018	YoY Change (%)
<i>(in RMB million)</i>				
Life and health insurance	68,394	65.7	52,136	31.2
Property and casualty insurance	14,184	13.6	8,081	75.5
Banking	13,700	13.2	11,864	15.5
Trust	2,424	2.3	2,532	(4.3)
Securities	1,700	1.6	1,270	33.9
Other asset management⁽²⁾	4,240	4.1	7,025	(39.6)
Technology⁽³⁾	4,110	3.9	5,403	(23.9)
Others & elimination	(4,692)	(4.4)	(2,673)	75.5
The Group	104,061	100.0	85,637	21.5

Notes: (1) In late 2018, the Company reviewed the presentation of cross-shareholding within the Company based on the operations of various business lines to provide clearer and more concise information. The 2018 data was restated for comparison purposes.

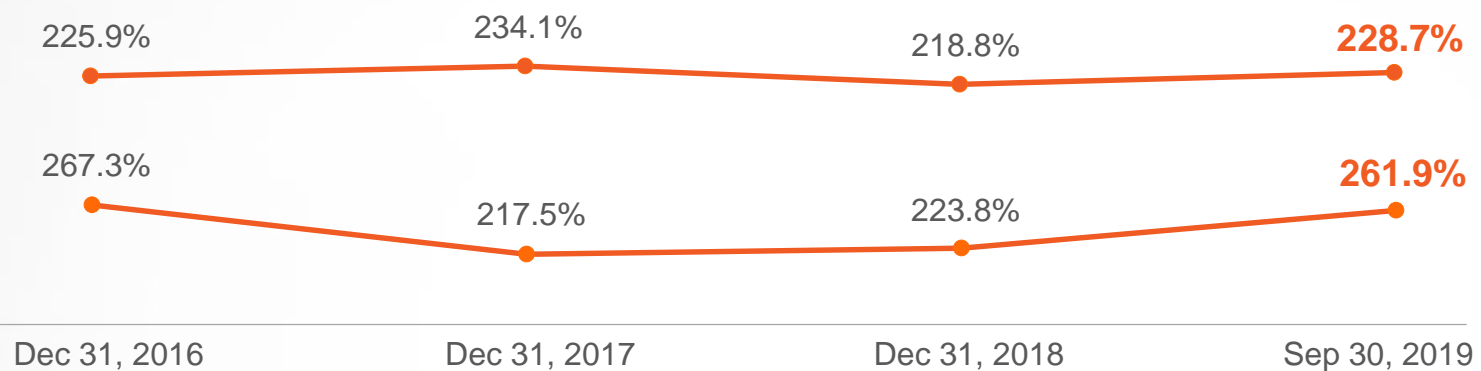
(2) The other asset management business represents results of companies that engage in asset management business including Ping An Asset Management, Ping An Financial Leasing, and Ping An Overseas Holdings.

(3) The technology business represents results of companies that engage in technology business including Lufax Holding, OneConnect, Ping An Good Doctor, Ping An HealthKconnect, and Autohome.

(4) Figures may not match totals due to rounding.

Strong capital adequacy position

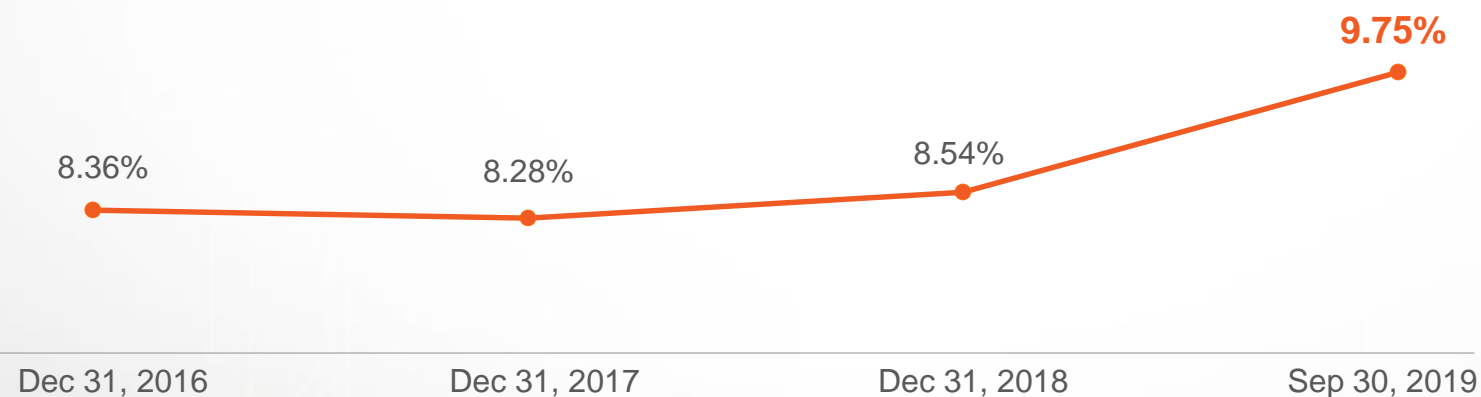
Comprehensive solvency margin ratio



Ping An Life
(regulatory requirement:
Core solvency margin ratio \geq 50%,
Comprehensive solvency margin ratio \geq 100%)

Ping An P&C
(regulatory requirement:
Core solvency margin ratio \geq 50%,
Comprehensive solvency margin ratio \geq 100%)

Core tier 1 capital adequacy ratio



Ping An Bank
(regulatory requirement \geq 7.5%)

Core tier 1 capital was boosted
in Q3 by conversion of RMB26
billion convertible bond.

Insurance Business

NBV of L&H insurance business rose 4.5% year on year

FYP used to calculate NBV

(in RMB million)

-7.0%

131,541

122,273

9M 2018

9M 2019

NBV margin

5.3 pps

42.8%

48.1%

9M 2018

9M 2019

NBV⁽¹⁾

(in RMB million)

4.5%

56,267

58,805

9M 2018

9M 2019

Note : (1) In the above graph, the assumptions and methodology used to calculate the NBV for the first nine months of 2018 are consistent with those used at the end of 2018. Under the valuation assumptions and methodology previously used for the first nine months of 2018, the NBV for the first nine months of 2018 was RMB55,425 million, corresponding to a 6.1% year-on-year increase in the first nine months of 2019.

P&C insurance business maintained stable business growth and excellent business quality

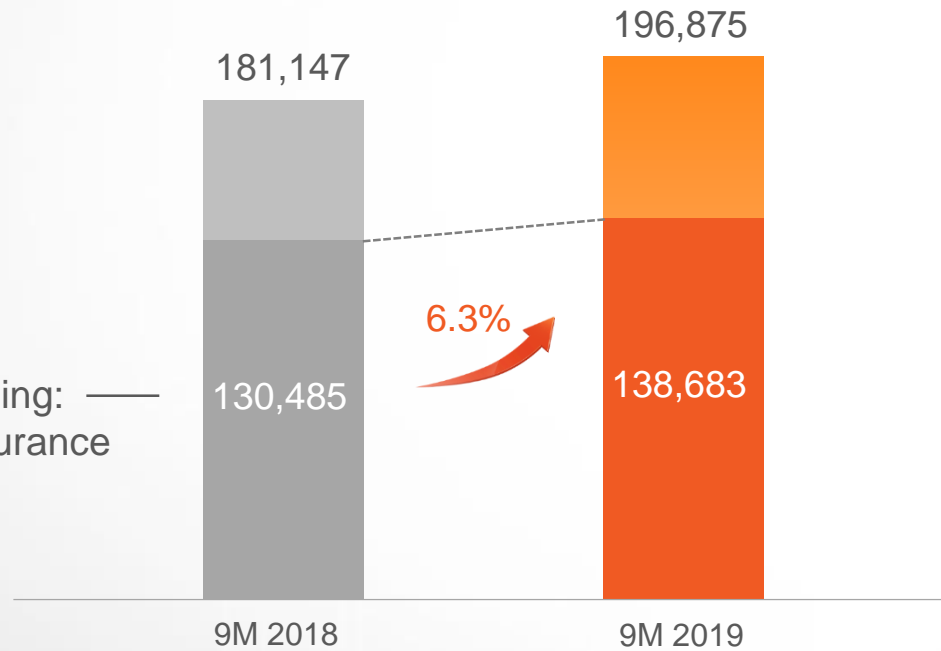
Premium income

(in RMB million)

8.7%

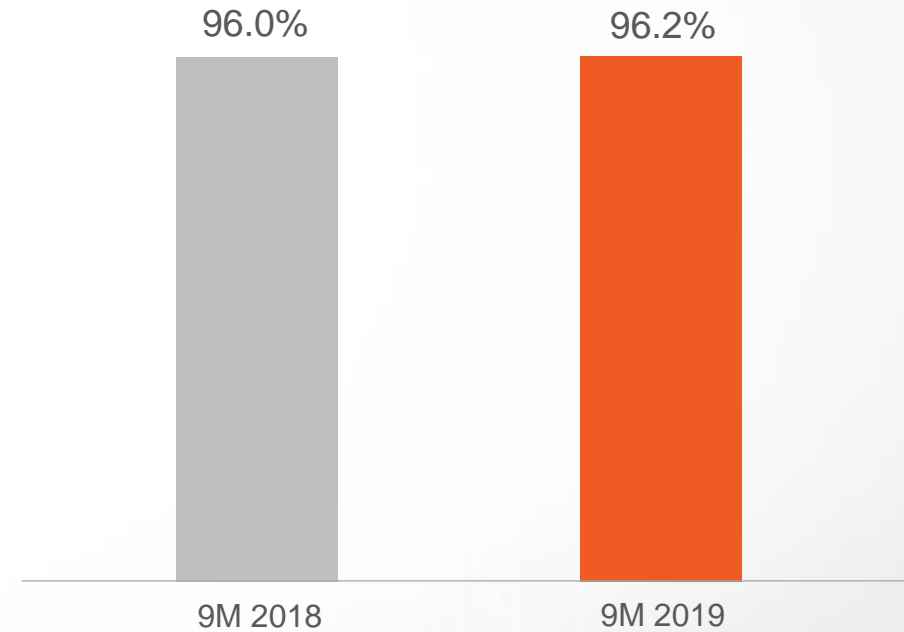
6.3%

Including: —
Auto insurance



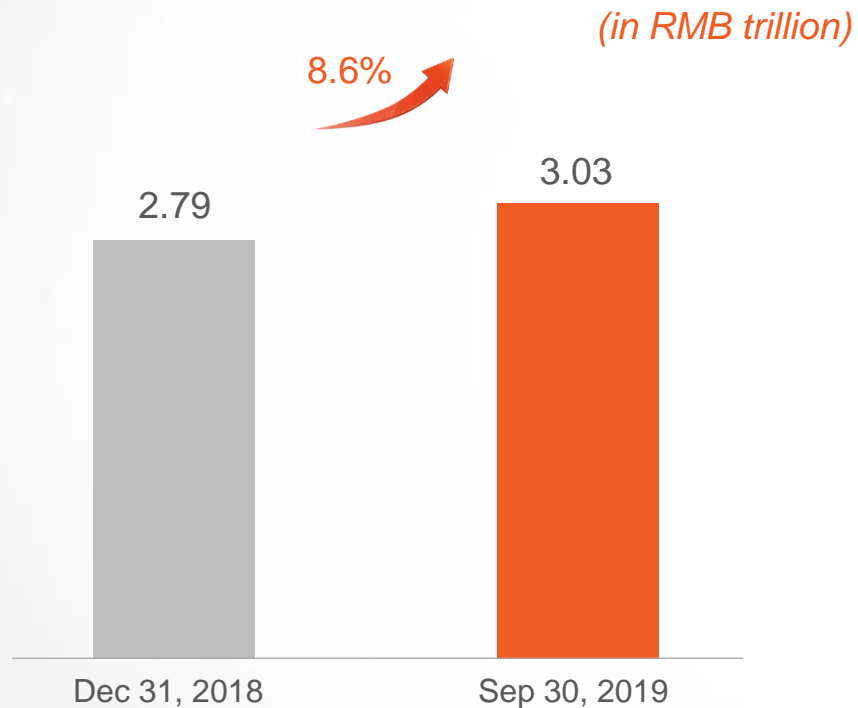
Combined ratio

0.2 pps

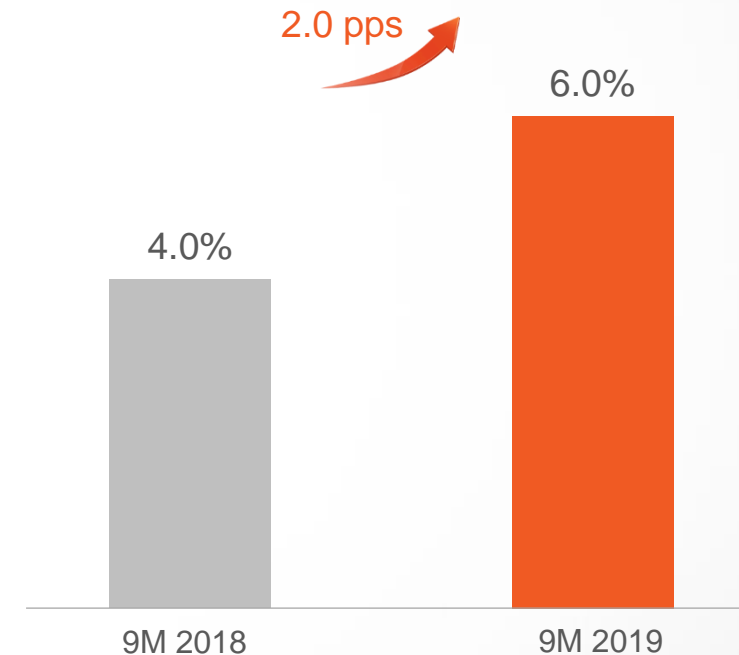


Investment portfolio of insurance funds: investment assets and yields

Investment assets



Annualized total investment yield⁽¹⁾

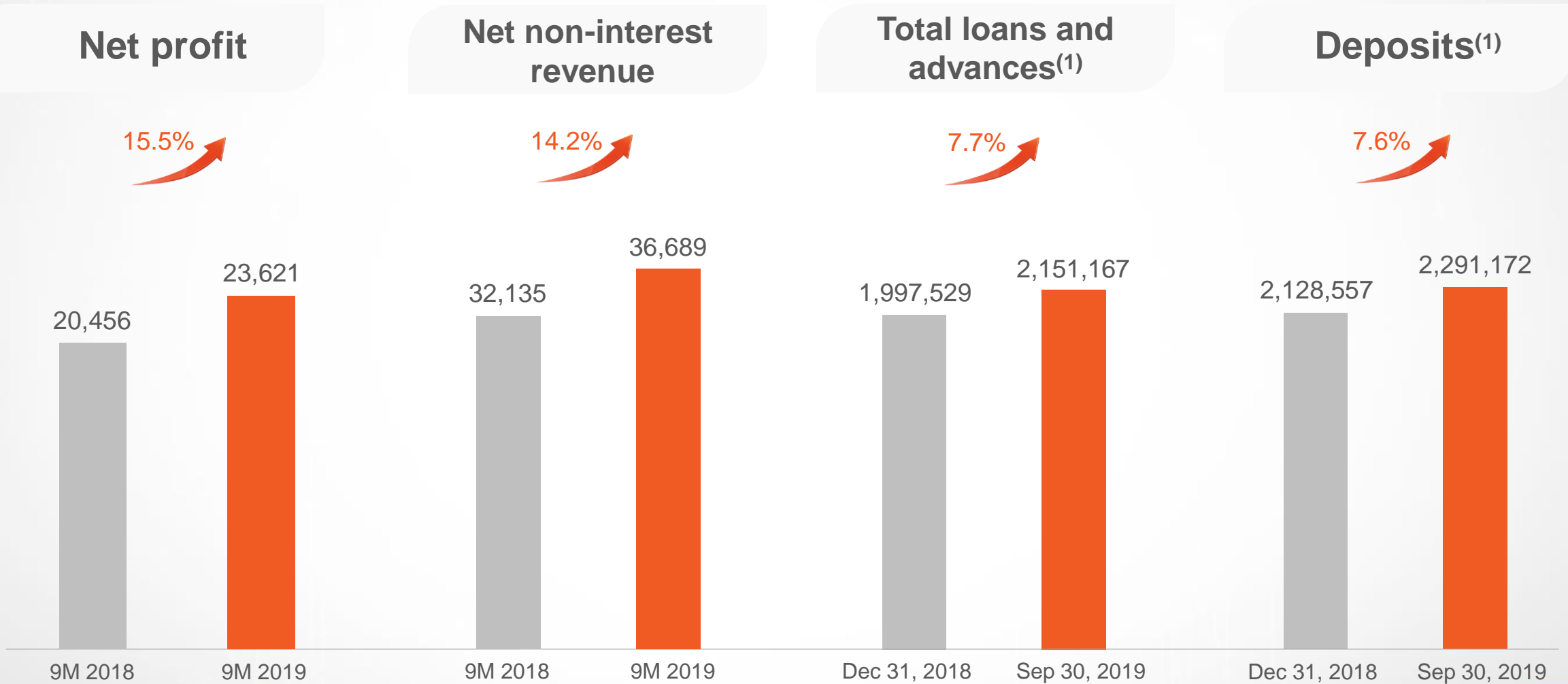


Note: (1) In computing annualized investment yield, only interest revenue from deposits and debt financial assets as well as operating lease income from investment properties were annualized, while interest revenue from financial assets purchased under reverse repurchase agreements, interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions, dividend income, capital gains from investments and fair value gains and losses were not annualized.

Banking Business

Net profit rose 15.5% YoY

(in RMB million)

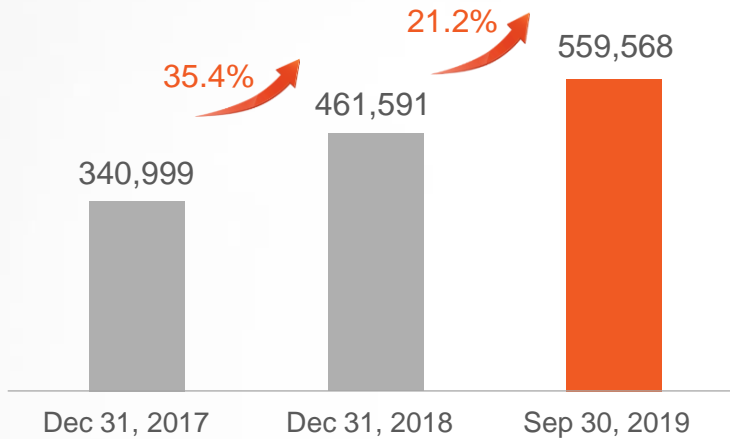


Note: (1) Total loans and advances, deposits are exclusive of interest receivable and payable.

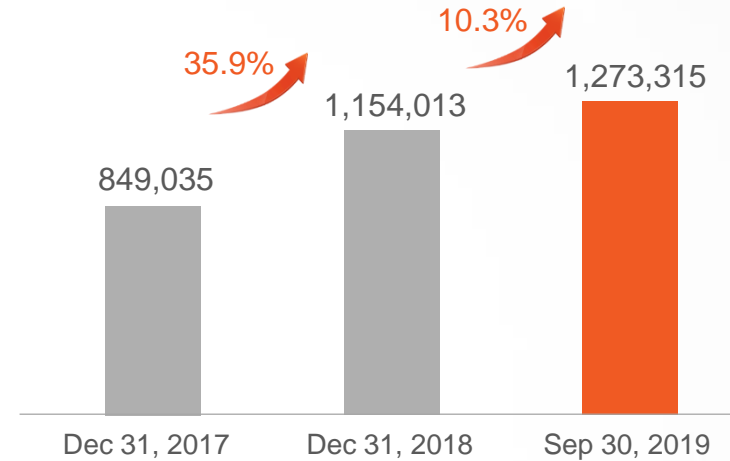
Ping An Bank furthered its retail banking transformation

(in RMB million)

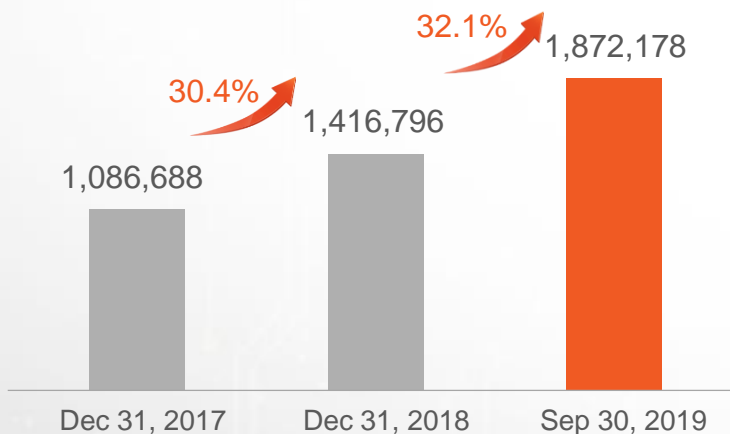
Retail deposits consecutively improved



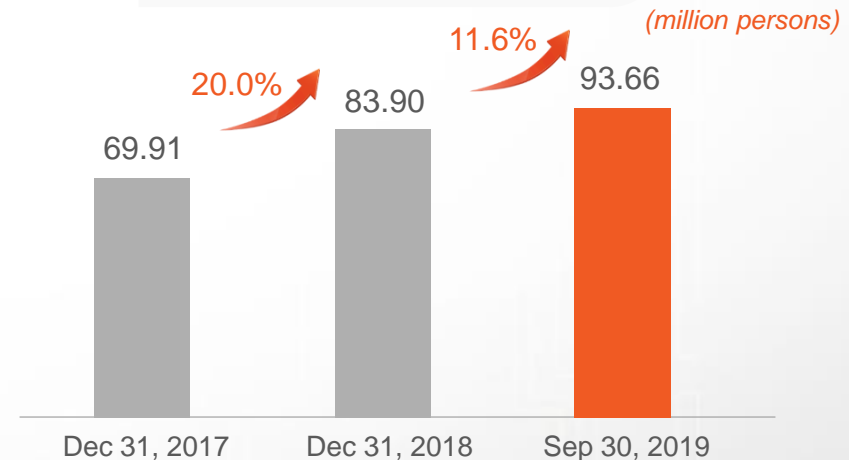
Retail loan growth continues with emphasis on quality



Steadily increased retail AUM



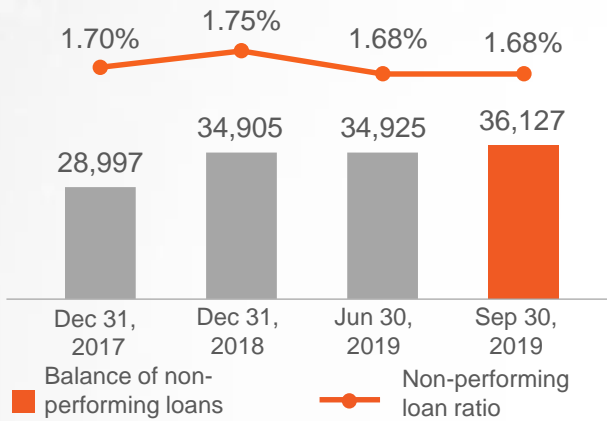
Stable growth in retail customers



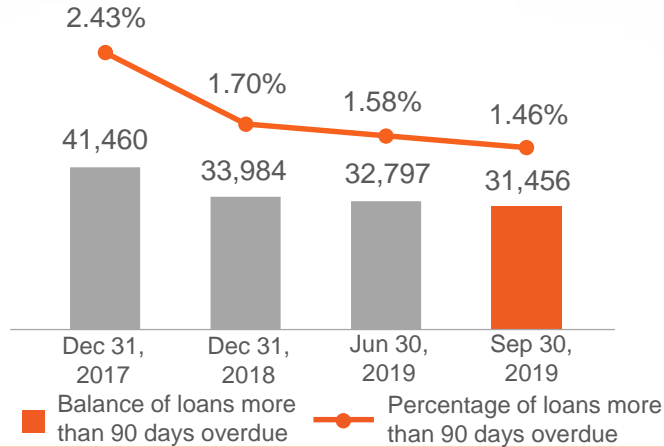
De-risking: improved asset quality and provisioning

(in RMB million)

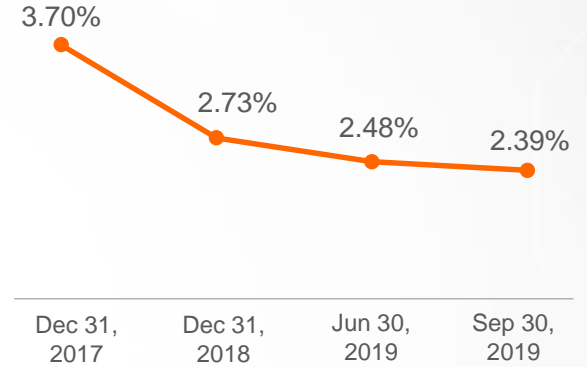
Stable NPL ratio



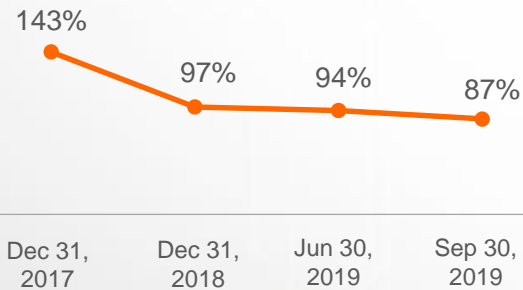
Decreased percentage of loans 90+ days overdue



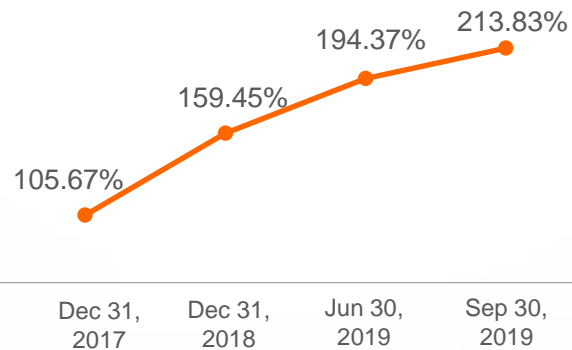
Decreased percentage of special mention loans



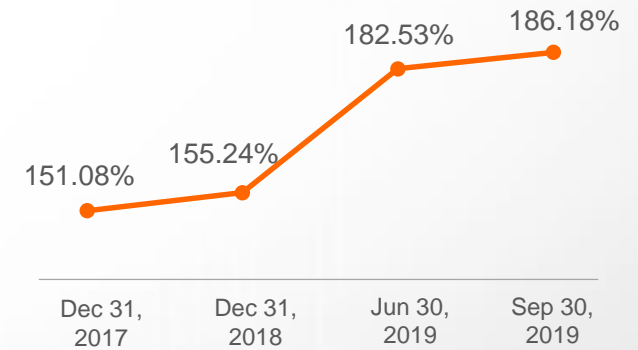
Improved NPL deviation ratio⁽¹⁾



Increased provision coverage ratio of loans 90+ days overdue



Increased provision coverage ratio



Note: (1) Deviation of non-performing loans = balance of loans more than 90 days overdue / balance of non-performing loans.

Technology Business

Technological innovations: upgrading core financial services with cutting-edge technologies

Tech patent applications

- **20,248** technology patent applications so far
- Including **4,396** filed under the Patent Cooperation Treaty (PCT) and abroad

Awards & certifications

- Ping An Cloud has been named a **“Leader”** in IDC’s *Chinese Financial Industry Cloud and Service Provider Assessment Report for 2018*.
- Ping An’s AI interview system HR-X and OneConnect’s FiMAX Trade Finance Blockchain Network won the **“Human Capital Innovation Award”** and **“Best Application of Advanced Technology in a Product or Service Award”** of the BAI Global Innovation Awards respectively.

Contests

- Jointly with Shanghai Jiao Tong University, Ping An was ranked the **world’s No.1** by total score in the contest of Commonsense Inference in Natural Language Processing 2019 (COIN 2019) at the Conference on Empirical Methods in Natural Language Processing (EMNLP).
- Ping An won two **championships** in machine reading understanding and deep learning inference contests held by Stanford University.

Sales



We have applied AI to recruitment interviews of Ping An Life’s sales agents as well as training and sales support for them:

- We have applied an expert-level AI interview robot to over **5.01 million** or **100%** of agent recruitment interviews, saving over **490 thousand hours** of face-to-face interviews.
- Through profiling of life insurance sales agents, we analyze the agents’ life cycles and provide customized sales support and career development plans.

Operations



- Ping An Property & Casualty leverages technologies including robots and OCR to pursue robotic process automation gradually across China. Such technologies saved Ping An Property & Casualty about **RMB50 million** in the third quarter.
- For Ping An Property & Casualty’s main product lines, **94.1%** of transactions are processed online and **95.4%** of transactions are paperless.

Services



- Widely used in banking, insurance, and other areas, our speech robots have provided services over **300 million times** and saved us about **RMB150 million**.
- Since the beginning of 2019, the speech robots have increased customer service efficiency by **24%** and boosted the net promoter score (NPS) by **4 pps**.

Business performance of major companies in technology business



Lufax Holding

World-leading online wealth management and retail lending technology platform

- Lufax Holding's revenue and profit continued to rise steadily.
- **Retail lending:** The balance of loans under management rose by **17.7%** YTD to **RMB441.21 billion**.
- **Government finance:** Lufax Holding continued to promote the application of fintech to fiscal management, and has implemented smart fiscal management projects in multiple provinces and cities across China.



金融壹账通

OneConnect

China's leading technology-as-a-service cloud platform for financial institutions

- OneConnect had **618** bank clients and **84** insurer clients, including all the major banks, **99%** of the city commercial banks, and **46%** of the insurers in China.
- Since December 2015, OneConnect has facilitated **RMB1.8 trillion** worth of business transactions⁽¹⁾ for financial institutions with their retail and small and medium-sized enterprise (SME) customers.



Ping An Good Doctor

Building the world's largest health care ecosystem; using technologies to make people healthier

- Ping An Good Doctor provides users with comprehensive family doctor services through its **AI-aided in-house medical teams**.
- Ping An Good Doctor provides users with **online-merge-offline services** by integrating offline health care networks.
- Ping An Good Doctor will benefit from regulatory liberalization which allows **internet-based consultation and treatment services to be covered by Social Health Insurance**.



Ping An HealthKconnect

Committed to becoming China's leading technology-powered managed care service platform

- Ping An HealthKconnect has provided SHI management services for SHI fund managers in **over 200** cities, covering **over 800 million** insured members.
- Ping An HealthKconnect won the bids for **the macro-decision making big data application subsystem and the operation monitoring subsystem** of the National Healthcare Security Administration's health care security information platform.

Note: (1) These transactions include retail and SME loans, wealth management products, payment transactions, and treasury transactions facilitated by OneConnect's financial institution clients.

中国平安 PINGAN

金融 · 科技

Thank you!

