From Ping An to Platform: Technology Innovation for Growth

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Agenda

1. Ping An Group: 5 Core Technologies

2. From Ping An to platform: Output services to 4 ecosystems
   a. Financial Services Ecosystem
   b. Health Care Services Ecosystem
   c. Auto Services Ecosystem
   d. Real Estate Finance Ecosystem
In the past decade, Ping An invested over RMB50bn in innovative technologies such as fintech, healthtech, and AI to strengthen competitiveness and serve society.

**Internally: enhance competitiveness**
- Boost efficiency
- Cut costs
- Improve experience
- Strengthen risk management

**Externally: supply services and cash in**
- Financial Services system
- Healthcare ecosystem
- Auto ecosystem
- Real estate ecosystem

22,000+ IT developers, 500+ big data scientists
2,000+ global patents, among the world’s leading financial institutions
PA Biometrics: World-leading technologies

- **PA Facial recognition**
  - 99.8% accuracy, the world’s No.1
  - 800mn+ usages
  - 200+ scenarios
  - 100+ clients

- **PA voiceprint recognition**
  - 99+% accuracy
  - 50mn+ voiceprint records
  - 10+ scenarios

- **PA Micro-expression**
  - 54 complex micro-expressions
  - 1-second recognition
  - 300k+ loan approvals

- **PA Big Data**
  - 880mn people
  - 26K data fields
  - 3,300+ data fields per person overage
  - 730mn credit inquiries
### Financial scenarios
- **Small loans:** 30mn+ face recognition-based identity authentication, fake identities down from 29% to 0%
- **Large loans:** 300,000+ micro-expression approvals, efficiency up 10% while errors down 5%

### Health care scenarios
- **Checkup identity verification:** 50,000+ times
- **Social health:** covering 14 cities

### Life/service scenarios
- **Exams:** The post-graduate entrance examination in Shenzhen in 2018, to cover 1mn+ exam takers in Guangdong next year
- **Real estate administration bureaus:** 9 locations, 1.30mn+ times of services

### Security scenarios
- **Airport security screening:** 140mn+ identity check at Shenzhen Airport
- **Community in Guangzhou:** 38mn call-ups
Big data: 1+N ecosystem partners

### Finance
- **430mn+** internet users
- **310mn+** app users
- **1.4mn+** life insurance sales agents
- **20K+** outlets
- **60K+** customer service agents

### Health care
- **180mn users**
- Social Health Insurance in **257 cities**
- **42K+** clinics
- **2,000+** hospitals

### Auto
- **32mn+** daily active users
- **38mn** P&C users
- **1bn+** claims photos
- **26,000** 4S stores
- **100,000** garages
- **34,000** used-car dealers

### Real estate
- **21mn+** users
- **300+** developers
- **150+** cities data
- **2,500mn+** second-hand houses

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**PA Big Data**
- **29 years** of business, **880mn+** people, **26,000+ data** fields
- **70mn+** businesses, **300+** partners
PA AI+Brain: AI+understands you better

AI+
Understands you better
...

Government (G)
Risk (R)
Property (P)
P&C claim(M)
Image(I)
Health (H)
Voiceprint (V)
Account (A)
Business (B)
Customer (C)
Driving (D)
Face (F)
PA AI+ Brain: Across all business process

**AI+Perception**
- Image-based recognition and anti-leakage
- Loss estimation accuracy 92%

**AI+Forecast**
- Flu accuracy 90+%
- COPY accuracy 92%

**AI+Risk Control**
- Loan application from offline to 100% online
- Overdue ratio down by 0.5%, credit loss ratio down by 3.7%

**AI+Services**
- IVR success rate 85%
- Online robot reply accuracy 95%
- Customer waiting time down by 20%

**P&C: AI+Claim (KYM)**
- 23 clients, 160mn usages, Agent efficiency up 30X, customer waiting time down 75%

**Health: AI+Medical Imaging (KYH)**
- Reading time down from 20 mins to 10s, diagnosis omissions down from 40% to 2%

**Finance: AI+Recording (KYV/KYF)**
- 23 clients, 160mn usages, Agent efficiency up 30X, customer waiting time down 75%

**Health: Disease Forecast (KYH)**
- Flu accuracy 90+%
- COPY accuracy 92%

**Finance: SMB Loan (KYB)**
- 70 mn SMB
- KS up by 30%
- Approval time down by 90%

**Finance: AI+Customer Service (KYS)**
- IVR success rate 85%
- Online robot reply accuracy 95%
- Customer waiting time down by 20%

**P&C: AI+Investigation (KYM)**
- Arrival at accident sites within 10 minutes in 90% of cases
PA AI+ Brain Risk control (KPR): enabled by cutting-edge risk management and AI technologies

Needs

Bad experience, customer needs to go to store 2 times, Approval 3-4 days

Impact

New sales ↑2.5x
Overdue rate ↓64%
Credit loss ↓60%
Offline stores ↓68%
Fee rate ↓39%
300K+ loan applications through micro-expressions

1. 2020 forecast 2. Impact comparison based on 2015 vs 2017 Jan to Oct
Influenza forecast covers 2 cities, with accuracy rate of 90+%

Chronic disease, e.g. COPD, Cancer. COPD high risk patient accuracy rate 92%

4 major chronic diseases¹ account for 86.6% of deaths

80% of cancer patients are diagnosed at the late stage

PA AI+ Brain disease forecast (KYH): Improve health management and cost control

Needs

Impact
PA Onechain: provide safe, traceable and effective transaction recording

**PA Advantage**

**Highest performance**
- Exceeding open source version by 50-100%
- 100,000 transactions/second

**Leading encryption**
- Meet Chinese standards
- 100x speed of other apps

**Convenient supervision**
- Super key can decrypt any ZKP encryption
PA Onechain: the only company that has applied blockchain to actual financial and health care scenarios

<table>
<thead>
<tr>
<th>Asset trading</th>
<th>Financing &amp; loan</th>
<th>Health care</th>
<th>Real estate trading</th>
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</table>
| - RMB8trn+ trading volume  
  - 2,300+ products  
  - 500+ financial institutions | - 15K+ SME blockchain nodes  
  - 540K personal credit passports | - Pilot electronic prescription, Health record  
  successful pilot on sharing data within medical clusters | - Real estate trading platform  
  covering activities such as trading, mortgage, and leasing |
PA Cloud: provide reliable, convenient, secure implementation solutions

Most convenient implementation
- **150S** fast deployment
- Teams at 2 locations, down from 20 person months to 15 minutes 1 person¹

Highest level of security
- 8 authoritative certifications in China and abroad
- One of the first highest-level certified financial cloud service providers

1. Taking deployment of 60 servers per bank for example
Ping An has competitive edge at Scenarios, data, and Value

**Scenarios**
- Online + offline
- Finance + life

**Data**
- Real-name authenticated users
- Closed-loop transaction data

**Value**
- Value generated by internal business applications
- Supply to external ecosystems

**Internet companies**
- Mainly online
- Specific life scenarios

- Weakly authenticated users
- Lack of business applications
- Hard to transfer to value
1. Ping An Group: 5 Core Technologies

2. From Ping An to platform: Output services to 4 ecosystems
   a. Financial Services Ecosystem
   b. Health Care Services Ecosystem
   c. Auto Services Ecosystem
   d. Real Estate Finance Ecosystem
Focus on 4 key ecosystems, potential market reach 550 Tn by 2022

Current market

2022 Market

Unit: Tn

4 Key ecosystems add up to 550 Tn by 2020

- Financial assets
- Real estate
- Auto
- Health Care
- Travel
- Others
- Entertainment

Traffic entrance
Strong demands
High Synergy

4 Ecosystems

- Financial Services Ecosystem
- Health Care Services Ecosystem
- Auto Services Ecosystem
- Real Estate Finance Ecosystem
Financial Services Ecosystem
金融服务生态圈

Health Care Services Ecosystem
医疗健康生态圈

Auto Services Ecosystem
汽车服务生态圈

Real Estate Finance Ecosystem
房产金融生态圈
Financial services ecosystem: FIs dominates the financial services industry

Wealth management¹

- **FIs**
  - Total AUM
  - ~RMB102trn

- Total AUM on online platforms
  - ~RMB2.7trn

- ~3,000 P2P and online wealth management platforms
  - Only 2.4% market share

Loans²

- Consumer loan
  - ~RMB34trn

- Non-Bank loan
  - ~RMB1 trn

- ~3,000 P2P and online micro-loan companies
  - Only 2.9% market share

Payment¹

- FIs' total payment
  - ~RMB2,500trn

- Volume on third-party payment platforms
  - ~RMB80trn

- ~250 third-party payment companies
  - Only 3.2% market share

1 Source: iResearch, as at the end of 2016  2 Source: Frost & Sullivan, as at the end of 2016
Financial services ecosystem: As the ROE of the global banking industry continues to decline, Fintech may increase the ROE by 44%.

ROE of global banking industry

%  


“New normal” - based on fintech

Not utilizing fintech

Fintech may increase banks’ ROE by 44%

Source: McKinsey & Company's database
Financial services ecosystem: Ping An uses leading technologies to build a financial services ecosystem for financial institutions, businesses, and individuals.
Lufax: Started in 2011, with Mission

We are the leading open financial asset marketplace, empowered by financial DNA, technology and big data, to make wealth and asset management easier, safer and more efficient for our chosen customers.

1. Puhui was established in 2005
Lufax: The Leading Online Asset Management Platform

- Wealth Management for the Middle Class and Affluent
- Financial Services for Institutions and Governments

- Mutual Fund
- Insurance
- Securities
- Digital Government Cloud
- Decision Services Cloud
- Transaction Cloud
- Financial Cloud
- iLoan
- Unsecured Loan
- Secured Loan
- Trust & Asset Management Plan
- Lending Services for the Mass Market
- Private Placement
Lufax: International Leading Position

**Lending Services for the Mass Market**
- **Largest** Consumer Finance Platform in China
- **269Bn** LUM
- **5.7MM** Active Borrowers

**Wealth Management for Middle Class and Affluent**
- **Largest** Online Wealth Management Platform in China
- **476Bn** AUM
- **7.7 MM** Active Investors

**Financial Solutions for Institutions and Governments**
- **Only** Integrated Financial Solutions Market in China for Government and Municipalities
- **4,167Bn** Institutional Transaction Volume
- **5 Cities**
- **500+** Third-party cooperation partners

Lufax: Technology-Powered Platform at the Core

- 4,000+ Products
  - Consumer Finance, Internal and External
  - Funds
  - Insurance
  - Asset Management, Trust, Private Funds

- Main Account
  - Automated reinvestment
  - Automated sweep/repayment
  - Simplified lending and margin finance

- KYP
  - Low-risk
  - Mid-low risk
  - Medium risk
  - Mid-high risk
  - High-risk
  - Comprehensive KYP model with 500+ warning signals

- KYC
  - Conservative C1
  - Steady C2
  - Balanced C3
  - Growth C4
  - Aggressive C5
  - AI-based KYC model tracking 270 variables

- Data-driven Investor Services
  - Robo-advisory product
  - Data-driven behavioral and portfolio comparisons
  - Specialized secondary market pricing

- Understanding of investor needs
- Personalized investment advice

- Investors
  - <RMB 30k
  - RMB 30k-1MM
  - >RMB 1MM

- Focusing on Middle Class and Affluent Investors

- Financial services ecosystem
- Lufax
- OneConnect
OneConnect: Started in 2015, the world's largest financial cloud platform

2C: consumers
2B: businesses
2F: financial institutions

Control portals
Comprehensive solutions
Leading fintechs

First row:
- Front office: Sales/channel
- Product
- Risk
- Operations
- Technology

Second row:
- Intelligent banking cloud
  - F2C retail
  - F2B corporate
  - F2F interbank
- Intelligent insurance cloud
  - Life
  - Health
  - P&C
- Intelligent investment cloud
  - Fund
  - Trust
  - Securities
  - Private placement

- 5 fintechs

- Lufax

Financial services ecosystem
OneConnect

OneConnect: Started in 2015, the world's largest financial cloud platform
OneConnect: F2C retail banking module

O2O online retail banking cloud
- 20+ financial products
- 50+ value-added services

Case:
- Increased 20+ financial products
- Increased 50+ value-added services

Partner banks: 53

Increased:
- App clicks: 2.9X
- Retail accounts opened: 3.5X
- Financial product volume: 4.3X
OneConnect: F2C personal loan (KYR)

Intelligent personal loan solution

Before lending
- Channel management
  - Intelligent channel management system

Intelligent data capture
- Anti-fraud platform

Intelligent interview
- Intelligent micro-expression interview system

Intelligent approval
- Customized scoring cards
- Intelligent risk engine

During lending

After lending

Entire lending process

Intelligent integrated lending machine

Used 1bn+ times by consumers this year
Effectively prevented over 80% of fraud risks
15mn interceptions on the anti-fraud platform
Losses reduced by RMB300bn
OneConnect: F2B corporate banking module – SME intelligent risk KYB

Businesses
- Corporate loan application
- Remote video-based contract signing
- Corporate inquiry
- Messages

SME financing service platform
- 100+ data sources
- 3000+ fields
- 7500万+ businesses
- Dynamic, real-time risk assessment

Banks
- Before lending: dynamic data integration
- During lending: intelligent credit assessment
- After lending: close monitoring and warning

Due diligence time
- from 1 day to 1 hour

Approval time
- from 1 week to 0.5 day

Case: Decrease
- Signed contracts with 8 banks
- Corporate loan application
- Remote video-based contract signing
- Corporate inquiry
- Messages
- Before lending: dynamic data integration
- During lending: intelligent credit assessment
- After lending: close monitoring and warning
OneConnect: F2F interbank module

Registered FIs: 2,187
Trading FIs: 500+

Financial institutions:
- Interbank asset trading service platform
- 80%+ online processes
- 9 technological platforms and risk rating systems
- 70+ products
- 100% blockchain

Clearing houses

Case:
- Increased registered FIs by 25% of total volume
- Trading volume: RMB10.2bn
- Annualized rate up 5-10bps, income up by RMB12mn
- Trading time reduced by 30%, cost down by 20%+
- Risk management

Real-time
OneConnect: Intelligent superfast claims solution for P&C Insurance

Intelligent claims solution for auto insurance

**Intelligent vehicle type recognition**
Unique vehicle type + unique part; image processing and grouping

**Loss recognition and precise pricing**
- **20mn** spare parts
- **5mn** work hour items
- **60,000** vehicle types

**Intelligent management**
Intelligent management of investigators, whose probability of arrival within 5-10 minutes is **90%**

Multiple positioning technologies; **80%** of cases are positioned within **50m**

**Intelligent risk prevention**
- **500+** risk factors
- **30000+** risk rules
- **100+** risk models
- **85%** prevention rate of anti-leakage rules
- **60%** prevention rate of anti-fraud rules

Take a photo and get money

Signed Contracts with **7** entities
OneConnect: 4 revenue models

- Flat fee
- Transaction-based
- Service fee
- Cloud service fee

- Annual fee
- Performance-based
- Development fee
- Infrastructure fee

- Patent use fee
- Volume-based
- Maintenance fee
- Operational & advisory fee

- Installation fee
- Usage-based
-
OneConnect: Have partnered with 400 banks, 20 insurance companies, and 2,000 non-bank FIs

- 400 banks
- 20 Insurance companies
- 2,000 Non-bank FIs
- 800mn Consumer usage
- RMB8trn FI transaction volume
Financial Services Ecosystem
金融服务生态圈
Health Care Services Ecosystem
医疗健康生态圈
Auto Services Ecosystem
汽车服务生态圈
Real Estate Finance Ecosystem
房产金融生态圈
Health care ecosystem: The size of China’s health service industry is expected to reach RMB 7.4 trn by 2020

**Sustained economic growth**
- Stable GDP growth
- Rising resident income

**Ageing**
- Growth of elderly population
- High per capita medical expense of elderly population

**Changing health status**
- High proportion of sub-healthy people
- Rising morbidity of chronic diseases

**Policy support**
- New health care reform
- Promotion of the health service industry

Sources: Opinions on Promoting the Development of Health Service Industry; China Statistical Yearbook 2016; Statistical Bulletin on China’s Health and Family Planning Development 2016
Health care ecosystem: There are multiple pain points in China’s health care industry; the government has upgraded the “Healthy China” initiative into a national strategy and carried out reforms in several fields.

Reform directions:

1. Difficult to seek medical services; high medical costs
2. Monopoly by public hospitals
   - Fragmented healthcare management institutions
3. Frauds, wastes, and abuses
4. Medical services mixed with drug sales
   - High costs of drug circulation
5. Information opacity
   - Heavy personal burdens

- Convenient, inexpensive, and healthy
- Private medical institutions
- Professional, regulated healthcare management institutions
- Efficiency enhancement and cost control
- Separation of medical services from drug sales
- Reduction of circulation
- Transparent information
- Multi-level health security

Internet + health care
Development of private medical institutions
Improvement of Electronic health records
Social health insurance reform
Development of private insurance

Health Care Services Ecosystem
PA Good Doctor
PA Healthcare Management

2b. 健康生态圈

Health Care Services Ecosystem
PA Good Doctor
PA Healthcare Management

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Ping An’s Healthcare Ecosystem: penetrate major businesses by controlling traffic and payment, and exploit synergies.
Ping An Good Doctor: started in 2014, is traffic portal to healthcare

~180 mn
Register
Users

~5 mn
Daily Active
Users

~400 k
Daily Consultation

Source: Frost & Sullivan analysis, the fifth National Health Service Survey, National Health and Family Planning Commission, Economist Intelligence Unit

Note: 1 Only including non-medical wellness promotion with Chinese medicine and excluding medical treatment services with Chinese medicine provided by medical institutions. 2 Referring to the overall market size including services of consultation and inquiries, translation, visa, appointment, transportation, accommodation, and service tracking. 3 Data of hypertension and diabetes relates to the prevalence rate of such diseases reported by patients themselves who are 15 years old or above
Ping An Good Doctor: Internet + AI is the Only and Most Effective Solution to Address the Pain Points of Healthcare in China

**Medical Resources**

1. Leverage Internet to share medical resources in real-time across regions.

2. Majority of chronic and common illnesses can be managed online which will alleviate pressure on physical medical institutions.

3. AI doctor provides online initial treatment services, thus bridging the unmet demand for family doctors and improving doctors’ service quality.

**Client Experience**

1. 24/7 access to quality healthcare with minimal waiting time on users’ fingertip.

2. Improve overall population health.
Ping An Good Doctor: Perfect Interaction between Healthcare and Wellness Maximizes User Traffic and Frequency

Wellness – High Frequency

- Healthy People
- Daily Health Management
- Health Consultation
- Weekly or Monthly Consumer Care

Medical – Low Frequency

- Sick People
- 40% Visit Hospital
- 20% If Critical Illness, Hospitalization
- 60% Self-Medication
- 80% If Mild Illness, Outpatient Care

92% of the patients can receive consultation, referral, and medication through Ping An Good Doctor.
Ping An Good Doctor: AI technology’s self-development fueled by big data and dynamic learning

**AI + Doctor Model**

- **Patient**
  - Preliminary Symptom Collection
  - Real-time switch
  - Diagnosis
  - Professional Feedback
  - Automatic Upload
- **AI**
  - Machine Learning
  - Automatic Upload
- **Doctor**
  - Consultation Record & EMR
  - Professional Feedback

**Strategic and Clinical Advantages**

1. **Big Data**
   - 300-400k daily new online consultations
   - >150mn online consultation records

2. **Trained by Doctors**
   - ~1,000 in-house medical team provides continuous professional feedback to AI

3. **High Efficiency**
   - 8 to 10x maximum consultation capacity increases

4. **Cost Saving**
   - 80%
   - Decrease labor cost of medical staff and save RMB3bn annually in 2025E
Ping An Healthcare Management: Started in 2013, Technology Driven Managed Healthcare Platform

- Assist Gov.
- Optimize Standards
- Influence on Pricing
- Improve Service Experience

Ping An Healthcare Management

Managed Care

Data + Connection to Gov

E-Record, Diagnostic and Settlement Data + Connection to Hospitals

Settlement Data + Connection to CHIs

Data + Connection to Individuals through APP

Health Care Services Ecosystem

PA Good Doctor

PA Healthcare Management
Ping An Healthcare Management: Four Core Assets

**Government Relationship**
- % City Served: 75%
  - (334 prefecture-level city)
- 250+ FWA and Actuarial Service Contracted

**Quality Medical Data**
- % Population Data Coverage: 22%
  - (1.36 bn population)
- 800+mn Population’s Medical Data

**Hospital Network**
- % Grade 2+ Hospital Connection Coverage: 18%
  - (11k hospitals)
- >2,000 Enter into Contract to Access HIS System

**User Scale**
- % Population Covered by APP and by Insurance Sales in Shenzhen: 48%
  - (12m resident population in Shenzhen)
- >2.12 mn Users in Shenzhen
- >6.24 mn Critical Illness Insurance Sales Cover

Note: Provider data and service contract cities as of YE2017 estimation; Other data as of Aug 31, 2017
As of end of June, 2017

Cities covered: **250+**

Population served: **800mn**

- **Enhancement of experience:** mobile and convenient, with satisfaction degree significantly improved

- **Enhancement of risk control:** default dropped by **59%**, with **100%** screening realized, and suspicious and default cases correct to **16%**

- **Reduction of cost:** no addition input is required from the government, saving SHI expenses of the government by around **10%**

Ping An Healthcare Management: Highly commended by Government and Others in pilot city Xiamen
Health care ecosystem: Health-tech revenue models

- **Health cards**
- **Mall**
- **Advertisement**
- **Shopping cards**

- **Services**
- **Profit sharing**
- **Commission**
- **Advertisement**

- **Services**
- **Data Fee**
- **Mgmt. Fee**
Auto ecosystem: the market size is expected to hit RMB10 trillion by 2020

### Buying a car
- Growth of new car sales will slow down to 2-3% in the next 3 years
- The penetration ratio of automotive consumer finance is likely to increase from 30% to 50% by 2020

### Driving a car
- Given the new ways of traveling and further development of chauffeured car services and online car-hailing services, the market size will hit RMB1 trillion within the next five years

### Selling a car
- People will buy a new car when their old cars age
- The accelerated urbanization boosts the demand in tier 3 and tier 4 cities

### Maintaining a car
- Car ownership will increase from 130 million to nearly 200 million by 2020, entering the stock market era
- Boosting auto aftermarket
Auto ecosystem: 4 painpoints

### Pain points

**Buying a car**
- Opaque car prices
- Lack of financial support
- Great operation pressure on car dealers

**Selling a car**
- The operation of used car trading channels is not standardized, and used car buyers are often deceived
- Dealers’ used car sourcing is scattered, and the financing needs are unmet

**Driving a car**
- Time-consuming auto insurance claims settlement, and difficulties in dispute resolution
- Congestion, parking difficulty, expensive parking fee and high oil prices

**Maintaining a car**
- Time-consuming car maintenance service, and high charges of service providers
- A wide range of accessories with uneven quality
- Multiple circulation links and weak logistics

### Data

**Data**

- Finance penetration rate for new cars is only 35%
- There are 50,000 stores, contributing ~40% of new car sales
- There are about 100,000 used car dealers. The online trading volume only accounts for 2%
- 1/3 cities in China are suffering from traffic jam
- ~50 million more parking lots are needed in China
- There are 400,000+ repair shops while large chain repair repair shops have a market share of less than 1%
- Maintance revenue takes 50% of 4S stores’ revenue
Auto ecosystem: value propositions of various parties

Car users / customers

- No. 1 auto media platform in China
- DAU: 32mn; App traffic increases by 28% YoY

- No. 2 Auto insurance company in China
- Auto insurance market share: 21%
- 50mn users of Ping An Auto Owner app

- No.1 in auto loan business (market share: 17%)
- No.1 in auto supply chain finance (market share: 15%)
- Issuance of Auto Owner Credit Cards: 14 million cards
- 50 million internet users of Ping An Bank

Auto services

- Auto transaction
- Auto lifestyles
- Auto finance

Service platform

- OEM
  - Covering ~90 OEMs
  - (or 32%) OEMs are enrolled on the cloud platform
- Dealers
  - Covering 3,100 dealers
  - (or 12%) dealers are enrolled on the cloud platform
- Used cars
  - Covering 34,000 dealers
  - (or 15%) dealers are enrolled on the cloud platform
- Spare parts dealers
  - Cover 4 garages, with selected retailer

Auto Services Ecosystem

Autohome

Auto ecosystem: value propositions of various parties
Autohome: both the profitability and market cap have increased substantially since Ping An's acquisition in June 2016.

The valuation of Autohome grew significantly after it announced its financial results for the third quarter on Nov. 7. Its market cap hit USD7.34bn which is 2.5X that of yiche.com.

PA acquired Autohome in June 2016 when Autohome's market cap was only USD2.86bn then.

In the first three quarters, the revenue from core businesses hit RMB4.01bn, up 35% YoY (vs. average market growth of 25%).

Its net profit hit RMB1.42bn, up 43% YoY.

2.5X increases in market cap since PA invest.

DAU: 32mn; App traffic: growing by 28% YoY.
Dealers: our value has been recognized by deals since we can fully meet their marketing demand

Fully empower dealers by virtue of three service models, i.e. assistance with car distribution, car-related services and user maintenance.

Sales app for dealers

- Signed contracts with over 3,100 dealers within one quarter after the launch.
- PA P&C has partnered with 26,000 dealers.

Smart showroom

- Time on Page is 300% longer than that on common deal pages.
- Lead to Opportunity is improved by 200%~300%

Precision marketing

- Consumer preference
- LBS data
- OEM data
- Track analysis
- Population grouping
- Lead classification
- Weight algorithm

Data sources

- To C: user profiling
- To 4S stores: customer analysis
- To manufacturers: brand marketing

Business application

- # of invitation-based visitors increased by 24%
- # of sold cars grew by 44%
- 9,000 leads in relation to car maintenance were generated online.
New car e-commerce: focus on lower-tier markets to build a sales closed loop, and empower integrated dealers

Establish a new model for new car distribution by solving the issues such as geographic restrictions, high risk of transactions and high cost of customer acquisition.

- 260,000 cars were ordered during the Double 11 period, with transactions amounting to RMB 42.1bn
- Provide 100mn sales leads for auto enterprises per year

- Total exposure within 5 days reached 414mn times
- Time on Page per capita was 4.2 minutes.

- In an auto show, AR Kan Che were used by 10.80mn users.
- Users from non-tier-1 cities accounted for 84%
Used cars: fully penetrate into the value chain of dealers to facilitate their operation

Provide an open trading platform for used car dealers based on the philosophy of “connecting users and empowering dealers for synergies and win-win results”.

**Platform upgrading**
- Has worked with **34,000** merchants and introduced **5000** merchants.
- Used by **300,000** users per day

**More leads**
- **50,000** leads per day, China’s largest platform providing the most accurate leads

**Deal booster**
- Favored the deals of over **400,000** cars within only three months after the launch

**Online transactions**
- Get through the online payment and promote partners to open main accounts in Autohome, so as to **fully improve pure online business**.
Auto parts: build a part trading and service platform centered on F2B and B2B

Build an open platform for auto part trading and services and extend it to C-end, by overcoming difficulties in quality, channels and logistics..

- **Smart Sales**
  - SKU > 1mn, covering all kinds of products in the market

- **Insurance inquiry**
  - Introduced 1,500 selected auto part dealers

- **Online payment and collection**
  - Monthly trading volume was about RMB120mm, ranking No.1 in terms of market share
Financial Services Ecosystem
Health Care Services Ecosystem
Auto Services Ecosystem
Real Estate Finance Ecosystem
Real Estate Finance Ecosystem: the largest industry in China, real estate creates ~20 tn GMV and market on development, marketing & financial service.

**New house**

~12 trillion

The market of new houses is now keeping stable growth mainly driven by tier 3 and 4 cities. The new house market is moving into the direction of “far into the future”

**Second-hand house**

~7 trillion

Includes sales & rental. Tier 1 and leading tier 2 cities have already entered into the inventory housing market, while other cities are gradually moving into it.
Real Estate Finance Ecosystem: The compressed margin has propelled players to make improvements, creating empowering opportunities for better efficiency & experience

<table>
<thead>
<tr>
<th>Pain points</th>
<th>Product/Service Offering</th>
<th>Impact</th>
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<tbody>
<tr>
<td><strong>Developer</strong></td>
<td>E2E project management from design to sales based on BIM</td>
<td>Cost cut by 10%, Time cut by 5%, Full process close-loop management</td>
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<td>Difficult land acquisition</td>
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<td>Lack of cost control</td>
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<tr>
<td>Weak project management</td>
<td><strong>Real estate cloud</strong></td>
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<td>Low de-inventory rate</td>
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<tr>
<td><strong>Serviced residence owner-operator</strong></td>
<td><strong>Service cloud</strong></td>
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<tr>
<td><strong>Agency</strong></td>
<td>House/customer acquisition &amp; management tool based on AI &amp; big data</td>
<td>Monthly transaction increase to 1.5 per person, 10 times vs. industry average</td>
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<tr>
<td>Difficult houses/customers acquisition</td>
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<tr>
<td>Low transaction efficiency</td>
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<td>Weak management skills</td>
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<td><strong>Broker</strong></td>
<td><strong>Government cloud</strong></td>
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<td>Inconvenient use of information</td>
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<tr>
<td>Unsatisfactory transaction experience</td>
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<tr>
<td>Limited funding support</td>
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<tr>
<td><strong>Consumer</strong></td>
<td>Online operating system &amp; real time marketing tracking &amp; forecast based on AI, big data &amp; cloud tech</td>
<td>Unified entrance, E2E online operating, All data traceable</td>
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<td>Lack of regulatory information</td>
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<td>Complicated process</td>
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Pinganfang: Established in 2014, with leading technology and finance capability as its core, PingAn empowers participants based on three cloud platforms for better efficiency & service.

- Aims to build the first & only business model that encompasses the whole real estate ecosystem, including new house, second-hand house, rental and financing solutions.
- Empower to increase the overall efficiency of real estate industry as the main value proposition, including efficiency in funding, transaction, services and regulation.
Pinganfang: PingAn has reached the leading industry position in tech capability, ecosystem building and business development

Tech capability
- 6 major systems developed with independent IP right
- Fully utilized AI, cloud & VR tech to build leading “one portal, one platform & one map”
- Massive data assets in house, customer & participants, highly efficient in data processing and insights generation

Ecosystem building
- 500k agents participated in housing business
- Over 300 collaborated developers
- Over 300 collaborated serviced residence owner-operators, including 95% of top 20

Business Development
- National leading new house sales platform, doubled annually
- Loan volume, 4 times vs. previous year
Pinganfang: Service cloud provides online & offline consumer service and empower agencies & brokers to improve transaction efficiency

**Consumer**
- Housing encyclopedia
- Smart house searching
- Smart recommendation
- Advisory services
- Accompanied visit
- Remote visit
- Free deposit based on credit information
- Installment payment

**Online**

**Offline**

**Finance**

**Agency & independent broker**
- Star broker
- Remote customer navigation
- ManPanXiang
- House provided by life insurance team
- Platform-based operation
- ERP
- Haofangtuo mobile APP
- Personnel training
- Working capital support
Pinganfang: Shenzhen rental housing platform, solely developed by PingAn, covers all supply parties, serves all participants with most complete offerings.

- **All suppliers**: covers all types of rental apartment/houses (~2.5 million)
- **All participants**: customized service modules for tenant, supplier & government
- **Complete service**: E2E functions from rental house registration to transaction, from real time data to forecast
From Ping An to Platform: Output leading technology to empower 4 key ecosystems

1. PA Biometrics
2. PA Big data
3. PA AI+Brain
4. PA Blockchain
5. PA Cloud

Empowerment

- Financial Services Ecosystem
- Health Care Services Ecosystem
- Auto Services Ecosystem
- Real Estate Finance Ecosystem