



Smarter Life, Better Future

2018 Sustainability Report



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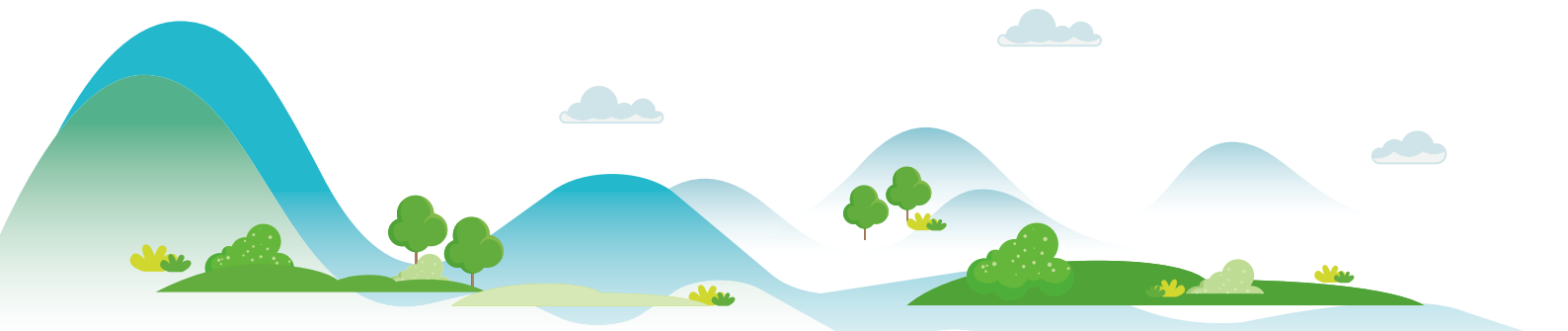
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About this Report

(I) Scope of the Report

Reporting scope: The Report is mainly about Ping An Insurance (Group) Company of China, and covers its subsidiaries.

Reporting period: From January 1, 2018 to December 31, 2018.

Reporting cycle: the Report is released annually.

(II) Compilation principles of the Report

The Report is compiled in accordance with Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited and by reference to Global Reporting Initiative (GRI) Sustainability Reporting Standards.

(III) Data of the Report

The financial data in the Report was extracted from Ping An 2018 Annual Report, which went through independent audit of PricewaterhouseCoopers Zhong Tian (LLP). Other data came from the internal systems of the Company or manual collection. Unless otherwise specified, the currency in the Report is RMB.

(IV) Assurance of the Report

The contents and data disclosed in the Report were approved by the Board of Directors of Ping An Insurance (Group) Company of China. Deloitte Touche Tohmatsu Certified Public Accountants (LLP) has carried out an independent third-party assurance on the Report in accordance with International Standard on Assurance Engagements 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ("ISAE3000").

(V) Release form of the Report

The report is released both in hardcopy and online. The online version can be accessed at www.pingan.cn.

Preface

Dear stakeholders

Thank you for reading this report and your continued attention and support for Ping An. As a world-leading technology-powered personal financial group, Ping An upholds the belief of "technology-powered financial services for a better life" and plays an important role in transforming personal financial services and stabilizing the development of international financial system. Through this report, we hope to share with you our 2018 achievements in empowering a better life for people, helping the poor, and giving back to the community.

2018 was a new historical time for both China and Ping An. It was the 40th anniversary of China's reform and opening-up, as well as the 30th anniversary for Ping An. Over the past three decades, thanks to the rapid development of China's economy, the improvement in business environment and Ping An's strategic strengths, we have achieved steady and rapid development and provided stable returns for our shareholders. Under the concept of "expertise creates value", Ping An has combined enterprise transformation and sustainable development with social value creation to pursue a win-win cooperation with all stakeholders. By advancing the "finance + technology" and "finance + ecosystem" strategies, Ping An has implemented smart financial services transformation to create efficient integrated financial service experience of "expertise makes life easier". In addition, in order to support the national goal of eradicating poverty by 2020, we launched and digitalized "Ping An Rural Communities Support" initiative in 2018 to achieve poverty alleviation, and to strengthen healthcare and education in rural areas.

Ten years ago, Ping An published the first "Corporate Social Responsibility Report". Over the past decade, corporate social responsibility has been well integrated into our company strategies. Creating social values and supporting China's development through financial and technological means has become the goal of Ping An for the coming 30 years. Since 2018, Ping An officially publishes Sustainability Report to demonstrate our endeavors in creating sustainable values for our stakeholders in our strategy formulation and implementation process.

In 2019, the 70th anniversary of the establishment of China, Ping An will continue the practice of reform and opening-up. Sustainable development will become the new impetus of future reform and development of Ping An and guide our collaborations with all stakeholders in the next 30 years.

Corporate Mission

We influence our society with finance and technology, use our expertise to create value for the shareholders, customers, employees, communities, environment and partners, and pursue sustainable development together with the stakeholders.

Vision

Become a world-leading technology-powered personal financial services group

Following the concept of "Driven By Technology, Finance Can Serve Life Better" to promote the development of our core finance and internet finance business and become a world-leading personal financial services provider

Corporate Culture

Expertise Creates Value

Our professionalism is a prerequisite for staying ahead of the industry, and "expertise creates value" is the cornerstone of our continuous leadership. Professional individuals and teams are the indispensable elements to the success of our business units and subsidiaries.



Ping An 2018 Sustainability Achievements



Poverty alleviation

Total poverty alleviation fund granted: RMB 5.394 billion
 Amount of philanthropy investments: RMB 450 million
 Total number of rural clinics upgraded: 400
 Total number of village doctors trained: 5,702
 Total number of village schools constructed: 391
 Total number of village teachers trained: 4,819
 Registered volunteers at Ping An Volunteer Association: 690,000
 Number of poor people supported: 330,000
 Assisted poor households: Over 15,000



Customer experience

Group NPS: 41%
 Overall customer satisfaction of Ping An Life: 95.3%
 Auto claims payment ratio of Ping An Property & Casualty: 99.93%



Employee development and training

Total number of employees: 376,900
 Annual investment in trainings: RMB 1.046 billion
 Annual amount of enterprise annuity payment of 2018: RMB 643 million
 Annual amount of employee remuneration: RMB 49.902 billion
 Average per-capita hours of face-to-face and online trainings: 9.21 hours



Community and environment

Carbon emission deduction via technology-powered services: 61,552.3 tCO_{2e}
 Percentage of total loans for SMEs at Ping An Bank: 15.24%
 Percentage of total loans for SMEs at Puhui Financial: 50%
 GHG emission*: 197,904 tCO_{2e}



Business partnership

Total number of suppliers: 1,467
 Total amount of centralized procurement: RMB 7.441 billion
 OneConnect partners: 3,289

*GHG emission include scope 1, 2, 3.

Corporate Profile

Ping An Insurance (Group) Company of China, Ltd. ("Ping An", "the Group", "the Company" or "we") was established in Shenzhen Shekou in 1988. The Group was the first insurance company adopting a shareholding structure in China. It has developed into one of the three major financial groups in China. The Group's shares are listed on the Stock Exchange of Hong Kong (stock code: 2318) and the Shanghai Stock Exchange (stock code: 601318).

Ping An endeavors to become a world-leading technology-powered personal financial services group upholding the belief of "technology-powered financial services for a better life" and riding on development models of enhancing "finance + technology" and exploring "finance + ecosystem". Focusing on "pan financial assets" and "pan healthcare", the Group will apply innovative technologies to our five ecosystems, i.e. financial services, healthcare, auto services, real estate services, and smart city services. The Group aims to provide customers with the excellent experience of "expertise makes life easier", achieve sustainable profit growth and secure long-term stable returns for shareholders.

Ping An is one of China's personal financial service groups with the most comprehensive range of financial licenses, the widest business scope and the most compact shareholding structure. The subsidiaries of Ping An include Ping An Life, Ping An Property & Casualty, Ping An Annuity, Ping An Health, Ping An Bank, Ping An Trust, Ping An Securities, Ping An Fund and so on. Covering the entire financial services spectrum, Ping An has become one of the few financial groups in China that can provide customers with a full range of financial products and services, including insurance, banking and investment. In addition, Ping An has also actively explored fintech business via our subsidiaries including Lufax, Ping An Good Doctor, OneConnect, Ping An Haofang, and E-wallet, and has seen significant growth in terms of size and user base.

Ping An has nearly 1.79 million employees and life insurance sales agents. As at December 31, 2018, the Group had about RMB 7.14 trillion in total assets and RMB 556.51 billion in equity attributable to shareholders of the parent company.

As of December 31, 2018,

Total assets

¥ **7.14** trillion

The value in equity attributable to

¥ **556.51** billion

Consolidated net profit

¥ **120.45** billion

Dividends per share

¥ **1.72**





ESG Strategies and Management

Governance structure

Ping An operates under a well-established corporate governance structure and a leading comprehensive risk management system. When continuously strengthen our corporate governance, Ping An acknowledges the risks related to Environmental, Social and Governance (ESG) aspects and their significance to our long-term development. Since 2017, we have included ESG-related duties in the Group Executive Committee. With the addition of such responsibilities, we hope to enhance our ability to manage ESG issues and the related risks. Through regular reporting to board members and senior management, Ping An closely monitor the progress of ESG execution and ensure effective governance.

Decision-making level: Board of Directors

The Board of Directors is wholly responsible for overseeing the ESG governance of Ping An. Group Executive Committee of Board of Directors discuss and approve overall ESG targets and strategies. The Board is also responsible for approving annual sustainability reports, which evaluate the ESG performance of the Company every year.

Management level: ESG Management Committee

Under the Group Executive Committee, Ping An has established Investor Relations and ESG Management Committee (the Committee) and incorporated ESG issues in our company strategies. With an aim to achieve responsible investment and product development, the Committee provides guidance on how we can fully embrace ESG factors into business considerations and leverage our products and investment to promote and address various social and environmental issues.

Currently, the Committee is chaired by the executive vice president & Chief Financial Officer of the Group, and the Board secretary of the Group serves as the executive secretary with our management team as other committee members. The Committee convened regular meetings to identify risks and opportunities related to the economy, environment and society, develop sustainable strategies, and improve ESG governance and performance of the Company.

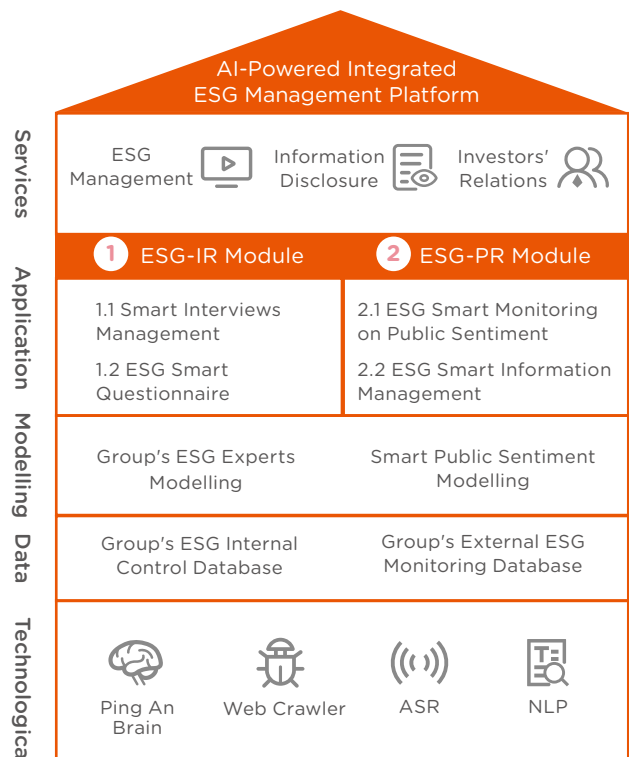
Execution level: ESG Office

The ESG office under the Committee consists of the ESG team from Group Branding Department, as well

as ESG related departments from the Group and subsidiaries. The Group ESG team is responsible for ESG strategy implementation, internal communications, planning and implementation of related projects and performance appraisal. ESG related departments from the Group and subsidiaries conduct the planning for ESG daily work and execute ESG initiatives. The Group ESG team regularly analyses the impact of various ESG issues on the Company, and reports the ESG risk analysis and periodical ESG execution results to the Group Investor Relations & ESG Management Committee.

Ping An has searched for long-term and sustainable investment methods to support responsible investment as a strategic long-term priority. Our Investor Relations and ESG Management Committee guides business units in integrating ESG factors into their investment and business decisions to support responsible investment and responsible product development.

To further enhance our ESG management, Ping An has initiated the planning of Ping An AI-ESG, an integrated platform, to sharpen our management and communication efficiency across the Group and increase our brand influence in the capital market.

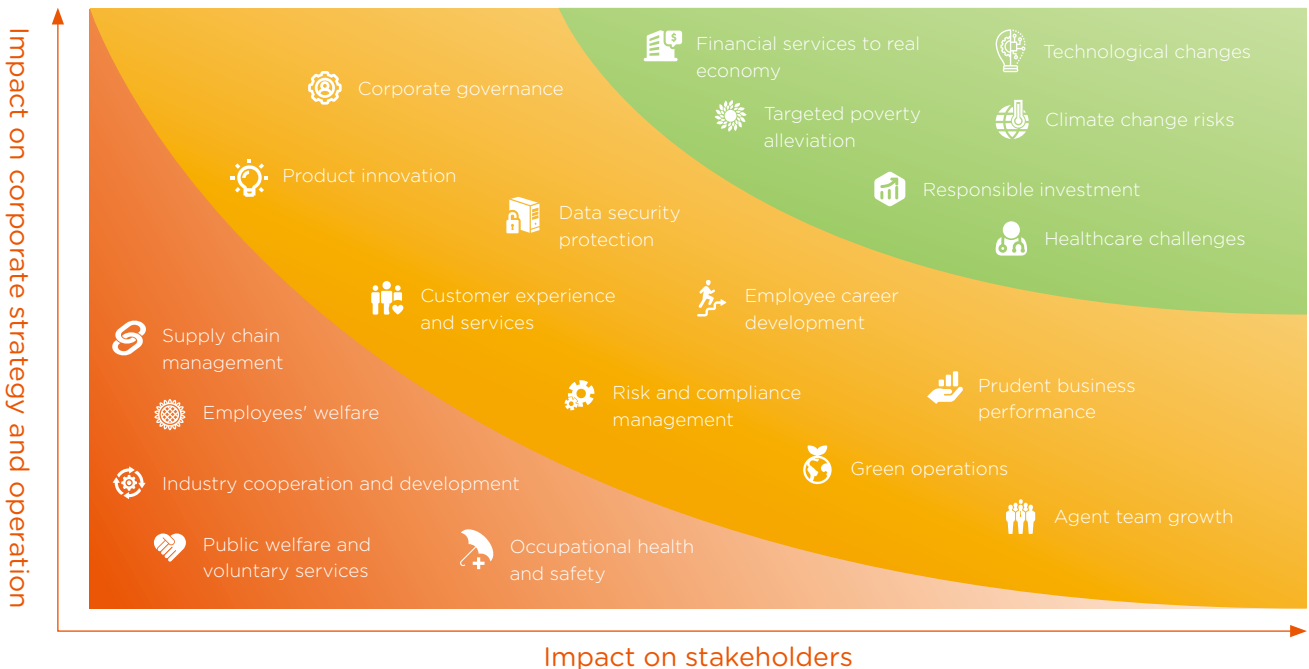


Stakeholder engagement and materiality analysis

Stakeholders, including shareholders, customers, employees, community and environment, and business partners are of paramount importance to Ping An. Intending to understand the stakeholders' expectations on Ping An thoroughly and satisfy the diverse information needs of each stakeholder group, the Company maintains regular contacts with stakeholders via various channels.

Stakeholders	Shareholders	Customers	Employees	Business Partners	Community and Environmental
Communication Channels	<ul style="list-style-type: none"> • Corporate notices, interim and annual reports • General Meeting of Shareholders • Investors' forum • Regular visits and communications 	<ul style="list-style-type: none"> • Customer services (phone, online and face-to-face channels) • Interaction on WeChat platform • NPS Survey 	<ul style="list-style-type: none"> • Meetings with employee representatives • Redress channels for employees • Employee hotlines • Internal office management system 	<ul style="list-style-type: none"> • Procurement activities • Supply chain management system • Suppliers' meetings 	<ul style="list-style-type: none"> • Community and charitable events • Volunteering activities • Interactions on social media
Interested Issues	<ul style="list-style-type: none"> • Prudent business performance • Corporate governance • Risk and compliance management • Climate change risks • Health and demographic risk 	<ul style="list-style-type: none"> • Quality customers services • Data security protection • Product innovation • Financial education • Technological changes 	<ul style="list-style-type: none"> • Employee career development • Work-life balance • Occupational health and safety • Employees' welfare 	<ul style="list-style-type: none"> • Supply chain management • Agent team growth • Industry cooperation and development 	<ul style="list-style-type: none"> • Targeted poverty alleviation • Inclusive finance • Green operations • Public welfare • Healthcare

Ping An collects suggestions and feedbacks from both internal and external stakeholders through regular meetings, ESG seminars and workshops according to the Environmental, Social and Governance Reporting Guide of the Stock Exchange of Hong Kong Limited. We perform benchmarking against global leading peers to determine and improve our identification and prioritization process of ESG issues to make sure we properly disclose and manage the most material ESG issues.



Core Topics



Targeted Poverty Alleviation



Embracing Technological Changes



Financial Services to Real Economy





Addressing
Healthcare
Challenges



Addressing Climate
Change Risks



Responsible
Investment





Targeted Poverty Alleviation



Village Officer



Village Doctor



Village Teacher

Nowadays, there is still a huge population living in poverty with limited access to resources such as education, healthcare, and infrastructure. This has created very obvious social inequality and hindered balanced and sustainable development, thus to eliminate poverty is always the key mission across the world.

Over the past 30 years, about 0.7 billion people in China have been lifted out of poverty. Building upon this success, the Chinese government's targeted poverty alleviation policy aims to eradicate poverty by 2020. In 2018, this poverty relief work was in full swing.

Ping An has always incorporated the concept of impact investment in our business and strives to balance social impacts and revenue. In 2018, we launched Ping An Rural Communities Support, an initiative to support the national poverty eradication strategy. It comprises the Village Officer Program, Village Doctor Program, and Village Teacher Program, which together strengthen our industries, healthcare and education business in rural areas in return.



The Progress of Ping An Rural Communities Support

Over the past year, Ping An Rural Communities Support has capitalized our strengths, combining advanced technologies including big data and artificial intelligence (AI) with financial tools to create a systematic and replicable model for smart poverty alleviation.



Village Officer Program

Tailor-made industrial poverty alleviation with a closed-loop products marketing system.

Impoverished areas suffer from underdevelopment and inadequate capital access as well as a long-term and effective mechanism for agricultural investment. Inefficient financial services in rural areas, and the absence of an established credit system, have reduced the capital availability and financial product diversity, creating a RMB 3 trillion financing gap for "agriculture, rural areas and farmers".

In 2018, Ping An launched the Village Officer Program to help unlock the potential of rural industry. The initiative uses our capabilities in insurance, financing, capital raising and technology to create a sustainable industrial poverty alleviation model. It enhances agricultural finance infrastructures and brings financial and technological capital into rural villages, which is also a trial for Ping An in terms of impact investment.



Core agricultural enterprise loan scheme

Providing low-interest or interest-free loans for core agricultural enterprises to modernize their value chains and foster collaborations with impoverished households on planting and cultivation. This product aims to improve villagers' income and stimulate the development of modern agriculture in poverty-stricken areas.



Hydropower support scheme

Issuing loans for the construction and operation of environmentally-friendly hydropower stations that provide poor households with a stable financial return.



Poverty alleviation loan scheme

Investing in local government poverty alleviation bonds to raise funds for projects in impoverished counties. These include resettlement programs, infrastructure construction, rural public facilities and industrial park factories, solar photovoltaic projects, and education enhancement.



Poverty alleviation insurance scheme

Our poverty alleviation insurance is the first in China to provide comprehensive assistance on the entire value chain, allowing poor households to operate their businesses in the lowest risk environment. It leverages interest-free and guarantee-free capital, and the combination of insurance and technology to provide insurance protection with a low participation threshold and has been promoted in 11 provinces including Fengjie, Chongqing and Taijiang, Guizhou.



Case Study

As of December 31, 2018,

Total poverty alleviation fund granted

¥5.394 billion

People in poverty benefitted

330,000

As of December 31, 2018, the Village Officer Program has distributed RMB 5.394 billion in funds, and Ping An's poverty-relieving agricultural products sales platform has generated RMB 11.91 million in revenues. We have appointed 59 Village Officers and benefitted a total of 330,000 people. Our industrial poverty alleviation loan has supported over 15,000 poverty-stricken people.

Core agricultural enterprise loan links up leading enterprises with poor households

Ping An is providing a RMB 30 million low-interest loan for Chia Tai Group to support its pig farm project in Wuxuan County of Laibin City, Guangxi. By employing local poor farmers, the program distributes not only income but also pig farming knowledge. In the future, farmers can collaborate with Chia Tai when receiving land dividends or through cooperatives.



An outer view of the pig farm

Ulanqab Yin Shan Oat industrial poverty alleviation project with all-round solutions

The Yin Shan Oat industrial poverty alleviation project is a demonstration of the benefits of poverty alleviation insurance scheme. The interest-free loan of RMB 30 million requires no guarantee and supports Yin Shan Oat, a leading local agricultural enterprise, to offer planting partnership, free quality seeds and protective repurchase mechanism for impoverished households. Besides, AI and unique sales and marketing model are adopted to enhance the project efficiency and promote the agricultural products to consumers.

As of December 31, 2018, the project has increased the net income across 1,087 poor households by RMB 4,860. Yin Shan's oat order has created nearly RMB 10 million in sales from poverty-relieving agricultural products. The project also created 35 employment opportunities and paid wages of over RMB 600,000 to impoverished people.



Village Doctor Program

Comprehensive healthcare assistance and digitalized tools to bridge the urban-rural gap.

In recent years, low-quality healthcare services in rural areas and poor health awareness among villagers have driven the morbidity of diseases significantly higher than the national average. Many villagers have been dragged into poverty due to illness.

These problems have highlighted healthcare as a core element for nationwide poverty alleviation work. There is a pressing need to improve the capability and quality of medical services in rural areas.

The Village Doctor Program strengthens basic medical and healthcare services in rural areas. Its 4+1 Smart Medical Comprehensive Scheme enhances four major medical services via the Village Clinic Upgrading, Village Doctor Training, Auxiliary Medical Service, and Health Checking.

Village Clinic

Ping An donates medical equipment such as all-in-one inspection machines to village clinics, which improves the hardware setup in poverty-stricken villages and enables one-stop regular health checkup services. The village doctor version of Ping An Good Doctor app includes an AI-assisted smart auxiliary diagnosis and treatment system that increases the accuracy of preliminary diagnoses by village doctors. The app also enhances the efficiency of medical referrals via online appointment scheduling and data consolidation. Besides, Ping An improves health record management by building digital health profiles for every individual and uploading them to the app.



Trainer is explaining how to use the all-in-one inspection machine



Village doctor

Knowledge sharing is a focal point for the app, which connects urban and rural doctors for one-on-one assistance in daily diagnosis and treatment work. Ping An extends this knowledge sharing by working with local governments and members of the Chinese Medical Volunteers Association for mass training sessions delivered by experienced doctors, covering topics including health check reports, local common infectious diseases, and the prevention and treatment of chronic diseases.



Giving plaques to village doctors in Guangxi

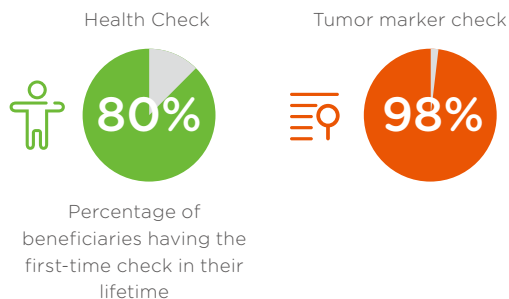
Villager

To enhance villagers' awareness of health risks, Ping An uses a mobile health check center and invites renowned doctors and health experts to provide voluntary medical examinations in impoverished areas. We have also established an innovative cloud platform to upload health check reports in real time, enabling the simultaneous interpretation of results both online and offline. It can swiftly alert villagers and local health institutions of health risks and enable early medical interventions.

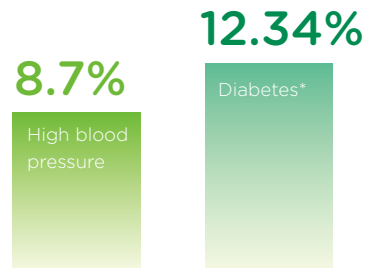
Ping An provided health check services and promoted health awareness in rural area



Health check under the Ping An Rural Communities Support



Diagnosed rate of health issues for rural populations



Infographics: The Village Doctor Program reveals the status of rural healthcare services and the health condition of villagers.

Case Study

The front line of the Village Doctor Program: Volunteers deliver the first health check for villagers

Since the first voluntary medical examination on April 24, 2018, Ping An's mobile health check center has travelled tens of thousands of kilometers across 118 villages, holding 109 clinics, providing health checkups for nearly 20,000 villagers. For the villagers, up to the centenarians, down to the innocent children, accepting professional formal medical examinations are the "first time" in their lives.

The children in the village have never had health checkup. They exhausted their imagination to answer the question "What is the medical examination?". "Is it to take a vaccination?" "Is it to check the hand?" More children replied with slight embarrassment: "I don't know." Not only children, the physical examination site also met a 113-year-old grandfather, who also came to have his first medical examination.



Health mobile health check center entering the Pinglue Village of Guangxi to provide medical treatment for villagers



The doctor of Ping An health (testing center) interpret the medical report for villagers



Child experiencing his first medical check-up



Medical check-up for hundred-year-old villagers

With poor hygiene awareness, village children suffer from serious dental cavities due to infrequent face washing or teeth brushing. Our medical volunteers taught them the importance of personal health practices such as twice-a-day teeth brushing with toothpaste.



Volunteering village doctors promoting health knowledge to children

As of December 31, 2018,

The villager doctor program clinics upgraded

400

Village doctors trained

5,702

Mobile health checks

109

Villagers received health checks

12,831

Villagers received voluntary medical examinations

6,440



Village Teacher Program

Promoting rural-urban education equality.

Inaccessible transportation and an under-developed economy have long hindered quality education services in impoverished areas, leading to intergenerational poverty. To help alleviate education poverty, we must redistribute educational resources.

Ping An has created a smart education platform to bridge the rural-urban gap by bringing quality education resources online from urban to rural areas.

The Village Teacher Program launched the nationwide 4+1 Smart Primary School Comprehensive Construction Scheme, including Village Primary School Upgrade, Principal Training, Teacher Training and Volunteer Teaching programs support village primary schools, teachers and students. Thanks to the rapid development of AI and big data technologies, apart from providing interactive live-streaming facilities Ping An has developed an online teaching platform to coordinate quality teaching resources and offer online teacher training. We also strive to align village lesson content with quality urban schools through co-teaching and manner lessons. By empowering education with technology, the program improves teaching quality and education levels in rural areas.



In Hunan, volunteers are having a gym class with students in a Ping An Smart Primary School



In Zhejiang, a volunteer is talking with children



In Guizhou, a Ping An Smart Primary School student is taking an art class



In Guangxi, the volunteers are in a training course

Case Study

Village Teacher Program launched in Jiayu Pass

On June 1, 2018, Professor Yu Gengzhe from the History Department of Shanxi Normal University participated in our Village Teacher Program by delivering an online lecture in Jiayu Pass. Delivered via our smart teaching platform, the lecture reached over 50,000 students across more than 100 Ping An Hope Primary Schools and Ping An Smart Primary Schools. It was covered by Chinese Central Television's new media channel and live-streamed by more than one million people.



Prof. Gengzhe Yu is giving live broadcast lessons to students from more than 200 Ping An Smart Primary Schools

Teachers from Afar – A brand-new model for teacher training

In September 2018, Guangdong Heyuan Zijin County Yangtuo Primary School organized the Teacher from Afar training event for principals and teachers in dual locations. Village teachers taught in person and received real-time feedback from the instructors. The session was also broadcasted live to over 200 Ping An Hope Primary Schools and Smart Primary Schools, enabling more than 1,000 teachers to learn and share their views simultaneously.

As of December 31, 2018,

Village primary schools upgraded

391

Village teachers trained

4,819

Students in Ping An Smart Primary Schools

0.23 million



Embracing Technological Changes



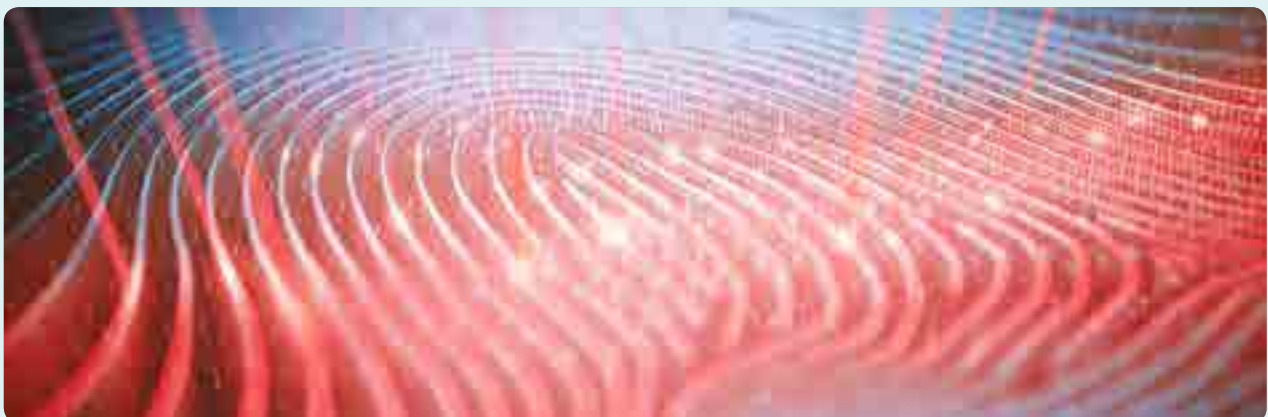
Number of patent applications in the 2018, ranked first in Global Fintech Patent Ranking

1,205

Technology is a substantial driving force for enterprise development and social progress. Rapid technology advancement also profoundly changes people's way of living, behavioral patterns and consumption habits. Ping An is committed to continuous technological transformation. With our insights into future trends and deep understanding of customers' needs, we provide technology-powered financial and healthcare products and services to create value for the whole of society.

Ping An currently has around 30,000 R&D professionals and more than 500 big data scientists exploring several technology areas including AI, blockchain, fintech and healthtech. Many of our scientific research outputs like facial recognition, smart medical image processing and blockchain have already obtained national invention patents. With a total of 1,205 patent applications, Ping An ranked first in the 2018 Global Fintech Patent Ranking (Top 20) jointly released by IPRDaily, an intellectual property media with global influence, and incoPat, an innovation research indexing center.

In 2018, Ping An announced corporate technology strategy: technology enables finance, technology enables ecosystem, ecosystem promotes finance. This strategy has three facets. The first links business scenarios and transactions with primary financial tools through technology to enable finance. The second creates a closed-loop cycle of scenarios, customers, and services, using technology to enable our five smart ecosystems. The third expands our business scenarios through our ecosystems according to growing customer demand and to promote finance sector in return.





Technology enables finance

At Ping An, we are making long-term investments in technological innovation within our core banking, insurance and asset management operations. This enables us to improve efficiency, reduce costs, optimize customer experience, strengthen risk management, and sharpen our competitive edge.

Ping An has responded to evolving financial services needs by using our AI technology expertise and developing over 50 AI + finance solutions. We currently provide solutions such as AI + marketing, AI + product, AI + risk management, AI + service and AI + operations for more than 3,000 financial institutions. These applications have cumulatively prevented approximately 15 million frauds, saving more than USD 45 billion in losses.

Developed AI + finance solutions over

50

Cumulatively frauds prevented

15 million

Provided solutions to financial institutions over

3,000

Losses saved in 2018 over

\$ 45 billion



With the use of big data mining, AI smart marketing can respond to customers' financial product queries in less than a second without human intervention.



The system can automatically complete an end-to-end risk management process extending from preview through to assessment and post-loan management. It can comprehensively evaluate applicants' business potential, assess their ability to fulfil contractual obligations, and evaluate systematic and reputation risk.



Using tools such as chat robot, voice robot and smart customer service assistant, AI + service can improve efficiency and reduce customer service costs in online, offline, and call center customer service scenarios.



Credit losses cut by

60%

In 2018, Ping An was the first organization in the world to use micro-expression recognition technology. It cut credit losses by 60% and shortened the approval time from five days to two hours, facilitating over RMB 500 billion loans.

We upgraded our auto insurance services with our "510 Speedy Assessment", which helped to handle over 90% of accident assessments within 10 minutes for more than 10 million claims. Our smart rapid claim system also lowered the cost of processing vehicle damage claims by 10% with a self-help claim settlement rate of 60%.

By combining blockchain technology with traditional bank risk management systems, Lufax has developed a unique loan service model.

Case Study

Puhui Financial supports inclusive finance with technology

Puhui Financial first deploys the remote interview video robot in the industry to break the geographical restrictions. Through various real-time AI analysis technologies and natural language processing, the robot is able to accurately understand the client purpose of loan application for faster AI approval response. The average interview length can be significantly reduced from 20 minutes to 5 minutes.





Technology enables ecosystem

The Finance + Ecosystem strategy focuses on developing core technologies such as AI, blockchain and cloud computing to create five ecosystems, namely financial services, healthcare, real estate services, auto services, and smart cities. The ecosystems cover people's daily necessities and enable Ping An to enhance our customer service.

Technology enabled financial services ecosystem – OneConnect

OneConnect is a world leading tech-service platform of finance to offer end-to-end solutions of intelligent marketing, products, risk control and operation to financial institutions.

- Through the unique Technology + Service model, OneConnect offers **10** solutions for retailing banks, SMEs, insurance and investment institutions.
- Global leading technologies in AI, biometric recognition, blockchain, etc. OneConnect has applied for **1,465** patents.
- As of the end of 2018, OneConnect has served over **3,289** clients include **5** large scale banks, **12** joint-equity banks, thousands of small to medium scale banks, insurance, investment and other financial institutions.
- OneConnect completed series A round financing in early 2018 with an estimated value of **7.5** billion dollars.

Technology enabled healthcare ecosystem – Ping An Good Doctor

- Ping An Good Doctor offers AI-powered medical capabilities, complemented by **1,196** medical staff. It provides a one-stop platform with comprehensive internet medical services for patients.
- It is the world's largest online portal for healthcare services with **53,500** daily consultations on average, equivalent to the volume of over **250** Class III Grade A hospitals. It has also been gradually launching one-stop healthcare services in the countries and regions along the Belt and Road.
- Ping An Good Doctor was listed on the Hong Kong Stock Exchange's main board in 2018, making it the first listed internet healthtech company in the world. It is currently exploring development avenues in overseas markets.



Technology enabled auto services ecosystem - autohome

As an AI-enabled online sales platform, Autohome is the market leader capturing the largest online traffic among auto buyers, original equipment manufacturers (OEMs), and dealers in China. Autohome offers value to partners in the auto ecosystem using AI, big data, and cloud to improve traffic, leads, content, and data.

- Consumer-facing: Expand coverage to entire life cycle and serve **35.5** million daily active users, ranking the first globally in auto services
- AI: World-leading AI technology and big data applications in automotive industry, covering marketing, call center, transaction and financing
- Business-facing: Improve sales through in-depth industry connection, serving **100** OEMs, **26,000** auto dealers and **30,000** used car dealers

Technology enabled smart city ecosystem - Ping An Smart City

Ping An Smart City is a front runner in smart city development of China, covering over 60 cities with 115 projects in progress. The Ping An 1+N Smart City Platform comprises 1 Smart City Cloud and N service modules such as Smart Education, Smart Environment Protection, and Smart Elderly Care. Other modules include:

- Smart Healthcare: Our medical knowledge graph covers over 700 disease models and millions of medical evidences and achieves 95% accuracy rate for medical image processing, providing leading medical information and service protection for the healthcare industry.
- Smart Government Administration: This module offers over 700 live services saving around two hours per person, serving over three million commercial entities and improving efficiency by 50%.
- Smart Transportation: This offering uses AI + supervision to achieve traffic violation recognition with a 99% accuracy rate, reducing manual review workload by 70%, and handling minor accidents within five minutes. Full empowerment through Smart Environment Protection, Smart Education and Smart Elderly Care.

In 2018, Ping An's blockchain applications made world-leading breakthroughs, establishing the world's largest commercial blockchain application platform with over RMB 20 trillion in transactions. It has unlocked remarkable achievements in areas including finance, trade, healthcare, smart city, environmental protection and agriculture.

Ping An has applied blockchain technology to the countries and regions in the Belt and Road Initiative and to the eTradeConnect platform in Hong Kong, the world's first blockchain-based trade platform sponsored by regulators. The platform has established a virtual trade corridor connecting Hong Kong with international trade hubs in Europe, Guangdong-Hong Kong-Macau Greater Bay Area, and Bohai Bay. It has bridged the gaps in international trade and cross-border finance in the Asia-Pacific region and around the world.

2018 blockchain applications platform transactions over

20 trillion



Ecosystem promotes finance

In the coming year, Ping An will continue to interact with customers through our five ecosystems to enhance cross-selling and retain customers. Using technology to establish robust and closely-connected ecosystems enables us to create better-integrated financial services to customers and deliver more shareholder value.



Safeguarding data security

As an insurer, comprehensive financial services provider and Fintech leader, Ping An handles a large amount of consumer information and data in our daily operations. We recognize the data security challenges coming with rapid technological transformation and development. We prioritize the management of customer information and internet security in our products and businesses, and we aim to continuously improve our data security management level across the group.

We have established a Group Risk Management Executive Committee supported by the Chief Information Officer (CIO). The CIO manages the Group's Information Security & Operations and User Experience departments while defining targets and formulating principles for information security work. Our subsidiaries manage their information security under the Group's leadership and work closely with each other. Our information security efforts are effective thanks to strong coordination among departments and business lines, and the participation of all employees.

Information Security Governance Structure





Based on this structure, Ping An has established the Information Security Management Regulation (2018 version). The Group thoroughly promotes the importance of information security from top to bottom across all subsidiaries. Subsidiaries help the information security effort by supplementing the regulation with implementation details and initiatives tailored to their own operations. They also clarify the required security protection measures for the input, transmission, storage, and use of customer information. A series of measures to prevent data leakage has effectively protected the security of customer information. Information security management has achieved 100% coverage of subsidiaries.

We established a Group Security Response Center and built platforms for business security risk management. These resources detect threats to information security, execute rapid response actions, and enable us to provide customers with a solid information security guarantee.

Ping An's Information Security Management System is certified against ISO 27001 in group level and we regularly conduct internal and external audits for information security management and data privacy protection. We report those audit results to the Audit and Risk Management Committee under the Group's Board of Directors.

Ping An Cloud, one of Ping An's core technologies, attained the highest level of regulatory requirements for information security. Ping An Cloud meets over 60 compliance requirements and has passed twelve local and international authoritative cloud certifications including ISO 27001, ISO 20000, ISO 27018, ISO 22301, C-STAR, Trusted Cloud, Level 4 Graded Protection 2.0, etc. It has taken the lead among cloud service providers in attaining the highest level of certification.

Every year, we train the Group's information security-related employees on topics such as data security and customer privacy to further enhance their awareness and ability in protecting information and data security. All subsidiaries conduct targeted information security training for employees according under the Group's guidance. In 2018, Ping An and our subsidiaries achieved a 100% coverage rate in information security training.

In addition, Ping An conducted information security assessments for our subsidiaries in 2018, achieving a 94.3 total average score. We have also drafted our 2019 Information Security Assessment Standards, which focuses on five dimensions: key risk indicators, key project progress, implementation maturity, rewards, and penalties under the accountability system. It contains 26 information security assessment indicators in total.



Ethical governance of artificial intelligence

As the pace of AI adoption quickens, inappropriate big data and AI decision-making applications may expose some negative concerns such as certain groups to unequal treatment and ethical risks of uncontrolled AI decision. While actively supporting AI and big data development, Ping An has been also considering the associated fairness and ethical issues.

Fairness

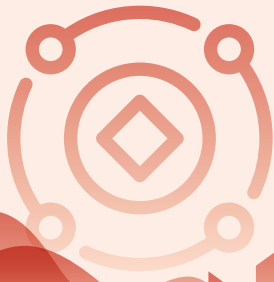
Ping An abides to regulatory requirements by only using data within permitted scope and always performing desensitization. We also avoid bias in factors and characteristics screening when constructing processing models.

Ethics

Ping An's AI decisions share the same ethical level as human-made decisions and are consistent with our ethical standards. We guarantee to only use AI under a supervised learning environment. Ping An applies AI decision making mainly in finance and healthcare, and its outputs only serve as an auxiliary decision-making tool for humans, who make the final decision.

In the future, we will continue to strengthen ethical governance across the Group and the subsidiaries. We strive to create robust privacy controls for our customers and employees. At the same time, we call for more attention on privacy, data protection and ethical AI from governments, enterprises and institutions to share the responsibilities and obligations and jointly create a climate of data privacy. We will continue to uphold ethics and fairness in the application of big data and AI, ensuring that the technological transformation brought by AI will be safe and people-oriented.





Financial Services to Real Economy

The financial industry is the backbone of the real economy, and a lack of effective financial support can impede economic development. Since 2018, the government has furthered supply-side structural reform to improve the quality of development in the real economy. The financial industry is supporting this process with strategies to promote economic transformation and industrial restructuring.

As an integrated financial conglomerate, Ping An supports key national strategies such as the Belt and Road Initiative, Beijing-Tianjin-Hebei integration, supply-side structural reform and economic transformation, and private enterprises support. We have optimized the allocation of our financial resources through insurance investment in the real economy.

Through different debt and stock investment plans, Ping An invested in infrastructure constructions such as railway, highway, clean energy, power stations and oil and gas pipelines. We jointly launched large-scale development funds with municipal governments to support smart city development, inter-city railways and airport construction projects. Ping An also continues to invest in rural hydropower, retirement communities and long-term rental apartments to improve people's lives.

We developed an innovative assistance model called 211 to support hydropower stations in impoverished areas. We also support the development of quality listed companies and private enterprises by providing over RMB 100 billion in loans and supportive projects to those with financial difficulties.

Ping An's insurance, banking, and investment subsidiaries support the development of the real economy through various tools.

As of Dec. 31, 2018, Ping An holds

Government bonds

¥1.06 trillion

Corporate bonds

¥250 billion



Ping An Life infrastructure facilities debts balance in 2018

¥96.5 billion

Insurance

Ping An Life



Ping An Life supports the real economy through a diverse investment portfolio that covers high-tech, environmental protection and emerging manufacturing industries. It also channels support to livelihood and infrastructure projects through various financial instruments such as the Infrastructure Facilities Debts Investment Plan. The 2018 infrastructure facilities debts investment balance in 2018 is RMB 96.5 billion.

Ping An Property & Casualty

Ping An Property & Casualty supports real economy development through diverse investments. It launched the first-ever comprehensive insurance solution for key technological equipment, providing insurance coverage and quality credit enhancement services for Made in China high-end key technological equipment. The first insurance contract for an equipment selling overseas carries a value of over RMB 18 billion.

Ping An Annuity

Ping An Annuity actively supports the Belt and Road Initiative, green finance development, shanty town transformation, and the coordinated development for the Beijing-Tianjin-Hebei Region. As of December 31, 2018, Ping An Annuity has cumulatively provided more than RMB 20 billion in financial support for major national projects and local infrastructure development.

Ping An Bank credit balance to private enterprises in 2018

¥718.6 billion

Bank

Ping An Bank

In 2018, Ping An Bank developed "One client, One policy" Plan to private enterprises experiencing financial difficulties, the annual credit balance to private enterprises reached RMB 718.6 billion, which accounts for 57.87% of total balance.

Ping An Trust investment in real economy in 2018

¥381.5 billion

Investment

Ping An Securities



To coordinate supports for private enterprises with financial difficulties, Ping An Securities planned to set up a special taskforce works with banks, insurance, SOEs and government and establish a special asset management plan of RMB 20 billion in December 2018.

Ping An Trust

In the past five years, Ping An Trust has invested more than RMB 1.7 trillion in the real economy, RMB 381.5 billion in 2018.



Inclusive finance

Puhui Financial

The number of small and micro-enterprises supported

2.5 million

Financing over

¥500 billion

Due to the uneven distribution of financial services across China, there is an urgent need to improve coverage outside urban areas, which is a huge market with almost 80% potential consumers. Based on the principles of equal opportunity and economic sustainability, inclusive finance aims to provide appropriate and affordable financial services to all individuals and sectors in society. The Chinese government highly values the development of inclusive finance to increase the accessibility to and satisfaction on financial services. Its objectives are to promote sustainable development for the financial industry and support overall economic transformation.

Ping An has incorporated the concept of inclusive finance in our strategy and operations. We are committed to providing appropriate and efficient financial services for small and micro-enterprises, as well as rural, remote, ethnic and impoverished areas.

Supporting the development of small and micro-enterprises

All Ping An subsidiaries have jointly contributed to the development of small and micro-enterprises through various means.

In 2018, Ping An Bank successfully issued RMB 35 billion in bonds which will be used exclusively for small and micro-enterprise loans.

Ping An Securities successfully launched asset-backed securities for Ping An - Sichuan Cable TV Network Supply Chain Finance Asset Support Project No.1 to support small and micro-enterprises in the upstream supply chain.

Puhui Financial is committed to improving its risk control with technical innovation, assisting with small and micro-enterprises, family business, and working-class, devoting in real economic development. As of December 31st 2018, we have provided more than 2.5 million small and micro-enterprises with over 500 billion loans, aiming to resolve their difficulties in financing.

Meanwhile, Ping An assists financial institution with techniques, exploring financial services for small and micro-enterprises. We actively promote the integration of online to offline services, with AI customer matching, AI risk control, and AI application, to improve financial service efficiency.

Promoting balanced development across regions

In 2016 Ping An established the Rural Financial Services Development Committee, which is committed to promoting the development of insurance, banking, and internet financial services in rural areas. We have provided over RMB 1 trillion in insurance coverage and financing services for rural areas.

Ping An Property & Casualty actively promotes rural insurance to improve the coverage and accessibility of financial services. It offers 494 agriculture insurance solutions covering more than 100 types of agriculture, forestry, animal husbandry, and fishery products. Its operations cover 28 provinces, autonomous regions and municipalities. In 2018, its agriculture insurance covered 17.73 million rural households, and sold 34,983 policies providing RMB 121.5 billion in total insurance.

Ping An Bank signed strategic collaboration agreements with 17 provincial-level rural credit cooperatives in China. 1,327 rural commercial banks and rural credit cooperatives act as agents of Ping An Bank to extend the provision of financial products and services to rural households and meet their growing financial needs. Currently, Ping An Bank's third-party custody services, precious metal consignment and wealth management products business have served 250 million, 18 million and more than 85 million rural customers respectively.

Since 2017, Puhui Financial has been working with China Women's Development Foundation and Shanghai Soong Ching Ling Foundation to provide more than RMB 10 million interest-free loan and capacity building supports to rural entrepreneurs in Inner Mongolia, Guizhou, Heilongjiang, Chongqing, Anhui, etc. In 2018, Puhui Financial collaborated with various professional institutes and launched innovative products such as Oxygen loan, Golden Tax loan, POS loan and home equity loan to meet the needs of small and medium-sized enterprises (SME) in government-supported industries.

Lufax has adopted date-driven risk management models and fintech to expand the financial service scope and lower its service thresholds and costs. This enables individuals and small and micro-enterprises to access financial services, fostering sustainable development. To date, more than 70% of Lufax's investment funds come from tier-one cities, of which over 60% flows to tier-three cities or below, and to rural areas. These funds cover more than 60% of key China's national impoverished counties. Since 2016, Lufax has effectively used internet finance to promote inclusive finance in agriculture, rural areas, and farmers, addressing more than 220,000 unemployed people and bringing approximately 80,000 households out of poverty.

Meanwhile, Ping An supports the development of ethnic areas and local distinctive industries to improve people's living standards through "Finance + Technology". Ping An Bank has opened branches in Liaoning, Yunnan, Guangxi, Inner Mongolia and other provinces occupied by ethnic minority groups. These branches provide financial services like loans for local agriculture, tourism and hydropower industries.

Ping An Property & Casualty

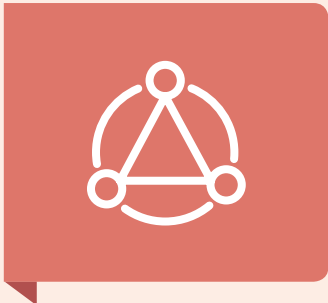
Total insurance provided under agriculture insurance in 2018

¥121.5 billion

Lufax

Households brought out of poverty amounted to

80,000



Promoting multi-channel innovation

One of the goals of inclusive finance is to improve the coverage and accessibility of financial services. To achieve this goal, the Chinese government advocates the use of technology to lower the transaction cost and extend service coverage.

Committed to integrating technology in financial services, Ping An endeavors to provide more innovative, diversified, efficient and convenient service channels for our users.



Collaboration with China Post

In keeping with the four concepts of insurance to help, protect, benefit and serve people, Ping An Annuity and China Post launched the Simple Insurance agency service, which served more than 500,000 individual customers in 2018.



Cooperation with online agency

Ping An launched an inclusive commercial medical insurance product jointly with Tencent's WeSure insurance platform. With an easy subscription process and reasonable sum insured, it won the 2018 Jin Li Cai innovative insurance product excellence award.



Online self-service insurance channel

Ping An Annuity customized a group casualty insurance offering for small and micro-enterprise customers, delivered via self-service online subscription. In 2018, it provided insurance coverage for over 26,000 small and micro enterprise customers.

In addition, Ping An subsidiaries also promote innovations in distribution channels through various measures.

OneConnect launched the first fintech service platform in China that connects financial institutions to SMEs. It allows SMEs to quickly submit loan information to financial institutions, supporting more timely and convenient financing services.

To enhance service efficiency, Puhui Financial has combined big data and biometrics with other technologies to create a new paperless O2O online loan service. The service can arrange loans in as little as two hours.

Ping An's commitment to inclusive finance and support to real economy help transform finance into a tool supporting steady and sustainable development for people and enterprises. This in turn helps to boost the development of the real economy and enhances the overall quality of economic development in China.





Addressing Healthcare Challenges

Healthcare has long been one of the most pressing livelihood challenges in China. The uneven allocation of medical resources in developed and developing areas has made access to healthcare services difficult and costly for impoverished areas. Consequently, disease has driven numerous households into poverty.

Ping An's pan healthcare strategies incorporate our corporate strengths into sustainability practices, allowing us to support the national medical reform policy and grasp the associated business opportunities. Riding on the finance + technology growth model, our healthcare ecosystem supports the optimal allocation of medical resources, the sharing of industry resources, and service quality enhancement.





Health and demographic changes management

Health and demographic issues are becoming more apparent in China. We are using our technological capabilities to support research into health risks and develop innovative health insurance products to meet these challenges.

Issues such as obesity, rising trend of diabetes among younger generation and aging population have been included in our insurance product risk assessment and control to manage the associated uncertainties. For instance, we used medical big data and AI machine learning to develop a China-specific health risk forecast model. The model incorporated more than 300 factors that can significantly affect the pace of disease development to accurately estimate the level of individual health risks, with particular focus on disease development and medical expenses.



Patients

Tailoring solutions for patients of different risk levels to alleviate their overall medical cost burden.



Medical institution

Providing reference information to select suitable treatments for patients, which can in turn reduce medical costs and increase work efficiency.



Local medical insurance institutions

Delivering health risk assessments backed by a scientific methodology to more accurately estimate medical expenses for local populations.



Commercial insurers

Increasing the reliability of customer risk identification and the efficacy of risk management.

Health risk forecast model

The output of forecast model can be applied in various ways to offer benefits for multiple stakeholders.



Tips: How health and demographic trends affecting Chinese insurance market

• Annuity:

China's commercial pension insurance replacement rate is lower than that in Europe and America, which limiting the impact of an aging population on Chinese insurers. The rate of China is predictably growing which would bring greater opportunity as well as risk.

• Health insurance:

Different healthcare insurances prevail the market of China and the market of Europe and America. Major health insurance in China is critical illness insurance that carries a lower risk exposure from health and demographic changes.

Number of policy holders of Ping An Fu critical illness insurance

3.71 million

Total sum insured of life insurance

¥1.42 trillion

Total sum insured of critical illness insurance

¥1.13 trillion

Number of policy holders of major illness insurance

71.32 million

Cumulative sum insured of effective insurance policies

¥45.4 trillion

Ping An Bank launched a Pension Investment Emerging Index to capture opportunities and share value from the demographic trend of population aging with investors.

Case Study

Incorporating emerging trends of health risks in insurance products

When calculating health insurance premiums, Ping An Health collaborates and confirms with reinsurance companies on the required reinsurance premium. This is in turn determined by national trends on health, demography, and insurance claims. If there are any significant changes in medical costs that subsequently affect its reinsurance premium, Ping An Health will adjust its product pricing accordingly to control its risk exposure and protect customers' interests.

In view of increasing government pension payment volumes for the aging population, we have collaborated with municipal governments including Shenzhen, Xiamen, and Jining to enhance the public

pension certification process using face recognition technology. This allows retirees to complete the process more conveniently and quickly.



Enhancing healthcare service access

Outdated technologies and other deficiencies in the existing healthcare service system have made access to healthcare services challenging and expensive. In light of this, Ping An Good Doctor rebuilt the diagnosis and treatment process via AI and improved healthcare efficiency. Patients are able to receive healthcare as well as diagnosis and treatment services at lower fee through our mobile healthcare platform, offline Internet hospital and healthcare network. In 2018, we have launched our smart auxiliary diagnosis and treatment system based on 410 million of online diagnosis data. The system can be used to support the online pre-diagnosis, triage, and consultation process, and has greatly improved consultation efficiency. As of December 31, 2018, Ping An Good Doctor has provided services to more than 3,000 hospitals, 15,000 pharmacy outlets and 5,203 external doctors.

Ping An Good Doctor provided services to over:

3,000 hospitals

15,000 pharmacy outlets

Case Study

Smart auxiliary diagnosis and treatment system in the "One Minute Clinic"

Ping An Good Doctor developed the first commercial unmanned clinic in China by adopting the smart auxiliary diagnosis and treatment system. The AI system automatically analyzes patients' needs and connect them with appropriate medical departments and remote doctors for further diagnosis. By combining AI analysis results and doctors' own judgement according to their conversations with the patients, consultation efficiency is significantly boosted.

We have also established the largest online platform for government family doctor services. In 2018 Health Konnect launched its family doctor services through a mobile app across China. The app provides online services in areas including medicine, public security account management, and health record management. It boosts government time and cost efficiency and offers a convenient way for the public to access municipal services, boosting smart city development efforts. As of December 31, 2018, approximately 50,000 family doctors and 13.6 million residents have registered on the platform.



Case Study

Intelligent medical insurance solution

Health Konnect uses its leading technologies of AI, big data and blockchain to connect medical insurance managers with healthcare service providers like hospitals to build intelligent medical insurance solution. With its five intelligent core products for risk control, actuarial decision-making, payment, chronic disease management and administrative services, the solution greatly improves the efficiency of insurers and utilization of medical resources.

Ping An Health has applied the concept of health management + medical services + insurance protection as part of its healthcare strategy. Ping An Health recognizes itself not merely as an insurer, but also as a bridge among pharmaceutical

companies, doctors, medical service providers and patients. It is committed to continuous product and service enhancement to meet the needs of grassroots, middle-class and upper-class populations.

Case Study

Insurance on malignant tumors for chronic patients and the elderly

In 2018, Ping An Health relaxed some insurance policy issue restrictions and launched two specific products to address cancer risks, providing more insurance protection for elderly and chronic patients who are typically excluded from traditional medical insurance. To make quality medical services more accessible, Ping An Health also uses its medical resource network to provide medical green passage services and secondary consultation services for its clients.



Advancing healthcare services and medical technologies

In 2018, Health Konnect made a breakthrough in its use of healthcare technology to support national healthcare system reforms. It built an end-to-end intelligent medical integrated service management platform that supports governments' smart medical service initiatives and enhances the efficiency of auxiliary medical institutions.

The platform combines AI and Ping An Cloud for intelligent functions such as disease prediction, triage, medical image scanning, auxiliary diagnosis and treatment, ICU serious diseases management, and patient education. Health Konnect and Tsinghua University have jointly launched the AI City Health Index to dynamically monitor the health trends in urban areas.

Ping An's intelligent medical imaging can accurately identify 35 types of cancers and chronic diseases, covering radiology, pathology and

Prediction accuracy reached

97.6%

Critical illness patients supported

20 million

Chronic illness patients supported

200 million

retinal multi-modal images of nine major systems in the human body. It won first place in three international competitions and was adopted in 61 cities across the country to support over 20 million critical illness patients and 200 million chronic illness patients. Its prediction accuracy reached 97.6%, making it a highly effective tool for intelligent disease prevention and control.

AI-assisted clinical diagnosis and treatment can support the auxiliary diagnosis of 700 diseases and the adjuvant treatment of 35 common diseases with an accuracy rate of more than 95%. The technology is now widely applied in grassroots healthcare institutions. The AI-assisted treatment group scored 86.2 in the General Intelligence Medical Assistant Decision-Making competition, co-hosted with Fudan University-affiliated Zhongshan Hospital. It significantly beat the traditional manual medical treatment group's score of 51.5.

At present, Ping An's medical knowledge graph covers medical literature, medical guidelines, and classic cases. We have established five databases, including the world's largest drug database, disease database, prescription/treatment database, health factors database, and doctors/medical institutions database. We have also built an open service platform covering nearly 50,000 hospitals and clinics.

Healthcare is a strategic industry for Ping An's development. We will continue to invest more resources in improving public health and other social issues.

Case Study

AI medical image processing

The extensive interpretation efforts required for the large number of images produced from CT scanning may lead to human errors. To address this issue, Ping An Technology developed an innovative solution that combines deep learning and transfer learning in AI medical image processing.

In 2018, our research broke world records in LUNA (Lung Nodule Analysis), an authoritative evaluation of medical imaging worldwide. It achieved an accuracy of 95.1% in lung nodule detection and 96.8% in false-positive screening. As we collaborate further with hospitals, AI medical image processing is expected to help shorten pathologists' processing time by half and reduce misdiagnoses and missed diagnoses.



Addressing Climate Change Risks

Climate change is a global issue, and its impacts are a topic of universal concern. In China, climate and climate-derived disasters account for 95% of losses from natural disasters. For the insurance industry, the risks brought by climate change include the uncontrollable loss caused by the frequent occurrence of extreme weather events create a wide range of economic and social pressures and reduces insurability.

As the effects of climate change become more apparent, the probability of extreme weather events, natural disasters and other associated incidents will continue to increase. Heightened climate change-related risks will cause impacts on our product design and pricing, affecting our claim policies and our broader business strategy.

Global warming and more frequent extreme weather events have raised questions about the reliability of old product pricing models and hence the revenue impact. As a global leading multi-line insurance company, Ping An has always responded proactively to business risks and operational risks arising from climate change. To this end, we evaluate material risk on an annual basis.





Risk management system

Artificial Intelligence Plus
Smart Environmental
Protection Solution

DRS

Environmental Liability
Insurance

Total cases of environmental
liability insurance in 2018

3,261

Insurance premium in 2018

¥5.91 billion

- Ping An Life and Ping An Property & Casualty have initiated researches and developed a management system for climate change-related risks.
- We launched our Smart Environmental Protection solution to monitor and analyze environmental data. This supports the government as it addresses climate change and natural disaster risks.
- We developed DRS, a system for physical risk identification, analysis and management to assess the risk of nine types of natural disasters and manage the associated business risks.
- We communicate and address concerns from stakeholders including government departments and investors about how we identify and respond to climate change-related insurance and investment risks.
- Industry-leading environmental liability insurance has been launched by Ping An for enterprises to mitigate their environmental risks and improve their environmental awareness. In 2018, 3,261 cases with total sum insured of RMB 5.91 billion were sold.
- Apart from insurance business, banking and investment subsidiaries have incorporated factors regarding climate change and environmental performance into the investment decision-making process. We make careful considerations for investments in high-polluting and energy intensive industries and are highly supportive of new energy and environmentally-friendly industries. Please refer to the core topic Responsible Investment for details.

Through risk identification and ex-ante warning, Ping An has developed an effective risk management system to alleviate the associated impacts of climate change-related risks.



Smart Environmental Protection solution to support environmental monitoring

Ping An is committed to innovations that enhance the monitoring and management of environmental and climate change-related risks. Our technology expertise in big data and AI enables us to broaden the spatial coverage of environmental monitoring, improve the interfaces between data systems, and produce enhanced environmental data analysis.

Taking into account the abundant application scenarios in AI and big data, Ping An Technology's Smart Environmental Protection solution provides perception, cognition, prediction and decision-making capabilities for environmental changes and constructs a usable, effective and comprehensive environmental protection information data system for "ecological environmental big data platform", "system for corporate environmental credit evaluation " and "green service for science and technology + finance".

It provides several key benefits:

- Ecological assets management: Providing clients with reliable, rich data for quality management.
- Credit evaluation for corporate environmental protection.
- Development of ecological environment big data platform that includes top level design, system architecture design and a cloud platform deployment solution.

Case Study

Embracing AI to monitor climate change and environmental quality in Chuzhou City

Ping An works closely with the government of Chuzhou city in Anhui province on the development of smart city and smart environmental protection. We have created a big data center and applied AI technologies in its environmental monitoring and warning process. This allows the city to increase the geographical coverage of its monitoring and strengthen the interface between various environmental data systems, expanding their application of smart environmental analysis and making Chuzhou city a national demonstration city for smart environmental protection.



Digitalization of climate risk analytics

In response to the national comprehensive disaster prevention and mitigation plan (2016-2020) which emphasizes the importance of disaster prevention and risk mitigation for a basket of disasters, Ping An Property & Casualty internally developed DRS, a system for physical risk identification, analysis and management. The system combines our expertise in geography, disaster science, meteorology, and insurance, integrating over 1.4 billion data points on national geography with our internal underwriting and claim records. Connected with the national meteorological management and warning system, DRS can assess and rate the risk for nine types of natural disasters, including earthquake, landslide, debris flow, flood, tsunami, typhoon, tornado, lightning and

Customers in the Typhoon Mangkhut landing area identified by DRS over

8,000

snowstorm, as well as the major natural disaster risks for five common agricultural crops. It facilitates our risk analysis on natural disasters, extreme wind and precipitation and environmental pollution across the country. This enables us to issue ex-ante disaster warnings and suggest loss-mitigating actions for our customers.

Applying its disaster warning and control system, Ping An Property & Casualty has arranged flood risk investigations for over 5,000 insured enterprises and provided risk surveillance and management services for over 400 construction projects in 2018. Before Typhoon Mangkhut landed, we swiftly used DRS to identify over 8,000 customers in the landing area, issued over 13,000 disaster warning SMS messages, provided free disaster and loss prevention materials, and conducted on-site risk investigations for around 400 enterprises and construction projects. During this period, our typhoon and flood prevention guideline, issued on WeChat, was viewed for more than 27,000 times. Our actions provided strong support for our client to reduce their losses from the typhoon.

Case Study

Research on climate change related risks and adaptation

In 2018, Ping An participated in a research study organized by the Insurance Association of China on the insurance risk arising from inland flood, for which Beijing and Shanghai were selected as case studies. The research involved the development of the inland flood risk assessment mechanism, database, and hazard maps. The initial results have been incorporated in our DRS.

In addition, Ping An has also initiated research to develop a flood risk model, which takes into account various risk factors and a dynamic precipitation forecast. The model provides a flood risk analysis for any timepoint during rainfalls and we have gradually adopted it in our operations.

Ping An has partnered with various organizations to conduct researches on climate change and the environment and enhance our climate change-related risk management.

- Established a fire disaster laboratory, the first among Chinese insurance companies, to support researches in fire risk control for enterprises and households. Collaborated with professional institute to develop fire-fighting equipment for our insurance customers to mitigate potential loss.
- Published an article regarding the challenges in developing environmental liability insurance in one of the key publications by the Ministry of Ecology and Environment. Organized an environmental incident drill, the first ever led by the insurance industry, to enhance the awareness and coping capacity of enterprises.

- Jointly developed a risk management cloud platform for environmental liability insurance with Tsinghua University and Soochow University. The platform improves risk management through functions such as green maps, professional information, risk management toolkits and investigation models for 18 industries.

Ping An is committed to continuous improvement in climate change-related risk management through conducting researches and developing innovative products and services. By leveraging our "finance +technology" strategy, we will support government departments and our customers to achieve sustainable development and mitigate the impacts of climate change.



Responsible Investment

Since the launch of Guiding Opinions on Building a Green Financial System in 2016, green finance development has become a strategic priority in China. The report of the 19th National Congress of the Communist Party of China also urged higher standards for green development and responsible investment practices in the asset management industry.

The insurance sector supports the development of China's green financial system through innovations such as environmental pollution liability insurance, disaster risk assessments, and the use of fintech, as well as international collaborations.

As a responsible investment institution, Ping An promotes positive environmental and social values with every investment decision. We believe that responsible investment extends beyond mere green and charitable acts. It also means effectively managing risks for stable and long-term economic, social and environmental benefits. This is why Ping An incorporates environmental, social, and governance (ESG) factors into our investment decision-making process.



Responsible investment philosophy

In response to the national call for sustainable economic development and increasing attention and requirements from our investors, Ping An strives to implement our responsible investment approach in all our asset management operations. We also maintain and strengthen communication and collaboration with both domestic and international responsible investment organizations.

Ping An has searched for long-term and sustainable investment methods to support responsible investment as a strategic long-term priority. Our Investor Relations and ESG Management Committee guides business units in integrating ESG factors into their investment and business decisions to support responsible investment and responsible product development.





ESG investment and green finance

In recent years, green finance has gained international attention and become a crucial topic at G20 meetings. Addressing environmental issues with financial tools presents an opportunity for China in her quest for continuous economic growth. To implement responsible investment practices in our operations, all our investment-related subsidiaries have established internal control procedures incorporating ESG-related factors as a basis for investment decisions.



Ping An Annuity recognizes the significance of ESG factors in macro environment analysis and its team of analysts conducts in-depth research on a wide range of sustainability issues. Its key research portfolios include only a handful of companies that comply fully with national regulations and outperform their peers in environmental performance.

Ping An Annuity integrates social factors like rapid urbanization, changing demographic structure, and aging population into its core assessments. This helps it to determine macro factors such as marginal propensity to consume, consumer behavior trends, market growth and capacities for consumer goods, which are paramount to its investment strategies.



Ping An Bank evaluates a diverse array of performance indicators in its annual self-assessment on the implementation of green credit. These include governance structure, policy development, capacity building, work process, internal control procedures, information disclosure, and compliance monitoring. Ping An Bank has also formulated green credit principles which it is gradually adopting in credit assessments, market entry strategies, and analyst appraisals.

In response to the Opinions of the State Environmental Protection Administration of China, the People's Bank of China and China Banking Regulatory Commission on Implementing Environmental Protection Policies and Rules and Preventing Credit Risks, Ping An Bank implements credit control on corporates and projects that are resource-inefficient or non-compliant with industry policies or environmental regulations. Environmental compliance has become a mandatory requirement for its loan approval. Ping An Bank also has strict controls in place for corporate liquidity loan applications where the government finds excessive discharge, unpermitted discharge, or undue delay in rectification. In 2018 Ping An Bank's outstanding loan balance to industries with excess capacity decreased by 1.53% when compared with 2017.



In response to the government's call on Promoting the Securities Markets in Supporting Green Investment, Ping An Securities offers financing instruments for quality green enterprises. Ping An Securities underwrites the country's first ever green extendable bond and has also taken a leading role in green bond issuances in China.



ESG factors are gradually becoming a bigger part of the investment analysis process at Ping An Asset Management. Its internal analysts conduct extensive quantitative research on ESG investment and develop ESG-related financial products. It also practises the principles of responsible investment in fixed income businesses which attract sustainable-themed bonds such as green bonds.



Ping An Trust has been continuously exploring sustainable options to support the development of the real economy and industry transformation. It has provided green financial support for more than ten enterprises. Ping An Trust strategically cooperates with BEWG to initiate a RMB 10 billion water investment fund to connect the green finance and the green industry.

Case Study

Ping An Annuity incorporated ESG factors in overseas mergers and acquisitions

Ping An Annuity acquired Urbaser, the subsidiary of Spanish construction and infrastructure company ACS.

Urbaser is a world leading company in environmental management and solid waste management. It serves hundreds of cities around the world to process 11.4 million tons of wastes and 110,000 tons of industrial waste annually. This acquisition brings valuable environmental management experience and technologies to China and enhances the position of Chinese environmental enterprises among their global peers.

Ping An Annuity incorporated ESG risk management practices throughout the acquisition process. It conducted due diligence to identify any ESG risks associated with Urbaser's operations and recommended appropriate remediation measures.



List of Green Bonds issued by Ping An in 2018

Green Corporate Bonds (State-owned Enterprises)

1. Beijing Infrastructure Investment Co., Ltd. successfully issued a public extendable green corporate bond (Phase 1) (Type 1) in 2018		Main Underwriter(s): CSC Financial Co., Ltd., CITIC Securities Co., Ltd., Ping An Securities Co., Ltd., Capital Securities Co., Ltd., Huatai United Securities Co., Ltd., Guosen Securities Co., Ltd.	
Issue Date	September 11, 2018	Scale of issuance (RMB billion)	10
2. Ping An International Financial Leasing Co., Ltd. successfully issued a non-public green corporate bond (Phase 1) in 2018		Main Underwriter(s): Ping An Securities Co., Ltd., China International Capital Corporation Limited	
Issue Date	August 29, 2018	Scale of issuance (RMB billion)	2
3. China Suntien Green Energy Corporation Limited successfully issued a public extendable green corporate bond in 2018		Main Underwriter(s): Ping An Securities Co., Ltd., China Galaxy Securities Co., Ltd.	
Issue Date	March 9, 2018	Scale of issuance (RMB billion)	1.5

Green Corporate Bonds

1. BYD Co., Ltd. Green Corporate Bond 2018 Phase 1		Main Underwriter(s): China Development Bank Securities Co., Ltd., Ping An Securities Co., Ltd., Yingda Securities Co., Ltd.	
Issue Date	December 19, 2018	Scale of issuance (RMB billion)	1
2. Wuhan Metro Group Co., Ltd Green Corporate Bond 2018 Phase 2		Main Underwriter(s): Haitong Securities Co., Ltd, China Investment Securities Co., Ltd., Ping An Securities Co., Ltd.	
Issue Date	August 21, 2018	Scale of issuance (RMB billion)	5.63

Green Asset Backed Securities (ABS) / Bills

1. Ping An Securities - Huadian Fuxin's Green Asset Support Project: Supplementary Subsidy On Renewable Energy Pricing No.			
Issue Date	December 25, 2018	Scale of issuance (RMB billion)	0.797
2. Ping An Securities - State Power Investment Corporation Asset Support Project: Supplementary Subsidy on Renewable Energy Pricing No.1			
Issue Date	November 13, 2018	Scale of issuance (RMB billion)	1.801
3. Ping An Financial Leasing Green Asset Project 2018 Phase 1			
Issue Date	October 30, 2018	Scale of issuance (RMB billion)	0.797
4. Ping An Securities - Huadian Fuxin's Green Asset Support Project on Renewable Energy Feed-in Tariff			
Issue Date	March 15, 2018	Scale of issuance (RMB billion)	0.84

Ping An Bank green credit/ responsible investment principles

Ping An Bank supports several industries with its green lending operations. These include clean energy, new-energy vehicle, environmental services, energy efficiency technology, and green construction. The Bank supports its green credit strategy with the following practices in its credit approval and compliance process:

1. Set up green banking development goals and formulated the Ping An Bank Green Credit Policy guidance document according to "The Equator Principle".
2. Established the Energy Finance Department, specifically tasked to track the development of green credit businesses.

3. Established a single-vote veto system for green lending to ensure that ESG-related risks are monitored properly.

4. Enhanced asset categorization and asset portfolio management. Supported industrial restructuring in China by withdrawing investments in non-government-supported industries.

As of December 31, 2018, Ping An Bank had granted a total of RMB **62.693** billion in green credits with a loan balance of RMB **26.284** billion. It believes that this capital supports green economy developments in areas including emerging eco-industries, low-carbon economy, circular economy, energy efficiency and emissions reduction.

Communications with organizations on responsible investment

To further demonstrate our supporting role in green finance, Ping An continually strengthens our cooperation with both domestic and international responsible investment organizations, maintaining close contact to discuss the concept and application of responsible investment. We also help drive responsible investment and green finance in China through an array of channels including public seminars and research reports.

Ping An also works extensively with government institutions and with industry advocacy groups and peers. These include the Ministry of Environmental Protection of the People's Republic of China, the China Securities Regulatory Commission, the Insurance Association of China, the Green Finance Committee of China, and the United Nations Principles of Responsible Investment (UNPRI).

In March 2018, Ping An Asset Management became the first insurance asset management company to join the Green Finance Committee of China. On June 19,

2018, Ping An Asset Management, attended a "ESG Investment Development of the Insurance Sector" seminar to discuss the application of ESG investment strategies to pension investment with UNPRI, Japan Government Pension Investment Fund, etc.

On October 9, 2018, during the Shenzhen Green Insurance Innovative Product Pilot kick-off ceremony, Futian District People's Government of Shenzhen Municipality, Ping An Property & Casualty Insurance, and Green Finance Committee of Financial Society of Shenzhen Special Economic Zone launched the country's first-ever green insurance product to address indoor air pollution in public areas.

Looking forward, Ping An will continue to closely collaborate with the government and actively participate in local organizations to drive the adoption of responsible investment practices in China.

Sustainability Practices



Shareholders

2018 Consolidated Net profit:

¥120.45 billion



Customers

2018 Group NPS

41%





Employees

The total resources allocated for training and development:

¥1.046 billion



Community and Environment

The total carbon emission reduction:

61,522.3 tCO₂e



Partners

Completed centralized procurement:

¥7.441 billion





Shareholders

Mission

Being responsible for shareholders: providing appreciation in asset value and stable returns

As of December 31, 2018,

Total assets

¥7.14 trillion

Consolidated net profit

¥120.45 billion

Dividends per share

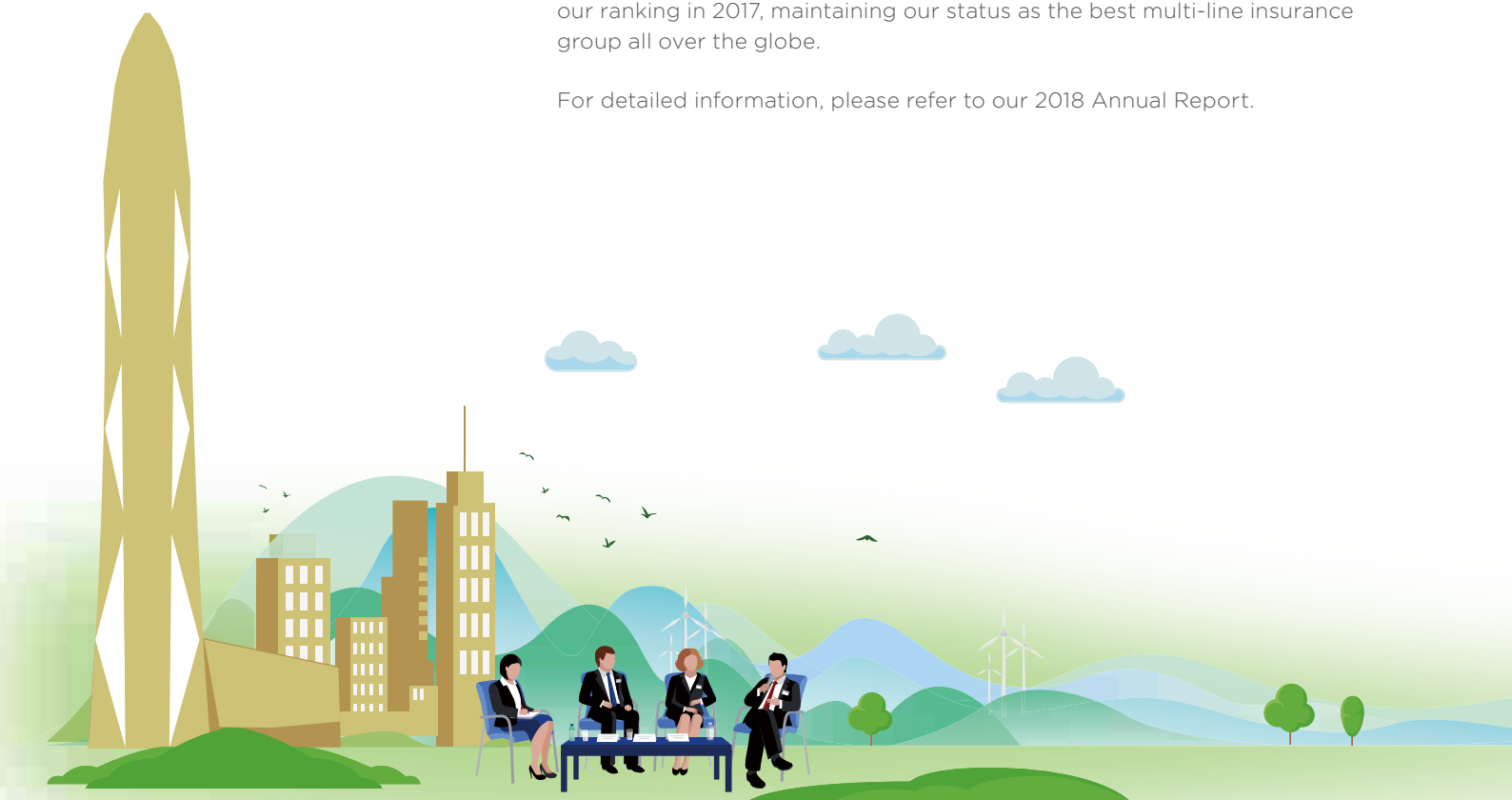
¥1.72

Prudent business performance

As of December 31, 2018, the total assets of Ping An reached RMB 7.14 trillion, an increase of 10.0% compared to the end of 2017. The consolidated net profit of the company is RMB 120.45 billion. We achieved primary earnings per share of RMB 6.02, and distributed dividends of RMB 1.72 per share, a growth of 14.7%. There was a higher growth in dividends than that of profits, representing the Group's strong ability in loan repayment and cash flow management. To celebrate the 30th anniversary since our founding, Ping An Group delivered a 3.66-billion-worth special dividend to our investors this year, or RMB 0.2 per share.

In 2018, we were for the first time ranked the top 10 companies in the Fortune 2000 listed companies, which climbed six places compared to our ranking in 2017, maintaining our status as the best multi-line insurance group all over the globe.

For detailed information, please refer to our 2018 Annual Report.



Proactive investor communications

In 2018, Ping An strengthened our communications with the capital market in the aspects of "finance + technology" strategy, customer relations, technological adaptation and our main operations. Through public briefings, video and teleconferences and roadshows, Ping An presented the Company's annual, semi-annual and quarterly results. Moreover, to deepen the capital market's understanding of our Company and facilitate communications, Ping An established communications channels on sina.com and xueqiu.com with investors, which are the first of its kind in the industry. While maintaining good contact with institutional investors, Ping An also communicates with small and medium-sized investors via different channels including but not

limited to online roadshows, the E-interaction platform of the Shanghai Stock Exchange, the Company's website, email and hotlines to provide better services for small and medium-sized investors and protect their rights and interests.

Over the past few years, Ping An has changed our approach from passive response to active engagement. It does not only foster better investor communication, but also obtains recognition from the capital market. Being recognized for our efforts, Ping An has, in the second consecutive year, been included as a constituent of the SynTaoGF CaiXin ESG50 Index (SGCX ESG50).

	Institutional investors	Small and medium-sized investors
Communication channels	Public briefings, video and teleconferences, roadshows, sina.com and xueqiu.com	Online roadshows, the E-interaction platform of the Shanghai Stock Exchange, the Company's website, email and hotlines
Communication frequency	In 2018, the Company organized four onsite results releases and seminars with analysts, two "Investor Day" events, 232 investor surveys and 73 local and overseas roadshows. During May and September 2018, the company conducted roadshows in Europe, North America, Middle East and Asia.	

Sound risk governance structure

The Group actively complied with the Company Law of the People's Republic of China and the relevant regulatory requirements, and with the Articles of Association of Ping An Insurance (Group) Company of China, Ltd. and relevant corporate risk governance requirements. We have a comprehensive risk

governance framework in place which holds the Board ultimately accountable, and is directly upheld by the management. Supported closely by various committees and relevant departments, the framework covers risk management across all of the Group's subsidiaries and business units.

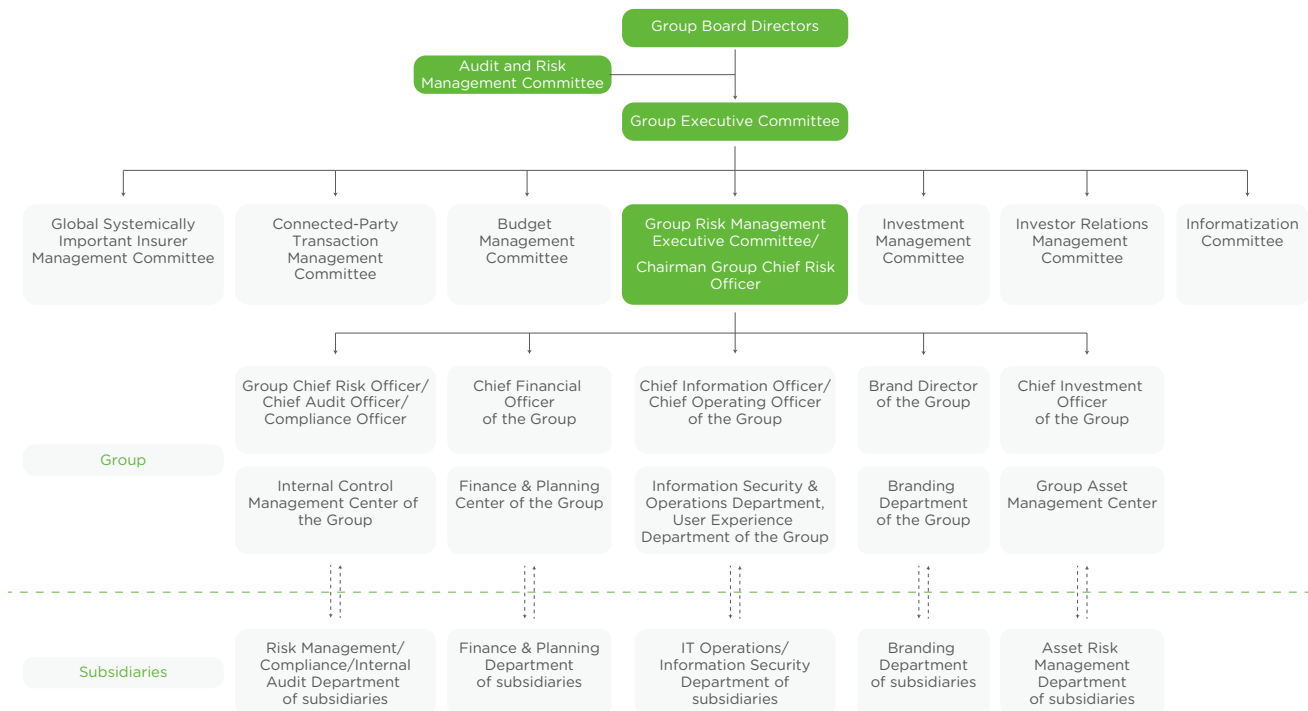


The Board of Directors is the highest decision-making authority for the Company's risk management and takes responsibility for the effectiveness of enterprise risk management. The Audit and Risk Management Committee under the Board of Directors has a thorough understanding of major risks and the Company's management of these risks, monitor the effectiveness of the risk management framework and review matters with material risks to provide comments and recommendations to the Board of Directors.

In 2018, Ping An continued to enhance the comprehensive risk governance and management system of the Group and the subsidiaries. We set up a dual risk management structures at group and subsidiaries levels to strengthen the risk coverage and develop one common platform across the Groups for better collaboration.

- Reporting mechanism for subsidiaries: Group risk management department in 2018 developed a reporting template on risk management for the subsidiaries. All subsidiaries need to report every quarter to the Group, which will in turn conduct regular monitoring and tracking on the progress such as the latest business development, risk management efforts, risk indicators as well as their challenges.
- Smart risk monitoring system: By leveraging technologies, IT systems and modelling, big data analytics and AI, we conduct comprehensive risk assessment and implement control measures accordingly for our operation and management process. Technological applications in areas like smart business transaction counterparty monitoring, valuation, blacklist update and retail business systematic risk assessment allow us to further automate risk management tasks and support early risk identification and mitigation.

Risk governance structure



Group Management



From Left to Right: Mr. REN Huichuan Ms. CAI Fangfang Mr. XIE Yonglin Ms. IP So Lan Mr. SUN Jianyi
Mr. MA Mingzhe Mr. YAO Jason Bo Mr. LEE Yuansiong Mr. CHEN Kexiang Ms. TAN Sin Yin

NOTE: Refer to our 2018 annual report for more details.

Strengthening anti-corruption and business integrity

Ping An has always attached great importance to anti-fraud, anti-corruption and anti-commercial bribery, and continuously intensified our efforts in day-to-day operations and anti-corruption education.

Ping An pushed forward anti-corruption by organizing education activities for all employees and Ping An Life's agents via bulk emails, morning briefings, and "Pocket E" app, "Zhi Niao" mobile app and relying on innovative technology applications and system management. For instance, Ping An in 2018 built a cloud platform Ping An Shield SAAS to digitalize and synchronize the audit and anti-money laundering work across the Group and the subsidiaries. Through better education and use of technology, it helps Ping An combat financial crimes and any internal malpractices and strengthen business integrity.

Improved mechanisms to promote anti-corruption

Ping An has established the Group anti-commercial bribery taskforce and office to coordinate, set targets and formulate principles for anti-commercial bribery efforts. The subsidiaries implement their anti-commercial bribery initiatives under the Group leadership and work closely with sister companies. Our efforts involve strong coordination among departments and business lines, as well as broad participation of managers and employees.

To enforce compliance of different business department and employees, regulate employees' behaviors and maintain the order of Ping An's business operations, we developed numerous internal control procedures to ensure healthy and steady development of the Company.



"Red, Yellow, and Blue Card" penalty system:

Set up detailed regulations and penalties for various employees' corruption and fraud practices, and increase the transparency of the penalties to impose rigid restrictions on employees' behaviors. The system acts as an effective mechanism for Ping An to ensure long-term business integrity.



Anti-fraud system:

Define clearly the roles and responsibilities of different business units, key staff, management, compliance department, audit department, discipline inspection department in anti-fraud. Through the institutionalization of anti-fraud process, Ping An hopes to combat corruptive behavior like offering, receiving or requesting for bribes, as well as any tender corruption, to better protect customers' and the Company's interests.



Public complaints management system (2018 version):

According to the notice of the China Insurance Regulatory Commission on "Issuing the Measures for the Implementation of the Responsibility System for Insurance Public Complaints", Ping An adheres to the principles of "local accountability and management, person-in-charge holding responsibilities" when implementing anti-fraud and anti-corruption work.



Anti-corruption events
organized in 2018

2,000

Anti-corruption education
coverage

100%

Ping An's efforts in anti-corruption education bore fruits in 2018. In total, the Group and the subsidiaries organized more than 2,000 events relating to anti-corruption in 35 auditing regions, of which content covers commercial bribery, slush fund, illegal proxy sales, illegal fund raising, conflict of interests, trade secret protection as well as business integrity. With a coverage rate of 100% and over 12.13 million of attendance, education was conducted through an array of channels like website, SMS, email and "Zhi Niao" mobile app. Moreover, Ping An organized a total of 4 mega-events and monthly case sharing sessions on anti-corruption, which both well achieved educational and promotional impacts. In 2018, Ping An received 290 public complaints, of which all have been verified by our auditing department.

Anti-corruption and business integrity mechanism



Long-term incentive scheme for employees

To strengthen our long-term incentive program and encourage core talents to continuously create sustainable values for our shareholders, Ping An has established core employees stock ownership scheme and long-term service scheme to bind together the company's interest to that of our employees. Core employees including senior management will be granted certain amount of stocks as mid-to-long-term incentives. Being the highest decision-making institution, the General Meeting of Shareholders set the target, principles and framework of the long-term service scheme and approve its implementation.

Regarding the incentive scheme for senior management, Ping An follows the lock-up agreement according to the regulation of China Securities regulatory commission and Company Law of PRC, where shares with a lock-in period will be rewarded, and according to the business performance and effectiveness of risk management, be vested and cashed.



Customers

Mission

Be responsible for customers: Being service-oriented and reliable

Emphasizing customer experience

2018 Group NPS

41%

Technology development investment over

¥50 billion

Since the introduction of Net Promoter Score (NPS) in 2014, Ping An has continuously improved our customer experience through product, service innovations and technological advancement. In 2018, our NPS touchpoints have triggered more than 41 million surveys, and received 13 million response with a response rate of 32%. With NPS, we are able to better understand customer expectations, identify business opportunities, and improve customer experience and business value. In 2018, our Group NPS reached 41%, a 5% increase compare to that of 2017.

Technological Innovation to Provide Convenient Services

Over the past 10 years, Ping An has invested more than RMB 50 billion in technology development. We have applied our technological innovations to customer operations, channel management, customer service and risk management. We undergo a full-spectrum intelligent transformation in traditional financial and healthcare business models to better customer understandings and provide reliable and convenient services.



Ping An Life

- Serving all operation locations, Ping An Life “smart customer service” enables full-process intelligent customer handling and precise risk control with the use of more than ten AI technologies such as biometric authentication and big data. With its four core capabilities namely product recommendations, risk identification, online self-service and online stores, it serves 90 million customers with services including policy loan, survival benefits collection, policy information update, beneficiary amendment and claim settlement. The average processing time was shortened from 3 days to 10 minutes, achieving 95.3% customer satisfaction.

Ping An Health

- Ping An Health “E Second Claim” applies substantial technology innovations, including image desensitization and analysis, semantic analysis, intelligent code matching, smart risk control, automatic examining, etc., and can complete the entire unmanned claims review process within 34 seconds in a simple, efficient and accurate manner.

Ping An Property & Casualty

- Ping An Property & Casualty “cloud claims” service breaks the limitation of traditional claim settlement procedures by connecting online and offline services. It allows insured car owners to choose their own claim reporting and inspection methods, identify repair solutions, and submit claims information in multiple channels. The “510 Speedy Assessment” model has been updated to help handle over 90% of accident assessments within 10 minutes for more than 10 million auto insurance claims in 2018. 96.33% of accidents were assessed through the updated model. “Smart rapid claim” system lowered the processing costs of vehicle damage claims by 10%, with self-help claims rate at 60%, to increase claim handling efficiency.
- Besides, a credit based smart auto claim solution has been launched. The solution is based on smart claims credit model with the use of big data of 43 million car owners. Through assigning dynamic credit quota that is related to their driving behavior and history, it promotes safe driving habits and significantly boosts claim settlement efficiency.

Health Connect

- “Ping An AI Pharmacist” is an AI prescription examination engine to cope with the issues of pharmacists’ incapability and resources shortage. The engine is connected with 168 hospitals and on average assesses 150,000 prescriptions a day, with cumulative number amounting to 18 million. It helps alleviate doctors’ burden of repetitive and preliminary counseling work, improve consultation efficiency, and provide more personalized and customized medical services for millions of users.

Ping An Securities

- Ping An Securities smart asset allocation system adapts the latest fintech to put investment advisors’ offline asset allocation services online and serve customers with asset allocation needs by using smart robots. With this smart system, customers can enjoy customized wealth management services of similar quality to those for high-net-worth customers and institutional customers around the clock. 413,612 customers accessed the online investment advisor service in 2018.

Continuous product innovation for diversified products

As an "integrated finance + technology" group, we focus on pan financial assets, and continuously research and develop innovative financial products and services to meet diverse customer demands, improve living quality and create value for our customers.

Meeting the saving and insurance needs for children

The medical expenses incurred and financial loss suffered by parents as caregivers during the long recovery period generally make the required sum insured for children higher than that for adults. Taking into account the limited financial capacity of many young parents, they often seek for value-for-money products with saving component to better support children's future development such as marriage and entrepreneurship.

In respond to their needs, Ping An life launch a critical illness insurance with periodic payback for children. The product with savings and insurance protection elements covers hundreds of diseases and offers millions of sum insured. It offers high-value insurance protection to meet children's 30 years long-term need since infancy and makes savings an obligation for parents, who can receive 150% of total premiums paid after policy expiration.

The product fully demonstrates parental care and addresses their demand to support their children throughout the development period and fresh graduate period and provide the best protection before children become economically independent.

Integrated insurance for multiple family risks protection

Natural disasters and accidents are unpredictable and inevitable and often cause households property loss. Proper risk management is critical for households to mitigate and transfer various risks through insurance. Ping An Property & Casualty launched an integrated family insurance which is the first product in the industry that covers accidents, medical, housing and indoor property and decoration damage, home liability, bank card fraud, etc. As a value-for-money product, it has no limit on the number of insured persons and their age and can meet the families' multiple protection needs. In addition, the product is sold in form of self-service card that can be activated online to simplify the subscription process and minimize information required to be filled in.

Innovative pension-type wealth management product

In the coming decade aging population will inevitably create more demand for pension financial products. In light of the limited offering of professional pension products in the market, Ping An Bank has innovatively launched a series of pension-type wealth management

products. It is the first asset management product that covers customers' entire lifetime in the banking industry. The product allows agile but prudent asset allocation, incorporates high variable payout ratio and a compound interest accumulation plus regular dividend distribution model that is superior to annuity and insurance products. Besides, Ping An Bank has developed "Ping An Bank Pension Investment Emerging Index" for its pension products to capture opportunities from the rapid growth of healthcare and silver hair industry for investors.

Innovative supply chain ABS to overcome the difficulties of SME financing

Difficulties in securing financing and high financing cost have hindered the development of SME. Our supply chain ABS as an innovative financial product has played a significant role in addressing the financing difficulties of SME and developing modern supply chains. Ping An Securities securitized the core high-quality accounts receivable assets held by SME, and filed and issued the industry's first supply chain asset securitization ABS product through the exchanges to attract a wider group of potential investors. The product lowers financing costs through standardization and improves capital raising efficiency by shelf registration for SME. In order to facilitate the development of market regulations, Ping An Securities and Ping An Bank jointly released the industry's first "Bluebook on Supply Chain ABS Development (2018)" on August 8, 2018 to promote the development and enhancement of the supply chain ABS market and drive more innovations to support SME.





Employees

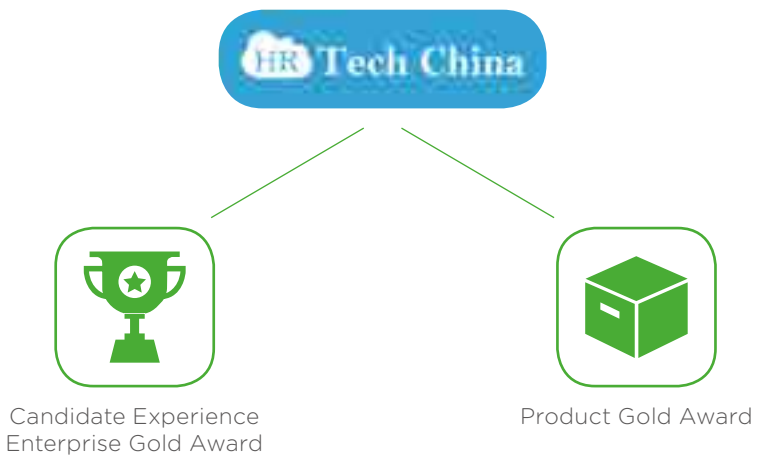
Mission

A commitment to the staff: provide the conditions for better living and career development

Smart recruitment

Ping An has established HR-X, a brand-new recruitment management and application platform to improve the user experience of line managers/ interviewers, candidates and recruitment team. The system includes seven core modules and covers six major recruitment channels. By consolidating data in relation to candidates, job openings, internal operations and resource availability, the system enables line manager recruitment self-service, as well as smart CV analysis, intelligent job matching, AI interview and AI assessment. In future, we will continue to enrich the system functionality to further improve our recruitment efficiency and identify high-potential talents.

The one-stop smart recruitment platform has been fully implemented within the Group, with 25,000 job openings posted and over 1 million of CV received. By improving our recruitment efficiency, the average new hire on-board cycle was shortened from 30-40 days to 10 days.



In 2018, Ping An was awarded Candidate Experience Gold Award (Corporate) and Product Gold Award by HR Tech China.

Total training hours

3.34 million

Average of training hours per employee

9.21 hours

The total resources allocated for training and development

¥1.046 billion

Training and development

Ping An developed an open employee training platform for all regular and informal employees. We tailored various training programs for different employees, which enables them to understand their strengths, clarify career development directions, and gain space for growth. In 2018 we continued to devote sufficient resources to establish a dual-excellence course system and science & technology course system, and expand staff learning channels through an online AI + smart learning platform "Zhi Niao" according to our strategic transformation.

Ping An has adopted an "AI + training" model and applied advanced technologies such as AI, voiceprint recognition, blockchain and cloud technology in our training programs. Smart online on-the-job trainings are offered to 1.8 million regular and informal employees in the Company. Besides, we have launched a smart learning platform to improve training resources management and provide customized training course recommendations according to employees' strengths and weaknesses.

To support talent transformation in the aspect of "finance + technology", Ping An invited six top business schools and 17 renowned consulting firms in 2018 to provide over 300 training courses for all employees, covering five core themes namely strategy implementation, technological innovations, management decision-making, professional skills and personal growth.

During the year, 1,037 full-time and part-time instructors participated in our online, offline and/or face-to-face training courses for topics in relation to effective communications, business thinking, team management, project management, creative thinking, performance enhancement and emotion management. The total attendance of training session amounted to 44,441 and total training hours amounted to 3.34 million, equivalent to an average of 9.21 hours per employee. We carried out 320 face-to-face training courses and introduced new financial professional and database technology courses. The total resources allocated for training and development was RMB 1.046 billion in 2018.



Case Study

Training programs for all-grade staff



Ping An Bank established a training program for staff of different levels in its branches and headquarter offices.

The training program consists of three modules. All executive committee members and some related senior management attended in total six organizational skill courses. 140 existing and newly promoted senior management participated in two training courses specifically designed for their grade. Ping An Bank also organized four business training courses for employees from offshore business, financial institutions business, Internet finance and corporate banking. Besides, new employee orientations and on-board trainings were conducted to develop employees' professional skills.

Management and leadership skill development courses



"Zhi Niao"
mobile learning
platform

We offer quality teaching resources from renowned business schools and consulting firms, as well as specialized courses that meet the profession needs of our employees, on the "Zhi Niao" mobile learning platform. The platform formulates tailored management and leadership skill training plan for each employee according to their business units, career path and years of experience to support their future development. Besides, we uploaded sharing and courses delivered by internal senior management and external instructors onto Zhi Niao, such that all employees can equip themselves for future career challenges.

New hire development

In 2018 we have enhanced the programs for campus and experienced hires to improve our employer brand and better meet the expectations of our employees and their supervisors. We have developed more online and offline learning resources, as well as incorporated supervisor engagement mechanism and scoring system in our training programs. In the second half of 2018, our Group launched two distinctive projects for campus and experienced hires in Shenzhen and Shanghai. In total 771 new hires from our subsidiaries have participated in the programs, achieving an improvement in training effectiveness in terms of NPS to 76.74% and supervisor satisfaction to 91.2%. We will expand the projects to cover all subsidiaries in all our operation locations in China in 2019.



Promoting corporate culture



In 2018 Ping An has actively promoted our corporate culture through handbooks, screensavers, posters, mobile website, etc. The handbook provides detailed explanation and interpretation for our corporate vision, mission, values, cultural characteristics, etc., allowing all internal employees to apprehend our corporate culture, guiding and regulating employees' behaviors and improving employees' sense of belongings.

To nurture more risk management professionals and investment professionals with global and strategic thinking, we introduced Chartered Financial Analyst (CFA) and Financial Risk Manager (FRM) examination preparation courses. In accordance with the curriculum of the two professional examinations, we have also offered courses for 1,660 employees of various job grades from different Ping An subsidiaries.

Equal rights

Ping An recognizes that our employees are the cornerstone of the Group. During operations, we strictly comply with the "Labor Law of the People's Republic of China", "Labor Contract Law of the People's Republic of China" and other relevant laws and regulations. We respect and safeguard the legitimate rights and interests of all employees, and protect our employees against inequalities and discrimination by gender, nationality, age, etc. in recruitment, compensation and benefits, training and development and promotion. The use of child labor and forced labor is strictly prohibited.

Ping An upholds the principle of fairness and transparency in our remuneration system. We set up remuneration determination rules based on a list of factors such as employees' level of management responsibilities, business unit, technicality, seniority and performance. This also allows us to conduct industry benchmarking to ensure our remuneration structure is reasonable and competitive.

In 2018, Ping An reformed our performance evaluation system. Different assessment criteria were set up according to subsidiaries' own management needs and performance evaluation procedures have been incorporated into our routine management process. Our performance evaluation system takes into account both employees' performance and the long-term value created by their business units. To encourage employee to improve continuously and contribute to the Company's development, each business unit set performance indicators for their employees from three aspects, namely strategy, sustainability and challenge.

Numbers of employees participated in the enterprise annuity scheme

184,450

Total enterprise annuity paid in 2018

¥643 million

Annual amount of employees remuneration

¥49.902 billion

We publicize our remuneration systems through various internal channels such as intranet announcements, mass mailings, internal morning briefings and HR presentations to further enhance transparency. For any new rules or changes in the remuneration system, we strictly abide by relevant laws and regulations and seek feedbacks and suggestions from our employees through employee representative meeting. In addition, with the help of online tools such as AI Q&A technology and AI robot, we respond to the questions from our employees anytime and anywhere.

Meanwhile, Ping An handle and pay the enterprise annuity for our employees in accordance with the "Measures for Enterprise Annuities" of the Ministry of Human Resources and Social Security of the People's Republic of China. In 2018, the total number of 184,450 employees participated in the enterprise annuity scheme, accounting for 49% of our workforce. In 2018 there were 22,229 new participants and a total of RMB 643 million enterprise annuity amount was paid. As of 2018, the total accumulated enterprise annuity amounted to RMB 643 million and accumulated fund amounted to RMB 1.046 billion.

Care for employees

Ping An cares for every employee and is committed to continuous improvement of employee benefits. Our employees are entitled to multiple insurance schemes including accidental, medical, hospitalization, etc.

On top of mandatory social security provisions in compliance with the national and local laws and regulations, we offer comprehensive insurance protection and pension scheme for our employees. In addition, we arrange annual medical check-up and regular medical services, including a dedicated medical room with stationed doctors and nurses in our headquarter.



In 2018, the Group continues to conduct wellbeing courses such as stress management, positive thinking, emotional intelligence and workplace relationship, etc. In total 132 classes were held and total number of attendance reached 3,687. Through these courses, employees can improve their emotion and stress management in their daily life and work, and learn ways to establish collaboration and enhance workplace relationship.

Ping An respects employees' rights to express opinion and welcome any feedbacks and recommendations. Multiple communication channels including monthly interview, HR-X forum and EAP hotline are established.

Case Study

Ping An labor union home visit before Chinese New Year

Before Chinese New Year, Ping An labor union visited some employees with serious illness and their families in Shenzhen, as well as the families of cadres staying at villages for poverty alleviation to understand their situations and difficulties and send new year greetings on behalf of Ping An.



Employee Assistance Program (EAP)

The core values of our EAP program is to promote healthy lifestyle and happy workplace. Diverse activities were held during the year. Recognizing the special needs of specific employee groups - new hires and mid-aged employees, tailored initiatives have been included in the EAP.

New employees are arranged to attend orientation seminars, during which games, sharing sessions and Q&A sessions are conducted to help them adapt to workplace environment and culture. Besides, mentorship program is implemented by human resources department as a two-way feedback mechanism for new hires and supervisors, so as to facilitate the development of new hires and support them integrating into the team.

For mid-aged employees, a series of one-on-one interviews were conducted to understand their career development expectations. Taking into account the needs of different departments and employees' preferences, we have arranged cross-departmental and cross-product-line staff transfer to support their career development and improve their job satisfaction.



Community and Environment

Mission

Be responsible to the society: Contribute to the community and the country

Public welfare

Charity management

In 2018, Ping An has established the Ping An Public Welfare Foundation and the Ping An Volunteers Association to coordinate resources for social welfare projects, promote employees' participation and continue to improve our charity management mechanism.

Ping An Charity Trust aims at "bridging the urban-rural gap and to maintain the dignity of the individuals". It focuses on integrating resources to support our subsidiaries to carry out poverty alleviation projects centered on the Ping An Rural Communities Support initiative. Besides, the organization strives to utilize resources and swiftly initiate innovative charity projects to help solve pressing social issues.

In response to the International Day for the Eradication of Poverty and China's National Poverty Alleviation Day, Ping An Volunteer Association was established on October 17, 2018. To promote employee participation, it shed To promote employee participation, it established a mobile app San Cun Hui for all Ping An employees to enroll and participate in volunteer works through online channel. Employees have actively responded to the call of the chairman of Ping An Insurance, Mr. Ma Mingzhe, and there were 690,000 registered members in the association as of December 31, 2018.

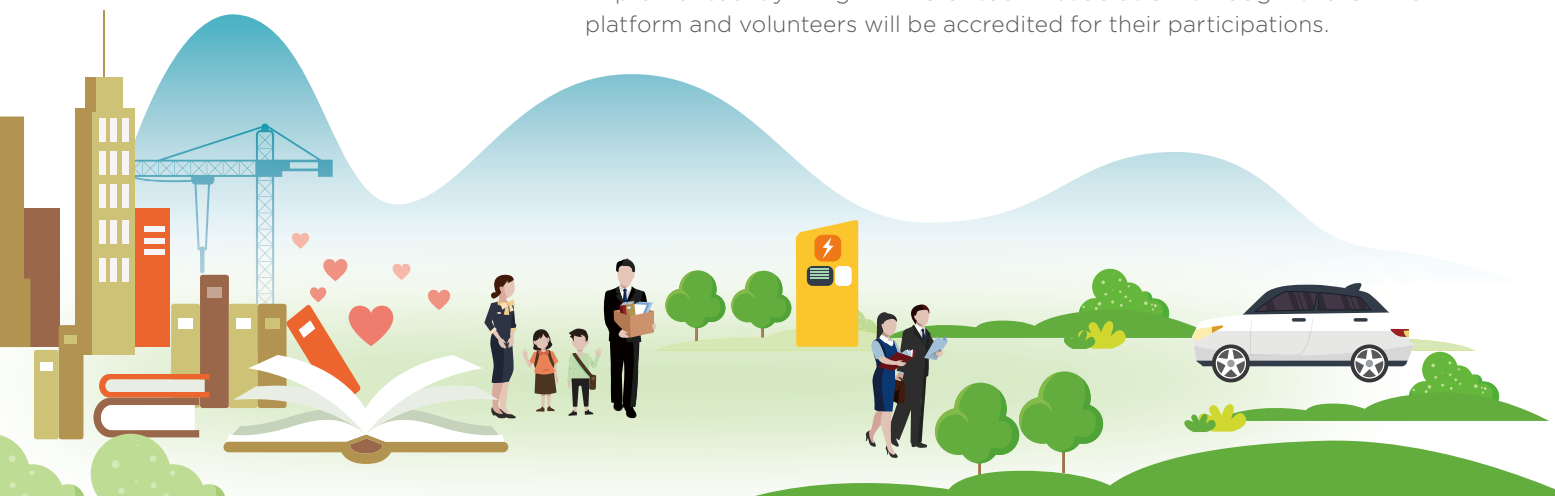
Promotion of charitable initiatives and events will be coordinated and implemented by Ping An Volunteer Association through the online platform and volunteers will be accredited for their participations.



San Cun Hui mobile app

Registered members on Ping An volunteers association

690,000



Community Charity

In 2018, apart from improving our public welfare works management, Ping An continues to carry out poverty alleviation through healthcare and education assistance. We recognize our social responsibilities and strive to make social progress for all stakeholders.

Migrant workers sent home
in 2018

10,000



"Safe Journey, Bring Love Home" to address the problem of rural hollowing and left-behind children

In 2018, Ping An and China Social Assistance Foundation launched an event named "Safe Journey, Bring Love Home". On February 6, 2018, we rent 200 buses in ten Chinese cities to send 10,000 migrant workers home for the Chinese New Year. The event aims to raise the awareness of rural hollowing and left-behind children. In past four years, Ping An has donated more than RMB 10 million and sent around 23,000 migrant workers and parents of left-behind children home for Chinese New Year's family reunion.



"Motivation Program" for university students fostered all-rounded development

Since August 2003 Ping An launched the "Motivation Program", a thesis scholarship program, to encourage undergraduates and postgraduates to conduct academic researches and explore new concepts and theories that are conducive to the development of China's economy, as well as to encourage students to start their own businesses. In 2018 the program granted 120 students thesis scholarships, amounting to RMB 450,000. Marking the 14th anniversary, the program has issued 5,495 scholarships to 1,835 university students as of December 2018.



"Mutian Book Donation" creates the world's largest book donation platform

Ping An Life and Mutian Charity have jointly launched a book donation program named "Mutian Book Donation" for two consecutive years. On June 10, 2018, a program was kickstarted to foster reading culture in the communities and encourage book donations to reduce the education gap between urban and rural. In 2018 the Mutian Book Donation program has collected five million books and built 12,568 book corners. 1,304 village schools in 144 national poor counties were benefited from the program, supporting over 450,000 children. In the past three years, the book corner project launched by Ping An Life has won support from over 300,000 donors and raised a total of RMB 3.63 million for buying quality books for village teenagers.

Collected books

5 million

Supported village children

450,000

Ping An has been supporting environmental philanthropy for more than a decade. Ping An leverages our technological capabilities to create smart digital platforms. The creation of such platforms helps transform Ping An's role from merely practicing sustainability measures at office to also convening for environmental philanthropic activities, encouraging more public participation and creating greater social impact.



"Caring through Philanthropic Transit" creates the first charitable platform for car owners

In October 2018, Ping An Property & Casualty officially launched "Caring through Philanthropic Transit" online charitable platform for car owners. Drivers can upload their travelled mileage on the platform and the system will automatically identify low-carbon transit journey such as public transport, cycling and walking. Drivers can also opt to receive digital insurance certificates to reduce paper consumption. Besides, the platform synchronizes data from traffic management bureaus and drivers with no non-compliance records would be awarded "hearts" that can be donated to support charity projects like psychotherapy support at schools and health checks for children in poverty.



Ping An Financial Leasing's "Pathway to Golden Sunshine"

In 2018, Ping An Financial Leasing started a charitable project named "Pathway to Golden Sunshine" which supports the development of basic education in poverty-stricken areas through provision of clean energy. Through comprehensive studies on natural environmental factors like sunlight and radiation, Ping An Financial Leasing installs distributed photovoltaic solar panels on rooftops in impoverished counties with suitable geographical conditions to provide clean energy to local schools. In 2018 the program built two solar rooftops in Baise of Guangxi and Wuwei of Gansu, providing over 25 kW renewable power stations for more than five hundred students. Each of the photovoltaic power stations is expected to generate more than 10,000 kWh electricity annually, which can be used not only to meet daily electricity consumption for school operations but also generate about RMB 100, 000 revenue from selling excess energy to the grid in the coming 20 years. The project was awarded the "Targeted Poverty Alleviation in Practice Award" in the Lujiazui Financial City Warm Heart Annual Charity Rankings 2018.



"Viva Villa Xishuangbanna" reforestation project

Ping An Real Estate integrated sustainability into their business by investing in the "Viva Villa Xishuangbanna" project, which aims to restore rubber plantation into tropical rainforest with rich biodiversity. Rare seedlings were used to restore the rainforest ecosystem and all buildings are constructed according to the local terrain to better preserve the vegetation.

Green operations

Since our founding, Ping An has included environmental considerations into the strategic planning of our corporate development. Dedicated to promoting low-carbon economy and city development, the company has turned itself into a leader in green finance. While Ping An, as an integrated financial group, has limited adverse environmental impact during our daily operations, we strictly follow related national laws and regulations like "Environmental Protection Law of the People's Republic of China". By actively shouldering the responsibilities of environmental protection, the Company aims to minimize the negative environmental impact brought by our operations.

Reducing carbon emissions through green office management

Ping An has established detailed operating procedures for environmental management. With an aim to achieve resource efficiency, the Company adopts a quantitative

approach to measure and manage our resource utilization such as energy and water and minimize the negative impact on the natural environment. During reporting period, there were no significant environmental issues caused and we faced no legal cases or fines regarding environmental non-compliance.

Ping An has been advocating for green office management by formulating office environmental rules and promoting initiatives like waste sorting. Our office waste and wastewater are handled by municipal services for centralized disposal. In 2018, 8,957 tons of solid waste were produced and no industrial hazardous waste, packaging materials and industrial wastewater were disposed or discharged in Ping An wholly-owned buildings. During the year, Ping An made continuous improvements in green office management. For instance, paperless office and the use of energy-saving lamps have been widely implemented across subsidiaries. Beijing office provided trainings on how to adjust air-conditioning in

accordance to seasonal needs. To emphasize the importance of energy-saving, Hefei office sent kind reminders to employees and conducted regular reviews on energy consumption of different business units.

In addition, to continuously strengthen our carbon management, Ping An has been following the low-carbon potential index to identify all possible financial means to reduce carbon emissions indirectly. Throughout 2018, we have reduced carbon emissions indirectly by 61,552.3 tons, which is 18.7% more than 2017.

Low-carbon potential of subsidiaries by technological means

Unit : tCO_{2e}

2018 indirect carbon emission reduction

61,552.3 tCO_{2e}

More reduction compare to 2017

18.7%

Total indirect reduction of carbon emissions	2018	2017
Ping An Property & Casualty	33,319.1	25,518.3
Ping An Life	12,338.3	10,586.4
Ping An Bank	10,165.7	6,899.2
Ping An Health	676.4	233.5
Ping An Annuity	3,491.6	3,036.6
Puhui Financial	547.4	640.1
Lufax	1,013.8	5,757.3
Total reduction of carbon emissions	61,552.3	51,871.4

Showcasing technological and environmental aesthetics through landmark architecture

Situated in the central business district of Shenzhen, Ping An International Financial Centre is a 118-storey skyscraper of 600-meter tall. It spans 30,000 square meters with total floor area of over 600,000 square meters. Currently, the building is the tallest in South China and is the fourth tallest building in the world. Adopting a wide array of advanced technologies, the building set a world-renowned example of how architecture could embrace technological, environmental and safety considerations in its design. For instance, the application of cutting-edge technology in its structural health monitoring system helps capture every minor change of its building structure. The double-deck elevator effectively reduces the turnaround time and travel time and can carry 20,000 people to different floors within 45 minutes. Moreover, its ability to store and reuse the potential energy released when moving downwards can significantly enhance the energy efficiency of the elevator system. Through the application of AI-powered facial recognition system, the building adopts smart office operations and management and offers high-tech and people-centric workplace.

In the meantime, Ping An International Financial Center has made leading strides in energy-saving and environmental-friendly practices. For instance, the curtain is equipped with a sun-adaptive system, which can automatically adjust according to the incoming direction and illuminance level of sunlight. Ice storage air conditioning, rainwater and reclaimed water systems have significantly improved the resource efficiency of the building.





Partners

Mission

A commitment to the society: mutual beneficial and win-win cooperation

Agents of Ping An

¥ **1.417** million

Investment in agents' training

¥ **1.482** billion

"Tech+" for better agents

Ping An spares no efforts in establishing a large and excellent team of agents, promoting high-value long-term insurance protection products and continuously enhancing our sales support and customer services capabilities via technological innovation. In 2018, the team of Ping An Life's agents exceeded RMB 1.417 million and on average received 62.1 hours of trainings per agent. Total investment for providing comprehensive trainings amounted to RMB 1.482 billion.

Meanwhile, adhering to the "product+" and "technology+" strategies, Ping An applies AI technologies to team expansion, training, team management, sales model and services, with the aim to improve agents' service quality and operational efficiency.

AI technologies in our operations

	1.0 Traditional technology	2.0 Mobile internet technology	3.0 AI technology
Scenario 1: Team expansion	Online recruitment test	Online full-process team expansion management	AI team expansion
Scenario 2: Training	Online training management	Online remote trainings	Customized training programs
Scenario 3: Team management	Online activity plan and performance management	Online full-process activity record	AI-facilitated online activity management
Scenario 4: Sales model	E-proposal MIT Online business	MIT Mobile business	SAT sales
Scenario 5: Services	Online service through personal computers	Jin Guan Jia mobile app	AI service and risk control

Case Study

AI Recruitment

Ping An adopted AI candidate selection and AI interview technologies for agent recruitment to collect agents' characteristics and perform candidate screening, and to conduct real-time online interviews to assess their willingness to join the Company. The system has significantly increased agent recruitment efficiency.

In 2018, we fully implemented the AI recruitment system for personal insurance business and addressed the challenges in screening massive amount of applications. The system allows us to retain talents, efficiently allocate financial resources and identify the most suitable career development path for our employees to fulfill their potentials.

AI customized training program

Ping An has adopted AI technologies to build an online course database which provide customized course recommendations to agents according to their capabilities.

Since 2018 we have started to actively promote the program across the Company. It is expected that the required time for enhancing agents' performance to excellent grade will be shortened from 36 months to 15 months in 2019, and 459,000 agents will be able to achieve excellent grade in 2019.



Promoting Industry Development through Value Chain Cooperation

Ping An makes use of win-win strategic partnerships to develop business under our five major ecosystems. In 2018, Ping An successively reached strategic cooperation agreements with local governments, public institutions and various domestic and foreign companies. We are committed to providing products and services for our partners to jointly explore sustainable business models.

Collaboration on financial services

As an integrated financial group, Ping An always empathizes the challenges faced by financial institutions such as slowing economic growth, product homogeneity, high non-performing loan ratio, rising operation costs and outdated technology. OneConnect, the subsidiary of Ping An, has created an open platform and market model to connect assets and capitals. It strives to strengthen financial infrastructure, develop inclusive

financial technologies and support financial institutions.

Ping An and a number of small and medium-sized banks across the country jointly launched the Internet Finance Association (Shenzhen) of Small and Medium-sized Banks, which currently has 255 members and covers 70% of small and medium-sized bank assets. It is the biggest fintech association for the banking industry in China and will help build the financial ecosystem in China.

Meanwhile, as the world's leading financial technology platform, OneConnect has served over 3,289 clients include 5 large scale banks, 12 joint-equity banks, thousands of small to medium scale banks, insurance, investment and other financial institutions. Fintech tools can support financial institutions to address issues related to operational strategy and efficiency and is expected to increase their return on equity (ROE) by 40-49%.

Case Study

Yiqiyin Smart Financing Service Platform digitalizing credit business operations

OneConnect launched the first fintech service platform, Yiqiyin, in China that connects financial institutions such as banks with small and medium-sized enterprises. The platform not only helps financial institutions to digitalize credit business process, but also increases their risk management capabilities and cost efficiency, enhancing their ability and willingness to make micro loans.

Collaboration on healthcare

With our deep understanding of the pain points for healthcare industry, such as unevenly distributed healthcare resources, poor service experience and medical insurance loss, Ping An has created an open platform to fully integrate data and technology with healthcare service resources through our subsidiary Ping An Good Doctor.

Ping An Good Doctor has provided services to more than 3,000 hospitals, 15,000 pharmacy outlets and 5,203 external doctors, effectively connecting patients with healthcare service providers and optimizing the allocation of healthcare resources. Our healthcare service providers network grew by 1,500 members in 2018, with a coverage of nearly 400 traditional Chinese clinics, 1,300 health check centers, 1,200 dental clinics and 120 medical beauty institutions. Over 47,000 clinics are using our cloud-based clinic system.

Collaboration on auto services

Aiming to address the challenges of auto industry such as low profit for dealers and low sales conversion rate, we leverage our platform Autohome to empower automotive companies through technological services such as AI technology, big data management and cloud computing.

Autohome provides smart marketing services for automobile manufacturers, dealers and component suppliers and provides consumers with diverse services such as driving lessons, vehicle sales and purchase and transit services. By consolidating and linking up merchant and consumer data, the platform can improve the service experience and efficiency for automotive transactions.

Case Study

Digital marketing helping automobile manufacturers

Autohome has collaborated with 11 automobiles manufacturers to provide digital marketing solutions. The solutions helped improve the businesses of manufacturers from four aspects namely customer attention, interest, intention and transaction. In particular, the attention rate increased by 192% and transaction volume raised by 39%.

Cities covered by Ping An Smart City

60

Government administration efficiency promoted by

80%

Collaboration on smart city

In the 21st century, increasing problems of large cities have been observed, along with the progressing urbanization. Ping An is committed to using technological solutions based on AI, cloud technology and blockchain to solve the security, traffic and environmental problems faced by many cities due to rapid urbanization. Ping An Smart City, one of our subsidiaries, has highly involved in the construction of smart city platforms to help local governments improve administration management efficiency and public services.

Currently, Ping An Smart City has covered more than 60 cities and has implemented more than 115 projects to achieve an 80% improvement in administration efficiency.

Collaboration on real estate services

In view of the issues concerning real estate finance and transaction, Ping An Urban-Tech has established a collaborative service platform for construction, trading and service of the real estate service ecosystem.

By combining static and dynamic urban data, Ping An Urban-Tech aims to digitalize and enhance the urban development, operations, services and living quality. In 2018 Ping An Urban-Tech has signed cooperation agreement with around 50 large and medium sized cities, and implemented various smart platforms in relation to real estate services for more than 10 cities such as Wuxi, Taizhou, Leshan and Sanya.

Ping An Urban-Tech connects the industry chain collaboration network with the government regulatory, approval and service platforms to support the whole value chain from research and development, design and manufacturing, supply chain management to operations and maintenance.

Supply chain management

In terms of supply chain management, Ping An centralized procurement management center has introduced a series of procurement standards and processes in accordance with the requirements of "honesty, integrity, and clean procurement", so as to ensure the tender invitation, evaluation and complaint handling processes are open, fair and efficient, and are subject to the inspection of suppliers and customers to protect the interests of all parties.

Ping An has also established regulations on the integrity and probity of procurement staff and implemented a rotation system for relevant personnel. These measures have effectively prevented commercial bribery in centralized procurement activities, and safeguarded the interests of our suppliers. Besides, comprehensive rating assessments are conducted to categorize suppliers. High-rating suppliers are prioritized for long-term cooperation. We emphasize the cultivation of corporate sustainability for our suppliers, and preferences are given to green suppliers with environmental protection certificates.

In 2018, we cooperated with 1,467 suppliers and completed centralized procurement of RMB 7.441 billion.

Suppliers cooperated with Ping An in 2018

1,467

Response and Outlook



Shareholder

Targets in 2018	Actions in 2018	Vision in 2019
<p>To rely on the unique competitive advantages in terms of technical talents, funds, scenarios and data to realize the transformation of "finance + technology", making science and technology the new engine and a profit growth point for Ping An.</p>	<p>Ping An continued to explore innovative business models. In 2018, Ping An nurtured numerous innovative startup companies, of which the result was well-recognized by investors around the globe. Ping An Healthcare and Technology Limited in 2018 became the world's first ever internet healthtech stock. The world's leading Fintech SaaS OneConnect led the industry by having the most registered intellectual property rights on advanced technology like blockchain. Health Konnect completed its round A financing, turning itself to become the healthcare company with the largest valuation in China. Being the largest internet asset management platform in China, Lufax received unwavering support from global investors.</p>	<p>To continue to enhance the strategies of "finance + technology" and "finance + ecosystem," with an aim to support the development of our five ecosystems, to realize the model of "technology enables finance, technology enables ecosystem, ecosystem promotes finance"</p>
<p>To continue good communications and maintenance of investor relations, and to ensure that results releases, road shows, open days and strategic days are carried out smoothly, and that information disclosure is made in a timely, accurate, truthful, and complete manner.</p>	<p>In 2018, Ping An organized public briefings, teleconferences and roadshows for result announcement, strengthened our communications with small and medium-sized investors through platforms such as E-interaction platform of the Shanghai Stock Exchange, and established investor communications channels on sina.com and xueqiu.com. The change from passive response to active engagement gained recognitions from the capital market. Ping An, in the second consecutive year, has been included as a constituent of the SynTaoGF CaiXin ESG50 Index (SGCX ESG50).</p>	<p>To provide timely, accurate, authentic and complete disclosure on company's important information to every stakeholder equally. To maintain investor relations through good communication.</p>
<p>To continue to enhance smart risk management applications, to cover the entire risk management cycle, to adapt to new regulatory regimes, to strengthen systemic risk management, and to continuously enhance the Group's ability to withstand risks.</p>	<p>Led by core members from the Board of Directors and Ping An Risk Management Committee, we promoted the adoption of smart risk management and have already applied AI technologies like micro-expression recognition into risk management.</p>	<p>To further strengthen our comprehensive risk governance and management system. To develop a smart and multi-dimensional platform for subsidiaries to set up risk management indicators and automate risk reporting and assessment.</p>

Response and Outlook

Customers

Targets in 2018	Actions in 2018	Vision in 2019
To continuously improve NPS, customer satisfaction, and brand reputation, with NPS improvement target of 5%.	In 2018, Ping An's NPS triggered more than 41 million surveys and received 13 million responses, reaching a response rate of 32%. With NPS, we are able to better understand customer demands, identify opportunities, and improve customer experience and business value. In 2018, our NPS reached 41%, an increase of 5% compared with that of 2017.	To continuously improve customer satisfaction and NPS based on customers' feedbacks.
To actively use technological means such as AI to enhance customers' experience on claim settlement, to solve customers' pain points and to create a simple life.	The "510 speedy assessment" model was updated to help handle over 90% of accident assessments within 10 minutes. In 2018 OneConnect first applied micro-expression recognition technology to over RMB 500 billion loans, cutting credit losses by 60% and shortening the approval time from 5 days to 2 hours.	To strengthen the capabilities of our technological products to respond to incidents and disasters. To leverage AI applications for enhancing our business operation process and increasing the proportion of customers using online services.
To continue to build and improve the fintech and medical technology platforms to serve a wider range of customers and enhance their financial and medical service experience.	Addressing the issues of pharmacists' incapability and resources shortage, which have been challenges faced by health commissions at all levels, "Ping An AI Pharmacist" established an AI prescription examination engine has been connected with 168 hospitals and assesses 150,000 prescriptions a day, with cumulative number amounting to 18 million.	To continue to apply technologies like AI, blockchain and cloud computing so as to develop a smart exchange robotic platform. To continue to enhance fintech and medical technology platforms.

Employees

Targets in 2018	Actions in 2018	Vision in 2019
<p>To specify annual focus employee groups for training and integrate training themes; to establish data platform and promote products applications and constantly enhance services; to continuously optimize content and operational processes; and to increase the utilization rate and activity rate of Zhi Niao. To provide 8.5 hours face-to-face or online training per employee with total budget over RMB one billion.</p>	<p>In 2018, Ping An adopted an "AI + training" model and introduced customized training programs on Zhi Niao learning platform through technologies like AI, voiceprint recognition, blockchain and cloud technology, providing online and offline training to our 1.8 million employees. The total attendance of training session amounted to 44,441 and total training hours amounted to 3.34 million, equivalent to an average of 9.21 hours per employee. The total resources allocated for training and development was RMB 1.046 billion in 2018.</p>	<p>To continue to improve the quality of training courses and customize training programs for staff according to their capabilities. To better coordinate training resources for higher efficiency and serving more employees.</p> <p>To develop training roadmap and diverse courses for employees and provide more resources for suppliers and instructors, so as to meet individual employees' needs.</p>
<p>To continuously improve the remuneration system and policies; to retain and motivate employees with remuneration; to actively pay attention to internal and external excellent welfare practices and continuously improve the welfare system.</p>	<p>In 2018 Ping An reformed our performance evaluation system, taking into account both employees' performance and the long-term value created by their business units. This aimed to encourage employee to improve continuously and contribute to the Company's development. In 2018, 184,462 employees participated in the enterprise annuity scheme and total annual payment for the scheme reached RMB 64.3 billion.</p>	<p>To improve the objectivity of the performance evaluation system for management and employees. To promote competency assessment among the Group to better nurture talents. To establish talent development programs for Ping An's future growth.</p>
<p>To further optimize the employee service platform through advanced technologies based on the Group's philosophy of tech transformation; to gradually cover all employees with existing products; to build a professional communication/consulting platform for Ping An employees. To establish a special platform for employee health management, and continuously provide employees with professional and high-quality physical/mental health products.</p>	<p>In 2018 Ping An continued to provide health management services to our employees. Through monthly interviews, all aspects of employees' concerns were heard. The HR-X forum provided a cross-company, cross-region and cross-profession platform for employees to exchange their thoughts. Through the EAP hotline, third-party professional counselling services were offered to employees.</p>	<p>To implement comprehensive process automation and create a convenient and caring working experience for all employees. On top of basic health check-up, to provide tailored health advices and improve the quality of medical consultation for employees.</p>

Response and Outlook

Community and Environment

Targets in 2018	Actions in 2018	Vision in 2019
Using Ping An's capabilities in insurance, financing, capital raising and technology to enhance agricultural finance infrastructures, bring financial and technological capital into rural villages, in an attempt to develop tailor-made solutions and help unlock potential for rural industry.	Built the core agricultural enterprise loan, hydro power support, poverty alleviation loan and insurance schemes. Distributed RMB 5.394 billion in funds, benefited a total of 330,000 people and over 15,000 poverty-stricken households.	To continue to promote the deployment of industries poverty alleviation model, achieve more collaboration at provincial and municipal level and issue 10 billion loans.
To improve the quality and efficiency of healthcare poverty alleviation, Ping An launched "Village Doctor Program," which comprises a 4+1 Smart Medical Comprehensive Scheme to enhance four major medical services via the Village Clinic Upgrade, Village Doctor Training, Auxiliary Medical Service, and Health Check programs.	The Village Doctor Program has supported upgrades at 400 clinics, training for 5,702 village doctors, and 109 mobile health checks. 12,831 and 6,440 people have benefitted from health checks and voluntary medical examinations respectively.	To continue to promote healthcare poverty alleviation. To complete the upgrade of 400 village clinics, provide offline training to 4,000 villager doctors, organize 440 village health check events for 44,000 villagers, and provide voluntary medical consultation for 22,000 villagers.
To implement targeted poverty alleviation through education, Ping An launched the 4+1 Smart Primary School Comprehensive Construction Scheme, comprising Village Primary School Upgrade, Principal Training, Teacher Training and Volunteer Teaching programs to support village primary schools, teachers and students.	In 2018 Ping An started our 4+1 Smart Primary Schools Comprehensive Construction Scheme, to upgrade 391 village primary schools and train 4,819 village teachers. The total number of students in Ping An Smart Primary Schools reached more than 0.23 million .	To continue to promote poverty alleviation through education programs, including upgrade of 409 village schools, trainings for 4,090 village teachers and various education activities for scientific literacy, etc. to enrich the knowledge of children in villages.
To focus on society concerns, help 10,000 migrant workers return home, fulfill social responsibilities, and contribute to the society.	Ping An cooperated with China Social Assistance Foundation to organize a charitable event named "Safe Journey, Bring Love Home" to raise the awareness of rural hollowing and left-behind children. During the event, about 200 Ping An buses carried 10,000 migrant workers back their home towns.	To continuously expand the scale of charitable event to bring poor migrant workers home, with an objective to address the problem of rural hollowing and left-behind children. To launch a channel for public donation and brand-new insurance products to cater for the needs of migrant workers in 2019.

Partners

Targets in 2018	Actions in 2018	Vision in 2019
To continuously optimize the "No. 1 Project" and maintain the income of newly recruited agents; to ensure that the income of an agent who was recruited one year and two years ago are no less than 1 and 1.5 times of the average social level respectively.	In 2018 Ping An developed an excellent agent team. The team of Ping An Life's agents exceeded RMB 1.417 million and on average received 62.1 hours of trainings per agent. Total investment for providing comprehensive trainings amounted to RMB 1.482 billion. We also continuously enhanced our sales support and customer services capabilities via technological innovation.	To promote role models among agents. To reach a 35% quarterly training coverage rate and to help agents increase their income.
To continue to promote the online operation of branches, increase the online operation rate of standard courses, and formulate the instructions, clarify the requirements and, optimize the process of remote training to enhance efficiency.	In 2018 Ping An applied AI technology to the recruitment and trainings of our agents. we developed a cloud database to provide customized course recommendations to agents according to their capabilities.	To reach 85% micro-classroom learning rate and promote online learning among agents.
To achieve centralized procurement + decentralized/centralized review of the consolidated supplier pool and unified certificate login, with a centralized procurement ratio of RMB6.5 billion, not less than 15%.	In 2018, Ping An fostered a strategic cooperation with partners along the value chain, based on our five ecosystem strategies. To improve the process of procurement management, Ping An completed centralized procurement of RMB 7.441 billion.	To explore the opportunities in smart procurement and develop respective database. To enhance the AI-powered procurement rating systems, which matches customers' needs with suppliers' and products' features and plan for a RMB 10 billion procurement.

Our sustainability development achievement

Appendix 1: Performance Report

Shareholders

We strictly abode by the relevant laws of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Insurance Law of the People's Republic of China, and followed the principles set out in the relevant laws and regulations promulgated by the regulatory authorities; in line with the actual situation of the Company, we carried out corporate governance activities and continuously improved the corporate governance structure. The General Meeting of Shareholders, the Board of Directors, the Supervisory Committee and the senior management have exercised their rights and performed their obligations in accordance with the Articles of Association.

The Board of Directors has set up four professional committees: the Strategy and Investment Decision-making Committee, the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee. The independent directors make up the majority of the professional committees. Except that the director of the Strategy and Investment Decision-making Committee is the Chairman and CEO of the Company, the directors of other professional committees are all served by independent directors. Effective and smooth communication was achieved between the Company and shareholders.

Comprehensive Mechanism for Risk Management and Decision-Making

Since our establishment, Ping An has regarded risk management as an integral part of our operations and business activities. We take steady steps to build an enterprise risk management framework aligned with the Group's strategies and the nature of our business. By continuously optimizing our risk management framework, standardizing our risk management procedures, adopting both qualitative and quantitative risk management methodologies to identify, evaluate and mitigate risks, we facilitate the effective, sustainable and healthy growth of the Company, and help the Company to become a world-leading personal financial services provider while making sure the risks are controllable. The risk appetite system is one of the core contents of our overall strategy and comprehensive risk management. According to the overall strategic layout of the Company, and considering the development demands of each subsidiary, we gradually established a risk appetite system that matches the business strategies to connect risk appetite with management decisions and business development, and promote the healthy operation and development of the Group and the subsidiaries.

In 2018, Ping An built a common risk management platform and better collaborations, where subsidiaries would set up a comprehensive set of risk monitoring indicators according to the Group's risk management requirements. Major subsidiaries have completed the development of indicators and started to conduct quarterly risk monitoring and tracking. Under the guidance of Risk Management Committee and Chief Risk Officer, Ping An regularly evaluates subsidiaries' ability in conducting risk management, of which the results would be considered as part of their compliance internal control assessment criteria, so as to constantly enhance our risk management capability in every aspect of our business operations.

Comprehensive System for Information Disclosure

The company has established a working group mechanism for information disclosure. With the team's multi-review mechanism, it has effectively ensured the accuracy and timeliness of information disclosure. Disclosures of the Company's announcements are subject to rigorous review. For example, the Company's daily interim announcements are reviewed (if necessary) by the Board of Directors, the Board of Supervisors, and/or the General Meeting of Shareholders; major, difficult, and unprecedented interim announcements are reviewed by the information disclosure working group; In special emergencies, the Chairman and any two Executive Directors will review the clarification announcements or supplements of the unexpected events. All announcements must be approved by the Secretary of the Board of Directors or the Company Secretary before they can be issued, and they will be reported to all Directors and Supervisors in a timely manner.

We prioritize the management of customer information and the Internet security of our products and businesses. We have established a stringent customer information protection system at the Group and the subsidiaries to clarify the security protection measures for input, transmission, storage, and use of customer information. A series of measures to prevent data leakage effectively protected the security of customer information. In addition, we established a Group Security Emergency Response Center and built platforms such as business security risk management to proactively perceive threats to Group's information security, realize rapid response, and provide customers with a solid information security guarantee. We conducted trainings on topics such as data security and customer privacy for the Group's Information Security Department and information security related employees to further enhance the awareness and ability of related employees in protecting information and data security.

Shareholder-related performance table

Indicator	2018	2017	2016
Total assets (million RMB)	7,142,960	6,493,075	5,576,903
Total income (million RMB)	976,832	890,882	712,453
Net profit (million RMB)	120,452	99,978	72,368
Dividends per share (RMB)	1.72	1.5	0.75
Earnings per share (RMB)	6.02	4.99	3.5
Total remuneration paid (million RMB)	49,902	48,271	45,542
Total tax paid (million RMB)	121,324	99,352	79,527
Solvency adequacy ratio of the Group (%)	216.4	214.9	210
Coverage rate of anti-corruption education (%)	100	100	100
Coverage rate of trainings on anti-money laundering and protection of trade secret (%)	100	100	100
Number of non-compliance cases related to money laundering	0	-	-
Coverage rate of promotional events on compliance and internal control (%)	100	-	-
Coverage rate of trainings for risk management employees (%)	100	-	-
Numbers of anti-corruption trainings	2,000	-	-
Attendance of anti-corruption trainings (million)	1,213	-	-
Rectification rate of issues identified in annual audit (%)	90	-	-
Number of verified complaints	290	-	-
Verification rate of complaints received (%)	100	-	-

Demographics of 2018 Board of Directors and Supervisory Committee members

Indicator	Board of Directors				Supervisory Committee			
	Executive Director(s)	Non-executive Director(s)	Independent Non-executive Director(s)	Total	External Supervisor(s)	Shareholder Representative Supervisor(s)	Employee Representative Supervisor(s)	Total
Headcount	6	4	5	15	2	1	2	5

Unit: %

Indicator	Board of Directors					Supervisory Committee				
	Gender		Age			Gender		Age		
	Male	Female	Under 30	30 to 50	Above 50	Male	Female	Under 30	30 to 50	Above 50
Percentage	93.33	6.66	0	20	80	80	20	0	60	40



Customers

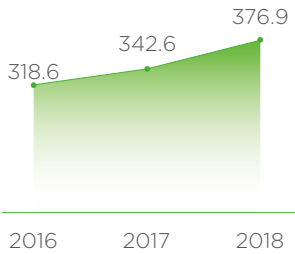
Subsidiary	NPS supporting indicators	2018	2017	2016
Ping An Life	NPS (%)	33	27	21
	Rolling complaint rate in Dec (%)	0.04	0.04	0.04
	Overall Customer satisfaction (%)	95.3	94.2	93.5
Ping An Property & Casualty	NPS (%)	56	48	47
	Per-case turnaround time for auto insurance claims under RMB10,000	13.10	12.23	14.42
	Auto claims payment ratio (%)	99.93	99.58	99.85
Ping An Health	NPS (%)	40	24	22
	Rolling complaint rate in Dec (%)	0.01	0.01	0.02
	4-hour response rate of reservation services (%)	98.69	98.25	95.15
Ping An Bank	NPS (%)	44	31	23
Credit Card	NPS (%)	30	20	15
	Customer satisfaction rate	87	84	83
Ping An Annuity	NPS Rate (%)	60	51	44
	Customer satisfaction (5-point scale)	4.67	4.64	4.62
Ping An Trust	NPS* (%)	19	38	51
	Call-in rate of customer service	97.42	98.00	96.73
Ping An Securities	NPS (%)	14	9	3.5
	Customer satisfaction of call center services (%)	98.32	98.94	98.06
Ping An Good Doctor	NPS (%)	61	54	52
	Daily praise rate (%)	98.88	99.04	98.69
Puhui Financial	NPS (%)	32	30	21
	Complaint response rate (%)	94	74	52

*Ping An Trust NPS in 2018 did not include Caifubao products

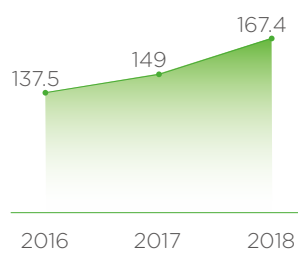
Employees

Employment Performance

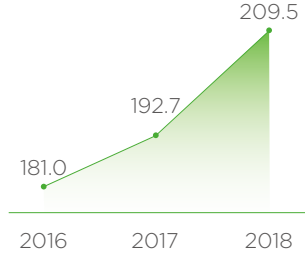
Total number of employees
(thousand people)



Number of in-house staff
(thousand people)



Number of sales agents
(thousand people)



Number of employees by categories

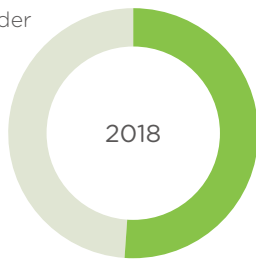
Indicator	2018
Number of regular employee	363,549
Number of informal employee	13,351
Percentage of informal employee	3.54%

Employee diversity

Indicator	2018
Number of senior management	2,694
Number of female senior management	685
Number of ethnic minority senior management	100
Number of executive management	14
Number of female executive management	3

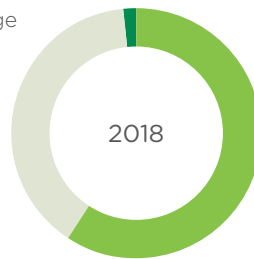
Indicator	2018
Number of Board of Director members	15
Number of female director	1
Average working experience of female employees in Ping An Group (years)	4.04
Average working experience of male employees in Ping An Group (years)	3.46
Number of ethnic minority employees	19,598

Gender



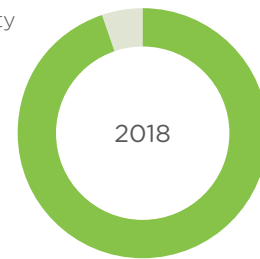
■ Male 51.36%
■ Female 48.64%

Age



■ ≤ 30 58.75%
■ 30-50 39.86%
■ > 50 1.39%

Ethnicity



■ Han Chinese 94.91%
■ Other 5.09%

Unit: %

Time	Male	Female	Under 30	30 to 50	Above 50	Han Chinese	Others
2018	51.36%	48.64%	58.75%	39.86%	1.39%	94.91%	5.09%
2017	50.33%	49.67%	61.05%	37.62%	1.33%	95.05%	4.95%
2016	50.6%	49.4%	68.0%	30.8%	1.2%	95.3%	4.7%

Minimum notice period for notifying major business change

For full-time employees with labor contracts, Ping An will communicate with employees at least one month in advance according to Ping An Manual on Labor Management.

The standard starting salaries for remuneration in important operation locations compared to the range of local minimum salary

It is not mandatory to set a fixed ratio between the standard starting salaries of subsidiaries and the local minimum salary, but the Group has required all subsidiaries to set the remuneration in a lawful and compliant manner, to regularly understand market data and review the remuneration.

Over-time policies and expenses

Time	Expenses	Polices	Data scope
2018	RMB 328.6698 million, accounting for 0.40% of the labor costs	All subsidiaries have established and issued the overtime management measures after democratic discussions were made by employees;	Ping An Group
2017	RMB 217.0497 million, accounting for 0.28% of the labor costs	The Company does not encourage or force employees to work overtime. Internal approval should be made if there is a need for overtime. If overtime occurs, overtime wages should be paid in accordance with the Labor Law.	
2016	RMB 267.1472 million, accounting for 0.95% of the labor costs		

Staff training

Indicators	
Coverage rate of face-to-face trainings of EXCO members and senior managers (%)	48.25
Coverage rate of face-to-face trainings of Level B and medium-level managers (%)	25.45
Coverage rate of face-to-face trainings of C Commission and general management (%)	10.95
Total attendance of face-to-face training	44,411
Average per-capita hours face-to-face trainings and online trainings per employee (hour)	9.21

Zhi Niao learning platform

Indicators	2018	2017	2016
Number of valid users (million)	5.9714	4.0130	1.42
Annual activity rate (%)	98.40	99.80	81.73
Highest monthly activity rate (%)	97.60	95.00	94.80
Total number of courses (thousand)	209	180	70
Number of playback (million times)	11,139.50	123.3442	48.6650
Number of online examinations taken (million times)	19.9385	19.71	0.446
Number of hours online training (million hours)	2.819	1.924	0.333
Attendance of online trainings (million)	1.695	1.345	Not available

Community and Environment

Inclusive Finance			Unit: %
Indicator	2018	2017	2016
Percentage of total loans for SMEs at Ping An Bank	15.24	14.05	15.79
Percentage of total loans for SMEs at Puhui Financial	50.00	44.20	40.30

Cities covered in Ping An Health's business operations

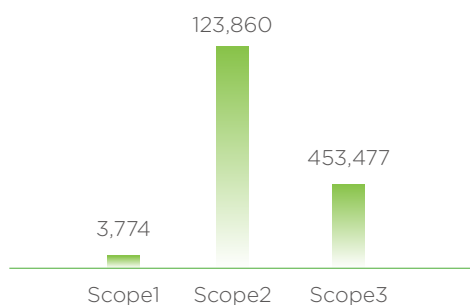
Indicator	2018	2017	2016
Number of cities covered	216	Over 200	208



Resource consumption and emissions statistics

Indicator	2018	2017	2016
Total water consumption (tons)	1,173,304	1,101,832	816,488
Per-capita water consumption per person (tons)	21.82	21.85	17.79
Direct energy consumption			
Total natural gas consumption (cubic meters)	2,031,541	1,916,793	2,474,140
Indirect energy consumption			
Electricity consumption (kWh)	155,732,102	134,879,626	87,104,719
Per-capita electricity consumption (kWh)	2,893.80	2,674.86	1,897.95
Greenhouse gases emission			
Total GHG emission (tCO ₂ e)	197,904	172,981	84,860
Per-capita GHG emission (tCO ₂ e)	3.68	3.43	1.85
Solid waste produced (tons)	8,957	9,186	-

2018 Green House Gases Emissions (tCO₂e)



Paper saved (tons)

Time	MIT mobile business model	E-letter	E-bill
2018	1,354	1,283	6,532
2017	1,384	935	4,173
2016	1,082	669	2,886

1. Comparing the 2018 data scope with that of 2017, Ping An has included a new office Guangzhou Panyu Property and Casualty Insurance Telemarketing Center. Due to the renovation work of Shenzhen Ping An Tower, Ping An Technology moved to JLPay Building in July 2018. Therefore, the report covers data of Ping An Technology in Shenzhen Ping Tower from January to July and in JLPay Building from August to December respectively. Data reported above cover 14 property buildings where Ping An is operating at, including Wuxi Ping An Wealth Centre, Shanghai Ping An Tower, Ping An School of Financial Management, Shenzhen Ping An Tower/JLPay Building, Shenzhen 826 Building, Shanghai Zhangjiang, Shanghai Jing An Plaza, Shanghai Ping An Finance Tower and Ping An Towers in Beijing, Beijing, Dalian, Zhuhai, Hefei and Fuzhou.
2. Apart from the number of resident employees, the Ping An School of Financial Management and Shenzhen 826 Building converted the total number of visitors in 2018 to the number of resident employees (the number of visitors in the whole year/365 days), the same calculation definition as that in 2017.
3. In addition to Ping An employees, there were tenants working in the Ping An Towers in Beijing, Dalian, Zhuhai, Fuzhou, Hefei and Wuxi Ping An Wealth Center. The energy consumption data were calculated based on the actual monthly water and electricity charges. As for source without sub-water meter, the consumption was calculated based on the proportion of our employees, excluding consumption of non-Ping An employees.
4. Statistics of electricity consumption did not include electricity consumption in the computer rooms of Zhangjiang, Ping An School of Financial Management and Shenzhen Ping An Tower, which was in line with that in 2017.
5. The total volume of solid wastes was calculated based on the waste disposal volume written on the Waste Removal and Transportation Agreement signed by each property and local environmental protection authority.
6. Calculation of carbon emission: The scope 1 GHG emission in this report is referred to stationary source emissions. The scope 2 GHG emission is referred to converted electricity emission data. Based on the latest energy conversion data released by the country by the deadline of this report and operational regions, the formula for carbon dioxide conversion is updated: consumption of 1 kWh of electricity discharges 0.8697 kilograms of CO₂. The scope 3 GHG emission is referred to indirect emissions from business travel by airplanes.



Partners

While protecting the interests of all parties, we have continued to increase providers' standards and awareness in environmental protection. In accordance with Article 7 of the Administrative Measures for Centralized Procurement of Business Providers, "under the same conditions, priority should be given to nearby procurement to reduce energy consumption in transportation for the purpose of low-carbon and environmental protection; we should reasonably control the procurement quotas of providers of high energy consumption products; we should eliminate providers that violate the environmental protection requirements of the state or the Company", all project operations were completed within the procurement management system or E-procurement in a paperless manner.

We added ISO Quality Management System Certification and Environmental System Certification in the qualification certification of Providers' Field Inspection Standards (Practice & Factory), and added raw material environmental protection requirements and corporate social responsibility scores in Providers' Field Inspection Standards (furniture)". The providers of the furniture we procured have China Environmental Labeling. This certification is the most authoritative and the highest level certification on environmental protection for furniture enterprises in China.

OneConnect

	2018	2017	2016
Number of cooperative institutions	3,289	2,358	1,800

Suppliers

	2018	2017	2016
Number of suppliers	1,467	1,397	988

Ping An Life agent (million)

	2018	2017	2016
Number of cooperative Ping An Life agents	1,417	1,386	1.11

Appendix 2: Social recognition

Corporate Strength

Fortune

The 29th on the Fortune Global 400 list and the 5th among global financial institutions

Fortune (Chinese version)

The 4th on the Fortune China 500 list and the 1st among Chinese insurers and among Chinese mixed ownership enterprises

Forbes

The 10th on the Forbes Global 2000 list and the 1st among global multi-business insurers and among Chinese insurers

Institutional Investor

The Most Honored Company in Asia

Corporate Governance

Institutional Investor

The Best Investor Relations Team
The Best Analyst Day
The Best Corporate Governance
The Best Investor Relations Professional
The Best ESG/SRI Indicators
The Best CEO - Ma Mingzhe
The Best CFO - Yao Bo

The Chamber of Hong Kong Listed Companies

Hong Kong Corporate Governance Excellence Award 2018

Corporate Governance Asia

The Best Investor Relations Company
The Best CEO in Asia - Ma Mingzhe









Corporate Social Responsibility

People's Daily

Case Study for Targeted Poverty Alleviation

- 
World Economic and Environmental Conference
 2018 Carbon-Value Award – Green Responsibility Award
- 
Economic Observer
 The Most Respected Enterprise in China for consecutive 17 years
- 
Southern Weekly
 Annual Responsibility and Contribution Award

Brand

- 
Millward Brown & WPP
 The 43rd on the list of BrandZ Top 100 Most Valuable Global Brands, the 1st among global insurance brands and the 3rd among global financial brands
 The 8th on the list of BrandZ Top 100 Most Valuable Chinese Brands, the 1st among Chinese insurers and the 2nd among Chinese financial institutions
- 
Brand Finance
 The 1st on the list of the World’s 100 Most Valuable Insurance Brands 2018
- 
Interbrand
 The 6th on the list of 2017 Best Chinese Brand
- 
Zhaopin.com
 The Most High-Profile Employer Among University Students and Top 100 Employers in China
- 
51job.com
 “An Excellent Case in Point for Strategic Recruitment” 5
- 
58.com
 The Top 100 Excellent Employers
- 
Liepin.com
 The Most Innovative and Extraordinary Employer
- 
Lagou.com
 TOP Best Employer

Appendix 3: ESG content index

Global Reporting Initiative (GRI) Content Index

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 102	102-1	Name of the organization	Disclosed	Front Cover
GRI 102	102-2	Activities, brands, products, and services	Disclosed	Corporate Profile
GRI 102	102-3	Location of headquarters	Disclosed	Back Cover
GRI 102	102-4	Location of operations	Disclosed	Corporate Profile
GRI 102	102-5	Ownership and legal form	Disclosed	Corporate Profile
GRI 102	102-6	Markets served	Disclosed	Corporate Profile
GRI 102	102-7	Scale of the organization	Disclosed	Corporate Profile
GRI 102	102-8	Information on employees and other workers	Disclosed	Appendix 1: Performance Report - Employees
GRI 102	102-9	Supply chain	Disclosed	Corporate Profile
GRI 102	102-10	Significant changes to the organization and its supply chain	Disclosed	Sustainability Practices - Partners - Supply chain management
GRI 102	102-11	Precautionary principle or approach	Disclosed	Core Topics -Addressing the Risks of Climate Change; Sustainability Practices - Shareholders - Sound risk governance structure
GRI 102	102-12	External initiatives	Disclosed	Sustainability Practices - Partners - Supply Chain Management
GRI 102	102-13	Memberships of association	Disclosed	Corporate Profile
GRI 102	102-14	Statement from senior decision - maker	Not disclosed	-
GRI 102	102-15	Key impacts, risks, and opportunities	Disclosed	Core Topics
GRI 102	102-16	Values, principles, standards and norms of behavior	Disclosed	Preface - Corporate Mission

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 102	102-17	Mechanisms for advice and concerns about ethics	Disclosed	Sustainability Practices - Shareholders
GRI 102	102-18	Governance structure	Disclosed	ESG Strategies and Management - Governance structure
GRI 102	102-19	Delegating authority	Disclosed	ESG Strategies and Management - Governance structure
GRI 102	102-20	Executive - level responsibility for economic, environmental, and social topics	Disclosed	ESG Strategies and Management - Governance structure
GRI 102	102-21	Consulting stakeholders on economic, environmental, and social topics	Disclosed	ESG Strategies and Management - Stakeholder engagement and materiality analysis
GRI 102	102-22	Composition of the highest governance body and its committees	Disclosed	Appendix 1: Performance Report - Shareholders
GRI 102	102-23	Chair of the highest governance body	Not disclosed	-
GRI 102	102-24	Nominating and selecting and highest governance body	Not disclosed	-
GRI 102	102-25	Conflicts of interest	Not disclosed	-
GRI 102	102-26	Role of highest governance body in setting purpose, values and strategy	Disclosed	ESG Strategies and Management - Governance structure
GRI 102	102-27	Collective knowledge of highest governance body	Not disclosed	-
GRI 102	102-28	Evaluating the highest governance body' s performance	Not disclosed	-
GRI 102	102-29	Identifying and managing economic, environmental and social impacts	Disclosed	ESG Strategies and Management - Governance structure
GRI 102	102-30	Effectiveness of risk management processes	Disclosed	Appendix 1: Performance Report - Shareholders
GRI 102	102-31	Review of economic, environmental and social impacts	Disclosed	ESG Strategies and Management - Governance structure
GRI 102	102-32	Highest governance body' s role in sustainability reporting	Disclosed	ESG Strategies and Management - Stakeholder engagement and materiality analysis

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 102	102-33	Communicating critical concerns	Disclosed	ESG Strategies and Management - Governance structure
GRI 102	102-34	Nature and total number of critical concerns	Not disclosed	-
GRI 102	102-35	Remuneration policies	Not disclosed	-
GRI 102	102-36	Process for determining remuneration	Not disclosed	-
GRI 102	102-37	Stakeholders' involvement in remuneration	Not disclosed	-
GRI 102	102-38	Annual total compensation ratio	Not disclosed	-
GRI 102	102-39	Percentage increase in annual total compensation ratio	Not disclosed	-
GRI 102	102-40	List of stakeholder groups	Disclosed	ESG Strategies and Management - Stakeholder engagement and materiality analysis
GRI 102	102-41	Collective bargaining agreements	Not disclosed	-
GRI 102	102-42	Identifying and selecting stakeholders	Disclosed	ESG Strategies and Management - Stakeholder engagement and materiality analysis
GRI 102	102-43	Approach to stakeholder engagement	Disclosed	ESG Strategies and Management - Stakeholder engagement and materiality analysis
GRI 102	102-44	Key topics and concerns raised	Disclosed	ESG Strategies and Management - Stakeholder engagement and materiality analysis
GRI 102	102-45	Entities included in the consolidated financial statements	Disclosed	About this Report
GRI 102	102-46	Defining report content and topic Boundaries	Disclosed	About this Report
GRI 102	102-47	List of material topics	Disclosed	ESG Strategies and Management - Stakeholder engagement and materiality analysis
GRI 102	102-48	Restatements of information	Disclosed	About this Report
GRI 102	102-49	Changes in reporting	Disclosed	About this Report
GRI 102	102-50	Reporting period	Disclosed	About this Report
GRI 102	102-51	Date of most recent report	Disclosed	About this Report

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 102	102-52	Reporting cycle	Disclosed	About this Report
GRI 102	102-53	Contact point for questions regarding the report	Disclosed	Back Cover
GRI 102	102-54	Claims of reporting in accordance with GRI Standards	Not disclosed	-
GRI 102	102-55	GRI Content Index	Disclosed	Appendix 3: ESG content index
GRI 102	102-56	External assurance	Disclosed	Appendix 4: Third-party verification report
GRI 103	103-1	Explanation of the material topic and its Boundary	Disclosed	ESG Strategies and Management
GRI 103	103-2	The management approach and its components	Disclosed	ESG Strategies and Management
GRI 103	103-3	Evaluation of the management approach	Not disclosed	-
GRI 201	201-1	Direct economic value generated and distributed	Disclosed	Appendix 1: Performance Report - Shareholders
GRI 201	201-2	Financial implications and other risks and opportunities due to climate change	Disclosed	Core Topics - Addressing the Risks of Climate Change
GRI 201	201-3	Defined benefit plan obligations and other retirement plans	Disclosed	Sustainability Practices - Employees - Equal rights
GRI 201	201-4	Financial assistance received from government	Not disclosed	-
GRI 202	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Disclosed	Response and Outlook; Appendix 1: Performance Report - Employees
GRI 202	202-2	Proportion of senior management hired from the local community	Not disclosed	-
GRI 203	203-1	Infrastructure investments and services supported	Disclosed	Sustainability Practices - Community and Environment
GRI 203	203-2	Significant indirect economic impacts	Not disclosed	-
GRI 205	205-1	Operations assessed for risks related to corruption	Disclosed	Sustainability Practices - Shareholders - Strengthening anti-corruption and business integrity

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 205	205-2	Communication and training on anti - corruption policies and procedures	Disclosed	Sustainability Practices - Shareholders - Improved mechanisms to promote Anti-corruption
GRI 205	205-3	Confirmed incidents of corruption and actions taken	Disclosed	Sustainability Practices - Shareholders - Strengthening anti-corruption and business integrity
GRI 302	302-1	Energy consumption within the organization	Disclosed	Appendix 1: Performance Report - Community and Environment
GRI 302	302-2	Energy consumption outside the organization	Disclosed	Appendix 1: Performance Report - Community and Environment
GRI 302	302-3	Energy intensity	Disclosed	Appendix 1: Performance Report - Community and Environment
GRI 302	302-4	Reduction of energy consumption	Disclosed	Appendix 1: Performance Report - Community and Environment
GRI 302	302-5	Reductions of energy requirements of products and services	Not disclosed	-
GRI 305	305-1	Direct (Scope 1) GHG emissions	Disclosed	Appendix 1: Performance Report - Community and Environment
GRI 305	305-2	Energy Indirect (Scope 2) GHG emissions	Disclosed	Appendix 1: Performance Report - Community and Environment
GRI 305	305-3	Water consumption	Disclosed	Appendix 1: Performance Report - Community and Environment
GRI 305	305-4	GHG emissions intensity	Disclosed	Appendix 1: Performance Report - Community and Environment
GRI 305	305-5	Reduction of GHG emissions	Disclosed	Sustainability Practices - Community and Environment - Green operations
GRI 305	305-6	Emissions of ozone-depleting substances (ODS)	Not applicable	-
GRI 305	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Not applicable	-
GRI 306	306-1	Water discharge by quality and destination	Not disclosed	-
GRI 306	306-2	Waste by type and disposal method	Disclosed	Sustainability Practices - Community and Environment - Green operations

GRI Indicator Category	Indicator	Name of the Indicator	Status of disclosure	References
GRI 307	307-1	Non - compliance with environmental laws and regulations	Disclosed	Sustainability Practices - Community and Environment - Green operations
GRI 308	308-1	New suppliers that were screened using environmental criteria	Disclosed	Sustainability Practices - Partners - Promoting Industry Development throughout Value Chain Cooperation - Supply Chain Management
GRI 308	308-2	Negative environmental impacts in the supply chain and actions taken	Disclosed	Sustainability Practices - Partners - Promoting Industry Development through Value Chain Cooperation - Supply Chain Management
GRI 401	401-1	New employee hires and employee turnover	Not disclosed	-
GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Disclosed	Sustainability Practices - Employees
GRI 401	401-3	Parental leave	Disclosed	-
GRI 402	402-1	Minimum notice periods regarding operational changes	Not disclosed	Appendix 1: Performance Report - Employees
GRI 404	404-1	Average hours of training per year per employee	Disclosed	Sustainability Practices - Employees - Training and development
GRI 404	404-2	Programs for upgrading employee skills and transition assistance programs	Disclosed	Sustainability Practices - Employees - Training and development
GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews	Not disclosed	-
GRI 405	405-1	Diversity of governance bodies and employees	Disclosed	Appendix 1: Performance Report - Employees
GRI 405	405-2	Ratio of basic salary and remuneration of women to men	Not disclosed	-
GRI 414	414-1	New suppliers that were screened using social criteria	Disclosed	Sustainability Practices - Partners - Promoting Industry Development throughout Value Chain Cooperation - Supply Chain Management
GRI 414	414-2	Negative social impacts in the supply chain and actions taken	Not disclosed	-

ESG Content Index

	ESG Indicator	Status of disclosure	References
A1 : Emissions	General disclosure	Disclosed	Appendix 1: Performance Report - Community and Environment; Sustainability Practices - Community and Environment - Green operations
	A1.1	Disclosed	Appendix 1: Performance Report - Community and Environment
	A1.2	Disclosed	Appendix 1: Performance Report - Community and Environment
	A1.3	Not applicable	-
	A1.4	Disclosed	Appendix 1: Performance Report - Community and Environment; Sustainability Practices - Community and Environment - Green operations
	A1.5	Disclosed	Sustainability Practices - Community and Environment - Green operations
	A1.6	Disclosed	Sustainability Practices - Community and Environment - Green operations
A2: Use of Resources	General disclosure	Disclosed	Appendix 1: Performance Report - Community and Environment; Sustainability Practices - Community and Environment - Green operations
	A2.1	Disclosed	Appendix 1: Performance Report - Community and Environment
	A2.2	Disclosed	Appendix 1: Performance Report - Community and Environment
	A2.3	Disclosed	Sustainability Practices - Community and Environment - Green operations
	A2.4	Disclosed	Sustainability Practices - Community and Environment - Green operations
	A2.5	Not applicable	-
A3: The Environment and Natural Resources	General disclosure	Disclosed	Sustainability Practices - Community and Environment - Green operations
	A3.1	Disclosed	Sustainability Practices - Community and Environment - Green operations
B1: Employment	General disclosure	Disclosed	Appendix 1: Performance Report - Employees
	B1.1	Disclosed	Appendix 1: Performance Report - Employees
	B1.2	Not disclosed	-
B2: Health and Safety	General disclosure	Disclosed	Sustainability Practices - Employees - Care for employees
	B2.1	Not disclosed	-
	B2.2	Not disclosed	-
	B2.3	Disclosed	Sustainability Practices - Employees - Care for employees
B3: Development and Training	General disclosure	Disclosed	Appendix 1: Performance Report - Employees
	B3.1	Disclosed	Appendix 1: Performance Report - Employees
	B3.2	Disclosed	Appendix 1: Performance Report - Employees

	ESG Indicator	Status of disclosure	References
B4: Labor Standards	General disclosure	Disclosed	Appendix 1: Performance Report - Employees
	B4.1	Disclosed	Sustainability Practices - Employees - Care for employees
	B4.2	Disclosed	Sustainability Practices - Employees - Care for employees
B5: Supply Chain Management	General disclosure	Disclosed	Sustainability Practices -Partners - Promoting Industry Development through Value Chain Cooperation
	B5.1	Disclosed	Sustainability Practices -Partners - Promoting Industry Development through Value Chain Cooperation
	B5.2	Disclosed	Sustainability Practices -Partners - Promoting Industry Development through Value Chain Cooperation
B6: Product Responsibility	General disclosure	Disclosed	Appendix 1: Performance Report - Customers
	B6.1	Not applicable	-
	B6.2	Disclosed	Appendix 1: Performance Report - Customers
	B6.3	Disclosed	Appendix 1: Performance Report - Customers
	B6.4	Not applicable	-
	B6.5	Disclosed	Core Topics - Embracing Technological Changes
B7: Anti-corruption	General disclosure	Disclosed	Sustainability Practices - Shareholders - Improved mechanisms to promote Anti-corruption
	B7.1	Not disclosed	
	B7.2	Disclosed	Sustainability Practices - Shareholders - Improved mechanisms to promote Anti-corruption
B8: Community Investment	General disclosure	Disclosed	Core Topics; Sustainability Practices - Community and Environment;
	B8.1	Disclosed	Core Topics; Sustainability Practices - Community and Environment; Appendix 1: Performance Report - Community and Environment
	B8.2	Disclosed	Core Topics; Sustainability Practices - Community and Environment; Appendix 1: Performance Report - Community and Environment

Appendix 4: Third-party verification report




Independent Assurance Report

To the Board of Directors of Ping An Insurance (Group) Company of China, Ltd (the "Board of Directors"):

We have been engaged by the Boards of Directors of Ping An Insurance (Group) Company of China, Ltd (hereafter 'PING AN') to perform a limited assurance engagement on the information disclosed in Ping An 2018 Sustainability Report (hereafter 'the Report') for the financial period from 1 January 2018 to 31 December 2018.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the completion and presentation (including reporting guidelines, limitations, reporting data and relevant identification procedures) of the Report in accordance with the recommendations of GRI Standard issued by Global Reporting Initiative (GRI).

The Board of Directors is also responsible for determining the objectives in respect of sustainability performance and reporting, including identification of stakeholders and material issues that are relevant to these stakeholders; establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived; and maintaining adequate records.

Our Responsibilities

Our responsibility, in accordance with the agreed terms with PING AN, is to carry out a "limited level" assurance engagement. Procedures performed to obtain a limited level of assurance on:

1. Compliance of the Report disclosure with the principles of materiality and inclusiveness required by GRI Standard.
2. Selected data and performance claims in the Report ("the Subject Matter Information").

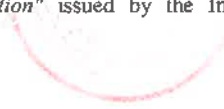
We do not accept or assume any responsibility for any other purpose or to any other person or organization other than the Board of Director. Any reliance and such third party may place on the Report is entirely at its own risk.

Our Independence and Quality Control

We complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants. Our firm applies *International Standard on Quality Control 1*. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Basis of Our Work

We conducted our work in accordance with International Standard on Assurance Engagements 3000: "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Federation of Accountants. We planned and



performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to form our conclusions.

Procedures, Scopes and Limitations of Our Work

Our procedures performed included interviewing with PING AN's personnel responsible for collecting, compiling and reporting the information, analyzing the information obtained, and other procedures relevant to the collection of the appropriate evidences. Specifically we:

- Interviewed relevant staff responsible for providing the underlying data for the selected information, to understand the procedure of identifying stakeholders and material issues, including relevant internal control procedures.
- Reviewed data and supporting documents to understand the coverage of those identified material issues and how it is implemented at a corporate level.
- Established the Subject Matter Information and assurance standard in the independent and limited assurance on the Report with PING AN.
- Basing on limited sampling, evaluated information or explanations about selected data, statements and assertions in the Report in accordance with our work results, and as well as the reporting systems and processes of related to the selected information.

In a limited assurance engagement, the evidence gathering procedures are less in scope than a reasonable assurance engagement. Accordingly, we do not express an opinion on the effectiveness of any of the PING AN's management systems, business processes, and related financial performance data.

We performed our limited assurance engagement at two offices of PING AN, Shenzhen and Shanghai. We did not carry out limited assurance engagement mentioned above at any other branches and subsidiaries of PING AN nor interviews with external stakeholders. Moreover, historical comparative data is not within the scope of this work.

Our Conclusions

- Subject to the limitation of our work, and the work performed and described in the Independent Assurance Report, nothing has come to our attention that causes us to believe that the Report was not prepared in compliance with materiality and inclusiveness required by GRI Standard; and
- Subject to the limitation of our work, and the work performed and described in the Independent Assurance Report, nothing has come to our attention that causes us to believe that there were any error that would materially affect the data as presented in the Report.

This is translation of the Chinese language version of the Independent Assurance Report. If there is any conflict in meaning between the Chinese and English versions, the Chinese version will prevail.

Deloitte Touche Tohmatsu Certified Public Accountants LLP



12 March 2019

Feedback

Thank you for your support for the improvement of our corporate sustainability practices. We are looking forward to hearing your feedback via email or phone call.

Fax: (0755) 82431029

Zip code:518048

Mailing address: Yitian Road, Futian District, Shenzhen 47 Floor, Ping An Financial Center

Email: Pub_CSR@pingan.com.cn

Telephone: 95511

In order to provide you and other stakeholders with professional and valuable sustainability information and further improve the quality of our sustainability reporting, please give us your feedback and comments regarding the questions in the feedback form below through and following channels:

- By mail (Please write "sustainability report feedback" on the envelope.)
- By email (Please label the subject "sustainability report feedback".)
- By Telephone

Are you pleased with this report? Please give us your feedback and comments.

What do you think of the completeness of the disclosure of our corporate sustainability performance in this report?

Does this report provide enough disclosure regarding the issues that you are interested in? And what are these issues?

Do you think the length of this report is adequate?

Do you think the content structure and illustration of this report are reasonable? Any suggestions for improvement?

Do you like the design of this report? Any suggestions for improvement?

What are your suggestions for the disclosure of our corporate sustainability performance?

Your information

Name _____

Position _____

Fax _____

Company _____

Telephone _____

Email _____



This report is printed on recycled paper

Ping An Insurance (Group) Company of China, Ltd.

Yitian Road, Futian District, Shenzhen, Ping An Financial Center Postal Code 518048

Telephone 400 5566 338

Customer service hotline: 95511

For more information at



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weibo.com/pingan

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