

中国平安 PINGAN

金融 · 科技

2019 First Quarter Results

April 2019



Cautionary Statements Regarding Forward-Looking Statements

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

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

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Insurance Business

Banking Business

Fintech & Healthtech Business

Overview

2019 first quarter business highlights

(in RMB)

The Group

- Operating profit attributable to shareholders of the parent company rose by **21.0%** YoY to **RMB34,119 million**. Net profit attributable to shareholders of the parent company rose by **77.1%** YoY to **RMB45,517 million**.

Customer Development

- Retail customers grew by **3.6%** year to date to **191 million**. Internet users rose by **4.2%** YTD to **561 million**. In the first quarter of 2019, the Group acquired **11 million** new customers, **31.3%** of whom were sourced from internet users within the Group's five ecosystems.

Life & Health Insurance

- Value of new business (NBV) of the life and health insurance business rose by **6.1%** YoY to **RMB21,642 million**. We adjusted our product mix and focused more on high-value products, realizing a **5.9 pps** rise YoY in NBV margin which partially offset the effect of a decline in first-year premium.

Ping An Bank

- Ping An Bank maintained steady growth. Net profit rose by **12.9%** YoY to **RMB7,446 million** along with a **15.9%** YoY increase in revenue.

Technology

- Ping An further strengthened its technological capabilities, filing **3,265** additional technology patent applications in the first quarter bringing total outstanding applications to **15,316**. Ping An gained further international recognition for its technology and **won three world's No.1s**: Automatic Cancer Detection and Classification in Whole-slide Lung Histopathology (ACDC), Endoscopic Artefact Detection (EAD) and Pathologic Myopia Challenge (PALM) among all the nine competitions at the world-class IEEE International Symposium on Biomedical Imaging (ISBI).

Overview

Insurance Business

Banking Business

Fintech & Healthtech Business

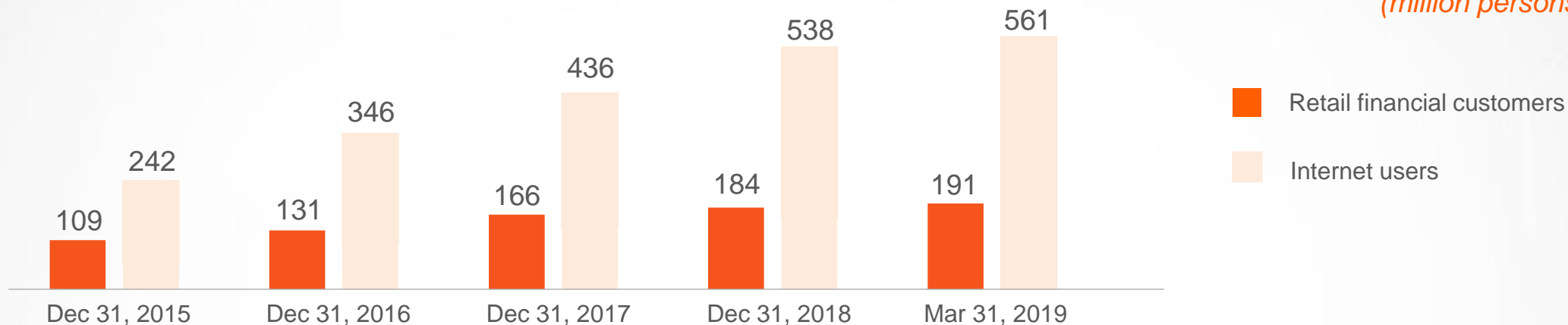


Customer Development

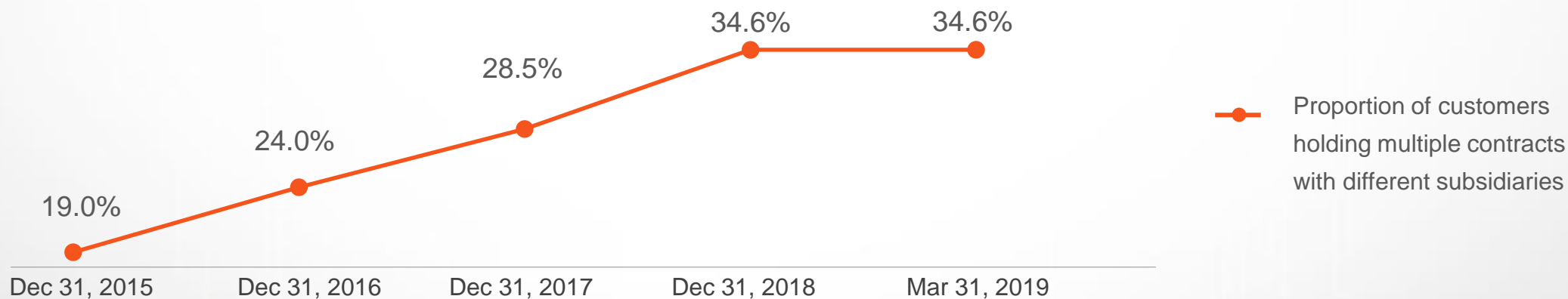
Increased customers, users and cross-selling

Significant potential to further penetrate our 561 million internet user base

(million persons)



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



Overview

Insurance Business

Banking Business

Fintech & Healthtech Business



Financial Review

Financial Results for 1Q 2019

(in RMB)

Operating profit

34,119 million

+21.0%

Net profit

45,517 million

+77.1%

NBV

21,642 million

+6.1%

NBV margin

36.8%

+5.9 pps

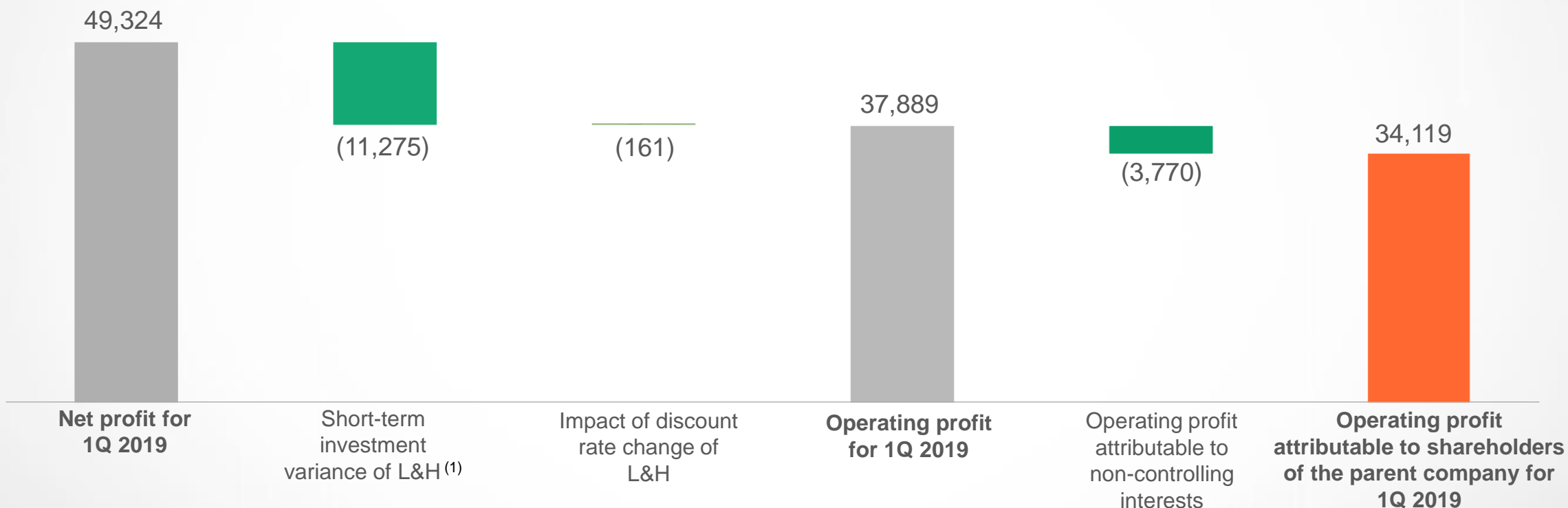
Note: Both the operating profit and the net profit are attributable to shareholders of the parent company.

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

Operating Profit =

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

(in RMB million)



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

(2) There was no one-off material non-operating item during the Reporting Period.

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

Group operating profit rose 21.0% YoY

| <i>(in RMB million)</i> | 1Q 2019 | Proportion (%) | 1Q 2018 | Change (%) |
|--|---------------|----------------|---------------|-------------|
| Life & health insurance business | 19,652 | 57.6 | 16,399 | 19.8 |
| Property & casualty insurance business | 5,767 | 16.9 | 3,252 | 77.3 |
| Banking business | 4,319 | 12.7 | 3,824 | 12.9 |
| Trust business | 994 | 2.9 | 855 | 16.3 |
| Securities business | 648 | 1.9 | 496 | 30.6 |
| Other asset management business ⁽²⁾ | 3,189 | 9.3 | 2,711 | 17.6 |
| Fintech & healthtech business ⁽³⁾ | 1,402 | 4.1 | 1,842 | (23.9) |
| Others & elimination | (1,852) | (5.4) | (1,179) | 57.1 |
| The Group | 34,119 | 100.0 | 28,200 | 21.0 |

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

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

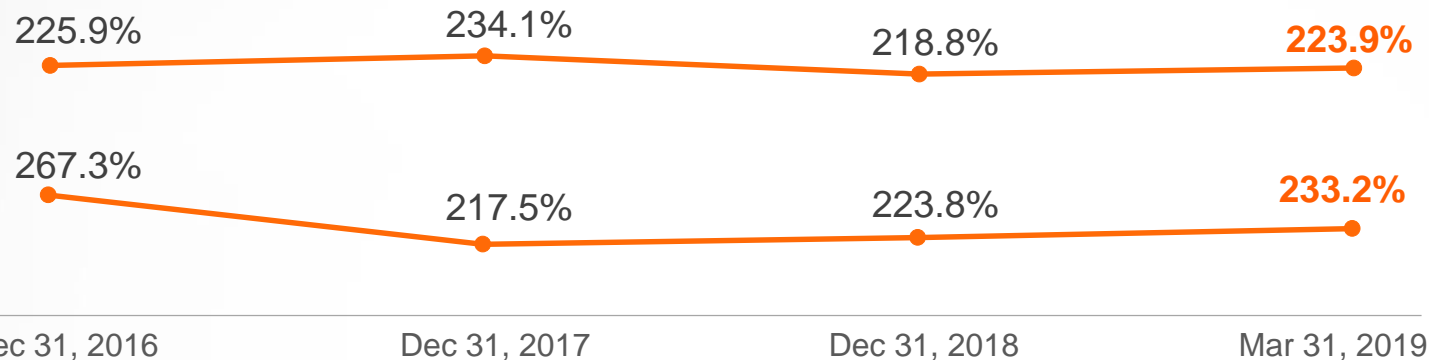
(3) The fintech & healthtech business represents results of companies that engage in fintech & healthtech business including Lufax Holding, Ping An Good Doctor, OneConnect, Ping An HealthKconnect, and Autohome.

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

(5) Operating profit refers to the operating profit attributable to shareholders of the parent company.

Strong capital adequacy position

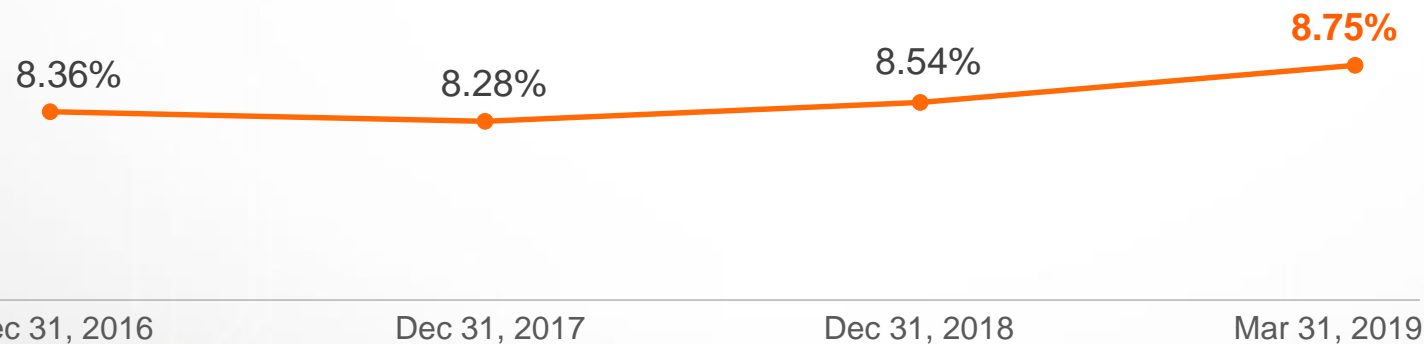
Comprehensive solvency margin ratio



Ping An Life
(regulatory requirement $\geq 100\%$)

Ping An P&C
(regulatory requirement $\geq 100\%$)

Core tier 1 capital adequacy ratio

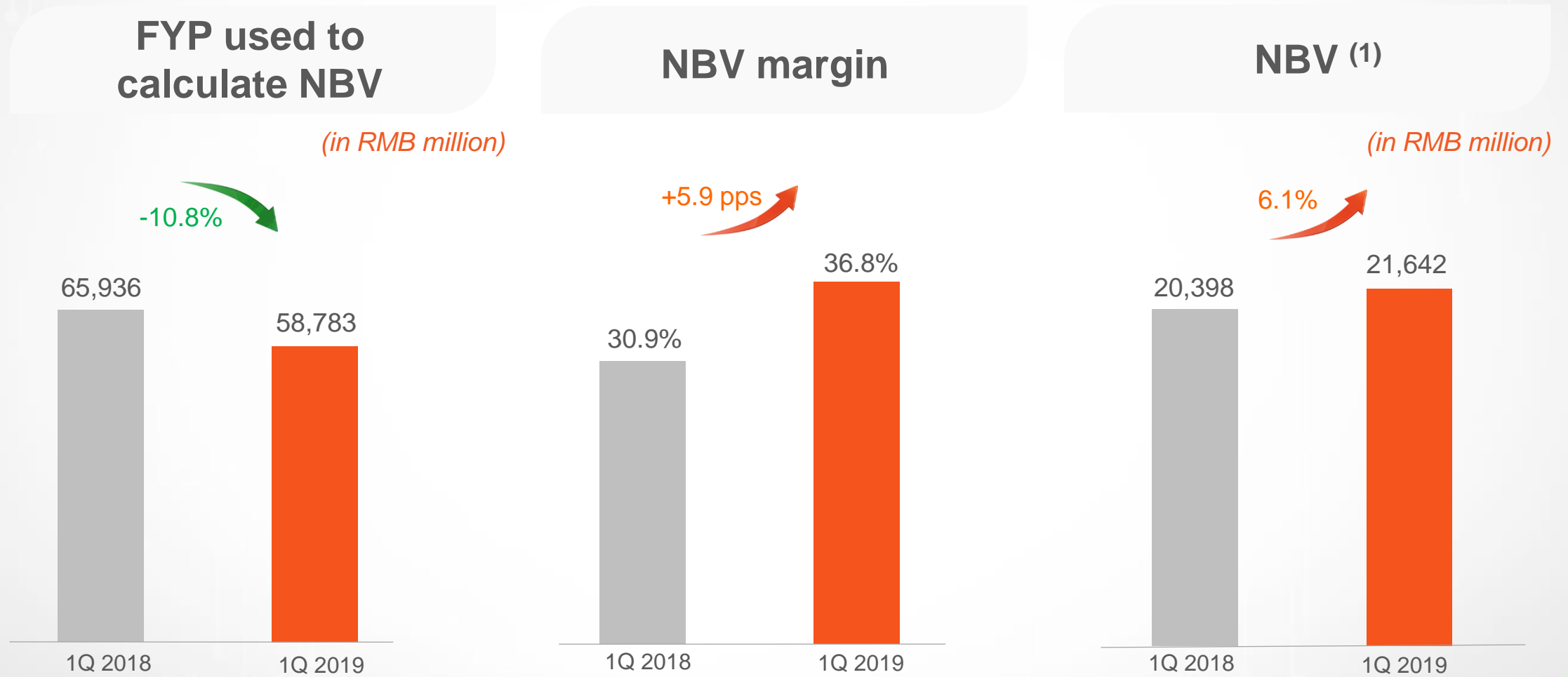


Ping An Bank
(regulatory requirement $\geq 7.5\%$)

On January 25, 2019, Ping An Bank issued A-share convertible corporate bonds worth RMB26 billion. The bonds will supplement the Bank's core tier 1 capital and improve its capital adequacy upon conversion.

Insurance Business

L&H insurance business: We adjusted our product mix and focused more on high-value products, realizing a 5.9 pps rise YoY in NBV margin which partially offset the effect of a decline in first-year premium.

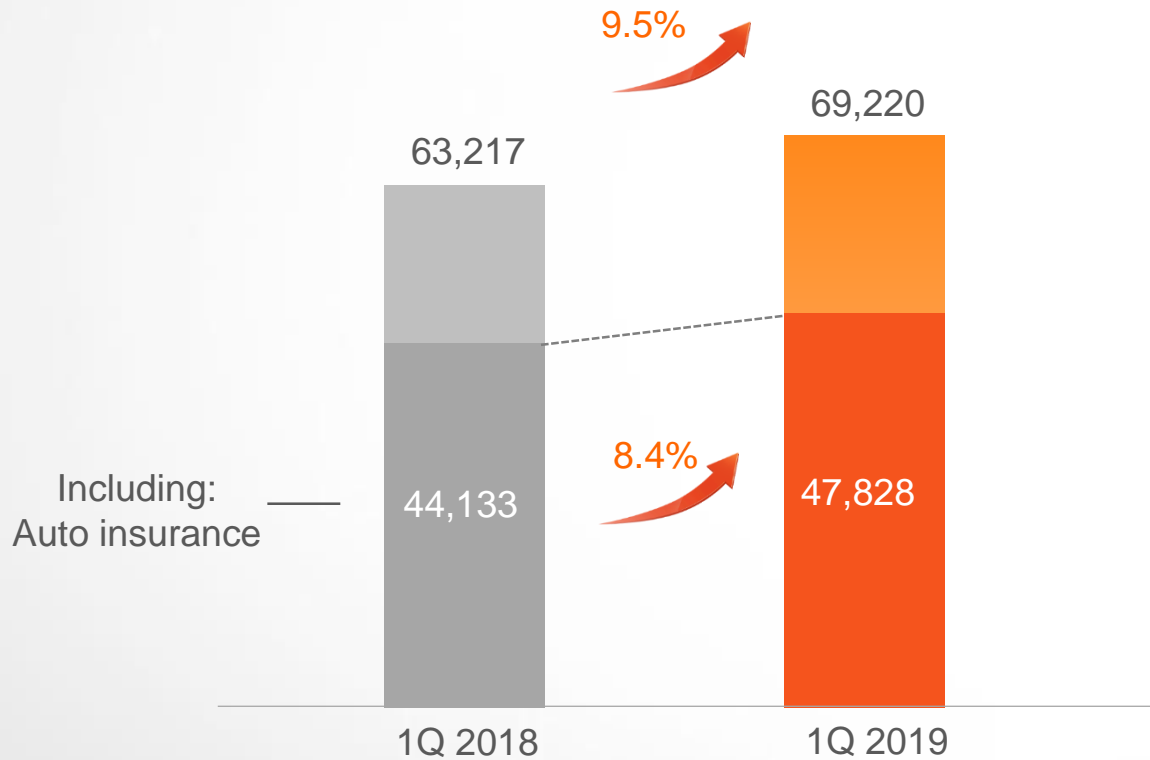


Note: (1) The assumptions and methodology used to calculate the NBV for the first quarter of 2018 are consistent with those used at the end of 2018. Under the valuation assumptions and methodology previously used for the first quarter of 2018, the NBV for the first quarter of 2018 was RMB19,897 million.

P&C insurance business: steady premium income growth with a better-than-industry combined ratio

Premium income

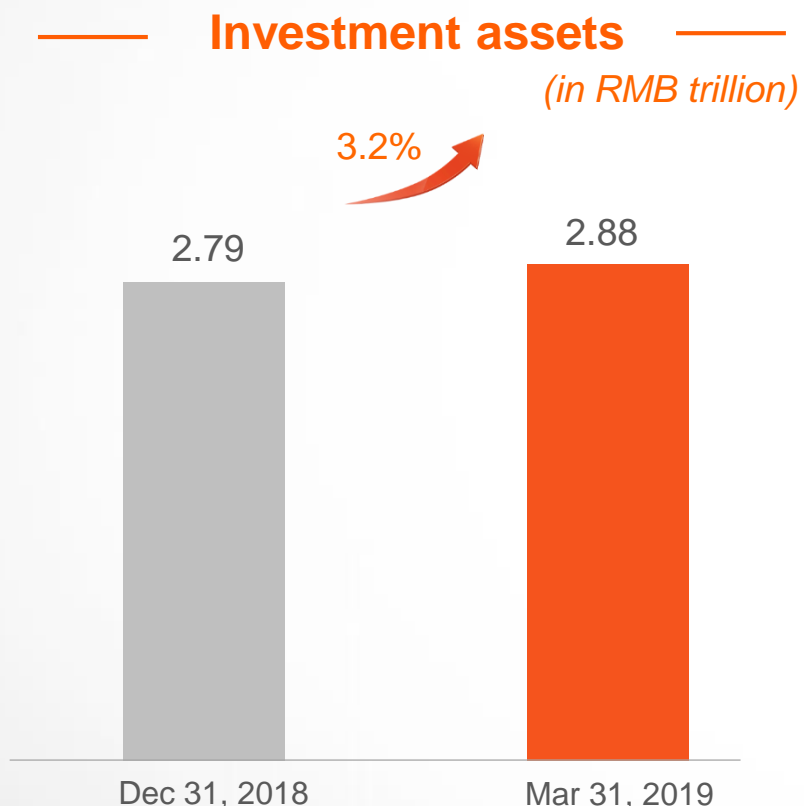
(in RMB million)



Combined ratio



Investment portfolio of insurance funds: investment assets and yields



Investment yields

| | 1Q 2019 | 1Q 2018 |
|---|---------|---------|
| Annualized net investment yield ⁽¹⁾ | 3.9% | 3.7% |
| Annualized total investment yield ⁽¹⁾ | 5.1% | 3.7% |
| Annualized total investment yield under former IAS 39 accounting standards ⁽¹⁾ | 3.8% | 3.9% |

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

Banking Business

Net profit of Ping An Bank rose 12.9% YoY

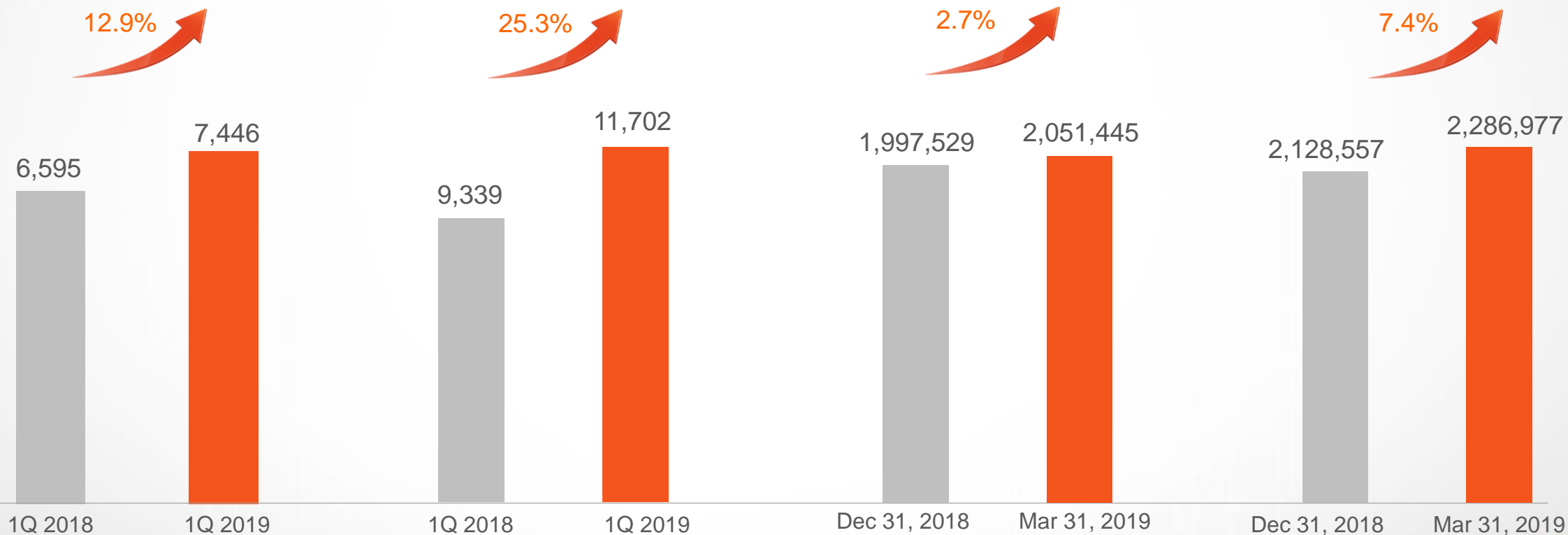
(in RMB million)

Net profit

Net non-interest revenue

Total loans and advances (1)

Deposits (1)

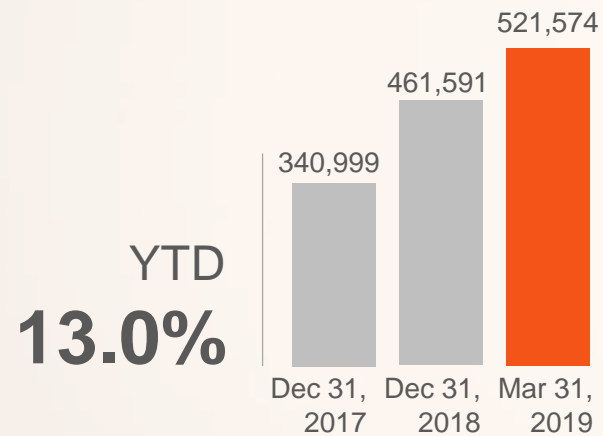


Note: (1) Total loans and advances, deposits are exclusive of interest.

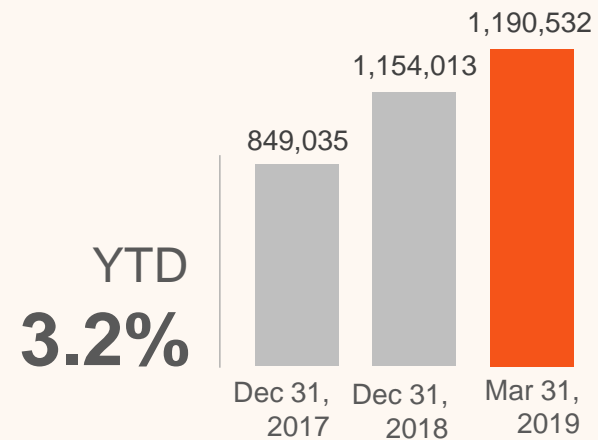
Ping An Bank furthered its retail banking transformation

(in RMB million)

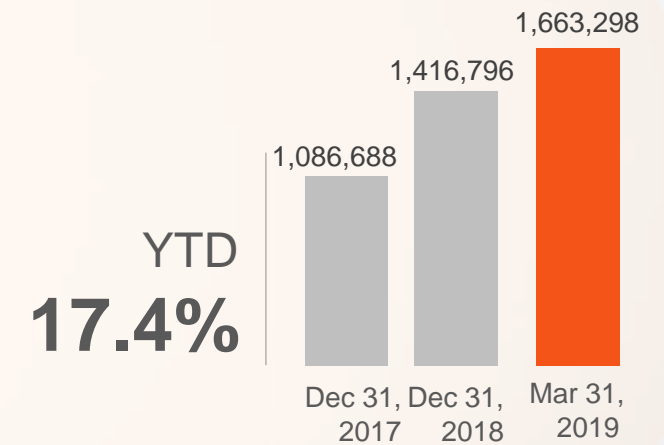
Retail deposits



Retail loans



Retail AUM



De-risking: asset quality has improved significantly since 2016

| Asset quality improved | Mar 31, 2019 | Dec 31, 2018 | Dec 31, 2017 | Dec 31, 2016 |
|---|---------------------|---------------------|---------------------|---------------------|
| Percentage of special mention loans | 2.58% | 2.73% | 3.70% | 4.11% |
| Percentage of loans more than 90 days overdue | 1.66% | 1.70% | 2.43% | 2.75% |
| Non-performing loan ratio | 1.73% | 1.75% | 1.70% | 1.74% |
| NPL recognition improved | | | | |
| Deviation of non-performing loans⁽¹⁾ | 96% | 97% | 143% | 158% |
| Stronger provisioning | | | | |
| Provision coverage ratio for loans more than 90 days overdue | 177.71% | 159.45% | 105.67% | 98.51% |
| Provision coverage ratio | 170.59% | 155.24% | 151.08% | 155.37% |

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

Fintech & Healthtech Business

Fintech & Healthtech Business



Lufax Holding

A world-leading online wealth management and retail lending technology platform

Completed its Series C financing at a post-money valuation of **USD39,400 million**

- **Wealth management:** As of March 31, 2019, assets under management (AUM) grew by **2.0%** YTD to **RMB376,707 million**;
- **Retail lending:** Lufax Holding ensured quality of credit assets; loans under management rose by **7.5%** YTD to **RMB403,121 million**;
- **Government finance:** Lufax Holding is rolling out smart fiscal management projects in multiple cities.



OneConnect

Building a world-leading fintech service cloud platform

Completed its Series A financing at a post-money valuation of **USD7,500 million** in early 2018

As of March 31, 2019, OneConnect had provided fintech services for:

- **590** banks
- **77** insurers
- **2,634** other non-bank financial institutions



Ping An Good Doctor

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

Listed on the Main Board of HKEX on May 4, 2018

- Ping An Good Doctor provides users with comprehensive family doctor services via AI-assisted in-house medical teams to satisfy users' medical and health management demands.
- Ping An Good Doctor provides a closed loop of online-merge-offline healthcare services by developing an offline healthcare service network.



Ping An HealthKconnect

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

Completed its Series A financing at a post-money valuation of **USD8,800 million** in early 2018

- **Social health insurance (SHI) services:** Ping An HealthKconnect provides SHI fund managers with comprehensive SHI management solutions in **over 200** cities across China.
- **Commercial health insurance (CHI) services:** with technologies, Ping An HealthKconnect develops a smart TPA⁽¹⁾ service platform driven by "insurance + healthcare + data + technology" for CHI companies.

Note: (1) TPA refers to Third Party Administrator for Group Medical Insurance.

Technology-powered Business Transformation

Tech patents

- **15,316** patent applications so far
- Including **3,761** filed under the Patent Cooperation Treaty (PCT) and abroad

Awards

- Our AI-generated musical work “Memory of Youth” won the **1st prize** in the Global AI Art Competition

Contests

- We **won three world's No.1s**: Automatic Cancer Detection and Classification in Whole-slide Lung Histopathology (ACDC), Endoscopic Artefact Detection (EAD) and Pathologic Myopia Challenge (PALM) among all the 9 competitions at the world-class IEEE International Symposium on Biomedical Imaging (ISBI).
- We secured the **1st place** in the MOT16 rankings of MOT Challenge, an authoritative evaluation platform of Multiple Object Tracking.

AI



We have applied AI to major scenarios on the basis of ecosystems:

- **AI + risk management:** Our risk management products were used **326 million times** in 1Q 2019.
- **AI + operations:** In 1Q 2019, **97.4%** of daytime auto accidents in cities requiring onsite investigation were investigated offline within 5-10 minutes.

Blockchain



- OneConnect was **chosen to be a pilot unit of security oversight by the Ministry of Public Security.**
- Services including FiMAX and the Blockchain Cross-border Trade Platform for Tianjin Port are **on the first list of blockchain information services that have been filed with the Cyberspace Administration of China.**

Cloud



- Ping An Cloud hosts our **trillion-yuan** core business.
- Centering on our five ecosystems, we offer efficient, stable, secure cloud services to customers in areas including government, insurance, banking and healthcare.

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Thank you!

