

2019 Interim Results

August 2019



Cautionary Statements Regarding Forward-Looking Statements

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

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

Contents

Overview & Financial Review

Jason Yao, CFO

Insurance Business

Lee Yuansiong, Co-CEO

Banking Business

Xie Yonglin, Co-CEO

Technology Business

Jessica Tan, Co-CEO

Overview

Jason Yao
CFO

Ping An's strategy: a world-leading technology-powered retail financial services group

One positioning

World-leading
Technology-powered
Retail Financial Services Group

Two focuses



Pan Financial Assets



Pan Health Care

Two growth models

Finance + Technology

Finance + Ecosystem

N pillars

Insurance

Banking

Asset
Management

Financial
Services
Ecosystem

Health
Care
Ecosystem

Auto
Services
Ecosystem

Real Estate
Services
Ecosystem

Smart
City
Ecosystem

Financial Review

Jason Yao
CFO

1H 2019 Business Highlights

(in RMB)

Operating profit⁽¹⁾

73,464 million

+23.8%

Net profit⁽¹⁾

97,676 million

+68.1%

**Interim dividend
per share**

0.75

+21.0%

**Embedded
value per share**

60.90

+11.0%

**Operating ROE
(not annualized)**

12.3%

+0.4 pps

**Group ROEV
(not annualized)**

11.2%

-2.3 pps

Notes: (1) Operating profit and net profit refer to the operating profit and net profit attributable to shareholders of the parent company respectively.

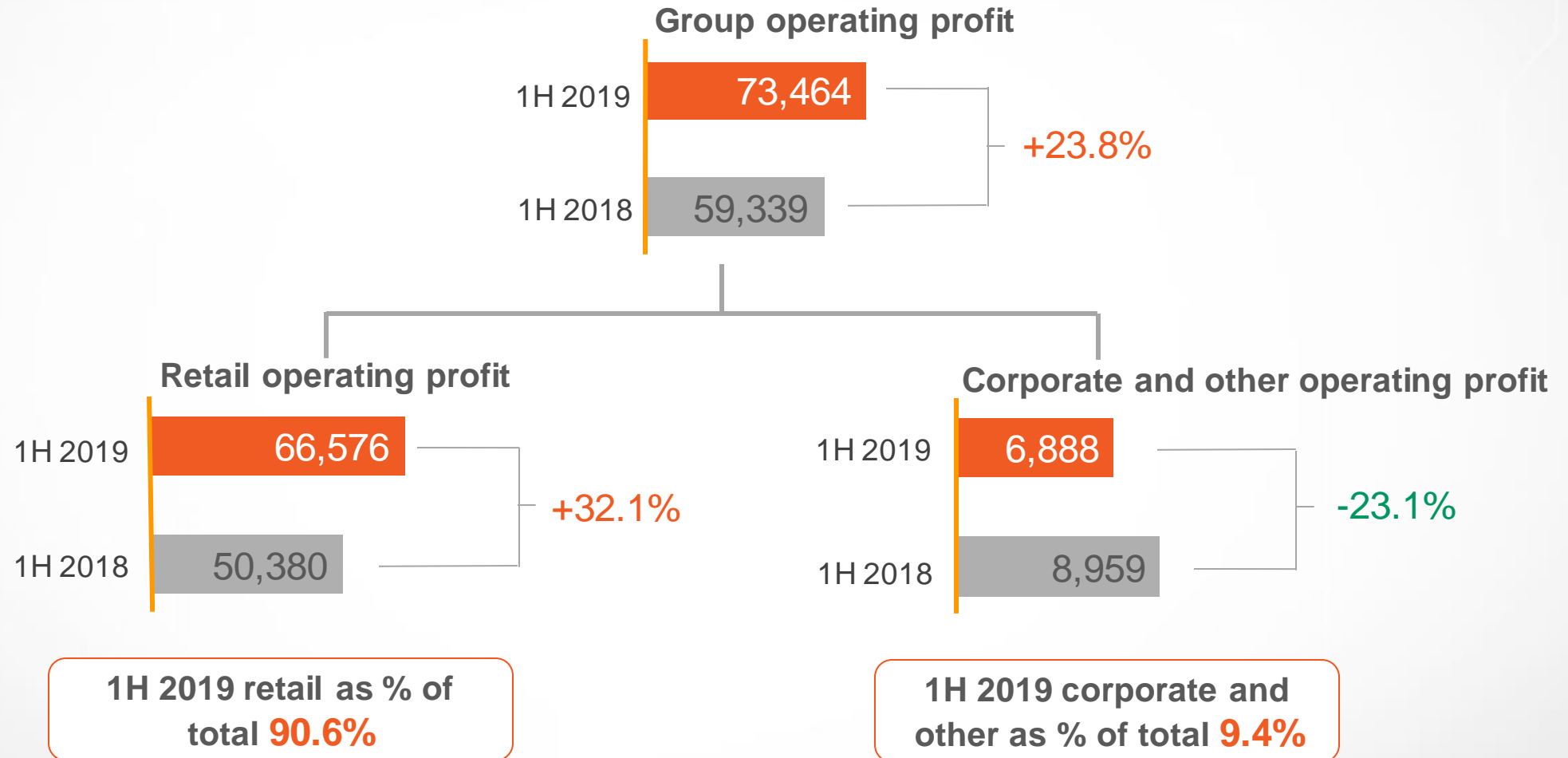
(2) The growth of embedded value per share is based on comparison with the beginning of 2019, while other metrics are based on comparison with the same period of 2018.



1. Customer-centric profit drivers

Retail accounted for 90.6% of operating profit

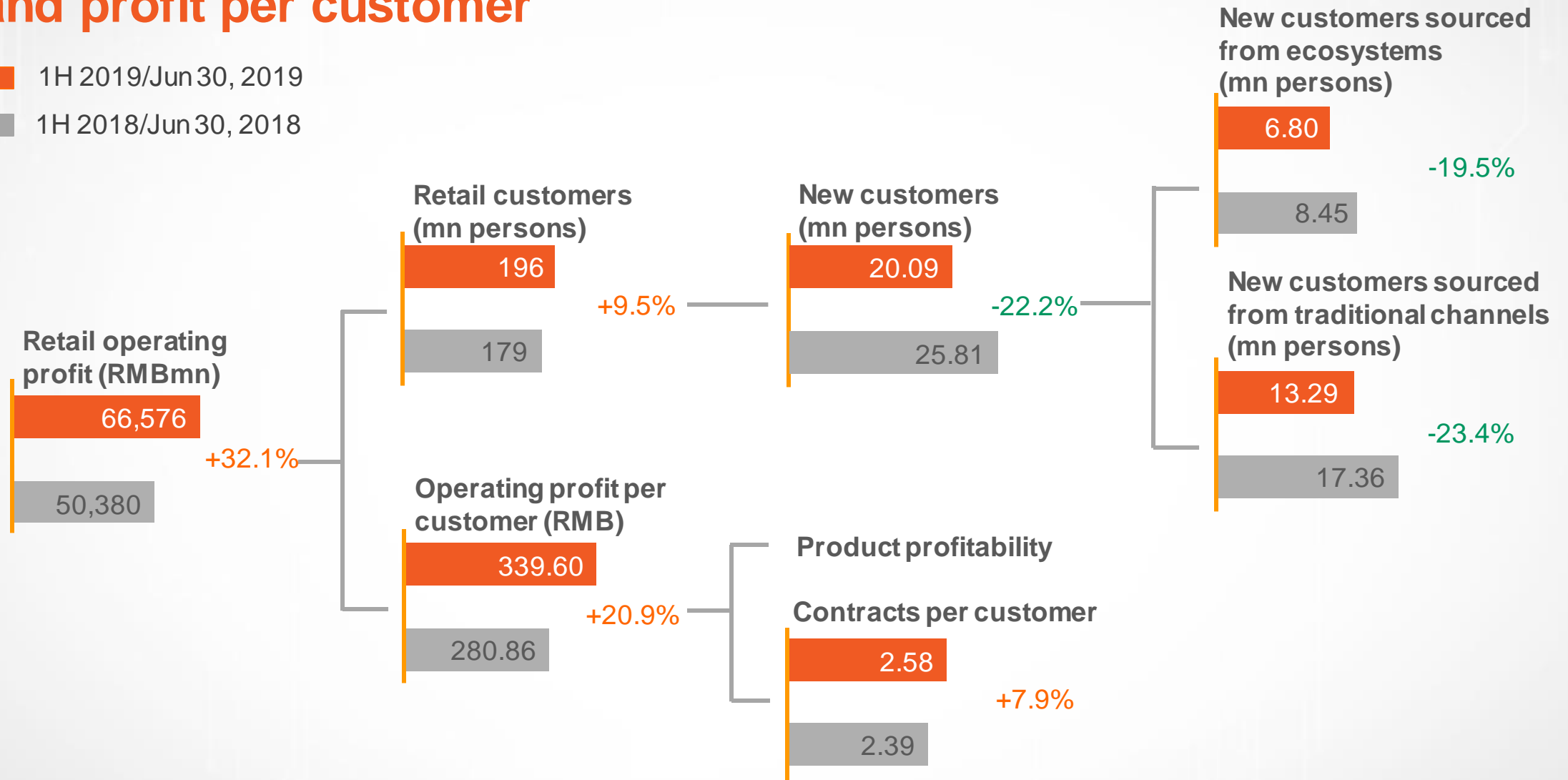
(in RMB million)



Note: Operating profit refers to the operating profit attributable to shareholders of the parent company.

Growth of retail business profit driven by rising customer base and profit per customer

■ 1H 2019/Jun 30, 2019
■ 1H 2018/Jun 30, 2018



Notes: (1) Operating profit refers to the operating profit attributable to shareholders of the parent company.

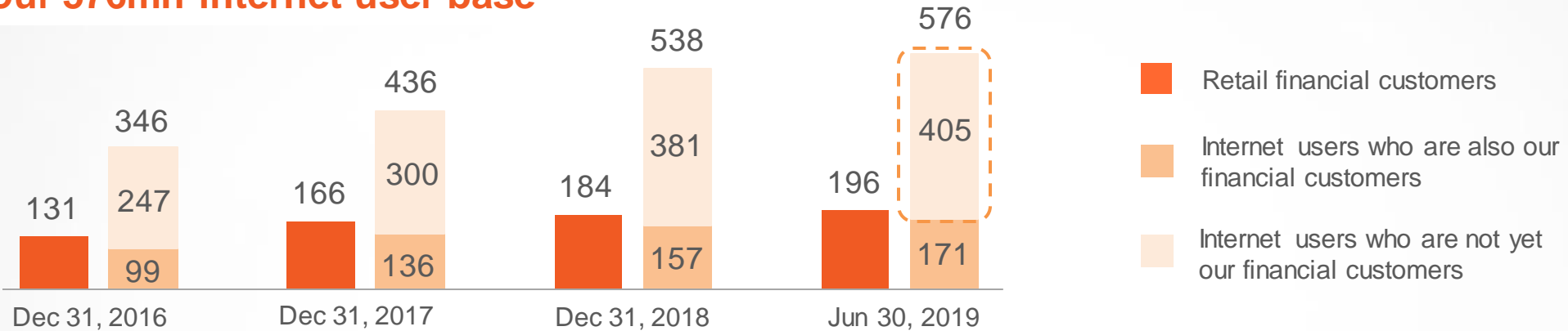
(2) The number of customers as of June 30, 2019 is not equal to the number of customers as of December 31, 2018 plus new customers acquired during the Reporting Period due to customer attrition.

(3) Figures may not match the calculation due to rounding.

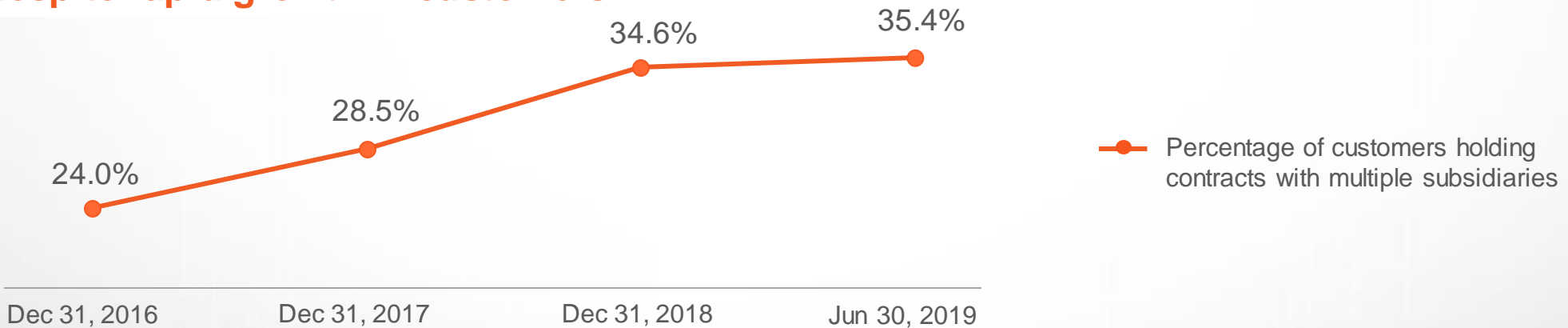
Increased customers, users and cross-selling

Significant potential to further penetrate our 576mn internet user base

(million persons)



Cross-selling penetration ratio has increased materially despite rapid growth in customers





2. Operating profit

Group operating profit rose 23.8% YoY

<i>(in RMB million)</i>	1H 2019	Proportion (%)	1H 2018	YoY Change (%)
Life and health insurance	47,958	65.3	35,035	36.9
Property and casualty insurance	9,990	13.6	5,896	69.4
Banking	8,934	12.2	7,756	15.2
Trust	1,871	2.5	1,693	10.5
Securities	1,199	1.6	918	30.6
Other asset management⁽²⁾	3,913	5.3	5,954	(34.3)
Technology⁽³⁾	2,802	3.8	4,204	(33.3)
Others & elimination	(3,202)	(4.3)	(2,117)	51.3
The Group	73,464	100.0	59,339	23.8

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

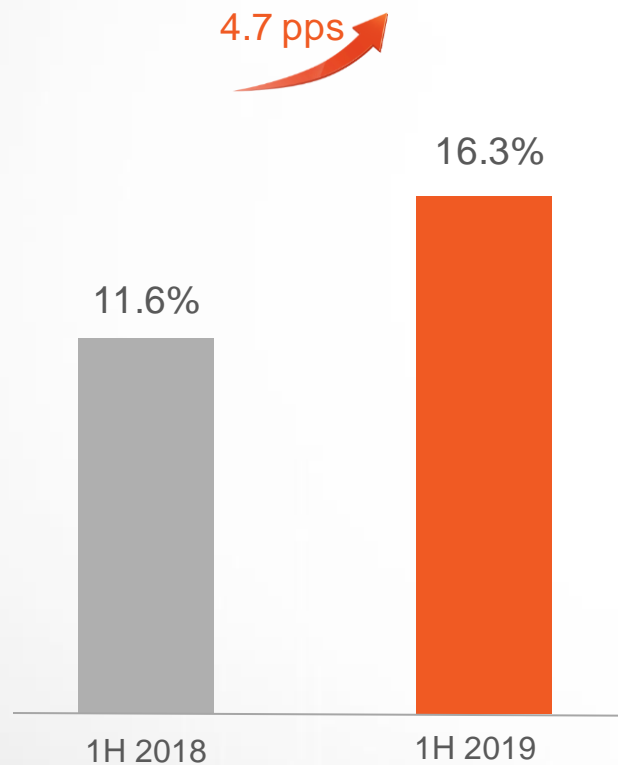
(2) The other asset management business represents results of companies that engage in asset management business including Ping An Asset Management, Ping An Financial Leasing, and Ping An Overseas Holdings.

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

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

ROE rose steadily in 1H 2019

ROE (not annualized)



Operating ROE (not annualized)

(%)	1H 2019	YoY Change (pps)
Life and health insurance	21.9	1.3
Property and casualty insurance	12.4	4.1
Banking	6.3	0.2
Trust	9.9	1.2
Securities	4.2	0.8
Other asset management	7.6	(6.9)
Technology	3.7	(3.4)
Others & elimination	N/A	N/A
The Group	12.3	0.4

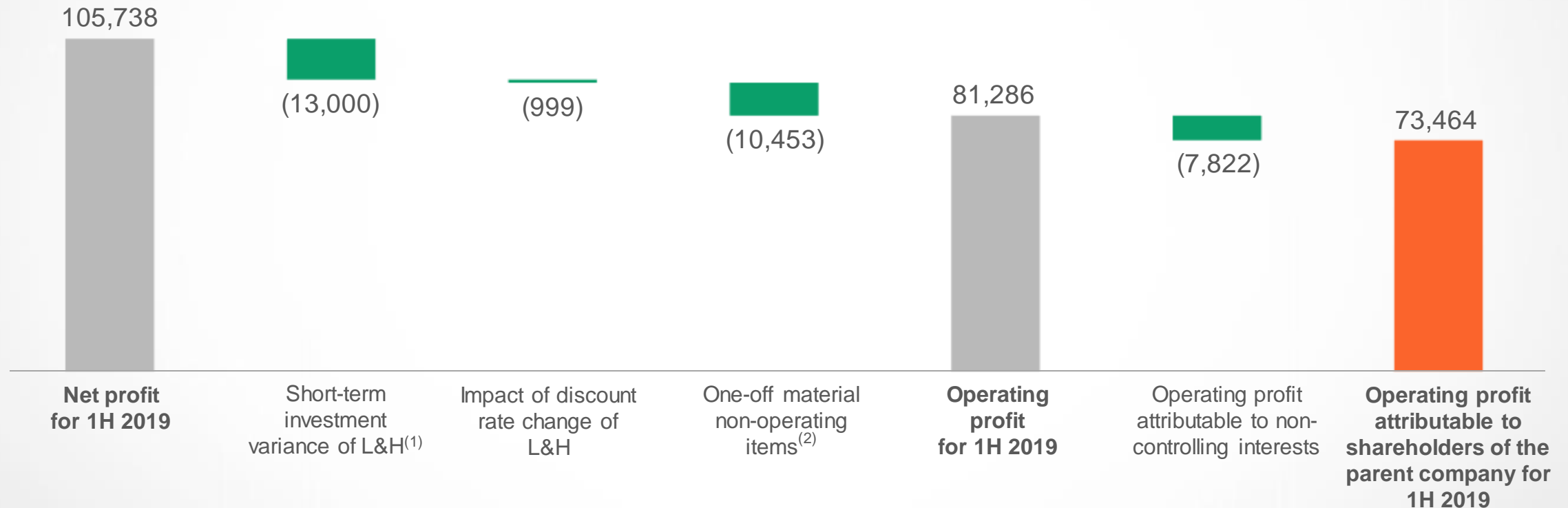
Note: ROE is calculated based on the net profit attributable to shareholders of the parent company. Operating ROE is calculated based on the operating profit attributable to shareholders of the parent company.

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)



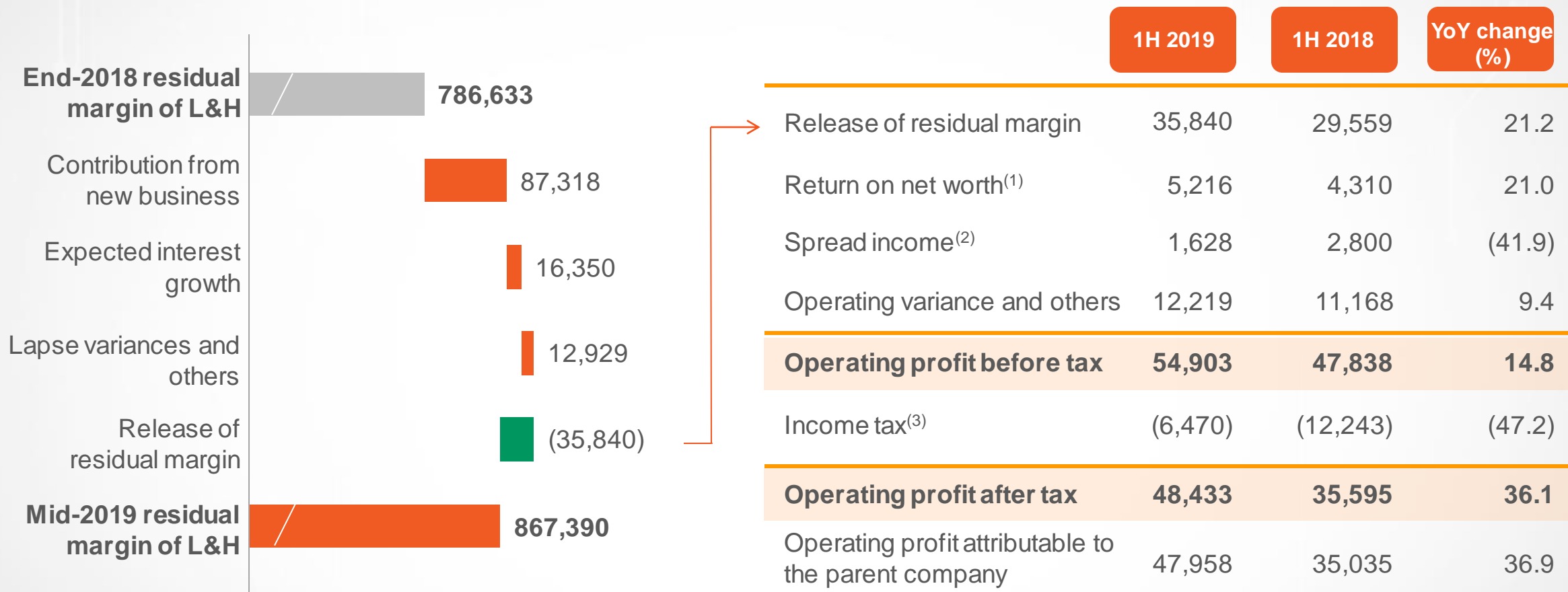
Notes: (1) Short-term investment variance is the variance between the actual investment return and the EV ultimate investment return assumption (5%), net of the associated impact on insurance and investment contract liability.

(2) The impact of one-off non-operating item in 1H 2019 was the impact of the decrease in income tax for 2018 factored into the income tax expense for 2019 as a result of the Company's insurance subsidiaries' implementing the *Circular on Pre-tax Deduction of Fee and Commission Expense for Insurers* issued by the Ministry of Finance and the State Administration of Taxation on May 29, 2019.

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

L&H operating profit attributable to shareholders of the parent company rose 36.9% YoY

(in RMB million)



Notes: (1) Return on net worth is the investment return on shareholder equity based on the EV ultimate investment return assumption (5%).

(2) Spread income is the expected investment return from assets backing contract liability based on the EV ultimate investment return assumption (5%) exceeding the interest required on contract liability. The spread income in 1H 2019 decreased by 41.9% year on year as we lowered spread charges on our participating and universal insurance products to maintain their long-term interest settlement competitiveness in response to volatile capital markets in 2018. The impact continued into 2019.

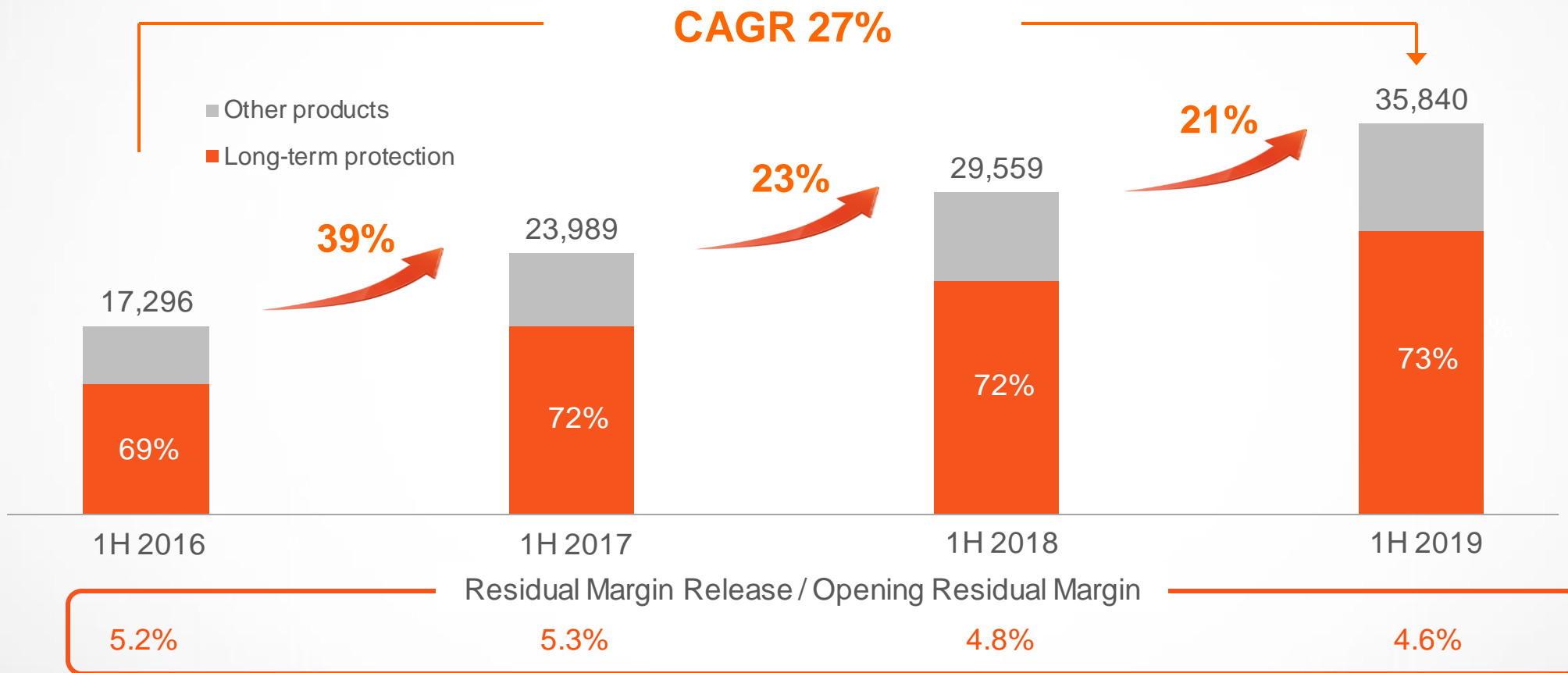
(3) Income tax down by 47.2% year on year due to a lower effective tax rate attributable to the *Circular on Pre-tax Deduction of Fee and Commission Expense* for Insurers issued by the Ministry of Finance and the State Administration of Taxation on May 29, 2019. The impact will continue in 2019 and future years.

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

L&H residual margin release rose 21% YoY

RM release: • Major source of profit • Locked in at issuance • Immune to capital market fluctuation

(in RMB million)



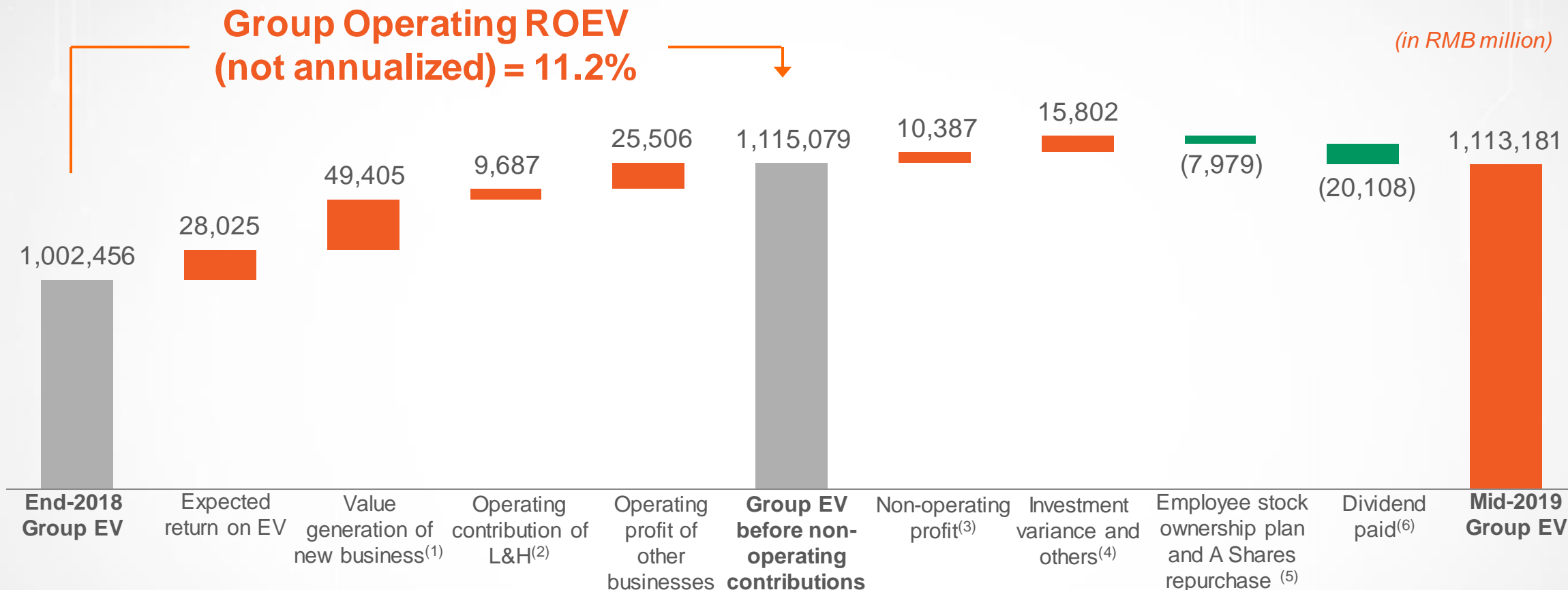
Notes: (1) The above figures are data of Ping An Life for 1H 2016 and data of the L&H business for 1H of 2017-2019.

(2) Long-term protection products cover whole-life, term life, illness and long-term accident insurance. The critical illness plus savings combination sold over the past two years contains high protection elements, though its main products are classified as Long-PPP Protection & Saving hybrid due to conservative classification.



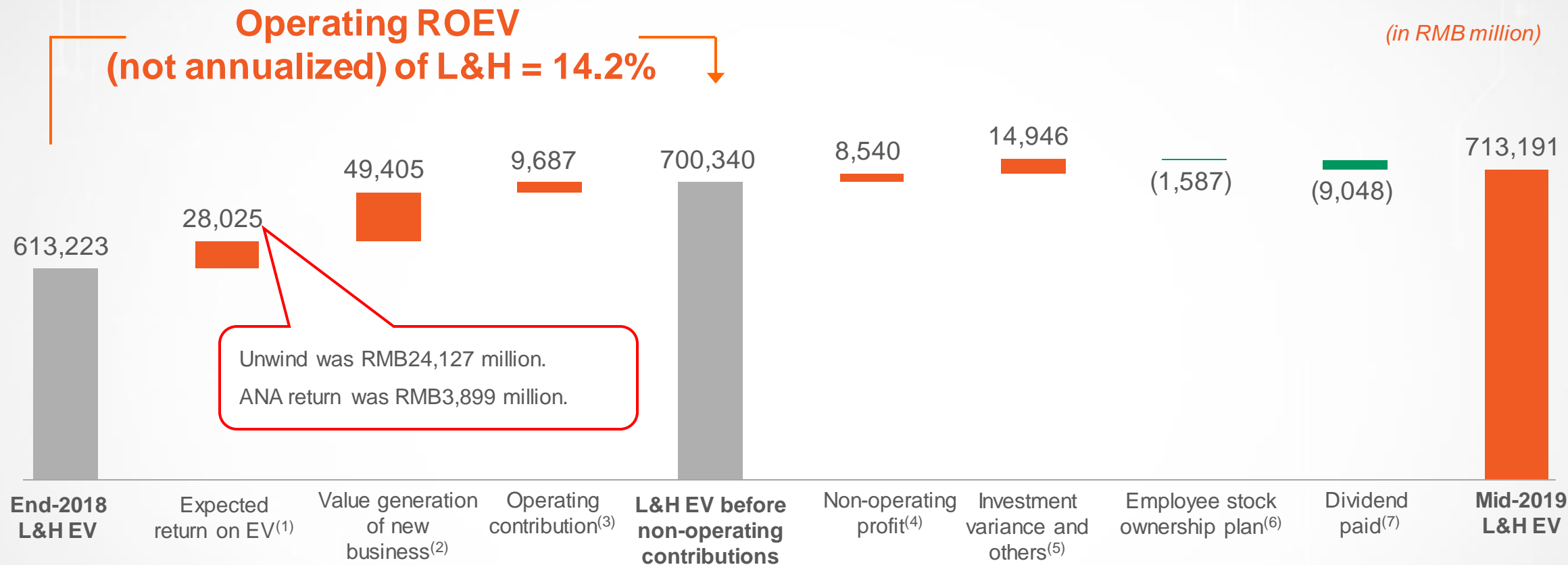
3. Embedded value

EV per share was RMB60.90, up 11.0% YTD



- Notes:
- (1) Value generation of new business includes NBV (RMB41,052 million) and risk diversification effects (RMB8,352 million).
 - (2) Operating contribution of L&H includes operating assumptions and model changes (RMB937 million), L&H operating variance and others (RMB8,750 million).
 - (3) Non-operating profit refers to the one-off impact of the decrease in income tax for 2018 factored into a decrease in the income tax expense in 2019 due to the implementation of the *Circular on Pre-tax Deduction of Fee and Commission Expense* for Insurers issued by the Ministry of Finance and the State Administration of Taxation, the effects of which attributable to the parent company from L&H and Ping An P&C were RMB 8,540 million and RMB1,847 million respectively.
 - (4) Investment variance and others include economic assumption changes, investment variance and market value adjustments.
 - (5) Employee stock ownership plan and A Shares repurchase refers to the A Shares repurchase (RMB3,421 million) and long-term service plan and key employee share purchase plan of RMB4,558 million (L&H business of RMB1,587 million and other business of RMB2,971 million).
 - (6) The 2018 final dividend of RMB20,108 million to A and H shareholders.
 - (7) Figures may not match totals due to rounding.

Operating ROEV (not annualized) of L&H was 14.2%



Notes: (1) Expected return on EV consists of the expected return from opening adjusted net assets, the opening value of in-force and the NBV during the Reporting Period.

(2) Value generation of new business includes NBV (RMB41,052 million) and risk diversification effects (RMB8,352 million).

(3) Operating contribution includes operating assumptions and model changes (RMB937 million), L&H operating variance and others (RMB8,750 million).

(4) Non-operating profit refers to the one-off impact of the decrease in income tax for 2018 factored into a decrease in the income tax expense in 2019 due to implementation of the *Circular on Pre-tax Deduction of Fee and Commission Expense* for Insurers issued by the Ministry of Finance and the State Administration of Taxation, the effect of which attributable to the parent company from L&H was RMB8,540 million.

(5) Investment variance and others include the investment variance and market value adjustments.

(6) Employee stock ownership plan (RMB1,587 million) includes the long-term service plan and key employee share purchase plan of L&H.

(7) Dividends paid by Ping An Life to the Group amounted to RMB9,048 million.

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

Enhanced business quality reflected in NBV growth

<i>(in RMB million)</i>	1H 2019	1H 2018	YoY change(%)
Retail business	40,797	39,049	4.5
Agent channel	36,197	35,321	2.5
Long-term protection ⁽¹⁾	24,727	26,384	(6.3)
Protection & Saving hybrid (long-PPP) ⁽²⁾	3,257	1,606	102.8
Protection & Saving hybrid (short-PPP)	6,752	5,977	13.0
Short-term insurance	1,461	1,354	7.9
Bancassurance	733	415	76.8
Telemarketing, internet and others	3,867	3,313	16.7
Group business	256	160	59.8
Total NBV	41,052	39,209	4.7
Total FYP	91,908	100,544	(8.6)
NBV margin	44.7%	39.0%	5.7 pps

Notes: (1) Long-term protection covers whole-life, term life, critical illness and long term accident insurance.

(2) PPP stands for premium paying period. Long-PPP Protection & Saving hybrid covers endowment and annuity with PPP no less than 10 years. The critical illness plus savings combination sold over the past two years contains high protection elements, though its main products are classified as Long-PPP Protection & Saving hybrid due to conservative classification.

(3) In the table above, the assumptions and method used to calculate the value of the first half year's new business in 2018 are the same as assumptions and method used for 2018 year-end valuation.

If the 2018 interim valuation's assumptions and method were used, the value of first half year's new business in 2018 would be RMB38,757 million.

(3) Figures may not match the calculation due to rounding.

EV and NBV exhibited low sensitivity to future investment return

(in RMB million)

Group EV

NBV of one year



Notes: (1) Under the current EV valuation framework, the assets backing liability and capital requirements excluding free surplus are measured at carrying value. In the above investment sensitivity scenarios, adjusted net asset value will not change with future investment returns.

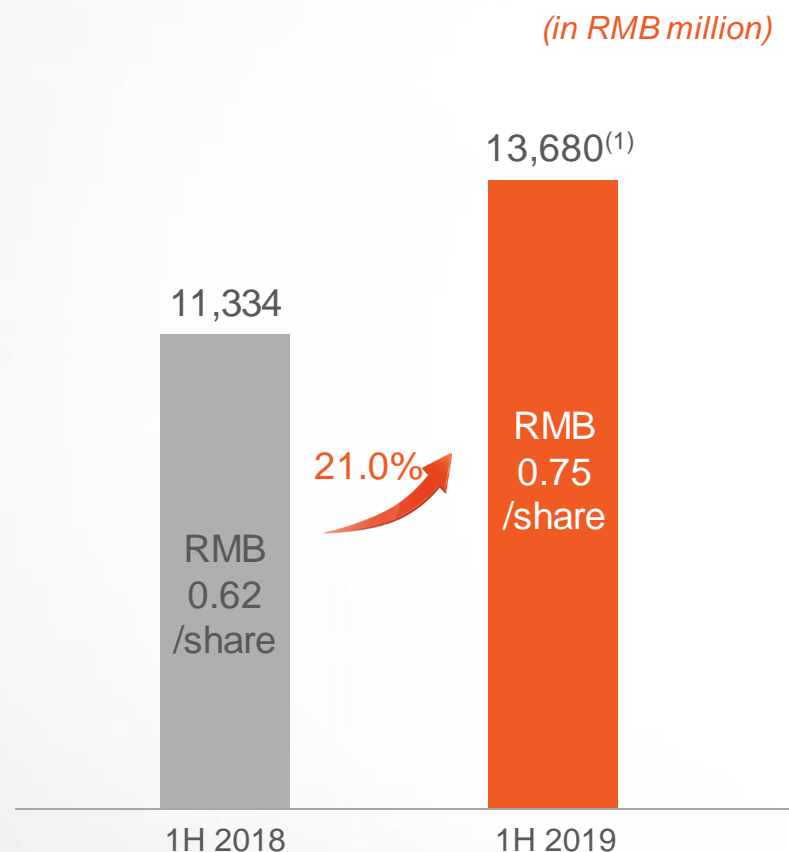
(2) Figures may not match the calculation due to rounding.



4. Dividends and capital

Interim dividend per share up 21.0% YoY

Interim dividend

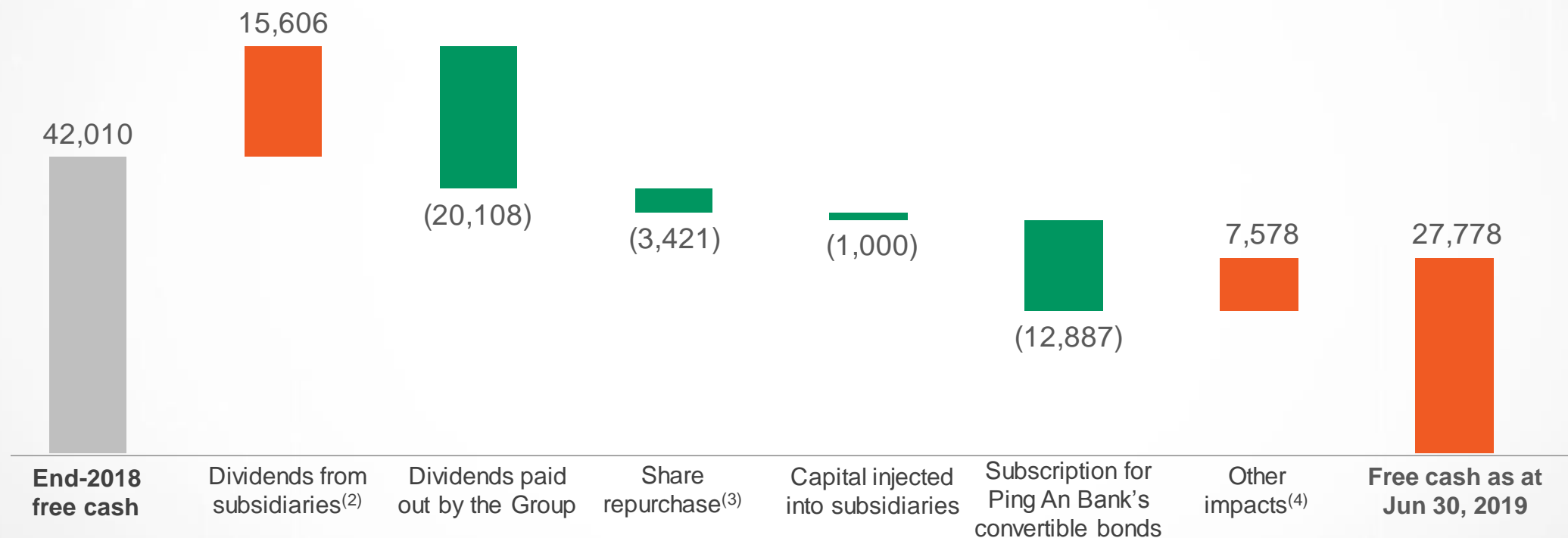


- We increased dividends in light of the growing profitability and strong solvency position.
- As the operating profit attributable to shareholders of the parent company grew by **23.8%** YoY, we will pay an interim dividend of **RMB0.75** per share in cash, up **21.0%** YoY.
- The 2018 annual general meeting deliberated and approved the plan for repurchasing A shares worth RMB5-10 billion. As of June 30, 2019, we had repurchased about **40.02 million** A shares of the Company worth **RMB3,421 million** in total.

Note: (1) Pursuant to the Detailed Rules for Implementation of Share Repurchase by Listed Companies promulgated by the SSE and the applicable regulations, the Company's A shares in the Company's repurchased securities account after trading hours on the record date of A shareholders for the dividend will not be entitled to the dividend distribution. The calculation of total dividends is based on the 18,240 million shares after deduction of the repurchased shares as of June 30, 2019. The actual total amount of dividend payment is subject to the Actual Number of Shares Entitled to the Dividend Distribution.

Free cash of the parent company

(in RMB million)



Notes: (1) Free cash of the parent company includes bonds, equity securities, bank deposits and cash equivalents held by the parent company. The free cash can be invested in subsidiaries or used in daily operations or for dividend distribution.

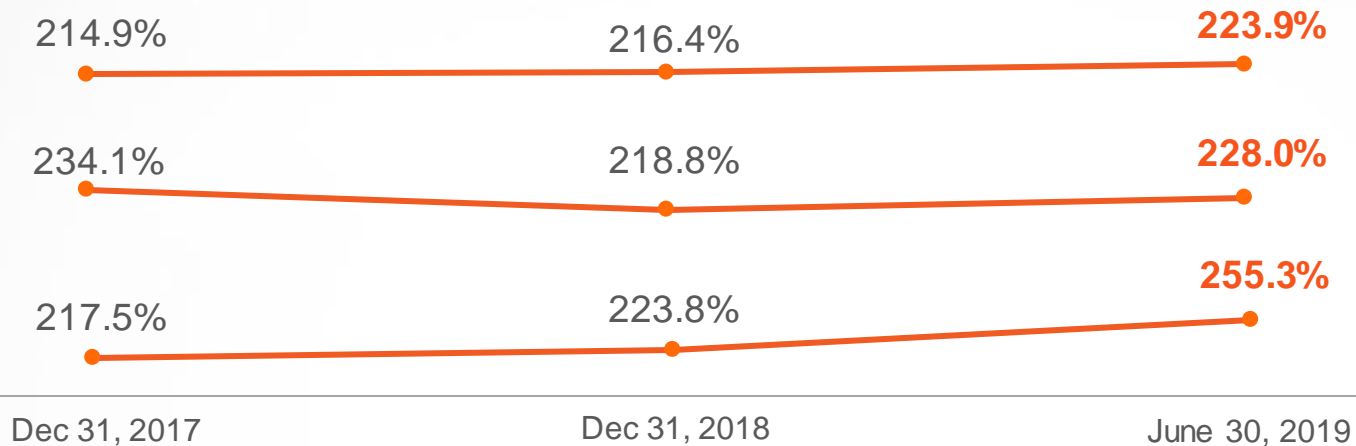
(2) Dividends from subsidiaries include RMB9,048 million from Ping An Life, RMB5,324 million from Ping An Property & Casualty, and RMB1,234 million from Ping An Bank.

(3) As of June 30, 2019, the parent company had repurchased 40.02 million A shares totaling RMB3,421 million (including transaction fees).

(4) Other impacts mainly include short-term borrowings.

Strong capital adequacy position

Comprehensive solvency margin ratio

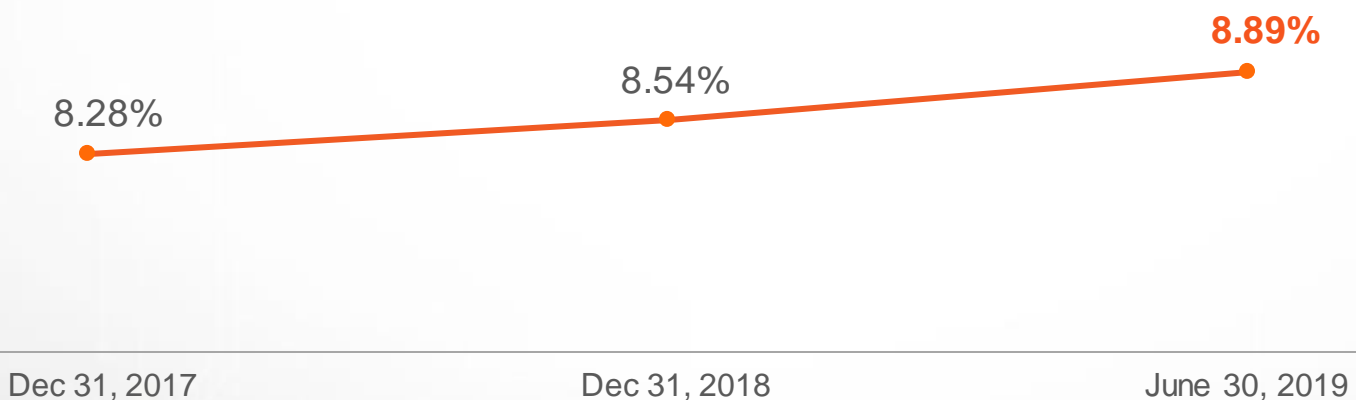


Ping An Group
(regulatory requirement $\geq 100\%$)

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

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

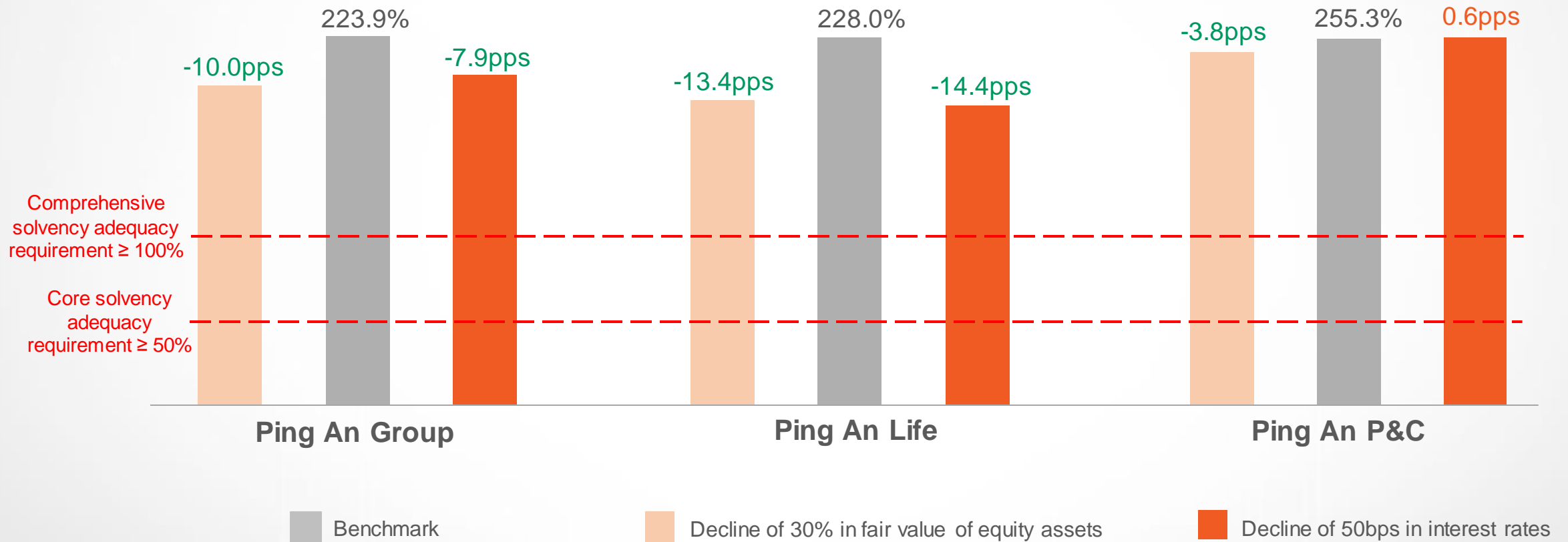
Core tier 1 capital adequacy ratio



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

In January 2019, Ping An Bank issued A-share convertible bonds worth of RMB26 billion, of which RMB3.7 billion was injected into Core Tier 1 upon issuance and the balance will be additive to Core Tier 1 upon conversion.

Strong solvency ratio resilient to capital market volatility



Note: Figures may not match the calculation due to rounding.



5. Investment portfolio of insurance funds

Investment portfolio of insurance funds – by category

<i>Proportion</i>	Jun 30, 2019	Dec 31, 2018	Change (pps)
Cash and cash equivalents	3.8%	4.1%	(0.3)
Term deposits	7.2%	7.2%	-
Debt financial assets			
Bond investments	44.6%	45.4%	(0.8)
Bond funds	1.6%	1.6%	-
Preferred stocks	3.2%	2.9%	0.3
Policy loans	4.3%	4.0%	0.3
Debt schemes	4.7%	5.6%	(0.9)
Wealth management products ⁽¹⁾	10.4%	10.2%	0.2
Equity financial assets			
Stocks	8.9%	8.3%	0.6
Equity funds	2.1%	1.6%	0.5
Wealth management products ⁽¹⁾	1.2%	1.2%	-
Unlisted equities	1.8%	1.8%	-
Long-term equity stakes	3.5%	3.3%	0.2
Investment properties	1.8%	1.9%	(0.1)
Other investments⁽²⁾	0.9%	0.9%	-
Total investments (in RMB million)	2,956,795	2,794,620	

Percentage of non-standard debt assets:
 Jun 30, 2019: 15.1%
 Dec 31, 2018: 15.8%

Percentage of non-standard equity assets:
 Jun 30, 2019: 1.2%
 Dec 31, 2018: 1.2%

Notes: (1) Wealth management products include trust plans from trust companies, products from insurance asset management companies, and wealth management products from commercial banks.

(2) Other investments mainly include statutory deposits for insurance operations, three-month or longer-term financial assets purchased under reverse repurchase agreements, and financial derivatives.

Investment portfolio of insurance funds – by accounting measurement (IFRS 9)

<i>Proportion</i>	Jun 30, 2019	Dec 31, 2018	Change (pps)
Carried at fair value through profit or loss	18.7%	18.5%	0.2
- Fixed income	10.6%	11.2%	(0.6)
- Stocks	3.0%	2.8%	0.2
- Equity funds	2.1%	1.6%	0.5
- Other equity financial assets	3.0%	2.9%	0.1
Carried at fair value through other comprehensive income⁽¹⁾	14.6%	14.7%	(0.1)
Measured at amortized cost⁽²⁾	61.4%	61.6%	(0.2)
Others⁽³⁾	5.3%	5.2%	0.1
Total investments (in RMB million)	2,956,795	2,794,620	

Notes: (1) Assets carried at fair value through other comprehensive income include “debt instruments carried at fair value through other comprehensive income” and “equity instruments carried at fair value through other comprehensive income” under the new accounting standards for financial instruments.

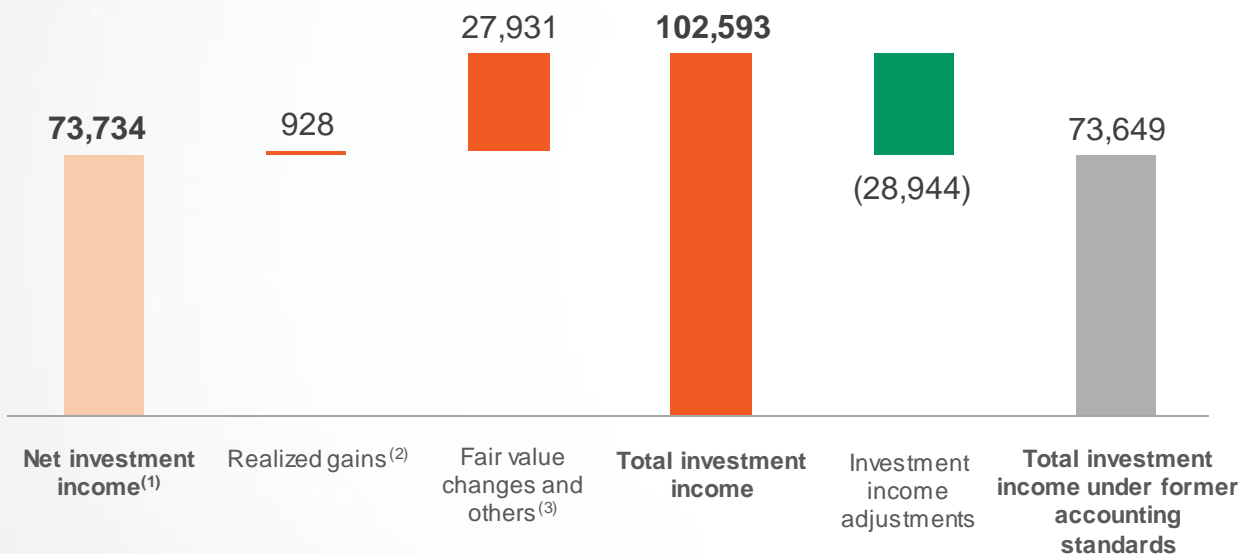
(2) Assets measured at amortized cost include “financial assets measured at amortized cost,” “term deposits” and “statutory deposits for insurance operations” under the new accounting standards for financial instruments.

(3) Others include long-term equity stakes and investment properties.

Total investment income is more sensitive to capital market volatility under IFRS 9

Investment income

(in RMB million)

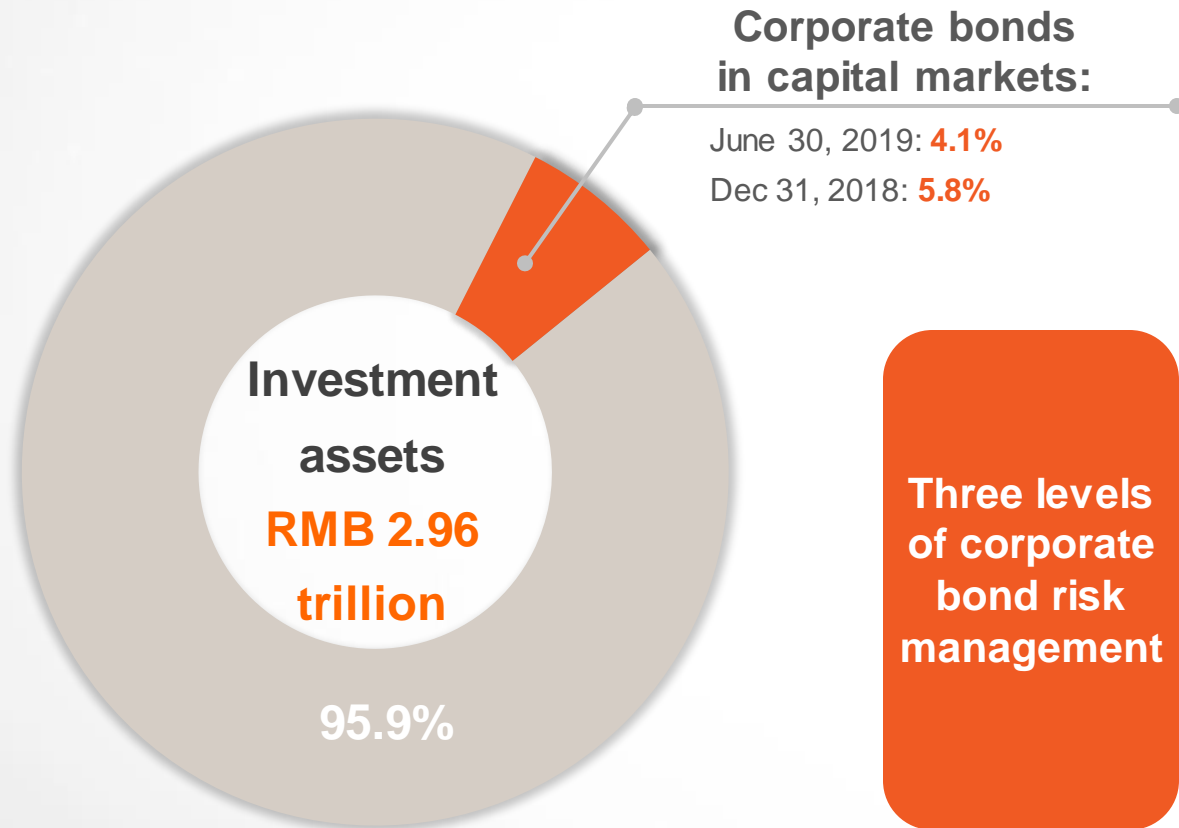


Investment yield

	1H 2019	1H 2018
Annualized net investment yield ⁽⁴⁾	4.5%	4.2%
Annualized total investment yield ⁽⁴⁾	5.5%	4.0%
Annualized total investment yield ⁽⁴⁾ under former IAS 39 accounting standards	4.5%	4.5%

- Notes:
- (1) Net investment income includes interest revenue from deposits and debt financial assets, dividend income from equity financial assets, operating lease income from investment properties, and the share of profits and losses of associates and jointly controlled entities.
 - (2) Realized gains include realized capital gains from securities investments.
 - (3) Fair value changes and others include fair value changes in financial assets carried at fair value through profit or loss, and impairment losses on investment assets.
 - (4) Net exchange gains or losses on investment assets denominated in foreign currencies are excluded from computing of investment yields. 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 purchased under reverse repurchase agreements, interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions, dividend income, capital gains from investments and profits/losses from fair value changes were not annualized.

Corporate bonds: account for 4.1% of investment assets



Including:

≈ **94%** AA and higher ratings (About 92% as at Dec 31, 2018)

≈ **85%** AAA ratings (About 80% as at Dec 31, 2018)

Level 1 Asset allocation	Effective, robust strategic asset allocation plan based on sophisticated simulations and models for each portfolio, considering risk appetite, return and liquidity
Level 2 Admission management	Subject to strict internal and external credit rating and admission management, to ensure that credit ratings reasonably reflected the credit profiles of bond issuers
Level 3 Dynamic review	Conduct ex-ante monitoring of corporate bonds with potential risks on the basis of a name list, build a quick response mechanism to deal with negative opinions, and effectively identify and report high-risk corporate bonds

Non-standard debt assets: generate 5.86% nominal yield

	Investment proportion (%)	Nominal yield (%)	Remaining maturity (year)
Infrastructure	32.0	5.77	5.20
Expressway	13.5	5.90	5.37
Electric power	4.7	5.58	3.80
Infrastructure and development zones	8.0	5.66	6.33
Others (water supply, environmental protection, railway...)	5.8	5.78	4.39
Non-banking financial services	36.1	5.76	3.13
Real estate	21.2	6.20	1.92
Coal mining	2.1	5.94	2.73
Others	8.6	5.72	3.76
Total	100.0	5.86	3.58

Note: Non-banking financial services refer to financial institutions other than banks, including insurers, asset management companies and financial leasing companies.



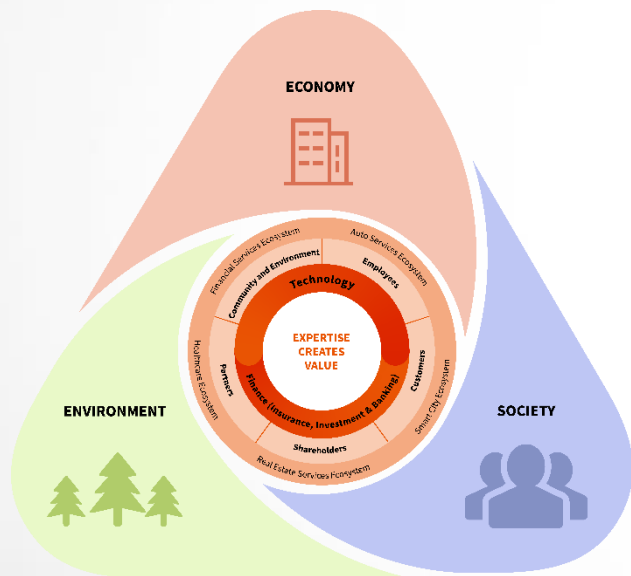
6. Sustainability and honors

Sustainability: we have furthered the sustainable development strategy and integrated ESG criteria into business operations

Philosophy and goals

Philosophy: Ping An adheres to the philosophy that “expertise creates value.” Driven by “finance + technology,” we join hands with all stakeholders through our five ecosystems to practice ESG standards and achieve sustainable development.

Goals: a greener environment, a harmonious society, and a sustainable economy



Sustainable development model

Sustainable business and practice



Responsible investment

So far, our responsible investments⁽²⁾ have totaled **more than RMB1 trillion**; The balance of green loans reached **RMB26,069 million**; the balance of inclusive loans was **RMB579,120 million**.



Sustainable insurance

We achieved reasonable ESG risk pricing, and built an ESG insurance product system to identify new profit sources.

In the first half of 2019, the premium income of sustainable insurance⁽³⁾ hit **RMB93.1 billion** and the insured amount hit **RMB36 trillion**.



Information security and AI governance

We managed information security against the highest standards, and strictly protected customer and employee privacy. We applied AI in line with ethics.



Low-carbon commitment: We will reduce carbon emission intensity by **20%** by 2030, and build **100%** of our new office buildings into green ones.

Green businesses: We will enrich green financial products, improve the climate insurance product system, and support the environmental protection industry



We have input **RMB10,373 million** for poverty alleviation, and trained **6,926** village doctors and **5,898** village teachers.

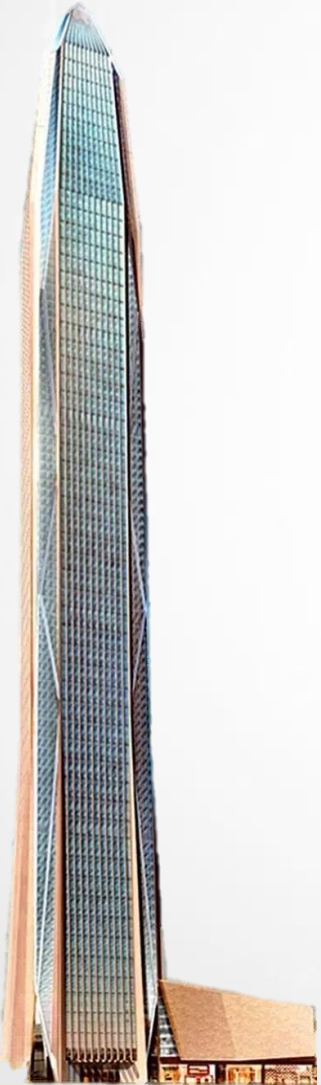
Notes: (1) ESG: environmental, social and governance.

(2) Responsible investments refers to green, social and inclusive financial products. Investments refers to all financial products of the Group as a fund provider and product issuer. Green products are projects recommended by the NDRC's Guidelines for Green Bonds and the AMAC's Guidelines for Green Investment. Social and inclusive investment covers infrastructure, small and micro-business support, old-age care and health care, education and culture, poverty alleviation for agriculture, farmers and rural areas, shanty area reconstruction and so on.

(3) The sustainable insurance includes climate insurance (e.g. environmental liability insurance), social insurance (e.g. serious illness insurance for rural and non-working urban residents), and inclusive insurance (e.g. agricultural insurance, insurance for rural areas, and insurance for farmers).

Honors and Awards

Rising on Fortune 500 list



2019	No.29	↑ 10
2017	No.39	↑ 2
2016	No.41	↑ 55
2015	No.96	↑ 32
2014	No.128	↑ 53
2013	No.181	↑ 61
2012	No.242	↑ 86
2011	No.328	↑ 55
2010	No.383	↑ 79
2008	No.462	

Founded in 1988

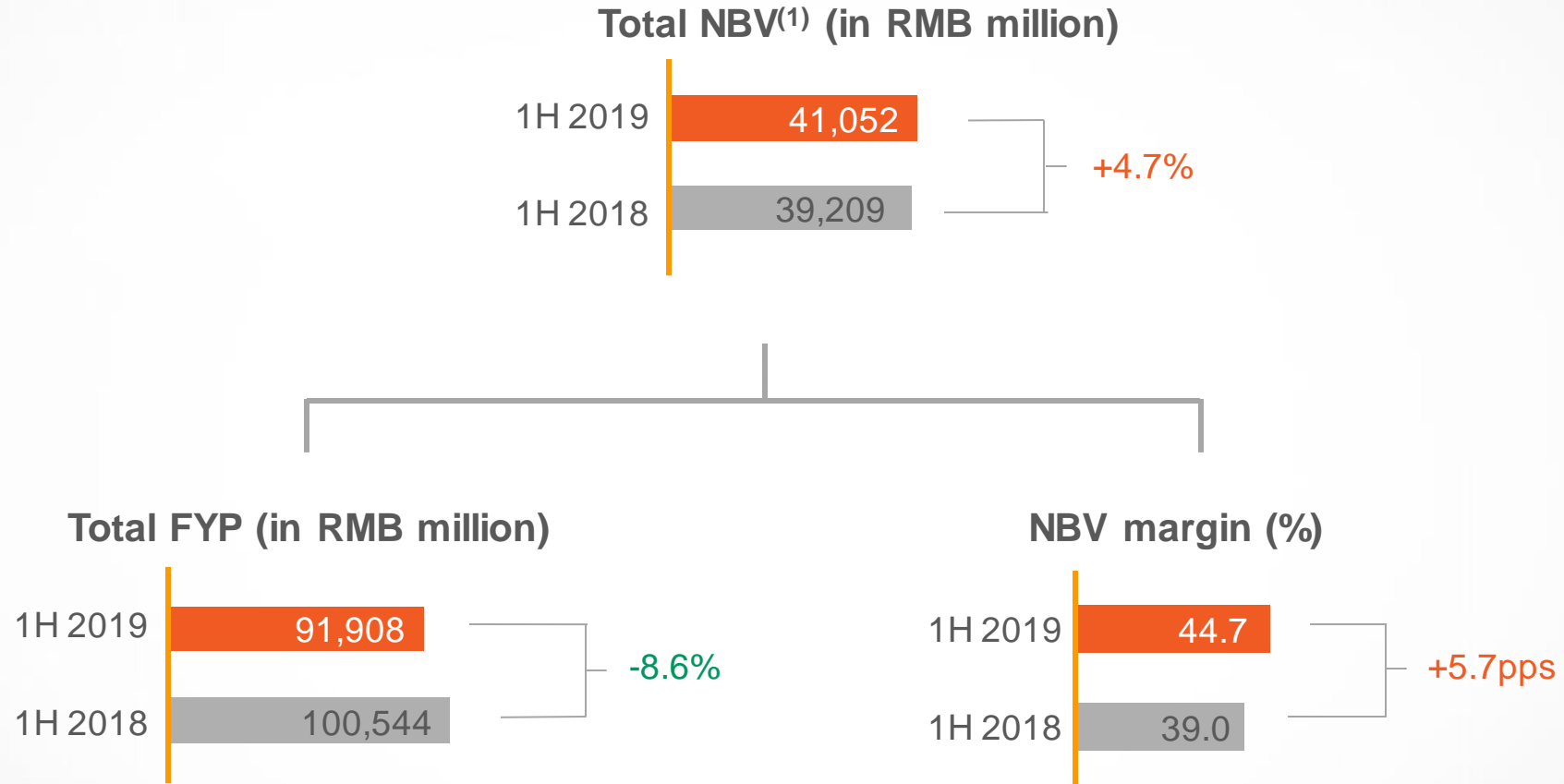
Widely honored

 Forbes	Forbes Global 2000	Insurance conglomerates across the world	Global finance industry
	No.7	No.1	No.6
 Millward Brown & WPP	BrandZ Top 100 Most Valuable Global Brands	Global financial brand	
	No.40	No.3	
 Brand Finance	Brand Finance Insurance	Global finance industry	
	No.1	No.3	

Insurance Business

Lee Yuansiong
Co-CEO

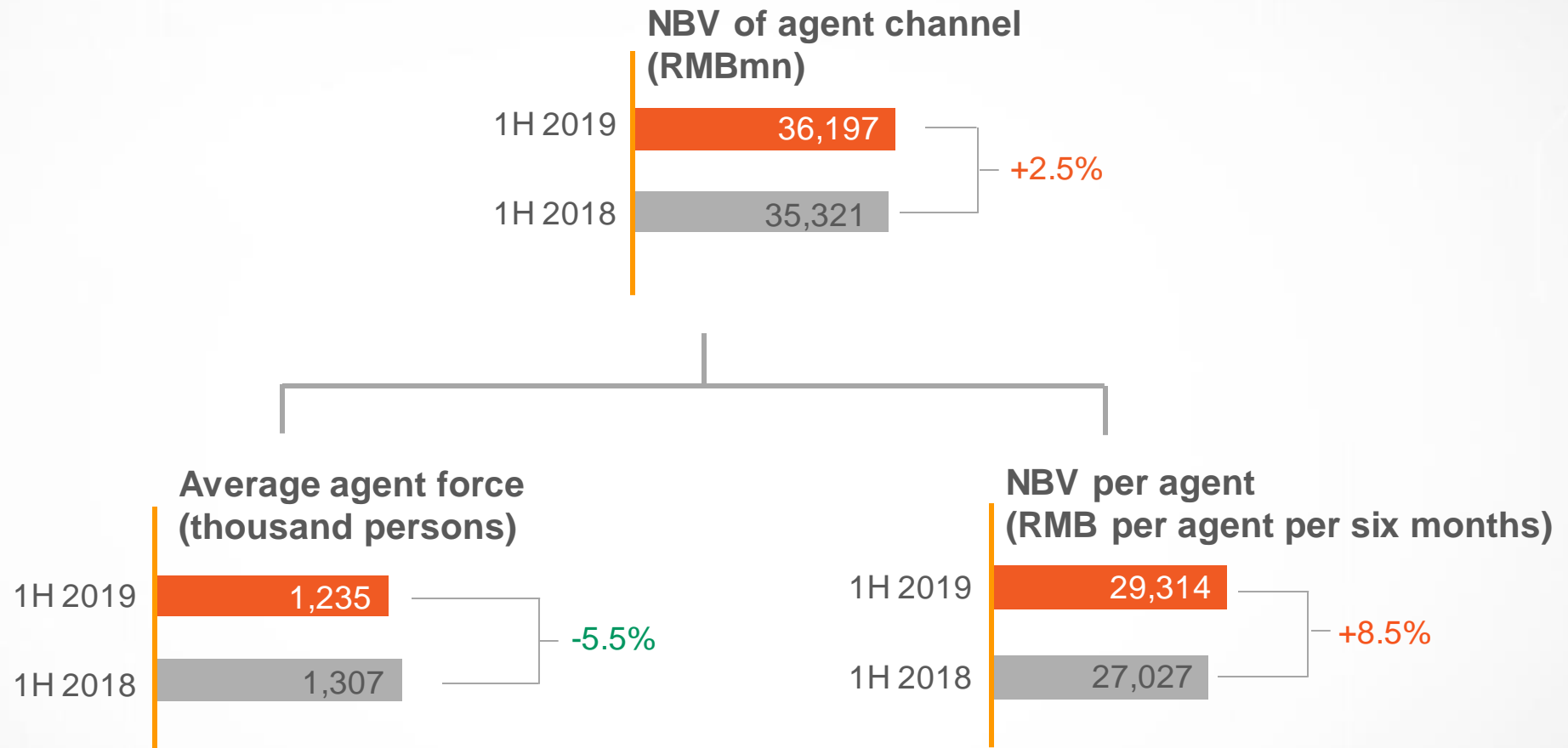
Optimized business portfolio driving sustainable NBV margin growth



Notes: (1) The assumptions and method used to calculate the NBV for the first half of 2018 are the same as assumptions and method used for 2018 year-end valuation. If the 2018 interim valuation's assumptions and method were used, the NBV for the first half of 2018 would be RMB38,757 million.

(2) Figures may not match the calculation due to rounding.

NBV per agent continued to improve

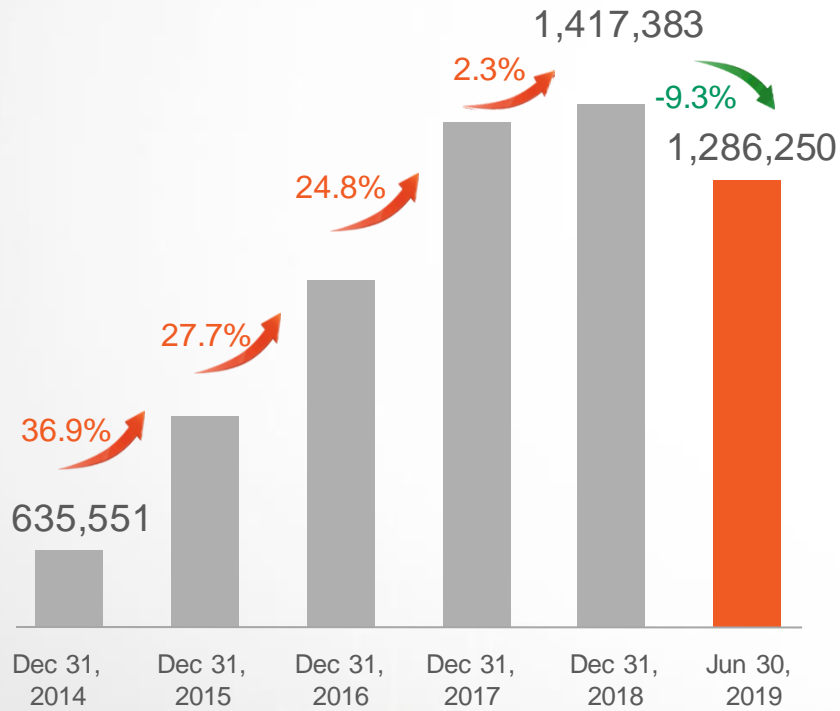


Note: Figures may not match the calculation due to rounding.

Stable productivity of life agent force

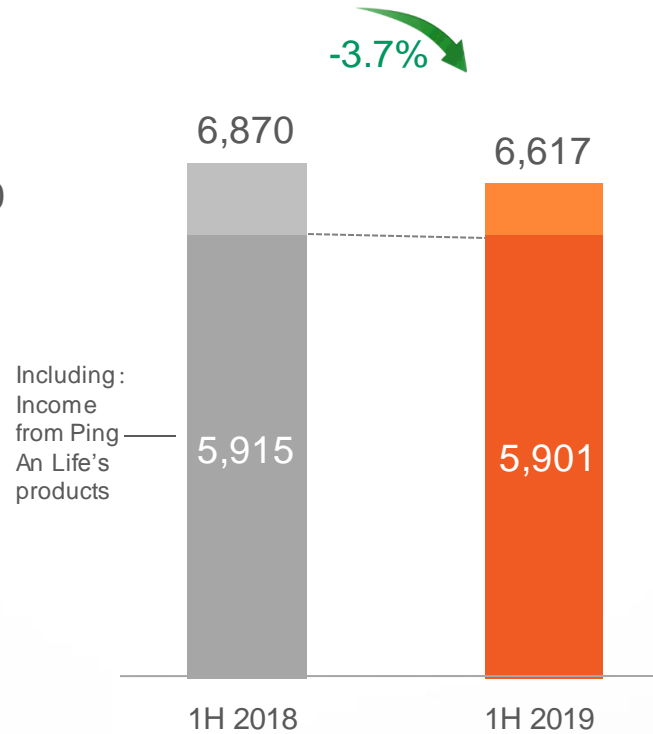
Total agent force

(person)



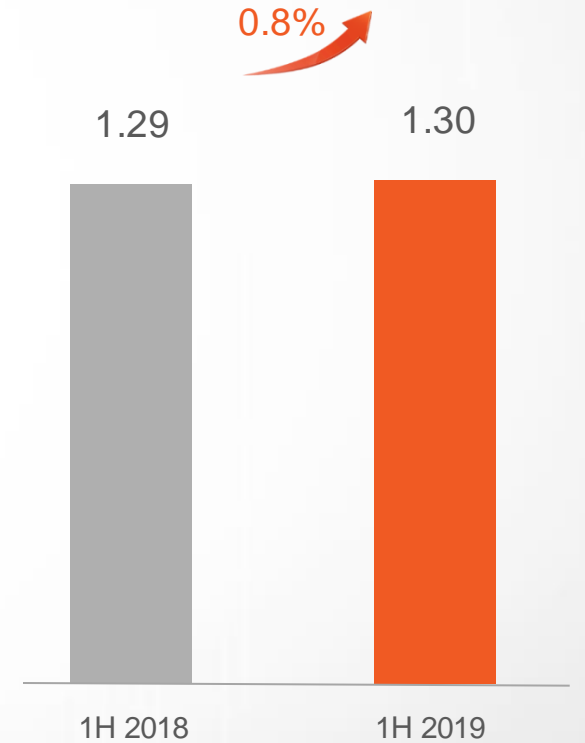
Agent income

(RMB/person/month)



New individual life insurance policies per agent

(policies/person/month)



Empower life insurance business with our core technologies

We upgraded internal management systems to enhance online, automated and smart management capabilities

Technology-powered transformation of team management

- We have applied AI to **100%** of sales agent recruitment interviews
- AI-based interviews have exceeded **3.40 million** person-times and over **290,000** hours since our interview robot went live in May 2018
- We provided **24/7** online training for agents. The monthly average online learning volume reached **35.70 million** person-times

Smart chatbot AskBob providing agents with sales support

- AskBob answers agents' inquiries with an accuracy rate of **95%**
- Business inquiry and smart processing functionalities cover **90%** of frequent requirements of agents
- The sales scenario-based drill functionality covers **100%** of agents



- We established a smart risk management model which has safeguarded **over 20 million** smart customer service cases and identified **99.86%** of high-risk cases
- We launched an image-based body mass index (BMI) measurement model which could identify non-disclosure risks in insurance applications with an accuracy rate of **90%**

- The "Jin Guan Jia" app had **200 million** registered users and nearly **30 million** monthly active users
- The Smart Customer Services system provided online services over **60 million times** in the over **600 days** since it went live. The turnaround time was shortened from 3 days to **1 minute**, with a **99%** customer satisfaction level toward online services

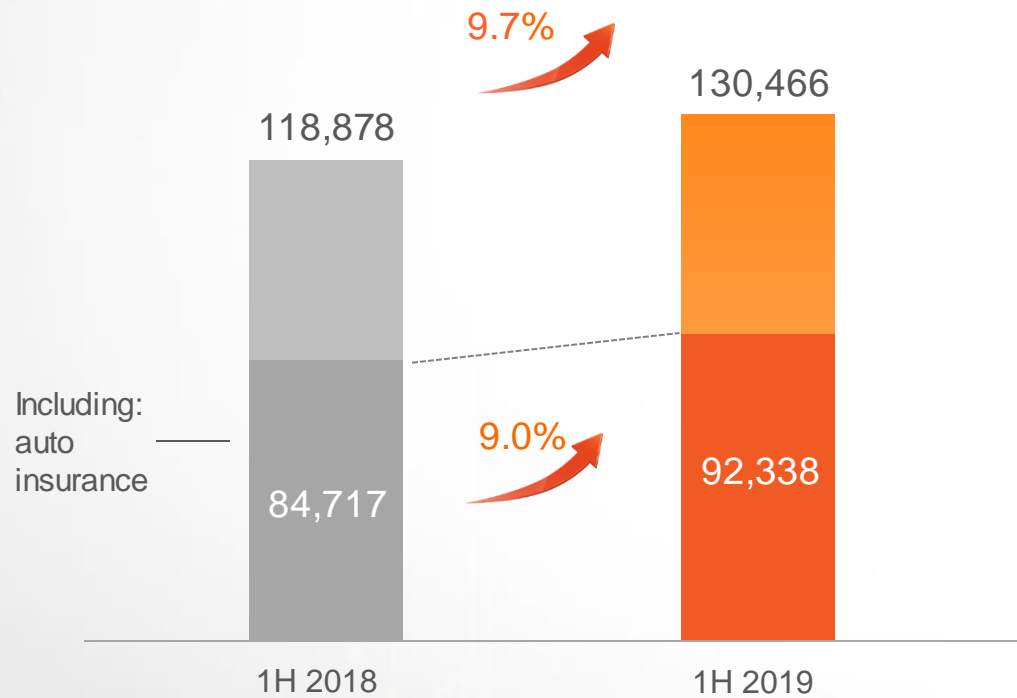
Technical support

- | | | | | | | | | |
|--------------------|--------------------|----------------|----------------------------|------------------------------|------------------------|-------------------------|----------|-------------------------|
| Facial recognition | Speech recognition | Automatic Q&A | Deep neural network | Emotion understanding engine | Q&A engine | AI-based recommendation | Deeplink | Location-based services |
| Shape recognition | Speech synthesis | Smart guidance | Knowledge inference engine | Intent recognition engine | Decision-making engine | Smarttask assignment | Big data | Voice interaction |

P&C insurance premium income rose 9.7% YoY

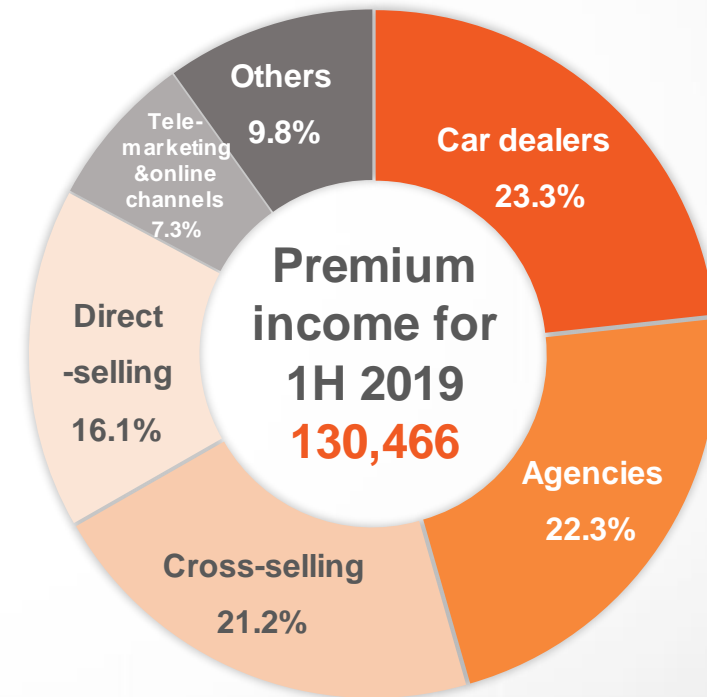
Premium income

(in RMB million)



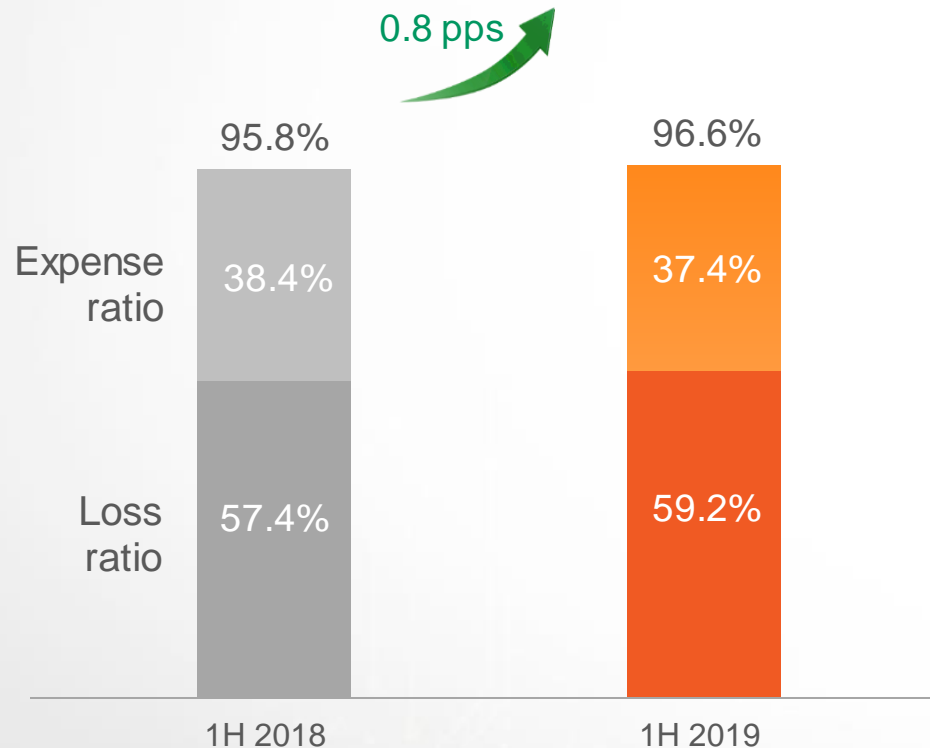
Contribution by channel

(in RMB million)



P&C maintained a better-than-industry combined ratio of 96.6%

Combined ratio



Breakdown of premium income and combined ratio

<i>(in RMB million)</i>	Premium income		Combined ratio	
	Amount	YoY change (%)	Ratio (%)	YoY change (pps)
Auto insurance	92,338	9.0	97.7	0.5
Guarantee insurance	15,261	(5.6)	93.2	5.7
Liability insurance	6,672	48.4	94.6	5.0
Accidental injury insurance	5,678	44.6	82.9	6.7
Corporate property insurance	3,651	8.5	90.1	(8.1)

Empower P&C insurance with our core technologies



Auto insurance

Customer development

The “Ping An Auto Owner” app:

- Over **70 million** registered users
- Over **16 million** monthly active users in June 2019
- **No.1** among auto service apps in China

Claims service

- Capitalizing on smart image-based loss assessment and precise customer profiling technologies, our “Ping An Motor Insurance Trust Claim” service settles a claim within **168** seconds on average, with no back-end manual operation involved
- We provide full online service support on claim settlement and inquiry services to more than **80%** of claimants



P&C insurance

Risk management and service

- We initiated a corporate KYR (Know Your Risk) project to offer diverse risk management services
- We provided over **10,519** corporate customers and key engineering projects with disaster/loss prevention services, and sent out **370 thousand** disaster alert text messages
- By developing a government-insurer risk management cloud platform, we help local governments to improve production safety, environmental protection, and building quality management within their own jurisdictions



Technical support



Facial recognition



Speech recognition



Automatic Q&A



Deep neural network



Emotion understanding engine



Q&A engine



AI-based recommendation



Deeplink



Location-based services



Shape recognition



Speech synthesis



Smart guidance



Knowledge inference engine



Intent recognition engine



Decision-making engine



Smarttask assignment



Big data



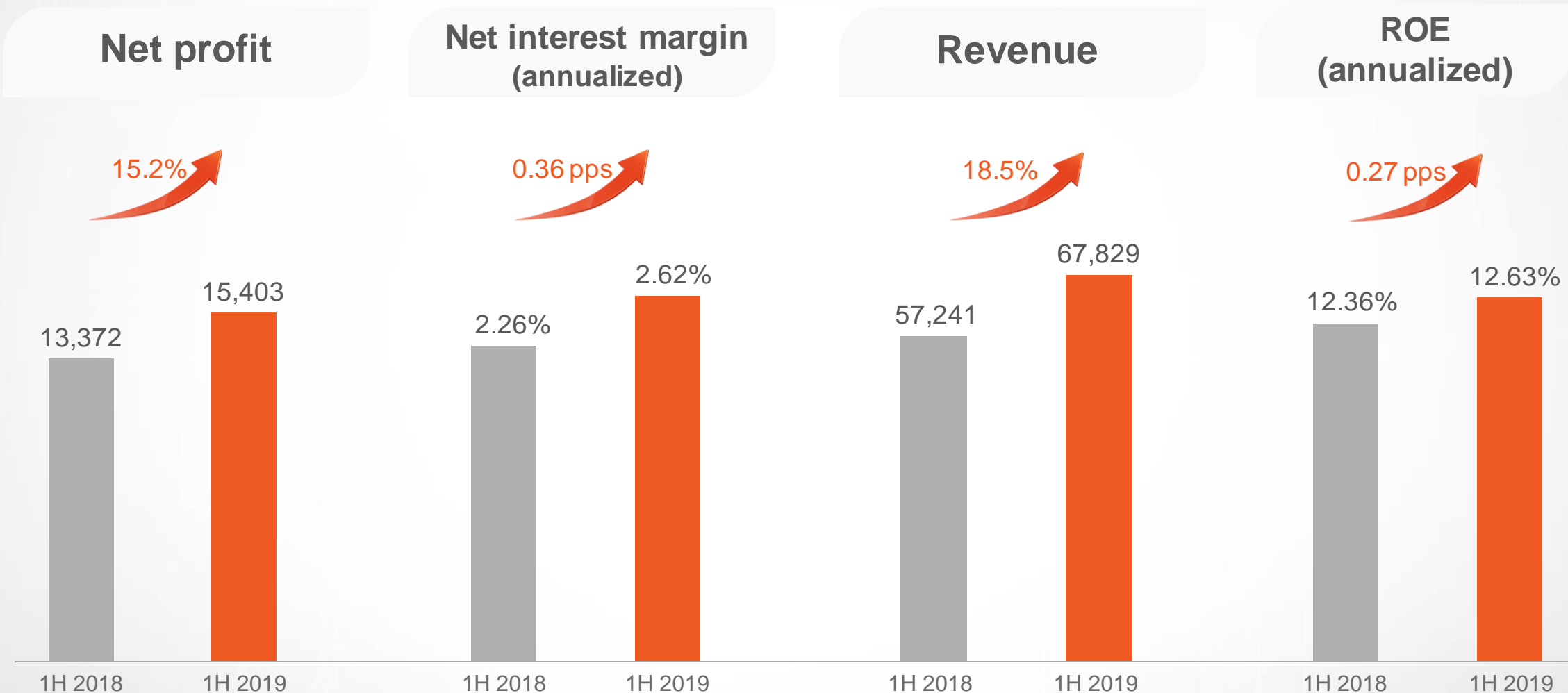
Voice interaction

Banking Business

Xie Yonglin
Co-CEO

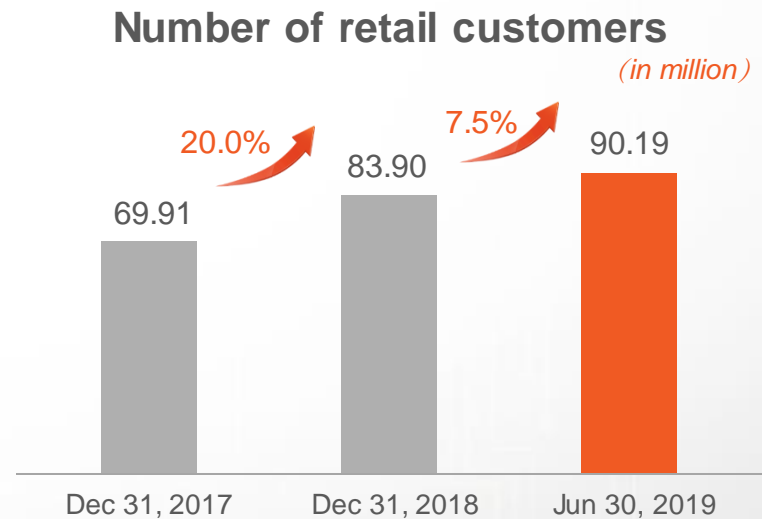
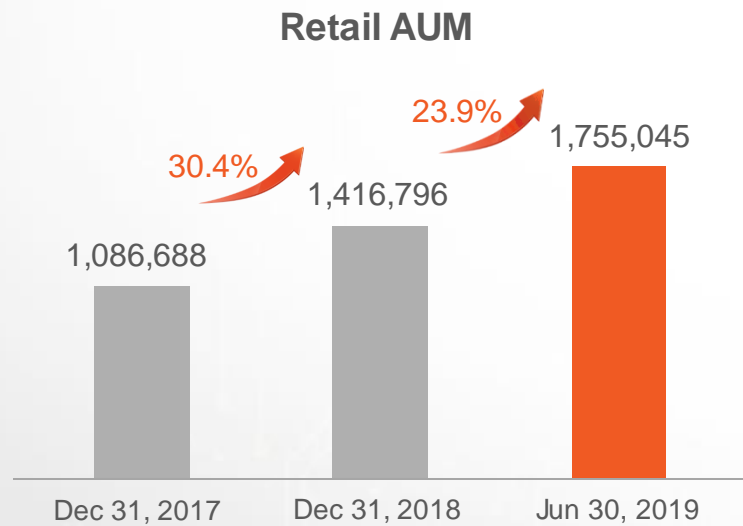
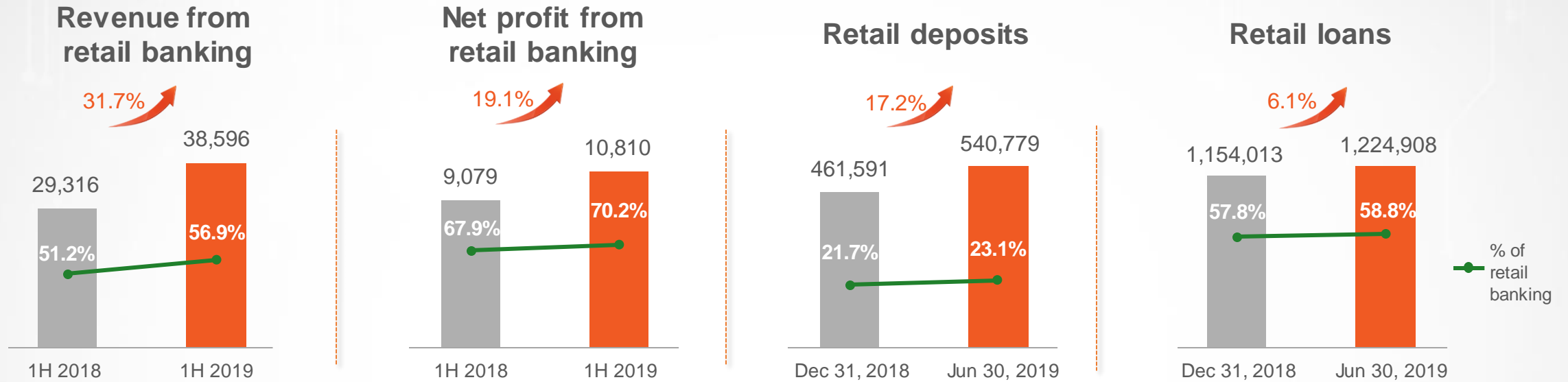
Net profit of Ping An Bank rose 15.2% YoY

(in RMB million)



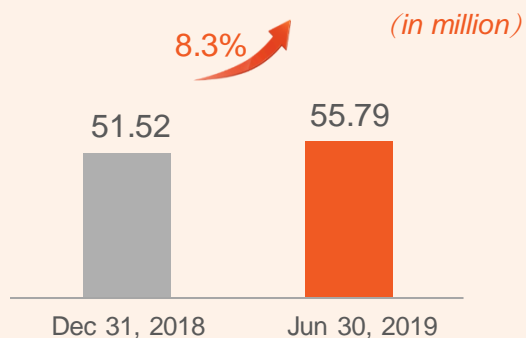
Retail business: growing contribution and significant AUM growth

(in RMB million)

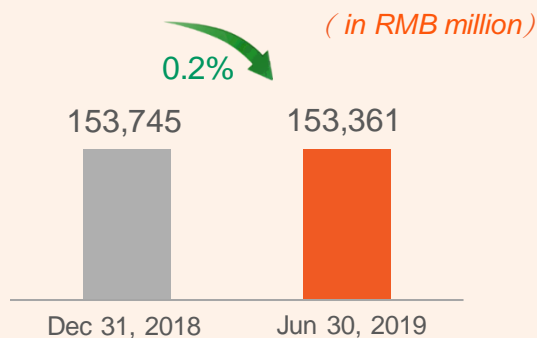


Retail business: proactively adjusted pace and improved de-risking capability

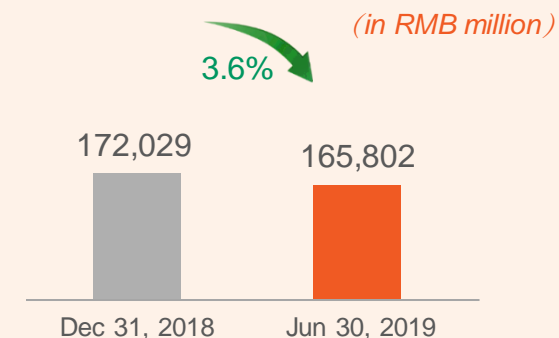
Number of credit cards in circulation



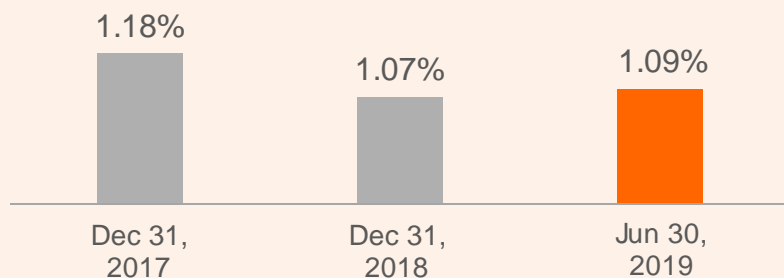
Balance of Xin Yi Dai unsecured loans



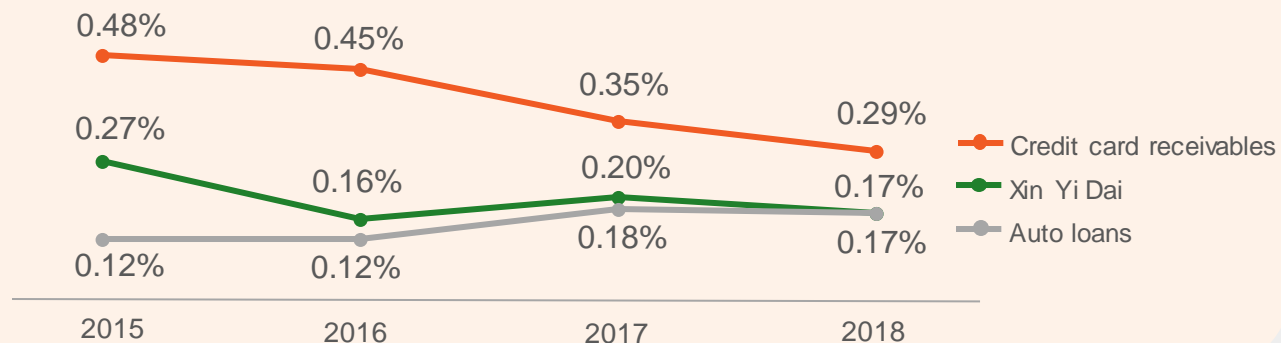
Balance of auto loans



Retail non-performing loan ratio



Proportions of M6 loans granted in different periods more than 30 days overdue



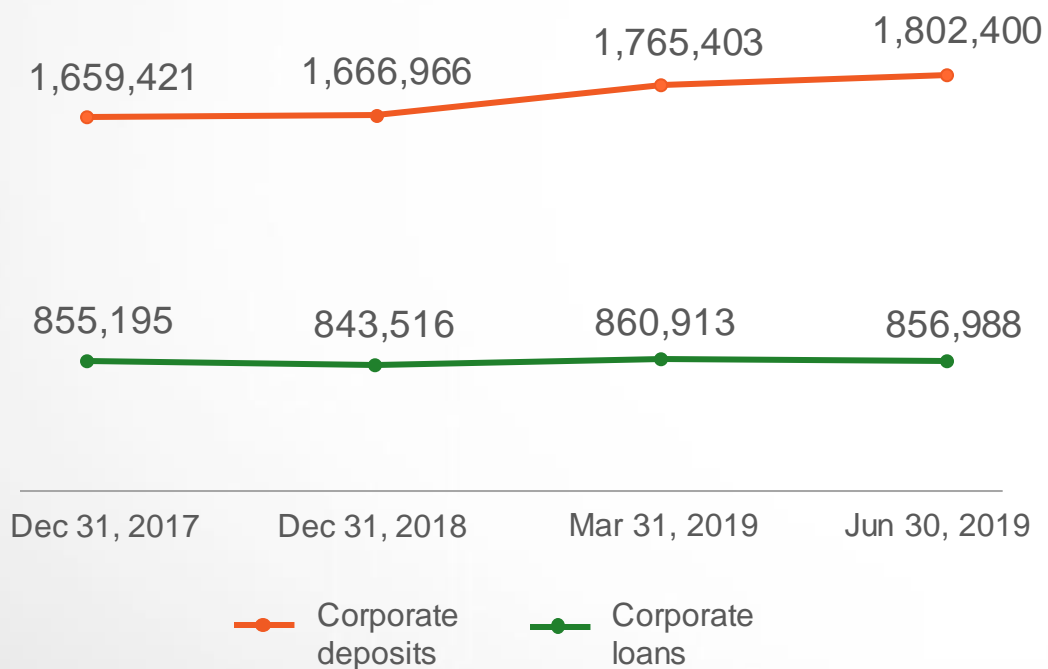
Notes: (1) The proportion of loans more than 30 days overdue as at the end of the 6-month vintage period = the balance of current-year new loans or credit card receivables more than 30 days overdue as at the end of the 6-month vintage period/the balance of current-year new loans or credit card receivables that have been on books for 6 months.

(2) As of June 30, 2019, the vintages of loans granted/credit cards issued in 2018 had all reached six months, which means the vintage analysis data for 2018 disclosed in the above shows quality of all the loans granted in 2018.

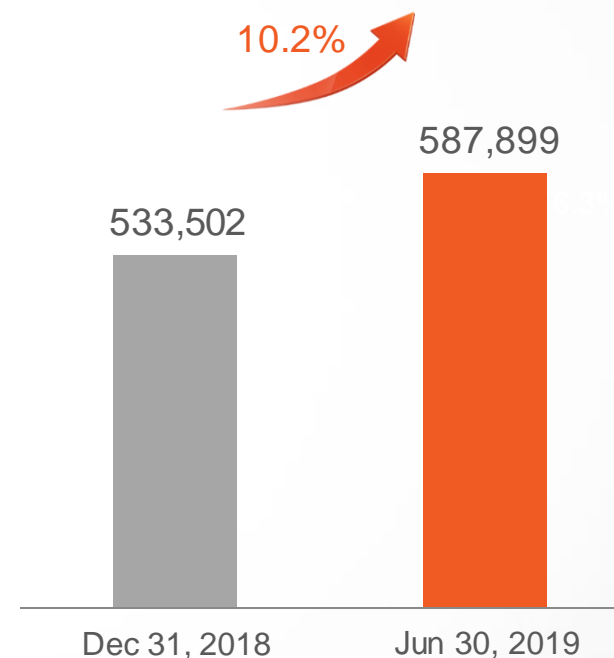
Corporate business: continuously optimizing the business portfolio

(in RMB million)

Balance of corporate deposits and corporate loans



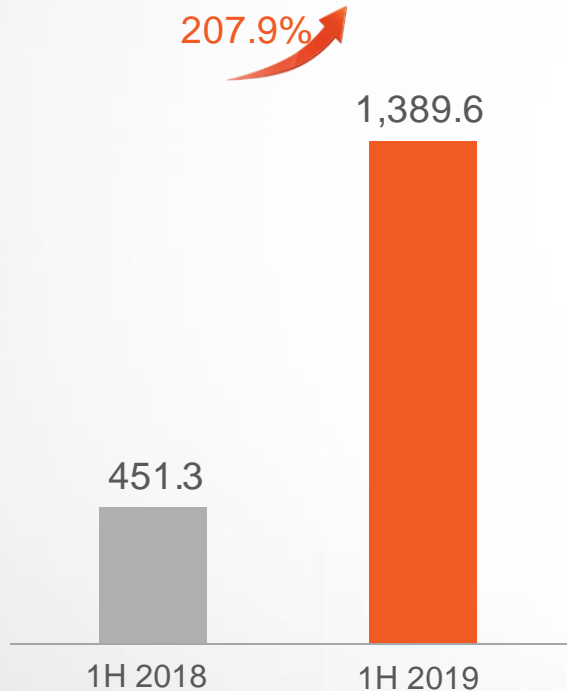
Balance of corporate demand deposits



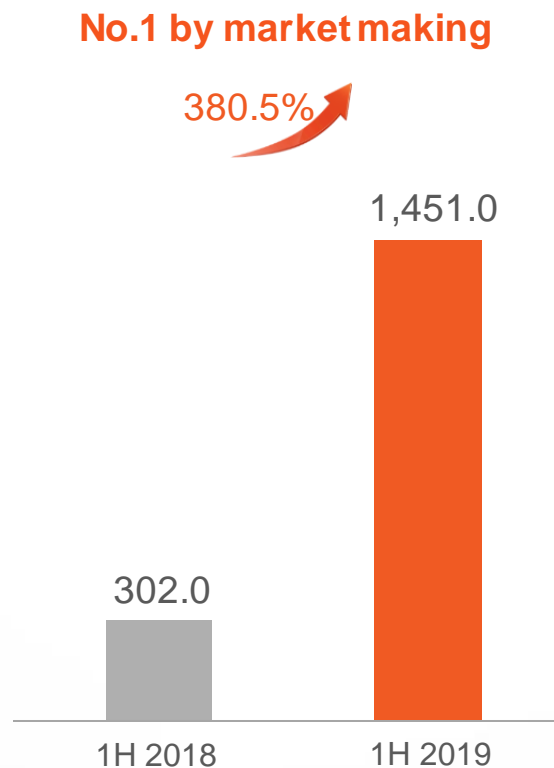
Interbank business: building boutique interbank business and strengthening sales transaction capabilities

(in RMB billion)

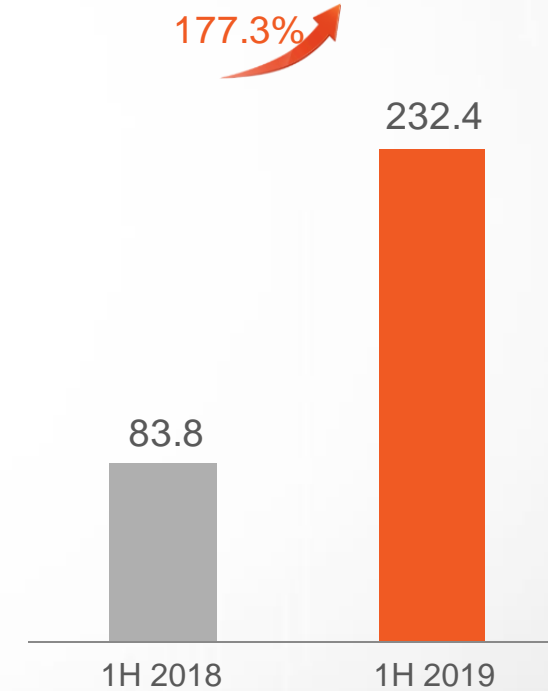
Bond trading volume



Interest rate swap volume



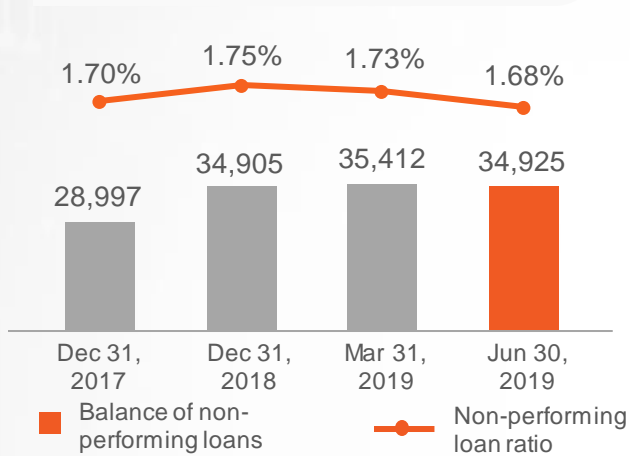
Interbank sales volume



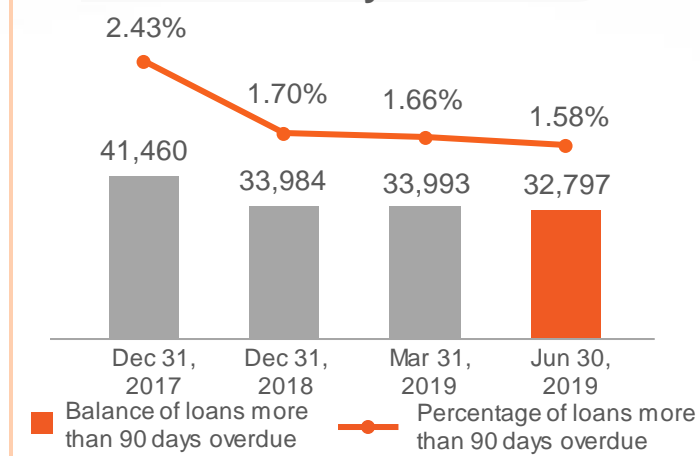
De-risking: improved asset quality and stronger provisioning

(in RMB million)

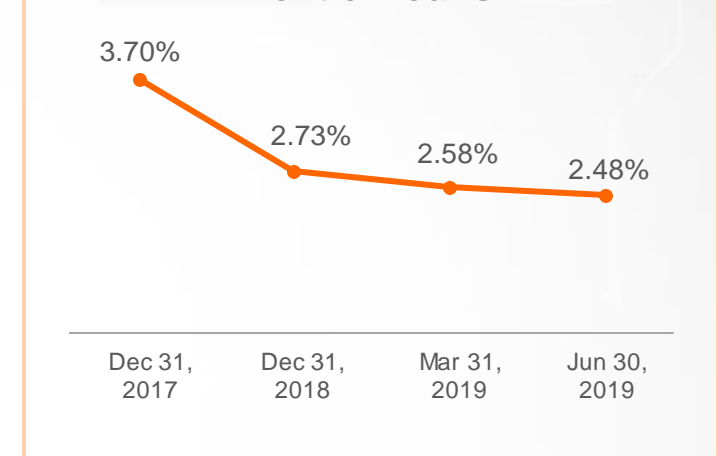
Non-performing loan ratio



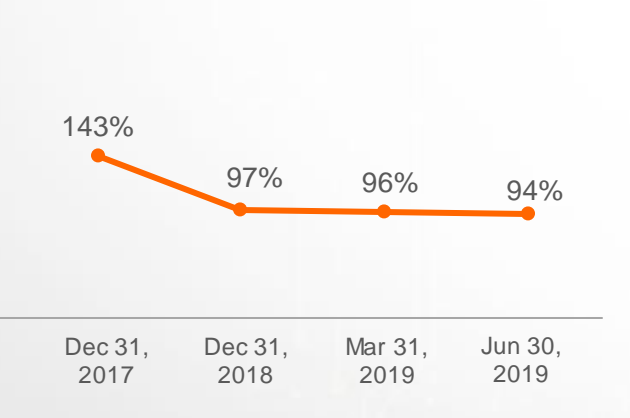
Percentage of loans more than 90 days overdue



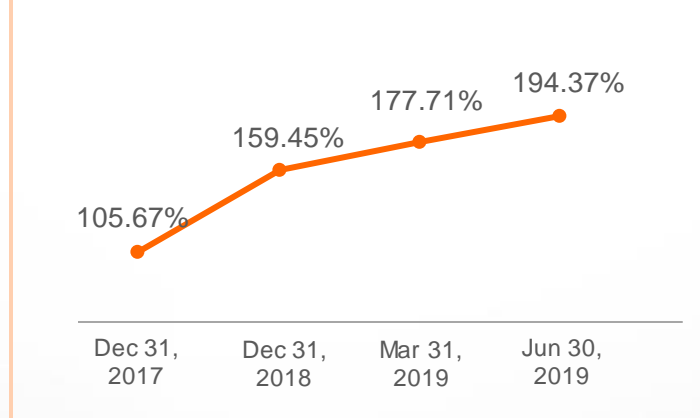
Percentage of special mention loans



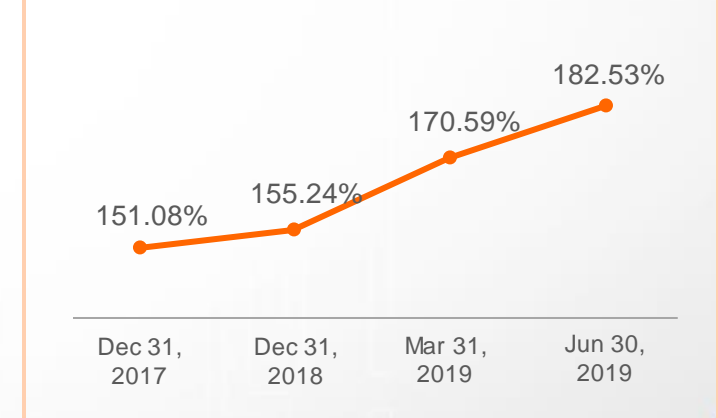
Deviation of non-performing loans



Provision coverage ratio of loans more than 90 days overdue



Provision coverage ratio

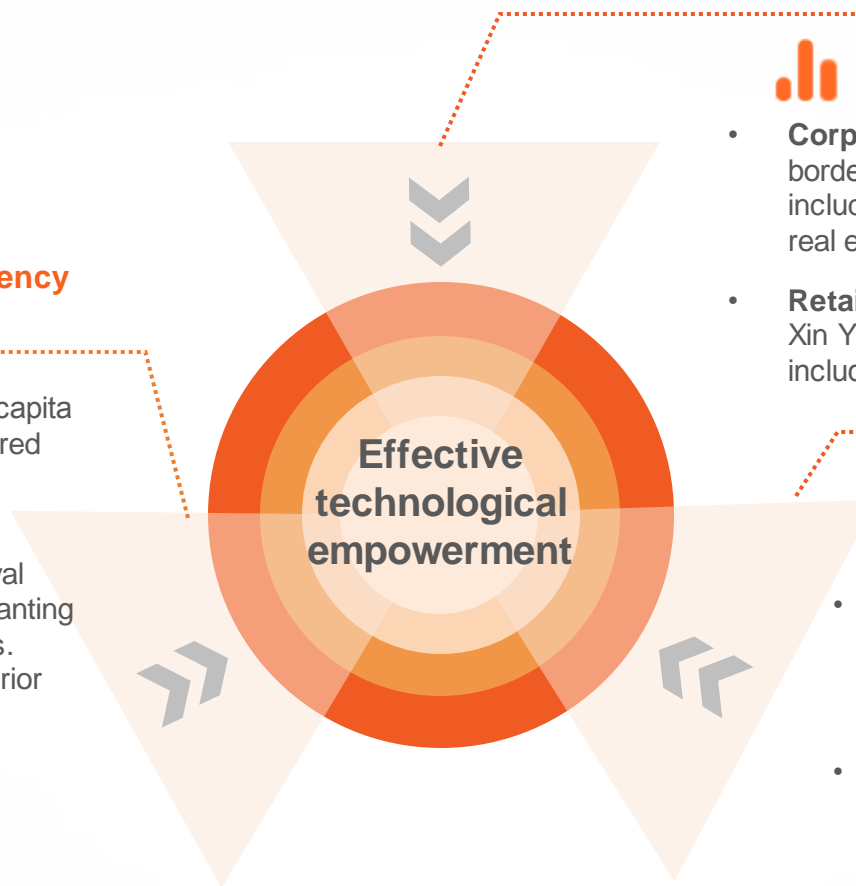


Note: Deviation of non-performing loans = Balance of loans more than 90 days overdue / balance of non-performing loans.

Empower banking business with our core technologies

Empower management to boost efficiency and manage risks

- **Efficiency improvement:** Outlet staff's per capita business handling capacity **doubled** compared with three years ago due to online AI-based operational strategies
- **Risk management:** We built a smart approval platform and shortened the lending cycle, granting auto loans **within 5 minutes** on a 24/7 basis. Smart pre-warning system enables 90-day prior warning for over **80%** of risky clients



Empower products to increase competitiveness

- **Corporate banking:** We developed products including “Cross-border E” and “SME Digital Finance” with technologies including blockchain and cloud computing to better serve the real economy, small and micro-sized businesses
- **Retail banking:** We increased service efficiency of credit cards, Xin Yi Dai unsecured loans, and auto finance with technologies including facial recognition to better meet customers’ demands

Empower services to improve user experiences

- **24/7 AI customer service system:** We enhanced the middle office with a customer service robot to boost operational efficiency. AI customer services now account for **82.9%**
- **One-click credit card account opening for immediate discounts:** We reduced the turnaround time for card issuance from 2 days to **2 minutes**, significantly improving customer experiences

IT capital expenditures and expenses grew by **36.9%** YoY

Technology Business

Jessica Tan
Co-CEO

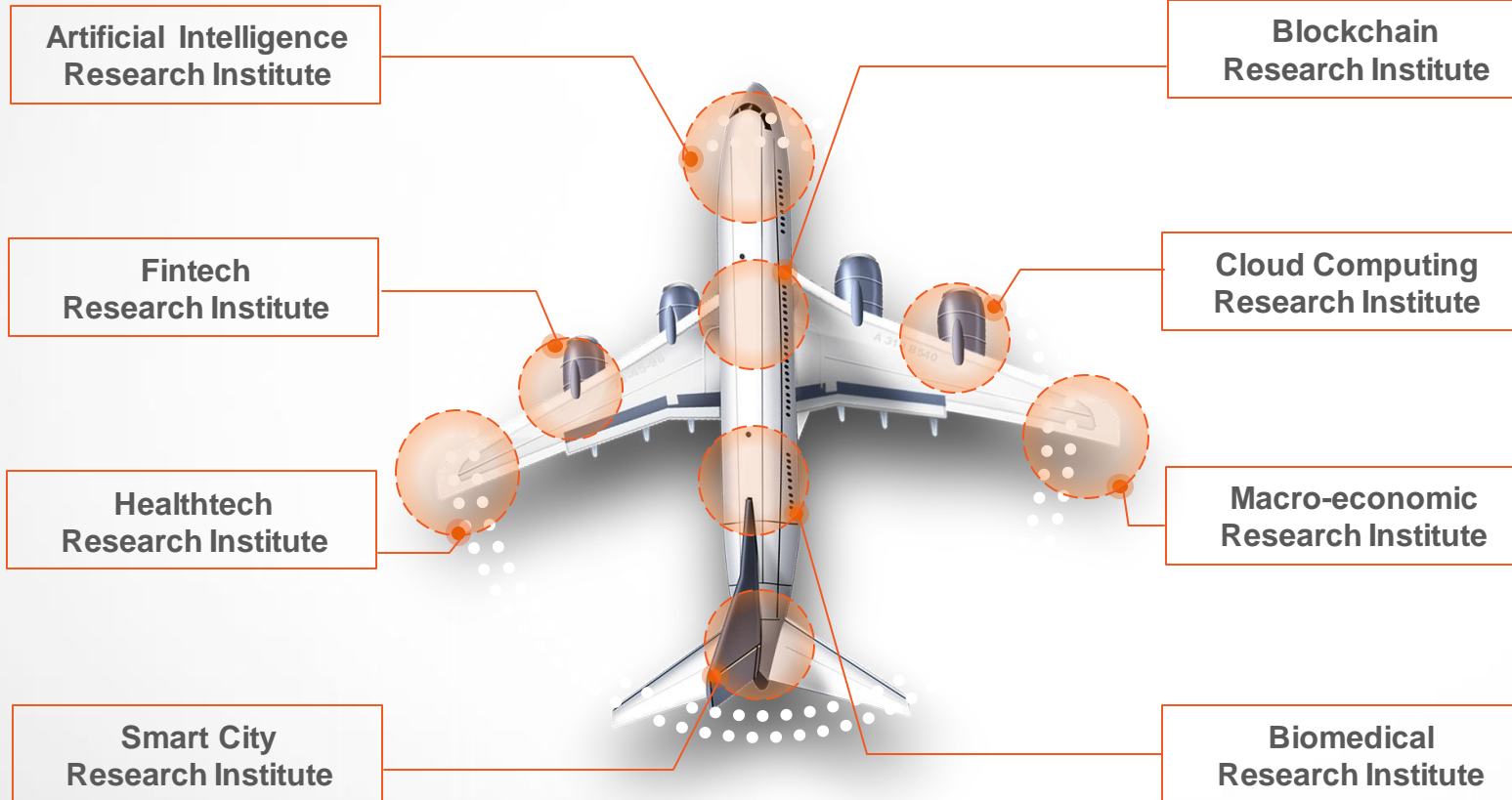
Technological innovations: we have invested heavily to build a clustered, matrixed, original scientific and technological research system

Clustered: 8 research institutes and 50+ laboratories

Matrixed: crossing and blending of multiple technologies

Original: 18,050 patent applications in China and abroad

We won 20+ world awards in 1H



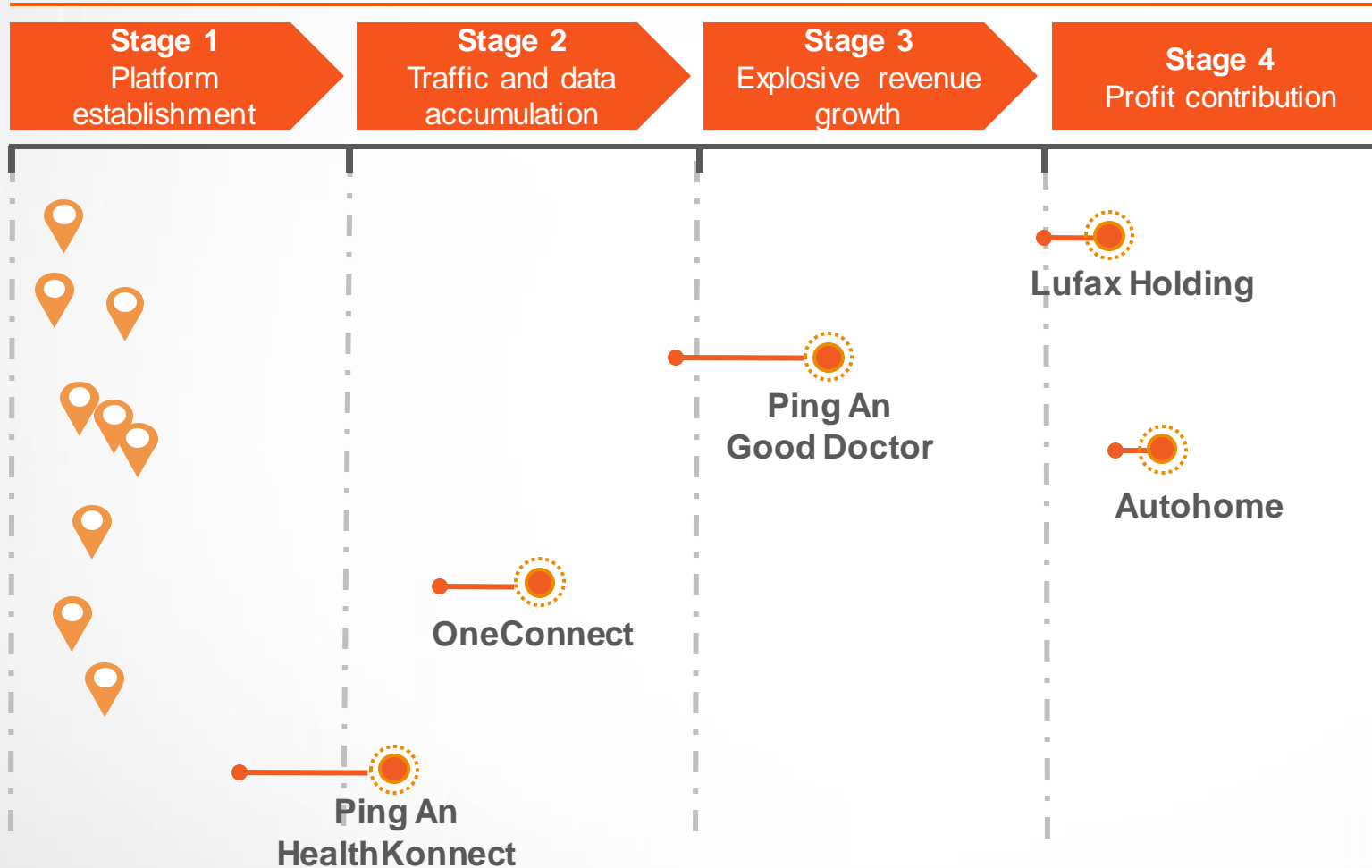
- We won three international **championships** in medical imaging⁽¹⁾
- Our AI translation technology won a **championship** in the English-Chinese translation category in the international translation contest of Workshop on Machine Translation (WMT) 2019
- We won a **championship** in the Recognizing Question Entailment (RQE) test in the 2019 MEDIQA challenge sponsored by the international Association of Computational Linguistics (ACL). We also won a **championship** in the Data Analytics Challenge on Missing Data Imputation (DACMI) held by the Institute of Electrical and Electronics Engineers (IEEE)
- In the Stanford SQuAD 2.0 challenge, Ping An **ranked first** with a score of 88.6, defeating the human performance of 86.8
- In Stanford's deep learning competition DAWNbench, Ping An **ranked first** by 1-example inference latency

101,000 technology employees, 32,000 R&D employees, and 2,200 scientists

Note: (1) Automatic Cancer Detection and Classification in Whole-slide Lung Histopathology (ACDC), Endoscopic Artefact Detection (EAD) and Pathologic Myopia Challenge (PALM).

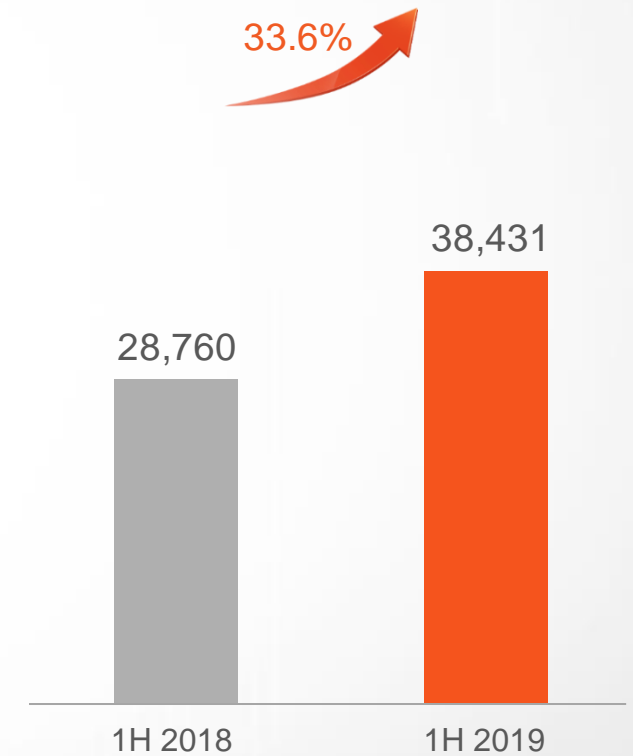
RMB38,431 million in total revenue for 1H 2019

Four stages of incubation of technology companies⁽¹⁾



Total revenue of the technology business⁽²⁾

(in RMB million)



Notes: (1) The above four stages are classified by the Company on the basis of business operations.

(2) The total revenue of the technology business is the sum of revenues of technology companies in our technology segment, without considering the shareholding proportions.

Technology-powered end-to-end financial services

Sales: AI-based agent interviews

We have applied AI to 100% of sales agent recruitment interviews



First, are you employed or between jobs now?
Second, ...

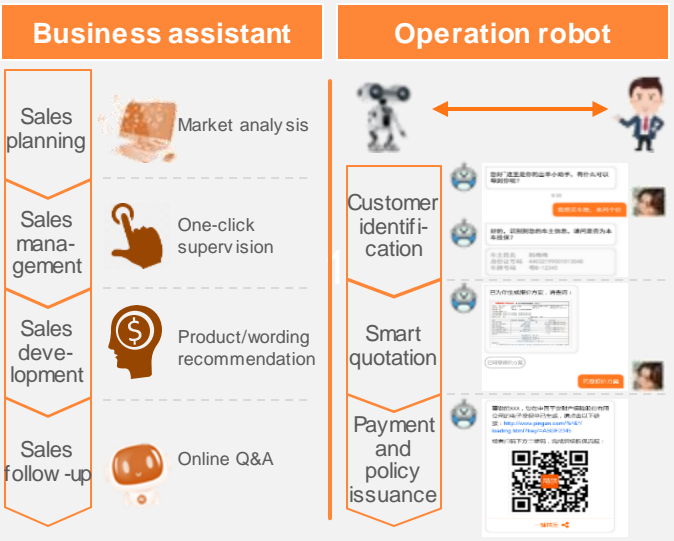
I'm a builder. I move bricks, brush dust, and do other small things everyday.



- **AI-based interview scenarios are further expanded:** 100% of sales agents are interviewed by AI, and the number of AI-based interviews had exceeded **3.4 million**
- **Application of an AI interview robot:** total interview time reached over **290,000 hours**

Operations: Smart P&C operations

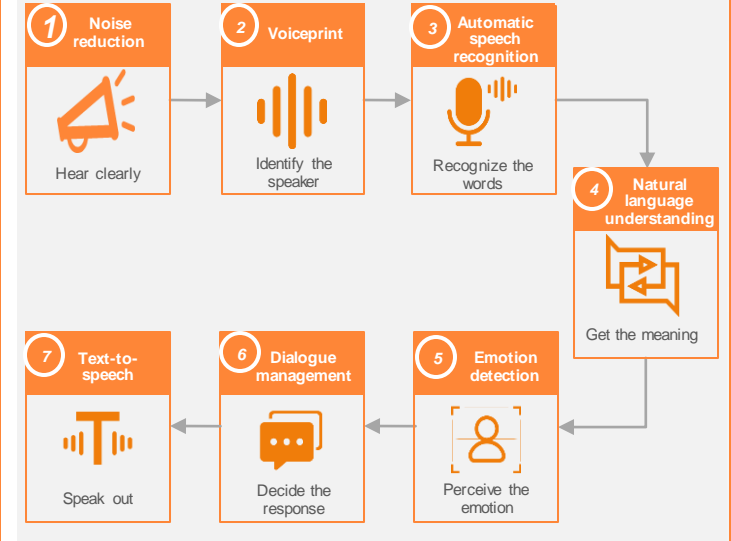
We have increased operation efficiency with a business assistant and a policy issuance robot



- **Costs saved:** about **RMB100 million**
- **Process optimization:** 95% of retail auto insurance policies are issued within **1 minute**, efficiency up by **80%**

Services: Smart speech robot

We have improved service efficiency and quality with AI-based call agents

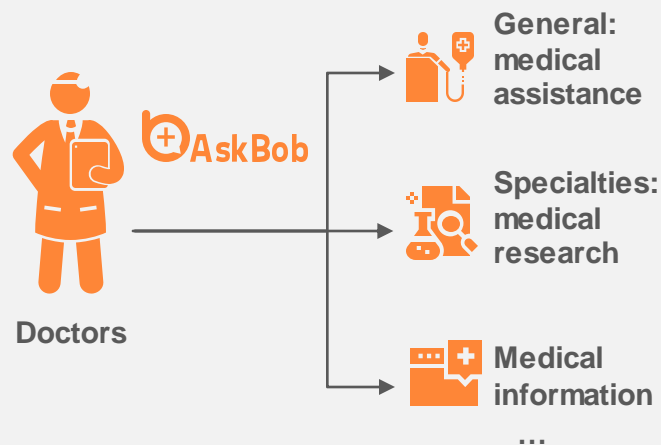


- **Costs cut:** The speech robot has provided services over **200 million** times, saving about **RMB50 million** in cost
- **Quality services:** The speech robot has boosted our service efficiency by **20%** and net promoter score (NPS) by **3 pps**

Technology-powered health care, auto services, and smart city ecosystems

Health care: AskBob

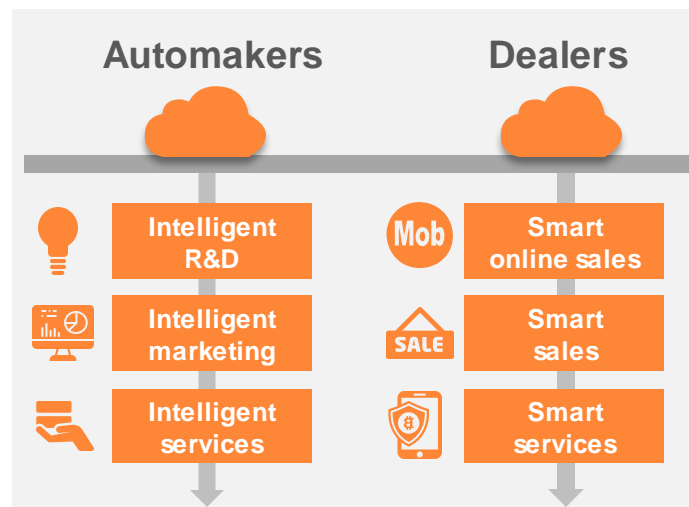
We empower doctors in diagnosis/treatment and research with medical knowledge graphs



- **Deployment at medical institutions:** AskBob has been deployed at **1,200+** medical institutions
- **Diagnosis and treatment assistance:** AskBob supports personalized diagnosis and treatment of over **1,500** diseases as well as encyclopedia entries over **30,000** diseases
- **Shortened diagnosis and treatment time:** AskBob can save doctors **nearly 30%** of time of clinical diagnosis and treatment; AskBob has an effective response rate of **about 95%**

Auto services: AI-based cloud

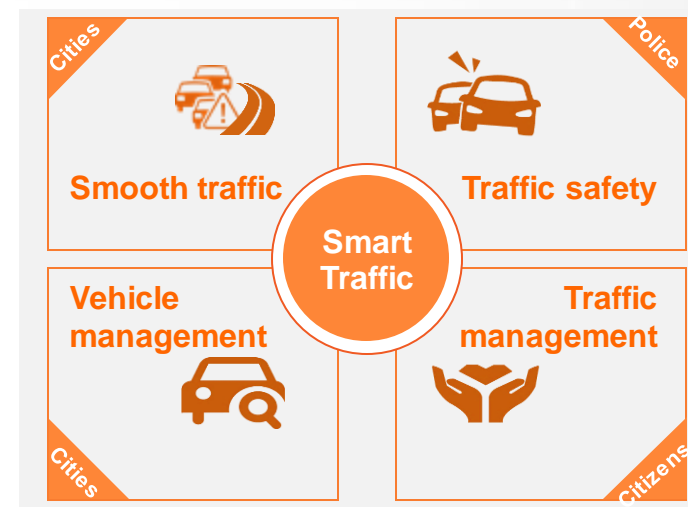
We empower automakers and dealers with massive user data



- **Automakers:** Our products can meet demands in **intelligent R&D, intelligent marketing** and **intelligent services**
- **Dealers:** Providing **20,000+** dealers with **smart online sales, smart sales** and **smart services**

Traffic management: smart traffic

We improve urban traffic with technologies



- **Regional cooperation:** We have partnered with **over 20** cities across China
- **Ensuring traffic safety:** The traffic accident rates dropped by **10%**
- **Promoting smooth traffic:** The time of traffic jams on key roads dropped by **30%**
- **Optimizing services:** The proportion of traffic law enforcement cases submitted for review dropped by over **25%**

Lufax Holding: a world-leading comprehensive online wealth management and retail lending technology platform

Customer metrics



Registered users

42.74 million
+ 5.9% YTD



Active investors

11.58 million
+ 3.7% YTD



Accumulated borrowers

11.24 million
+ 9.3% YTD

Business metrics

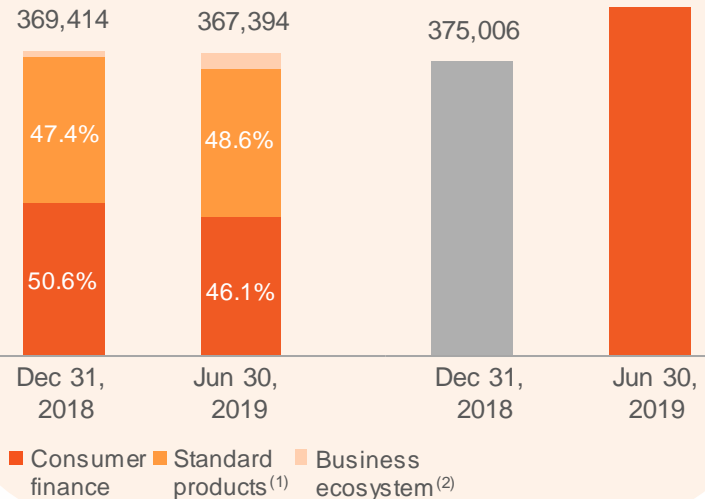
(in RMB million)

Customer assets

-0.5%
YTD

Balance of loans under management

+8.8%
YTD



Other key metrics



Investor users

Wealth management

Proportion of customer assets (from customers with assets of over RMB0.5 million) **>50%**



Robot

Wealth management

Customers served by the robot **>4 million**



Overdue ratio

Retail lending

Ratio of loans more than 30 days overdue⁽³⁾ **2.2%**

- Lufax Holding received “**Golden Shell Award—2019 Excellent Internet-based Wealth Management Platform**” from *21st Century Business Herald*
- Lufax Holding ranked **26th** on the BrandZ™ 2019 Top 100 Most Valuable Chinese Brands list with a brand value of USD6.89 billion, being the first fintech company on the list.
- Lufax Holding was honored as one of the “**China Leading Fintech 50**” companies by KPMG

Notes: (1) The standard products refer to products distributed by the wealth management business, including publicly offered funds, privately offered funds, and asset management products from insurance asset managers and securities firms.

(2) The business ecosystem refers to balances of investments made by wealth management customers at partner financial institutions through Lufax Holding’s technology-powered system.

(3) The ratio of loans more than 30 days overdue refers to the proportion of loans more than 30 days (inclusive) overdue to the balance of loans under management.

OneConnect: China's leading technology-as-a-service platform that has served over 3,700 institutions

Customer metrics



615
+18 YTD

Banks



81
+11 YTD

Insurers



3,011
+142 YTD

Others

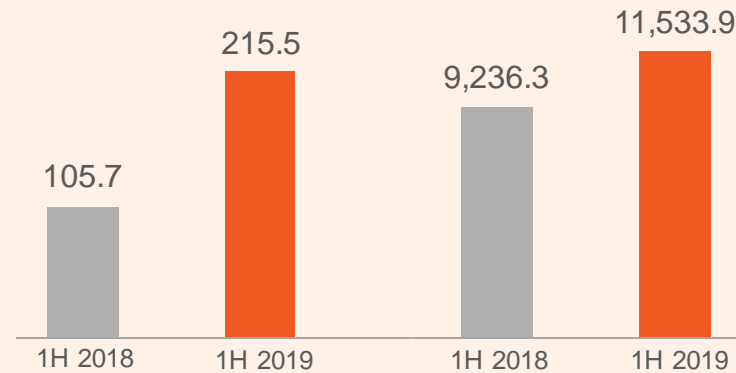
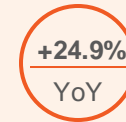
Business metrics

(in RMB billion)

Business/consumer transactions⁽¹⁾



Institutional transactions⁽²⁾



Other key metrics



721 million times
+ 52.1% YOY

Risk management product use



5.15 million times
+ 88.6% YOY

Smart Quick Claim use

Institutions: Covering 100% of large banks, 99% of urban commercial banks, and 44% of insurers in China.

Overseas: OneConnect had provided services for or signed cooperation agreements with 27 institutions in 10 countries or regions.

Innovation: OneConnect had filed 3,070 technology patent applications, 98.4% of which are for inventions; OneConnect won the Best Blockchain or Distributed Ledger Technology Award from *The Asian Banker*, and ranked first in SemEval-2019 Task 3: EmoContext, a world-class contest of contextual emotion detection in text.

Notes: (1) Business/consumer transactions refer to the scale of corporate business and retail business transactions processed on OneConnect's fintech platform which helps partners improve efficiency, increase revenues, and reduce risks.

(2) Institutional transactions refer to the scale of interbank business transactions processed on OneConnect's fintech platform which helps partners improve efficiency, increase revenues, and reduce risks.

Ping An Good Doctor: China's largest online health care platform that provides high-quality health care services

Business metrics



Registered users

289 million



Daily consultations

656 thousand



Paying members of online health care services

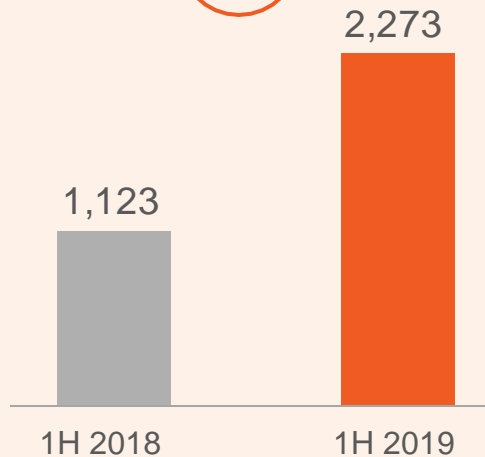
1,438.6 thousand

Financial metrics

(in RMB million)

Revenue

+102.4%
YoY

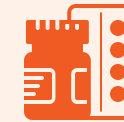


Ecosystem metrics



In-house medical staff

Medical practitioners 1,193



Partner pharmacies

Partner pharmacies 32,000+

Cities covered 200+



Offline health care service network

Clinics, checkup centers, dental clinics, medical cosmetic institutions and others

50,000+

Autohome: building an ecosystem centering on data and technology

Traffic metrics


Average daily unique visitors on mobile devices **37.80 million**
+48% YOY



Leads

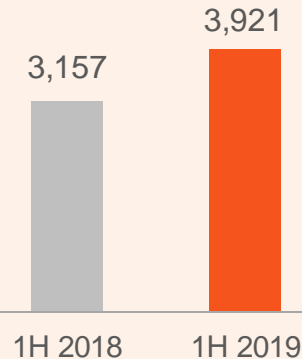
**+24%
YOY**

Financial metrics

(in RMB million)

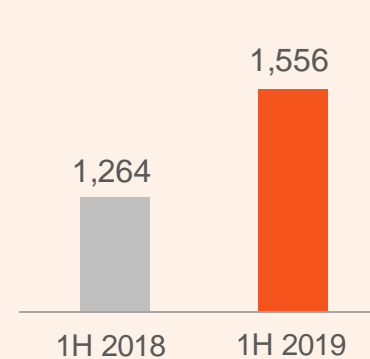
Revenue

+24.2%
YoY



Net profit⁽¹⁾

+23.1%
YoY



Key metrics for new business



Dealer services

Paying dealers

20,000+

Data product customers

Nearly 15,000



Auto finance

Auto finance and insurance transactions facilitated

RMB11.2 billion

Online marketplace business accounted for **16.0%** of total revenue, up **6.7** pps year on year

Note: (1) Net profit refers to Non-GAAP adjusted net income.

Smart city covers over 100 cities under the three themes of government services, economic development, and people's livelihood

Government services: smart business development environment

We furthered China's reforms to "delegate power, streamline administration and optimize government services", innovated regulation approaches, and precisely positioned key regulatory targets

Business entity analysis

Get the full picture via "one screen" and "one click"



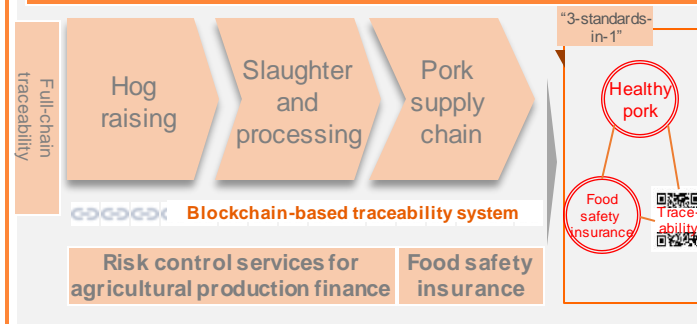
- Credit, litigation and other information
- Corporate activity analysis
- Multi-indicator correlation curve
- Top 500 companies in the city
- Business life cycle
- ...

- We won the **"Technology Innovation Award of 2019 Chinese Government's Information Product"**
- **Business entities covered: over three million**
- **Enhanced risk management:** an accuracy rate of **90%** in identifying enterprises with abnormal credit profiles

Economic development: smart agriculture

Smart agriculture helps companies and farmers improve quality of agricultural products and ensure food safety

Government regulation platform



- We won the **"Best Application Award" in the China Blockchain Development Contest** held by the Ministry of Industry and Information Technology.
- **Full-chain traceability:** we facilitate **100% full-chain traceability** for hog raising, slaughter and the pork supply chain.
- **Financial services:** we reduced financing costs by **20%** and realized **100% food safety insurance coverage**.

People's livelihood: smart daily life services

We combined the internet with government services, and facilitated "sharing more data, running fewer errands"



- **Quality services:** citizens can access the efficient, convenient, uniform and standard administrative approval services
- **Online approval: over 3,000** services
- **Efficiency increase:** government service efficiency was improved by **70%**
- **Time-saving:** an average of **two hours was saved** for each citizen

中国平安

金融 · 科技

Q&A

Appendices: 1H 2019 Group operating profit (Table A-1)

(in RMB million)	See Table B	See Table C	See Table D	See Table E	See Table F				
	Life & Health	P&C	Banking	Trust	Securities	Other Asset Management	Technology	Other businesses and elimination	Group
Net profit attributable to shareholders of the parent company	70,322	11,837	8,934	1,871	1,199	3,913	2,802	(3,202)	97,676
Net profit attributable to non-controlling interests	707	58	6,469	3	53	489	472	(189)	8,062
Net profit (A)	71,029	11,895	15,403	1,874	1,252	4,402	3,274	(3,391)	105,738
Excluding:									
Short-term investment return variance (B)	13,000	-	-	-	-	-	-	-	13,000
Impact of discount rate change (C)	999	-	-	-	-	-	-	-	999
Impact of one-off material non-operating items (D)	8,597	1,856	-	-	-	-	-	-	10,453
Operating profit (E = A – B – C – D)	48,433	10,039	15,403	1,874	1,252	4,402	3,274	(3,391)	81,286
Operating profit attributable to shareholders of the parent company	47,958	9,990	8,934	1,871	1,199	3,913	2,802	(3,202)	73,464
Operating profit attributable to non-controlling interests	475	49	6,469	3	53	489	472	(189)	7,822

Note: Figures may not match the calculation due to rounding.

Appendices: 1H 2018 Group operating profit (Table A-2)

<i>(in RMB million)</i>	See Table B	See Table C	See Table D	See Table E	See Table F				
	Life & Health	P&C	Banking	Trust	Securities	Other Asset Management	Technology	Other businesses and elimination	Group
Net profit attributable to shareholders of the parent company	33,791	5,896	7,756	1,693	918	5,954	4,204	(2,117)	58,095
Net profit attributable to non-controlling interests	537	28	5,616	1	38	178	403	(126)	6,675
Net profit (A)	34,328	5,924	13,372	1,694	956	6,132	4,607	(2,243)	64,770
Excluding:									
Short-term investment return variance (B)	(1,233)	-	-	-	-	-	-	-	(1,233)
Impact of discount rate change (C)	(35)	-	-	-	-	-	-	-	(35)
Impact of one-off material non-operating items (D)	-	-	-	-	-	-	-	-	-
Operating profit (E = A – B – C – D)	35,595	5,924	13,372	1,694	956	6,132	4,607	(2,243)	66,038
Operating profit attributable to shareholders of the parent company	35,035	5,896	7,756	1,693	918	5,954	4,204	(2,117)	59,339
Operating profit attributable to non-controlling interests	560	28	5,616	1	38	178	403	(126)	6,699

Note: Figures may not match the calculation due to rounding.

Appendices: Life & Health earnings (Table B)

Profit Analysis

<i>(in RMB million)</i>	1H 2019	1H 2018	Notes
Release of residual margin	35,840	29,559	A
Return on net worth	5,216	4,310	
Spread income	1,628	2,800	
Operating variance and others	12,219	11,168	
Operating profit before tax	54,903	47,838	
Income tax	(6,470)	(12,243)	
Operating profit after tax	48,433	35,595	See Table A
Short-term investment variance	13,000	(1,233)	
Impact of discount rate change	999	(35)	
Impact of one-off material non-operating items	8,597	-	
Net profit	71,029	34,328	See Table A

Note: Figures may not match the calculation due to rounding.

Residual Margin

<i>(in RMB million)</i>	1H 2019	1H 2018	Notes
Opening residual margin	786,633	616,319	
Contribution from new business	87,318	92,455	
Expected interest growth	16,350	13,590	
Release of residual margin	(35,840)	(29,559)	A
Lapse variances and others	12,929	17,227	
Ending residual margin	867,390	710,032	

Appendices: P&C earnings (Table C)

<i>(in RMB million)</i>	1H 2019	1H 2018	Notes
Premium income	130,466	118,878	
Net earned premiums	111,611	103,016	B
Claim expenses	(66,045)	(59,112)	
Commission expenses	(19,002)	(25,740)	
Administrative expenses	(26,158)	(17,373)	
Reinsurance commission revenue	3,442	3,504	
Underwriting profit	3,848	4,295	D = B x (1-C)
Combined ratio (%)	96.6	95.8	C
Total investment income	9,366	5,778	E = F x G
Average P&C investment assets	267,877	240,088	F
P&C total investment yield (not annualized, %)	3.5	2.4	G
Other net revenue and expenses	(511)	(35)	
Profit before tax	12,703	10,038	
Income tax	(808)	(4,114)	
Net profit (a)	11,895	5,924	See Table A
Impact of one-off material non-operating items (b)	1,856	-	
Operating profit (c=a-b)	10,039	5,924	See Table A

Note: Figures may not match the calculation due to rounding.

Appendices: Banking earnings (Table D)

<i>(in RMB million)</i>	1H 2019	1H 2018	Notes
Net interest revenue	43,639	37,436	H = I x J
Average interest earning assets	3,358,110	3,342,036	I
Net interest margin (not annualized, %)	1.30	1.12	J
Net non-interest revenue	24,190	19,805	
Revenue	67,829	57,241	K
General and administrative expenses	(19,981)	(16,980)	L = - (K x M)
Cost-to-income ratio (%)	29.46	29.66	M
Loan impairment loss	(23,597)	(21,044)	N = - (O x P)
Average balance of loans (including bill discount)	2,042,092	1,778,740	O
Credit cost (not annualized, %)	1.16	1.18	P
Other expenses	(4,248)	(1,850)	
Profit before tax	20,003	17,367	
Income tax	(4,600)	(3,995)	
Net profit	15,403	13,372	See Table A

Note: Figures may not match the calculation due to rounding.

Appendices: Trust earnings (Table E)

(in RMB million)

	1H 2019	1H 2018	Notes
Fees and commission revenue	2,012	2,104	Q = R x S
Monthly average assets held in trust	516,154	623,272	R
Fee rate of assets held in trust (%)	0.39	0.34	S
Fees and commission expenses	(75)	(33)	
Net fees and commission revenue	1,937	2,071	
Administrative expenses	(430)	(513)	
Total investment income	683	541	
Other net revenue and expenses	197	75	
Profit before tax	2,387	2,174	
Income tax	(513)	(480)	
Net profit	1,874	1,694	See Table A

Note: Figures may not match the calculation due to rounding.

Appendices: Securities earnings (Table F)

<i>(in RMB million)</i>	1H 2019	1H 2018	Notes
Fees and commission revenue	2,744	2,112	
Fees and commission expense	(577)	(434)	
Net fees and commission revenue	2,167	1,678	
Total investment income	2,948	2,374	
Other revenue	2,335	1,365	
Revenue	7,450	5,417	T
Administrative expenses	(2,109)	(1,781)	U = - (T + W) x V
Cost-to-income ratio(%)	46.4	51.8	V
Finance costs	(895)	(499)	
Other expenses	(2,907)	(1,981)	W
Profit before tax	1,539	1,156	
Income tax	(287)	(200)	
Net profit	1,252	956	See Table A

Note: Figures may not match the calculation due to rounding.