

2021 Nine Months Results

October 2021



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.

Business highlights for 9M 2021

Group

- Operating profit attributable to shareholders of the parent company rose **9.2%** YoY to **RMB118,737 million** which equated to a **20.3%** operating ROE (annualized).

Customer development

- Group had **over 225 million** retail customers of which **87.74 million** (=39.0% of total) held contracts with multiple different subsidiaries.

L&H insurance

- Ping An Life unswervingly advanced the transformation toward high-quality development and constantly upgraded its heartwarming insurance products. Ping An Life refined the **tiered management** of its agent force and improved its team structure, with **Diamond Agents remaining stable**.

P&C insurance

- Ping An P&C's operating profit rose **20.2%** YoY to **RMB13,283 million** aided by **1.8 pps** improvement in combined ratio which fell to **97.3%**. Ping An P&C made every effort to fight super rainstorms in Henan Province by settling claims as rapidly as possible, with flood claim payments expected to **exceed RMB3.4 billion**.

Banking

- Ping An Bank's net profit rose **30.1%** YoY to **RMB29,135 million**. Non-performing loan ratio **improved by 0.13 pps** YTD to **1.05%**. Provision coverage ratio **rose to 268.35%**, up **66.95 pps** YTD.

Technology

- Ping An's technology patent applications increased by **5,423** YTD to **36,835**. Ping An leverages cutting-edge technologies to comprehensively upgrade the end-to-end services of its core financial businesses. AI service representatives provided services **about 1.54 billion times** in the first nine months of 2021.

Financial performance for 9M 2021

(in RMB million)

Operating profit⁽¹⁾

118,737

+9.2%

Annualized
operating ROE

20.3%

-0.6 pps

NBV⁽²⁾

35,237

-17.8%

Net profit⁽¹⁾

81,638

-20.8%

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

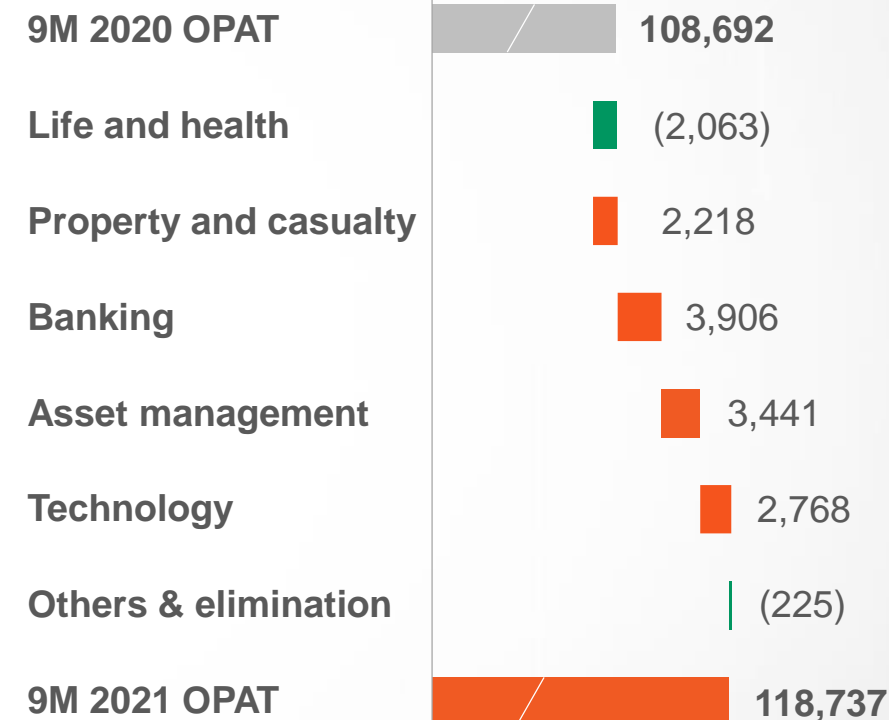
(2) The computation of NBV is based on the 11.0% risk discount rate.

Group operating profit rose 9.2% YoY

(in RMB million)

	9M 2021	Proportion (%)	YoY Change (%)
Life and health	72,701	61.2	(2.8)
Property and casualty	13,221	11.1	20.2
Banking	16,887	14.2	30.1
Trust	1,869	1.6	(16.5)
Securities	2,808	2.4	17.9
Other asset management ⁽¹⁾	7,192	6.1	88.9
Technology ⁽²⁾	7,437	6.3	59.3
Others & elimination	(3,378)	(2.8)	7.1
The Group	118,737	100	9.2

Operating profit growth drivers



Notes: (1) The other asset management business represents the results of subsidiaries that engage in asset management business including Ping An Asset Management, Ping An Financial Leasing, and Ping An Overseas Holdings.

(2) The technology business represents the results of subsidiaries, associates and jointly controlled entities that engage in technology business including Autohome, Lufax Holding, OneConnect, Ping An Good Doctor, and Ping An HealthKconnect.

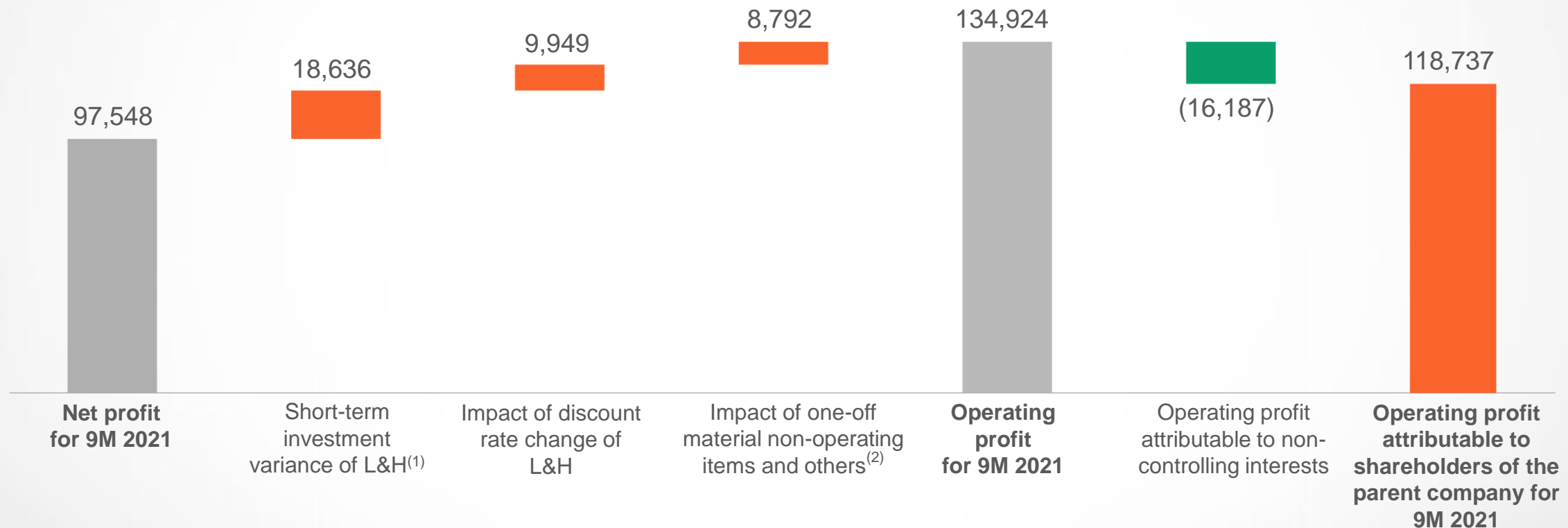
(3) Operating profit refers to the operating profit attributable to shareholders of the parent company.

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

Operating profit excluded non-operating items and others 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 and Others

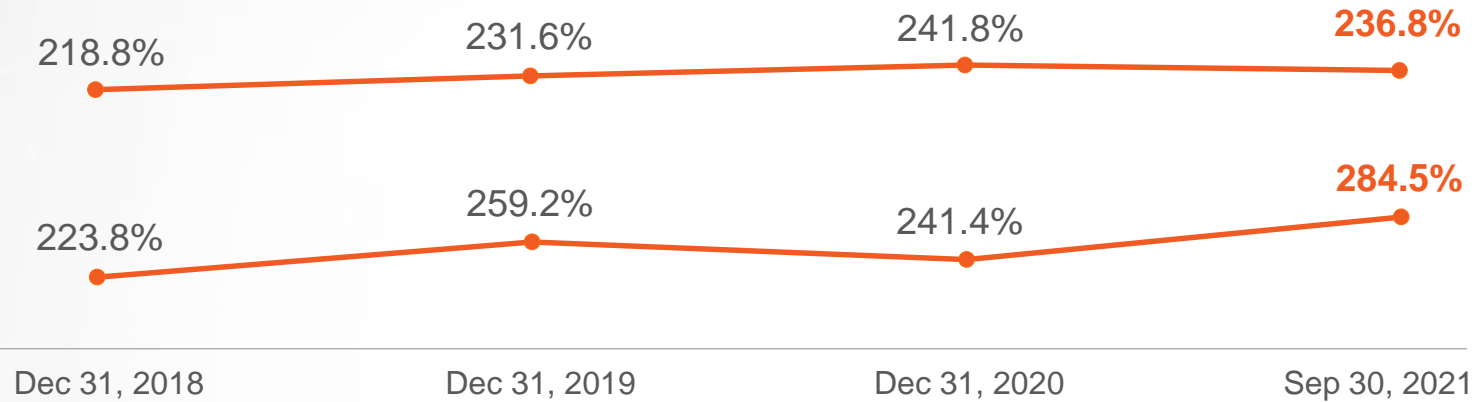
(in RMB million)



- Notes: (1) Short-term investment variance is the variance between the actual investment return and the EV long-run investment return assumption (5%), net of the associated impact on insurance and investment contract liability.
 (2) The impact of one-off non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses. Such impact comprised the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Group in 9M 2021.
 (3) Ping An made no major adjustment to the provisions (including impairment provisions, valuation adjustments, and other equity adjustments) for investments related to China Fortune in 3Q 2021.
 (4) Figures may not match the calculation due to rounding.

Solvency position remained resilient

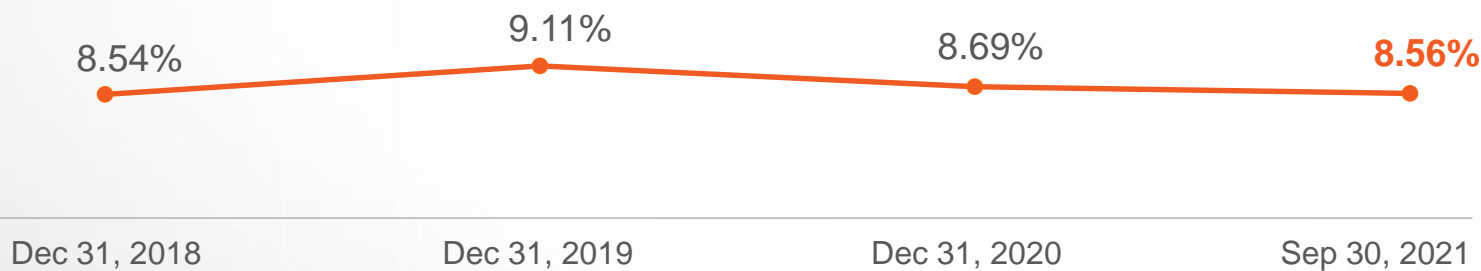
Comprehensive solvency margin ratios significantly exceeded regulatory requirements



Ping An Life
(regulatory requirement:
comprehensive solvency margin ratio $\geq 100\%$)

Ping An P&C
(regulatory requirement:
comprehensive solvency margin ratio $\geq 100\%$)

Core tier 1 capital adequacy ratio above regulatory minimum

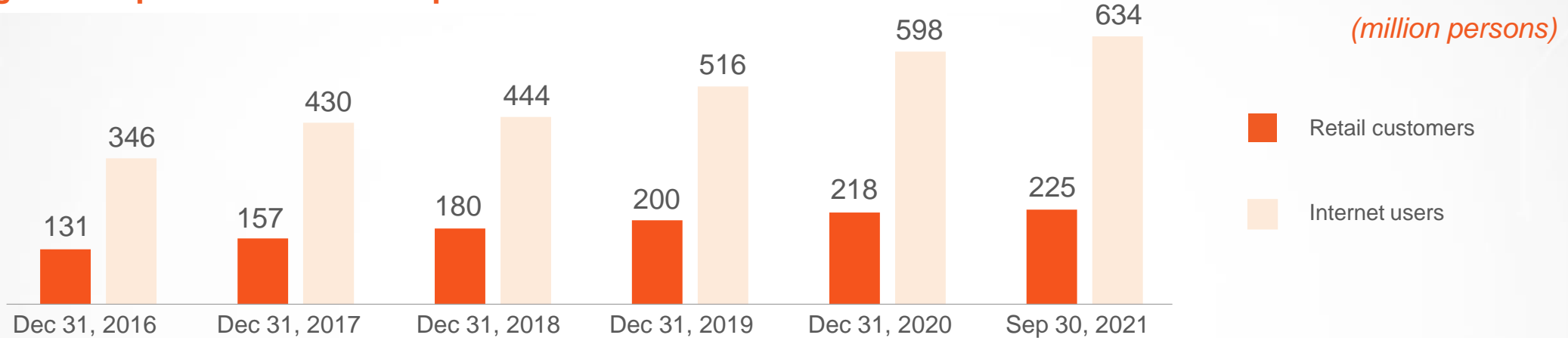


Ping An Bank
(regulatory requirement $\geq 7.5\%$)

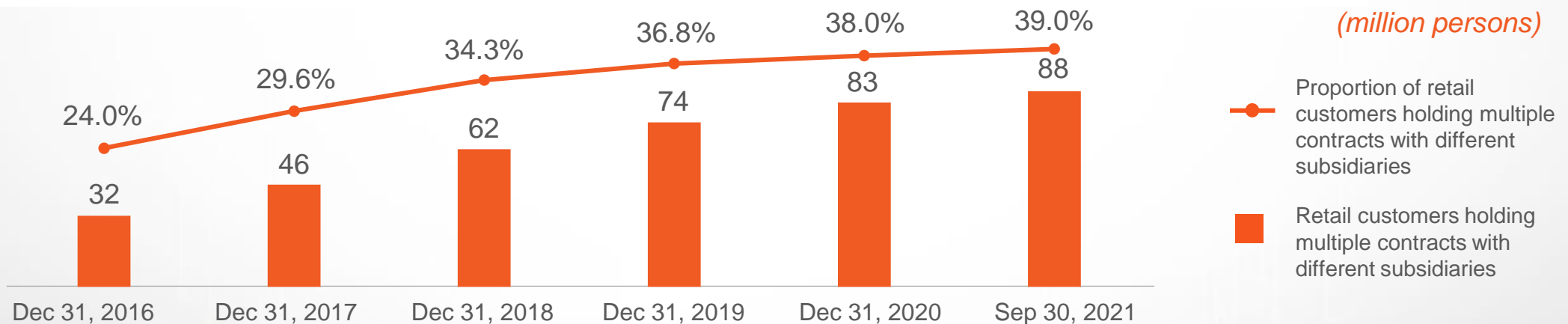
Note: The former CIRC released the *Development Plan for the China Risk Oriented Solvency System (C-ROSS) Phase II Project* in September 2017. Being risk-oriented, C-ROSS Phase II aims to strengthen the capital of insurers and prompt insurers to focus on insurance protection. Risk factors have been fully calibrated to reflect changes in risks across the insurance industry in a timely manner. We expect that the Company's solvency margin ratios will decrease to a certain extent due to the C-ROSS Phase II rule changes, but will still be above the regulatory requirements.

Retail integrated finance: growing retail customer base and cross-selling penetration

Significant potential to further penetrate our 634 million internet users



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








Notes: (1) At the end of 2019, we optimized the definitions of retail customers and internet customers by removing customers with complimentary insurance from retail customers and unique users of suspended internet platforms from internet users. Moreover, we restated the data for the comparable periods of 2017 and 2018.

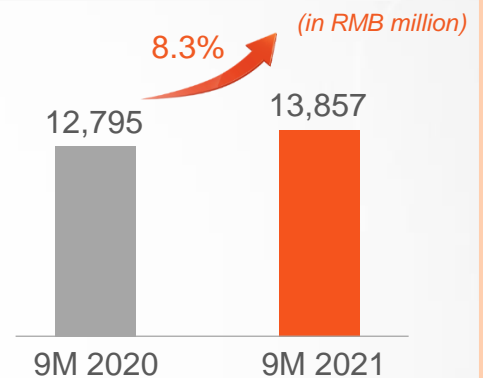
(2) Figures may not match the calculation due to rounding.

Corporate integrated finance: customer development yielded significant results, with continued growth in business scale

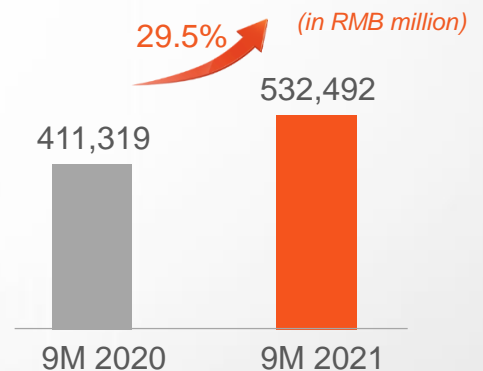
“1+N” corporate business model

Ongoing customer development	Strategic/large customers and government customers <ul style="list-style-type: none"> Integrated “finance + ecosystem” resources across the Group, and developed business in industry scenarios; leveraged advantages in licenses and products to provide tailor-made integrated finance solutions 	Micro-, small and medium-sized business customers <ul style="list-style-type: none"> Comprehensive digital, smart operations Online and mass customer development through a uniform customer development platform 	Financial institution customers <ul style="list-style-type: none"> Driven by expertise and technology Empower transactions with technology, and leverage advantages in strategies, pricing and post-investment empowerment
3 innovative breakthrough models	 Sophisticated investment and financing model <ul style="list-style-type: none"> Developed business in industry scenarios: taking advantage of the “industry expert + solution expert + diverse funding” model Ping An provided key customers with differentiated financial services including capital increases, share purchases, and asset mobilization 	 Simple, standard model <ul style="list-style-type: none"> “Four Connects and One Platform” : developed a uniform customer development platform for micro-, small and medium-sized enterprises The registered users of the “Ping An Digital Pocket” amounted to approximately 6.60 million, up 534.4% year to date 	 Transaction collaboration model <ul style="list-style-type: none"> Developed the bond business ecosystem and the inquiries and bidding mechanisms, and empowered investment banks in terms of strategies, pricing and post-investment Unified post-investment risk warning: conducted analysis and gave risk warning on specific industries
Technological empowerment	 System <p>Developed the online industrial platform to develop business in industry scenarios for up/down-stream companies</p>	 Data <p>Provided rich data from multiple dimensions including profiles of the Group’s customers, cross-selling performance analysis and market overviews</p>	

Corporate premiums achieved through cross-selling⁽¹⁾



New financing scale achieved through corporate business cross-selling⁽²⁾



Notes: (1) Corporate premiums achieved through cross-selling refer to written premiums of insurance policies sold by the Group to corporate customers through cross-selling.

(2) New financing scale achieved through corporate business cross-selling refers to the scale of new financing projects achieved by the Group’s member companies through cross-selling.

Ping An Life's reform



Channel reform

Ping An Life further transformed the **agent channel** while coordinating the development of **various channels including bancassurance, telemarketing, and internet channels**

- **Diamond Agents:** Ping An Life continued to improve the top-performer management framework, consolidate basic management, and **pool company resources** to empower Diamond Agents.
- **Ordinary agents:** Ping An Life further improved the operations of outlets through **digitized, standardized** management to **increase agent income** and stabilize ordinary agents.
- **New agents:** Ping An Life carried out dual-track development via routine recruitment and innovative projects. Ping An Life promoted the growth of new agents by implementing the **“Talent +” high-quality agent recruitment and development program** to gradually **raise the proportion of high-quality new agents**.



Product reform

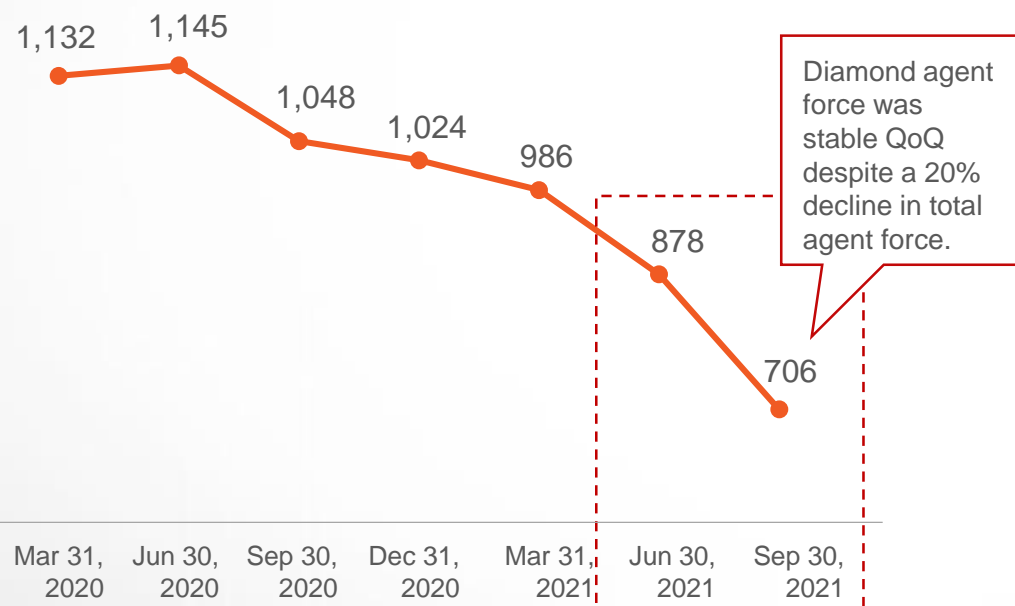
Upgrading “insurance + health management” and “insurance + high-end eldercare” services

- **“Insurance + health management”:** Ping An **upgraded “Ping An Zhen Xiang RUN Health Services Plan”** in September to offer four management plans, namely **health management, sub-health management, chronic disease management and disease management**, on the basis of professional family doctors and health records.
- **“Insurance + high-end eldercare”:** Ping An launched **“High-end Eldercare 2.0”** with a refreshed service system and targeted eldercare solutions in 3Q 2021.

Life & Health: continued to rationalize our life agent force

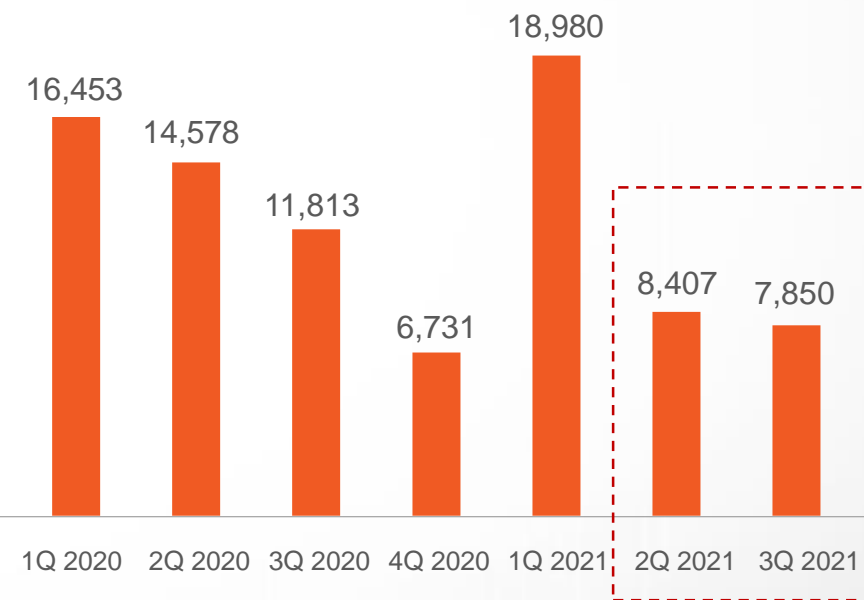
Agent force

(in thousand)



Quarterly NBV

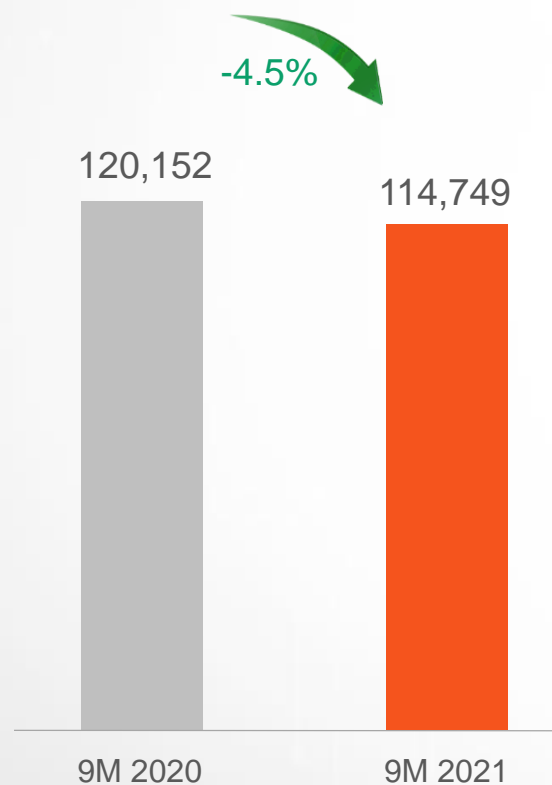
(in RMB million)



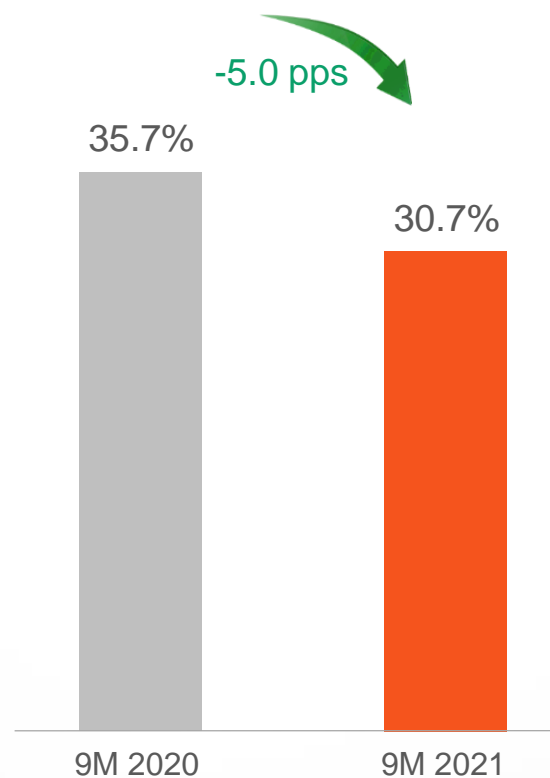
Life & Health: NBV decreased by 17.8% YoY

(in RMB million)

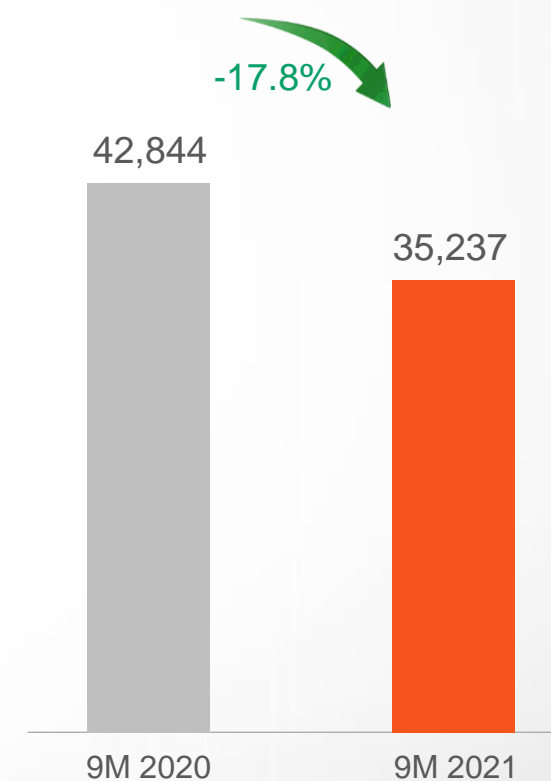
FYP used to
calculate NBV



NBV margin



NBV

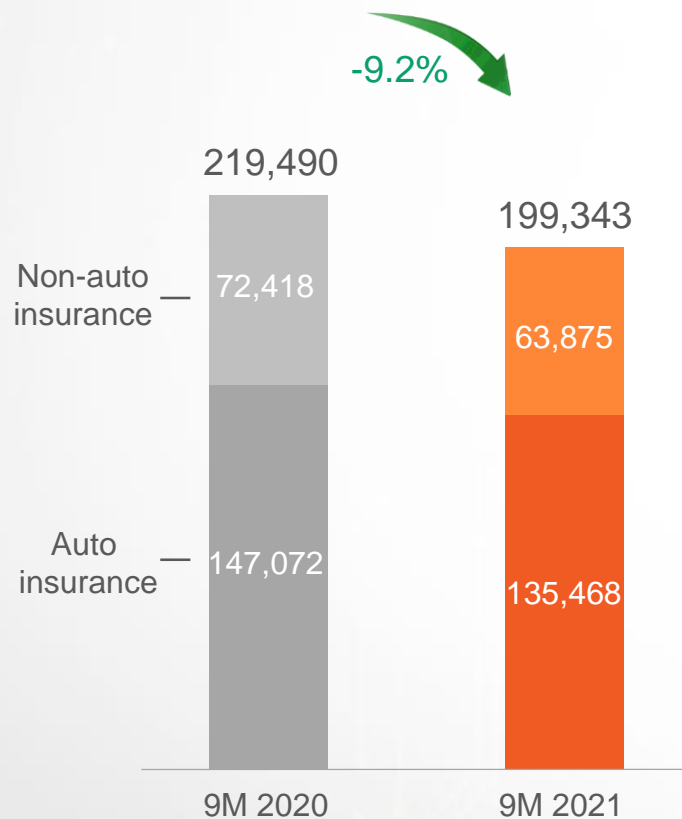


Note: Figures may not match the calculation due to rounding.

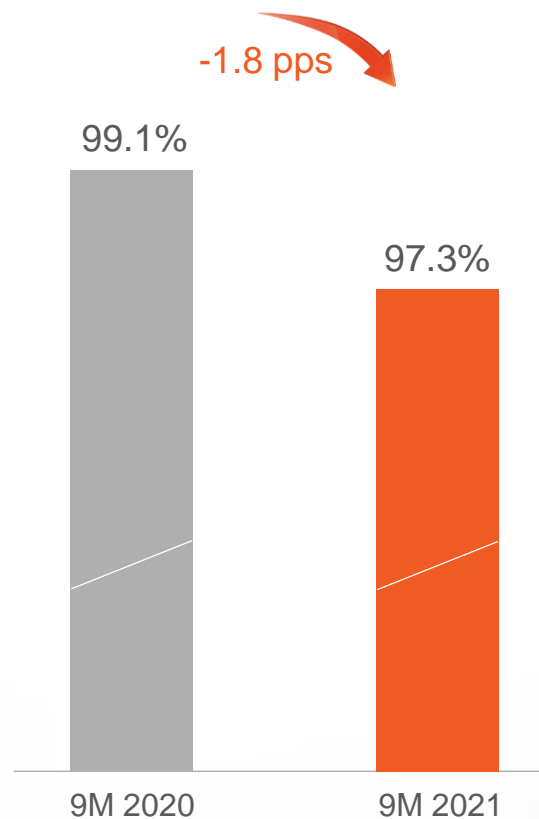
P&C: operating profit grew 20% owing to combined ratio improvement

(in RMB million)

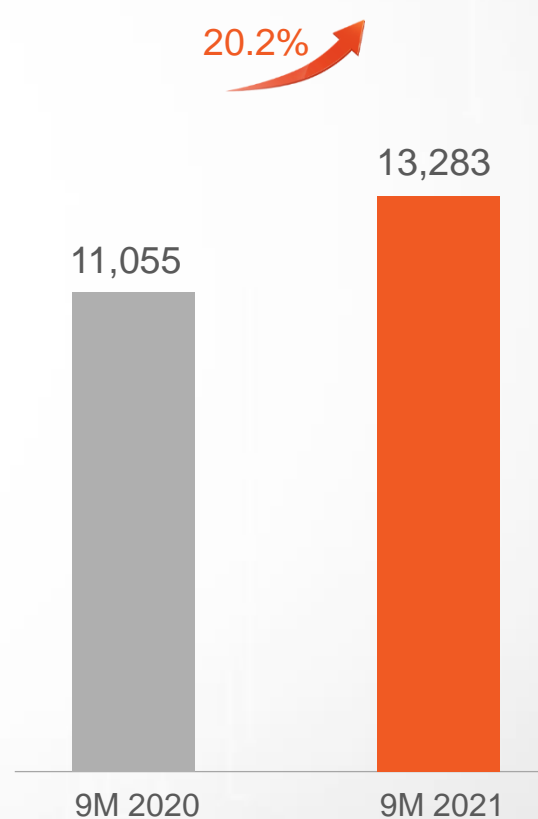
Premium income



Combined ratio



Operating profit

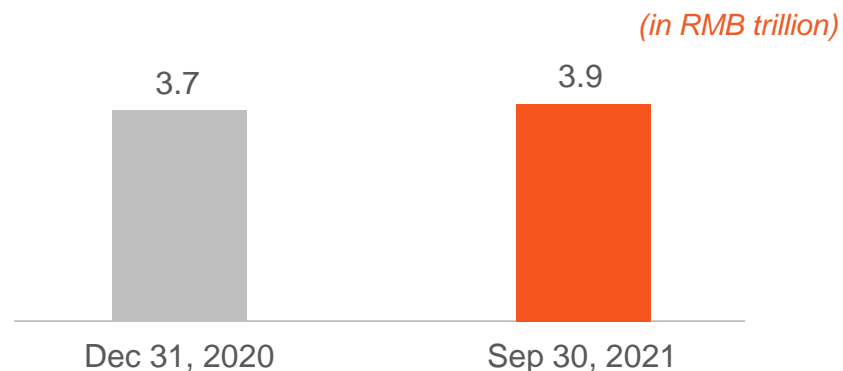


Investment portfolio of insurance funds: the scale of investment assets remained stable



Investment assets and yields

Investment assets



- Capital market volatility and increasing impairment provisions on investment assets weighed on the investment yields on **the Company's investment portfolio of insurance funds**. The Company made no material adjustment to the provision for investments related to China Fortune in 3Q 2021.

	9M 2021	9M 2020	Change
Annualized net investment yield	4.2%	4.5%	↓ 0.3 pps
Annualized total investment yield	3.7%	5.2%	↓ 1.5 pps



Review and improve the investment risk management system

Strengthen management of investment concentration

- The Company optimizes the Group's and its member companies' investment concentration limits. In addition to limits on proportions to total assets, the Group sets limits on any counterparties' proportions to net assets and net profit respectively.
- Moreover, the Company enhances the setting, using, warning, and adjustment of credit limits for large clients. In this way, the Company prevents the risk of investment overconcentration in certain counterparty(ies), sector(s), region(s), and asset class(es).

Strengthen post-investment capability

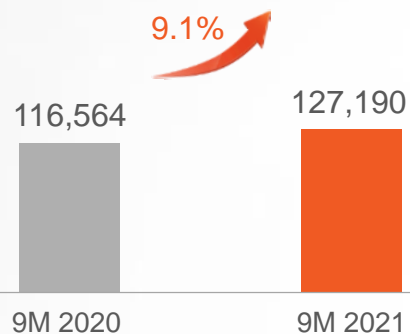
- The Company has established and improved a three-tier management framework of "a post-investment management committee + a post-investment middle office + project post-investment teams."
- The Company conducts in-depth, meticulous, and strong post-investment management of portfolio companies' operations, promoting cultural integration with portfolio companies based on deep understanding of industry trends and cycles.

Note: In the computation of annualized investment yields, only interest revenue from deposits and debt financial assets as well as operating lease income from investment properties are annualized, while interest revenue from financial assets purchased under reverse repurchase agreements, interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions, dividend income, capital gains from investments, and fair value gains or losses are not annualized.

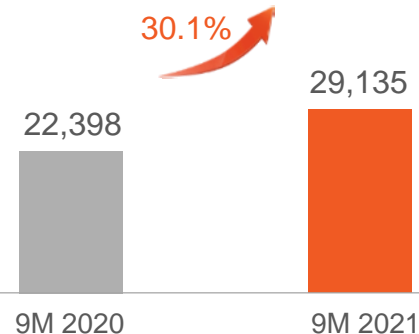
Banking: stable business operations and improved asset quality

(in RMB million)

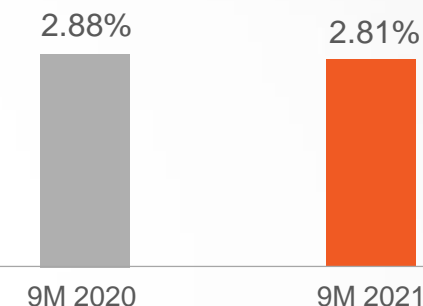
Increased revenue



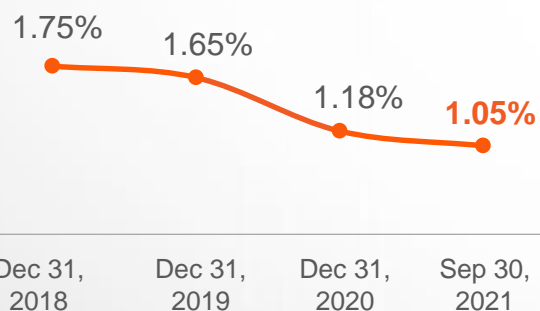
Increased net profit



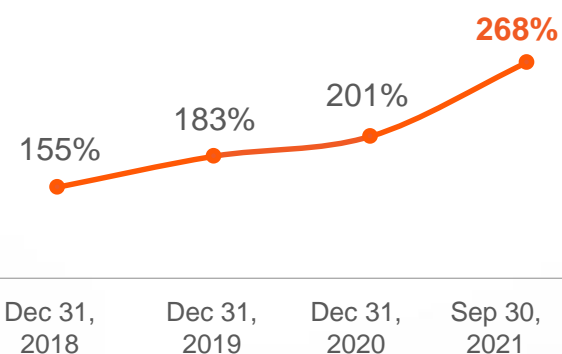
Stable annualized NIM



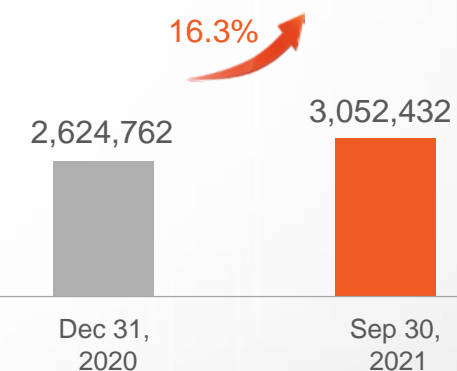
Improving NPL ratio



Provision coverage ratio strengthened further



Retail AUM continued to grow



Note: The revenue from credit card installment services was reclassified from fee and commission revenue to interest revenue in accordance with the *Circular on Strictly Implementing the Accounting Standards for Business Enterprises and Effectively Strengthening the Work on the 2020 Annual Reports of Enterprises* (Cai Kuai [2021] No.2) jointly issued by the Ministry of Finance and related commissions of the PRC on February 5, 2021. Corresponding financial indicators for the comparable period have been restated accordingly.

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

Tech patent applications

- **36,835** technology patent applications so far, increased by **5,423** YTD
- Including **8,715** filed under the Patent Cooperation Treaty (PCT) and abroad

Awards & certifications

- OneConnect has been on the **IDC FinTech Rankings Top 100** list for four consecutive years

Contests

- Ping An won **one championship** in the “Number Recognition” task and **ranked second by total score** at the authoritative international contest Visual Question Answering Challenge.

Sales



- Ping An Life’s AI Customer Visit Assistant supported an average of **nearly 150,000** hours per month for customer visits in the first nine months of 2021, an increase of **more than 200%** as compared to 2020.
- Ping An Life’s “Jin Guan Jia” app had **over 267 million** registered users. **Over 15.30 million** customers used the service benefits **nearly 37.50 million times** in the first nine months of 2021.

Operations



Ping An Property and Casualty’s operations management:

- Ping An Property and Casualty leverages AI robot assistants to reform its traditional business operating models and streamline the operational procedures.
- A “Robot Factory” was built to comprehensively rationalize and create a property and casualty insurance knowledge graph which improves the capability of identifying customer intentions based on natural language processing. As a result, **77.8%** of policies were issued through self-service in September 2021.

Services



- Ping An empowers human service representatives with AI which has been widely used in financial business scenarios. AI service representatives provided services **about 1.54 billion times** in the first nine months of 2021, covering a series of services including lending, credit cards, and insurance.

Listed technology companies



Lufax Holding (LU US)

China's leading technology-empowered personal financial services platform

- **Retail credit facilitation:** Lufax Holding efficiently connects borrowers with financial institutions on its “**Aggregate Model**” retail lending platform to provide small and micro-business owners with quick, convenient lending services.
- **Wealth management:** Lufax Holding uses **AI** to match customers with products and provides middle-class and affluent investors with diverse, customized offerings.
- Lufax Holding **cleaned up** all its peer-to-peer AUM held by retail customers by August 2021, achieving the target of winding up online lending business ahead of schedule.



Ping An Good Doctor (01833.HK)

China's leading online healthcare services platform

- Starting with dedicated family doctors, Ping An Good Doctor provides members with personalized healthcare services covering **health, sub-health, disease, chronic disease, and eldercare management.**
- Ping An Good Doctor further integrates and **empowers online and offline healthcare service providers** by pooling high-value traffic brought by various parties and generating bargaining power of the platform.
- Ping An Good Doctor will partner with **renowned doctors** in China and abroad, and build a **global network of doctors** under the multi-site practice model.



OneConnect (OCFT US)

Technology-as-a-service platform for financial institutions

- OneConnect announced an **upgraded strategy of “One Body and Two Wings”** at its Open Day on September 10, 2021. “**One Body**” refers to the main business of helping financial institutions pursue digital transformation to improve efficiency, enhance service quality, reduce costs, and manage risks. “**Two Wings**” refers to developing ecosystems for governments, regulators and enterprises and expanding overseas markets. OneConnect will facilitate digital transformation by empowering financial services ecosystems with technologies.



Autohome (ATHM US / 02518.HK)

China's leading online auto services platform

- Autohome is committed to developing a **smart auto ecosystem** centering on data and technology. In the ecosystem, Autohome provides auto consumers with diverse products and services across the entire auto lifecycle.
- Autohome announced its “**ecosystem-based**” **strategic upgrade** on September 15, 2021. Under the new business strategy, Autohome will develop the dual ecosystem of “**Autohome + Ping An**” to provide comprehensive services for consumers, automakers and various players in the auto ecosystem.

中国平安 PINGAN

金融 · 科技

Thank you!

