

中国平安 PINGAN

专业·价值

# 2023 Interim Results

August 2023



# Cautionary Statements Regarding Forward-Looking Statements

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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 may or may not occur in the future. Words such as “potential”, “estimates”, “expects”, “anticipates”, “objective”, “intends”, “plans”, “believes”, “will”, “may”, “should”, variations of these words and similar expressions are intended to identify forward-looking statements.

These forward-looking statements are subject to known and unknown risks and uncertainties that may be general or specific. 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, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions and other risks and factors beyond our control. The forward-looking statements herein do not constitute a material commitment by the Company to investors, and investors and related persons should maintain an adequate understanding of the risks and should understand the differences between commitments and forward-looking statements such as plans and forecasts. These and other factors should be considered carefully; readers should not place undue reliance on the Company’s forward-looking statements, and should pay attention to investment risks. 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. Neither the Company nor 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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**Fu Xin**  
**Chief Operating Officer**

**Integrated Finance**

**Xie Yonglin**  
**President and Co-CEO**

**Insurance and  
Synergistic Segments**

**Jessica Tan**  
**Co-CEO**

# Performance Overview

Fu Xin  
Chief Operating Officer

# Ping An's strategies: advancing the "integrated finance + healthcare" strategic upgrade

One vision

**World-leading  
Integrated Finance and Healthcare Services Provider**

Two-pronged

	<b>Integrated Finance</b>		<b>Healthcare</b>
One customer, multiple products, and one-stop services		Family doctors and elderlycare concierges	

Technology-driven

**Technological Empowerment**  
Empowering financial services with technologies, empowering financial services with ecosystems, and advancing development with technologies

# 1H 2023 Business Highlights

(in RMB)

Operating profit<sup>(2)</sup>

82.0 billion

-5.0%

Interim dividend

0.93/share

+1.1%

Operating ROE  
(annualized)

18.2%

NBV

26.0 billion

+45.0%<sup>(3)</sup>

L&H EV

924.6 billion

+5.7%

Number of retail  
customers

229 million

+1.2%

Notes: (1) Ping An has implemented IFRS 17 since January 1, 2023, and made retrospective adjustments to the relevant data for comparative periods.

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

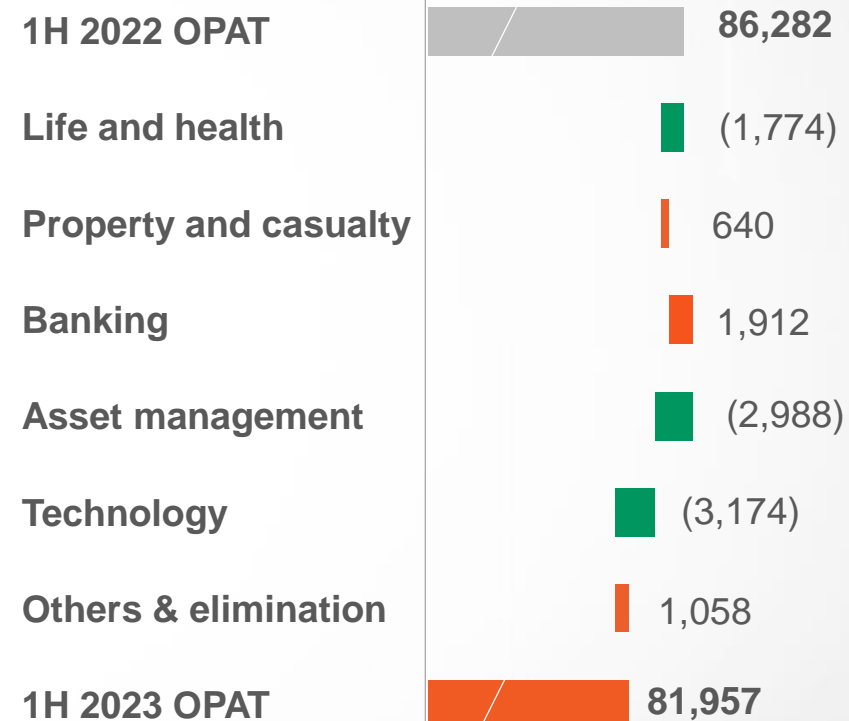
(3) On a like-for-like basis, which means NBV for 1H 2022 has been restated using the end-2022 valuation assumptions and method.

# Group OPAT amounted to RMB82 billion

(in RMB million)

	1H 2023	Proportion (%)	YoY Change (%)
Life and health	57,295	69.9	(3.0)
Property and casualty	9,242	11.3	7.4
Banking	14,714	18.0	14.9
Asset management	1,412	1.7	(67.9)
Technology	1,735	2.1	(64.7)
Others & elimination	(2,441)	(3.0)	(30.2)
<b>The Group</b>	<b>81,957</b>	<b>100.0</b>	<b>(5.0)</b>

## Operating profit growth drivers



Notes: (1) Life & Health net profit attributable to shareholders of the parent company grew 2.7% YoY to RMB45,121 million. Technology business net profit attributable to shareholders of the parent company declined 60.0% YoY to RMB1,793 million. For property and casualty insurance, banking, and asset management businesses, net profits attributable to shareholders of the parent company equal operating profits attributable to shareholders of the parent company.

(2) YoY changes of L&H, P&C and the Group are the results of computation after restatement of data for 1H 2022 under IFRS 17.

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



# L&H OPAT remained stable and healthy

(in RMB million)

		1H 2023	1H 2022	Change (%)
<b>End-2022 CSM of L&amp;H</b>	<b>818,683</b>			
Contribution from new business	27,157			
Expected interest growth	12,445			
Changes in estimates that adjust CSM <sup>(1)</sup>	(7,840)			
Changes in financial risks of insurance contracts subject to VFA	5,713			
<b>CSM release base</b>	<b>856,159</b>			
Release of CSM	(38,665)			
	<b>Annualized release rate 9.0%</b>			
<b>Mid-2023 CSM of L&amp;H</b>	<b>817,494</b>			
		<b>Insurance service result and others</b>		
		48,115	50,226	(4.2)
		Release of CSM	41,524	(6.9)
		38,665	41,524	
		Change in risk adjustment for non-financial risk	2,940	2.9
		3,025	2,940	
		Operating variances and others	5,762	11.5
		6,425	5,762	
		<b>Investment service result</b>		
		17,500	14,176	23.4
		<b>Operating profit before tax</b>	<b>64,402</b>	<b>1.9</b>
		65,615	64,402	
		Income tax	(4,770)	47.2
		(7,022)	(4,770)	
		<b>Operating profit</b>	<b>59,632</b>	<b>(1.7)</b>
		58,593	59,632	
		Operating profit attributable to shareholders of the parent company	59,069	(3.0)
		57,295	59,069	

Notes: (1) Changes in estimates that adjust CSM is negative, mainly due to the impact of the new insurance protection fund rate in 1H 2023.

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



# Like-for-like L&H NBV rose 45% YoY owing to strong growth in Agency and Bancassurance

<i>(in RMB million)</i>	NBV	Change (%)	NBV Margin (%)	Change (pps)
<b>Retail business</b>	<b>25,804</b>	<b>45.8</b>	<b>27.1</b>	<b>(2.8)</b>
Agency	21,303	43.0	29.3	(4.0)
Bancassurance	2,825	174.7	19.7	3.9
Telemarketing, internet and others	1,675	(5.8)	20.0	(2.1)
<b>Group business</b>	<b>156</b>	<b>(22.8)</b>	<b>0.8</b>	<b>(0.4)</b>
<b>Total NBV</b>	<b>25,960</b>	<b>45.0</b>	<b>22.8</b>	<b>(0.7)</b>

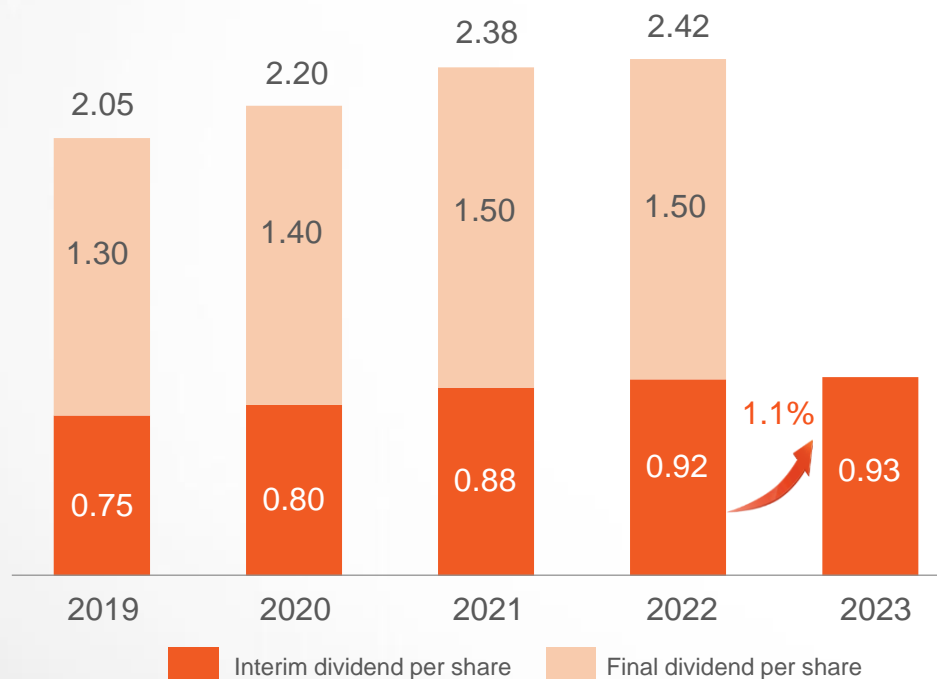
Notes: (1) On a like-for-like basis, which means NBV for 1H 2022 has been restated using the end-2022 valuation assumptions and method.

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

# Interim dividend up 1% YoY, and free cash of the parent company remaining at a reasonable level

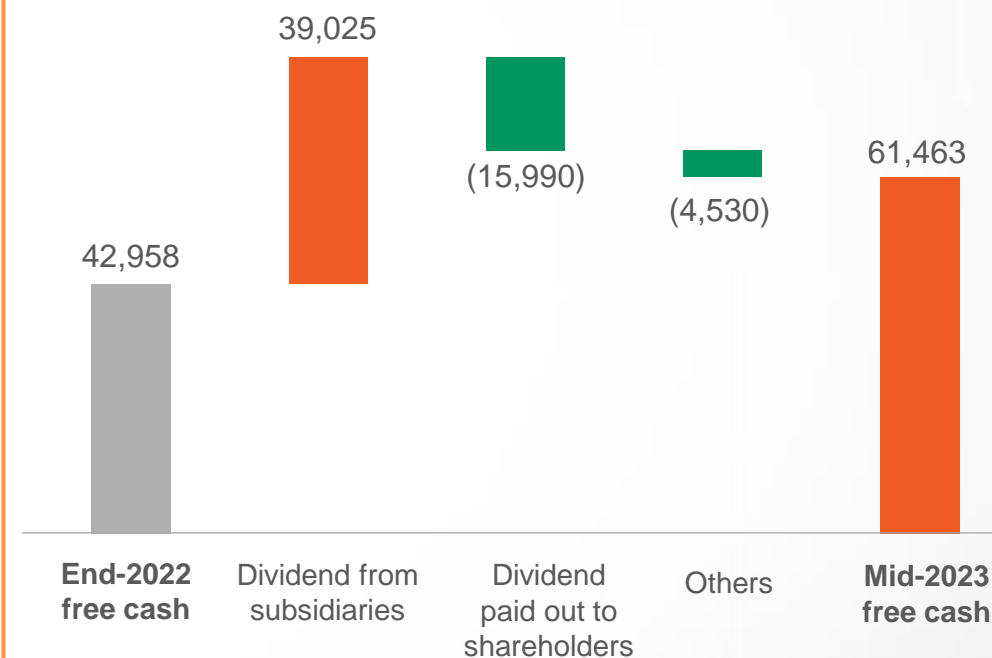
## Interim dividend kept rising

(in RMB per share)



## Free cash position of the parent company

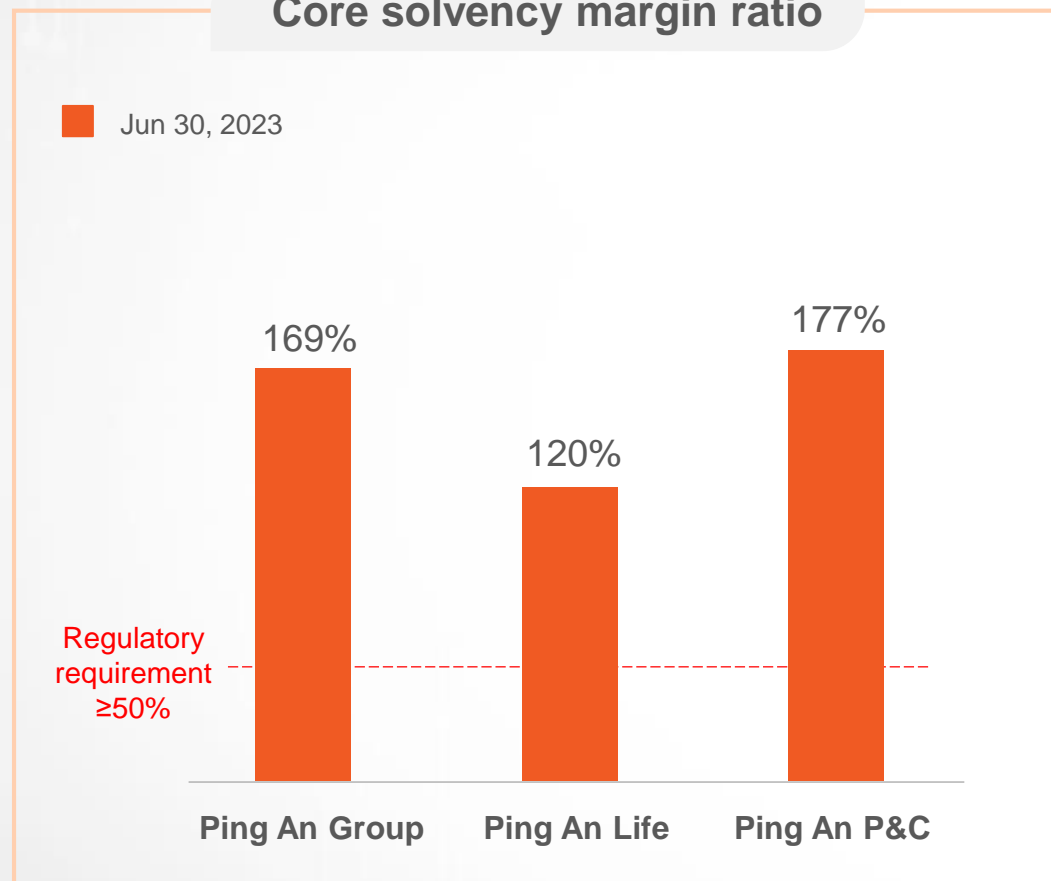
(in RMB million)



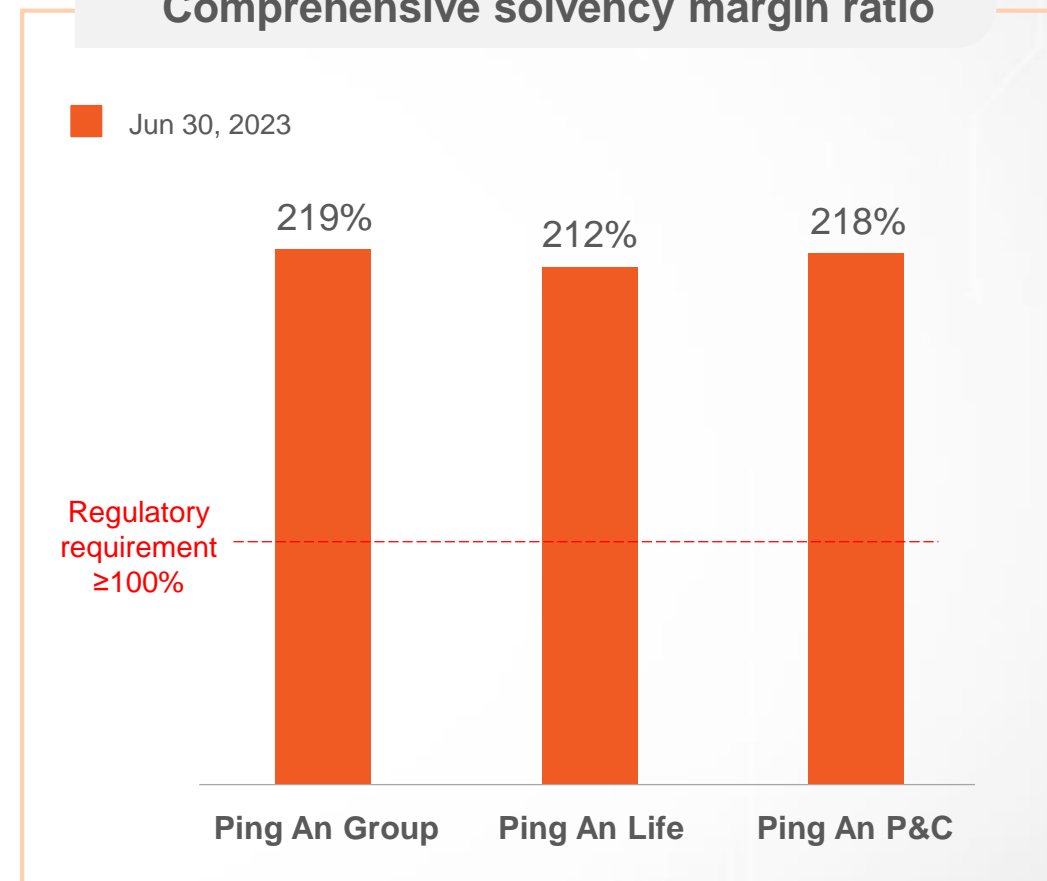
Note: Free cash of the parent company includes bonds, bank deposits and cash equivalents that the parent company holds. Free cash of the parent company is mainly invested in subsidiaries or used in daily operations or for dividend distribution.

# Solvency margin ratios significantly exceed regulatory requirements under C-ROSS Phase II

## Core solvency margin ratio



## Comprehensive solvency margin ratio

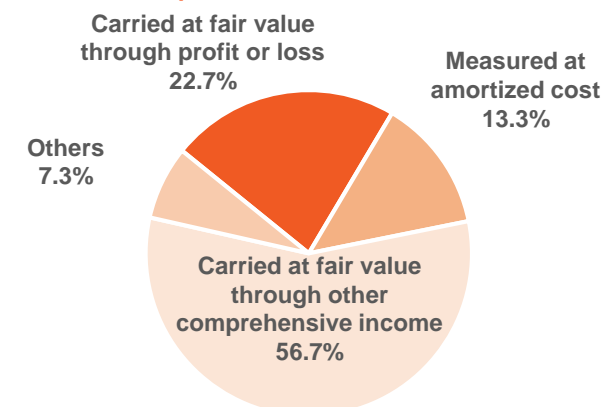


Note: Solvency margin ratios of Ping An Life and Ping An P&C are computed in accordance with the C-ROSS Phase II and the transition period policy, unaffected by the implementation of IFRS 17. If the transition period policy is not considered, the companies' core solvency margin ratios will still be above 100%.

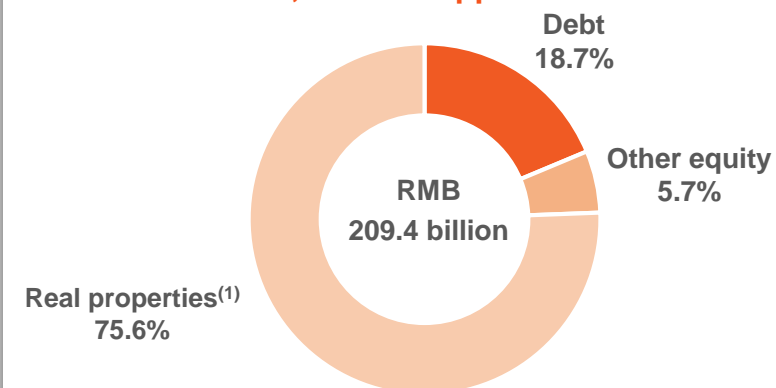
# Insurance funds asset allocation remained fairly stable

Proportion	Jun 30, 2023	Dec 31, 2022	Change (pps)
Cash and cash equivalents	2.6%	3.3%	(0.7)
Term deposits	4.3%	5.4%	(1.1)
<b>Debt financial assets</b>			
Bond investments	56.6%	54.6%	2.0
Bond funds	2.7%	2.5%	0.2
Preferred stocks	2.4%	2.7%	(0.3)
Perpetual bonds	0.8%	0.9%	(0.1)
Debt schemes	4.2%	4.2%	-
Wealth management products <sup>(1)</sup>	5.2%	6.1%	(0.9)
<b>Equity financial assets</b>			
Stocks	6.1%	5.3%	0.8
Equity funds	3.4%	3.4%	-
Wealth management products <sup>(1)</sup>	1.6%	1.2%	0.4
Unlisted equities	2.4%	2.5%	(0.1)
<b>Long-term equity stakes</b>	4.5%	4.7%	(0.2)
<b>Investment properties</b>	2.7%	2.7%	-
<b>Other investments<sup>(2)</sup></b>	0.5%	0.5%	-
<b>Total investments (in RMB million)</b>	<b>4,615,762</b>	<b>4,332,918</b>	

## Investment portfolio (by accounting measurement)



## Real estate investments: 4.5% of total investments, down 0.2 pps YTD



Note: (1) Real property investments include developer-owned real properties invested in directly or in the form of equity stakes in project companies, measured at cost.

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.

(3) Total investments exclude assets of investment-linked insurance.

(4) Ping An has implemented IFRS 17 since January 1, 2023, and made retrospective adjustments to the data for comparative periods.

# Non-standard debt assets generated 5.0% nominal yield

Debt schemes and debt wealth management products

Carrying value: **RMB432.4 billion**

Proportion: **9.4%**



	% of total investments	Nominal yield (%)	Remaining maturity (year)
<b>Infrastructure</b>	<b>5.0</b>	<b>5.0</b>	<b>4.8</b>
Expressway	1.0	5.1	3.5
Electric power	0.6	4.7	5.3
Infrastructure and development zones	1.4	5.3	6.0
Others (water supply, environmental protection, railway...)	1.9	4.8	4.4
<b>Non-banking financial services</b>	<b>1.6</b>	<b>5.4</b>	<b>2.7</b>
<b>Real estate industry</b>	<b>1.2</b>	<b>4.9</b>	<b>2.7</b>
<b>Others</b>	<b>1.6</b>	<b>4.7</b>	<b>3.2</b>
<b>Total</b>	<b>9.4</b>	<b>5.0</b>	<b>3.9</b>

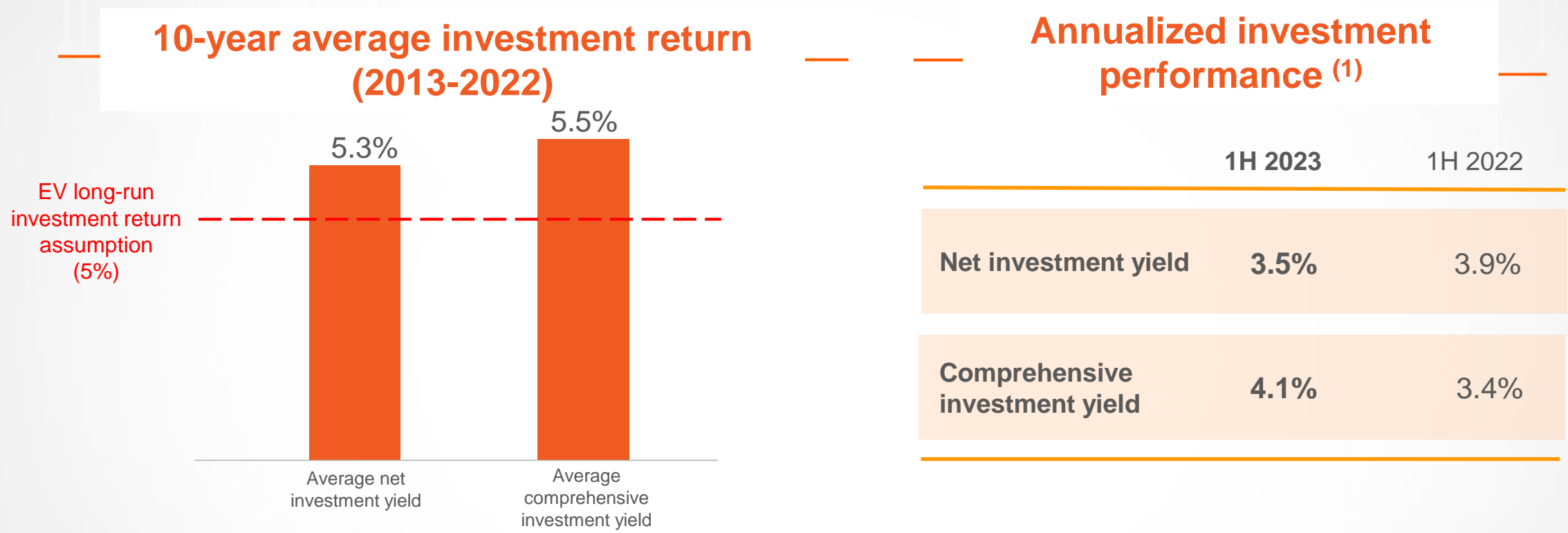
- Over **96.2%** of debt schemes and trust schemes have **AAA** external credit ratings
- Aside from some high-credit entities which do not need credit enhancement for financing, most of the assets held by the Company have **guarantees or collateral**
- Target assets are mainly in **economically developed and coastal areas including Beijing, Shanghai, and Guangdong**

Notes: (1) Non-banking financial services refer to financial institutions other than banks, including insurers, asset management companies, and financial leasing companies.

(2) The real estate industry is broadly defined as comprising: real estate financial products with funds directly invested in real estate projects; and trust schemes, infrastructure investment schemes, project funding schemes, and so on with funds used indirectly in connection with real estate enterprises.

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

# 10-year average investment return > EV long-run investment return assumption (5%)



- In asset allocation, we strike a balance between long-duration interest rate bonds and risk assets, and between robust equity assets and growth equity assets
- We lengthened asset durations and locked in long-term returns by increasing allocation to long-duration low-risk bonds including central and local government bonds. Asset-liability duration gap narrowed continuously
- Ping An maintains long-term allocation to value-based equity assets and manages an extensive portfolio of growth equity assets under a market-based FOF/MOM mandate mechanism, responding to market changes in a balanced manner

Note: (1) Computation of investment yields excludes changes in fair values of debt investments at fair value through other comprehensive income backing Life & Health business to reflect the economic nature of the Company's asset-liability management.

# Sustainability: responsible, lower-carbon, and forward-looking

## Green Development

Green investment of insurance funds  
**RMB140.9 bn**

Green loan balance  
**RMB134.9 bn**

Green insurance premium income  
**RMB17.7 bn**

### Launch of carbon accounts for employees

Covering all employees, advocating low-carbon behavior, and contributing to operational carbon neutrality

## Responsible Investment

Responsible investment of insurance funds  
**RMB843.9 bn+**

## Social Responsibility

### Ping An Rural Communities Support

Funds cumulatively provided for poverty alleviation and industrial revitalization

**RMB96 bn+**






### Bring insurance, finance, and healthcare to rural areas

The program was implemented in places such as Shaoguan, Guangdong Province, Baise, Guangxi Province, and Funan, Anhui Province to support rural revitalization

## Index & Rating

2023

## Description

	MSCI ESG ratings	<b>A</b>	First in multi-line insurance & brokerage industry in the Asia-Pacific region
	S&P's <i>Sustainability Yearbook (China) 2023</i>	<b>Top 1% S&amp;P Global ESG Score</b>	The highest among insurers in China (including Hong Kong and Macao)
	CDP rating	<b>A-</b>	The highest among financial services companies in the Chinese mainland
	Sustainalytics' ESG Risk Ratings	<b>Low-risk</b>	A leading position in China
	Sustainability Perceptions Index 2023	<b>Included</b>	First in China's insurance industry & 33rd in the world

## Global Partnerships





# Honors and Awards



*Fortune*

Global 500

No. **33**

No. **1**

among global  
insurance companies  
again



*Forbes*

Global 2000

No. **16**

No. **7**

among global  
financial services  
companies



**Insurance  
100  
2023**

Brand Finance,  
the world's largest  
brand consultancy

Insurance 100

No. **1**

World's most valuable  
insurance brand

for **7** years  
in a row



*Fortune*

China 500

No. **9**

# Integrated Finance

**Xie Yonglin**  
**President and Co-CEO**

# We see huge unaddressed demand in retail financial services over the coming decade

## High long-term growth potential of Chinese financial markets

### 1. Strong growth of wealth management market

- Personal financial assets from 2022 to 2032<sup>(1)</sup> *(in RMB trillion)*

243 → 571  
2022      9%      2032E

### 2. Huge potential of Chinese insurance market

- Insurance density in 2022<sup>(1)</sup> (per capita premium) *(in USD)*

1,107 vs. 550  
Global average      China

## Chinese customers' financial pain points<sup>(2)</sup> and Ping An's opportunities

### Demand for financial products

30%+ of customers feeling the demand is unmet

Product  
accessibility and  
convenience

30%

- Scattered service providers cannot satisfy diverse needs of customers due to the lack of integrated one-stop services

Service  
efficiency and  
response  
speed

46%

- Customers go through time-consuming and laborious procedures with multiple service providers and platforms

Fees,  
benefits and  
discounts

38%

- Interest and fee rates are high while discounts and benefits are limited

Notes: (1) Data of personal financial assets is from McKinsey & Company's white paper on the financial services industry, *Wealth Management Resumes Growth in Post-Pandemic Era*. Data on insurance density is from the *China Insurance Development Report 2023*.

(2) Data on customers' pain points is from Ping An's research.

# Ping An is uniquely well positioned to execute on integrated finance

**An integrated financial services group with a full suite of financial business licenses, a wide range of businesses, and strong synergies**

An integrated financial services group with a **full suite of financial business licenses**

**20+** core member companies

Ping An Life, Ping An P&C, Ping An Bank, Ping An AMC, Ping An Trust, Ping An Securities ...

**Focusing on Chinese markets and core financial businesses**

The **second largest** life insurer, P&C insurer and insurance asset manager **in China**

Ping An Bank ranks firmly among **first-class joint-stock commercial banks** in China

Ping An's retail customers represent **one sixth** of the Chinese population

**Robust ecosystem-based service capability**

**30%** of new retail customers were acquired from the Group's healthcare ecosystem

**Complete closed-loop** healthcare and eldercare service framework

**Strong technology platform capabilities**

**Asia's largest** integrated operations center

AI service representatives account for **81%** of Ping An's total customer service volume

17-in-1 customer service hotline **95511**

**Highly synergistic organizational culture**

**The most closely held** Chinese integrated financial services group

Note: Ping An Life is ranked by premium income, Ping An P&C by premium income, Ping An AMC by AUM, and Ping An Bank by a combination of assets, net profit and so on.

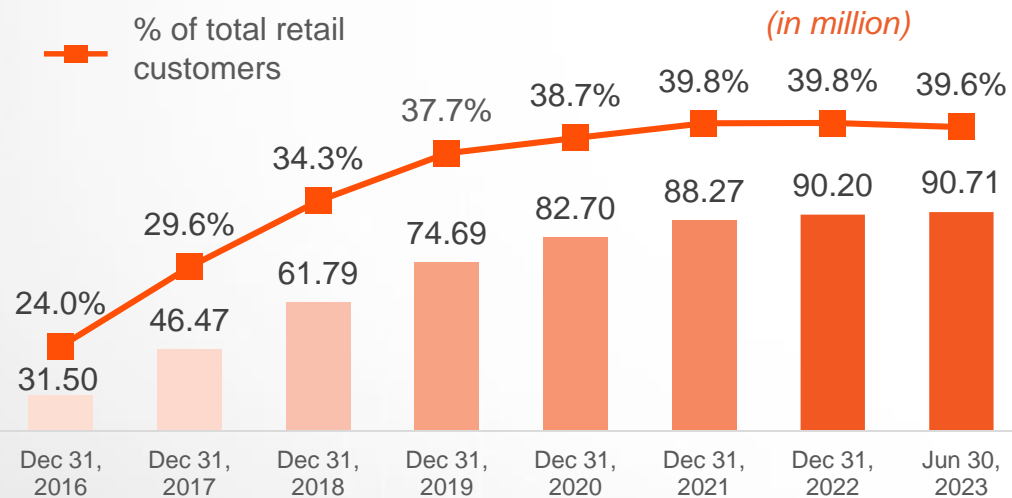
# Integrated finance reduces customer acquisition cost and customer churn rate by promoting customer migration

## Cross-migrations of existing customers

(1H 2023)

### Customer migrations within the Group 12 mn

### Retail customers holding multiple contracts with different subsidiaries

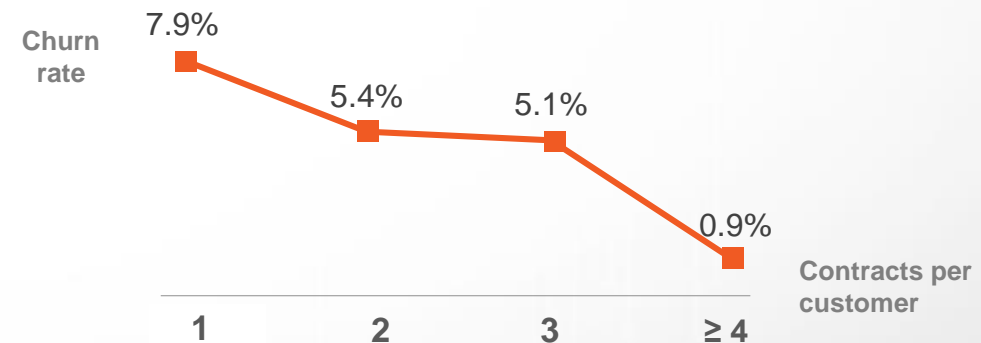


## 1. Lower customer acquisition cost

- Ping An provides customers with heartwarming products and services based on in-depth customer insights via extensive interconnected touchpoints, promoting **customer cross-migrations**
- **Customer acquisition cost** of integrated finance channels was **significantly lower than that of external channels** in 1H 2023

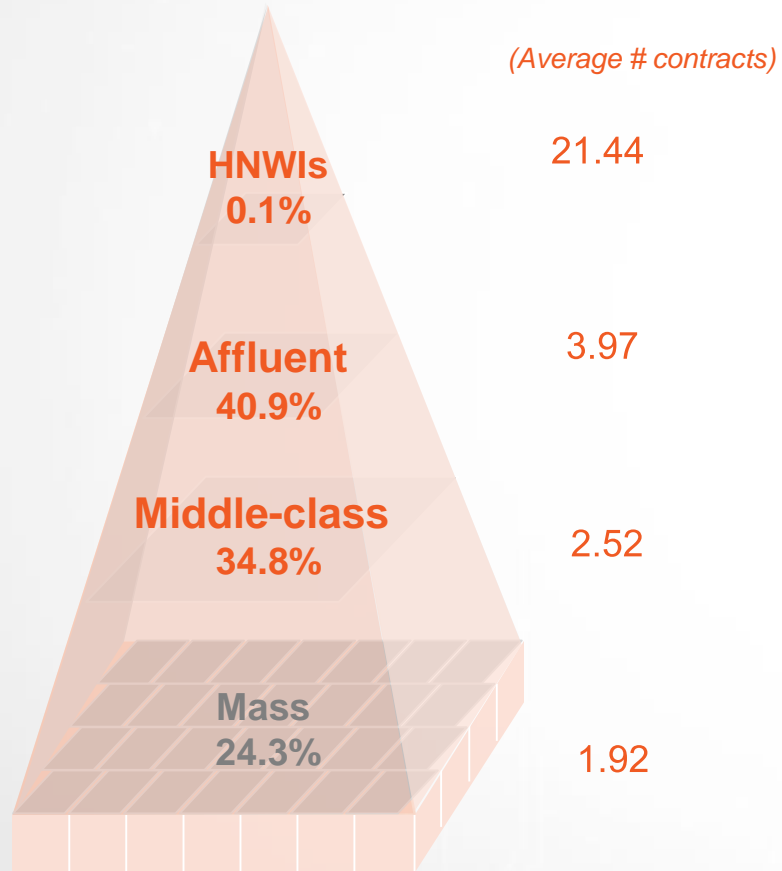
## 2. Lower customer churn rate

(1H 2023)



# Integrated finance facilitates the provision of “worry-free, time-saving and money-saving” product combinations

Focus on high-value customers  
(middle-class and above)



Insight into needs of  
high-value customers

## Wealth management

- Asset allocation
- Retirement protection
- Wealth inheritance

## High-quality life

- High-end consumption
- Healthcare
- Elderlycare

High-value product combinations based on  
multi-company closed-loop synergies

Examples

## Insurance trust

Life

Bank

Trust

## Bancassurance

Bank

Life

## Auto finance + auto insurance

Bank

P&C

## Healthcare + finance

Bank

Life

Health

Health Insurance

## Elderlycare + finance

Life

Bank

Annuity

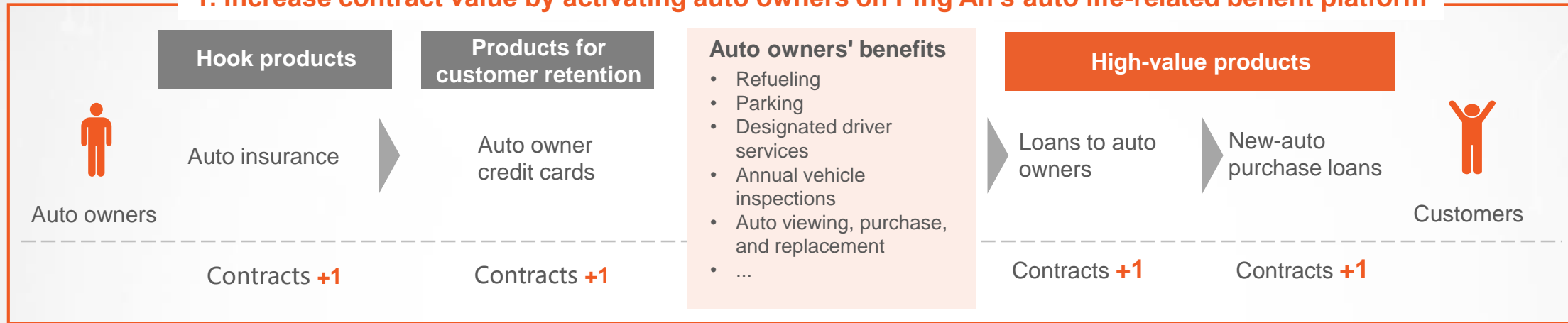
Health

Notes: (1) Mass customers are those with annual income below RMB100,000, middle-class customers between RMB100,000 and RMB240,000, and affluent customers above RMB240,000; HNWI have personal assets of RMB10 million or more.

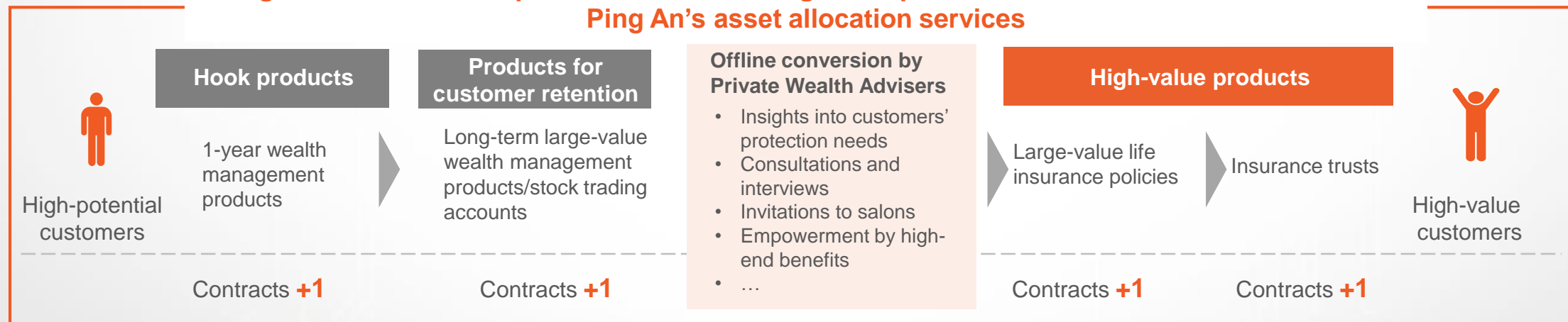
(2) Figures may not match the calculation due to rounding.

# Examples: customer journey from onboarding to cross-selling high-value products

## 1. Increase contract value by activating auto owners on Ping An's auto life-related benefit platform



## 2. High-value customers purchase wealth management products and create insurance trusts via Ping An's asset allocation services

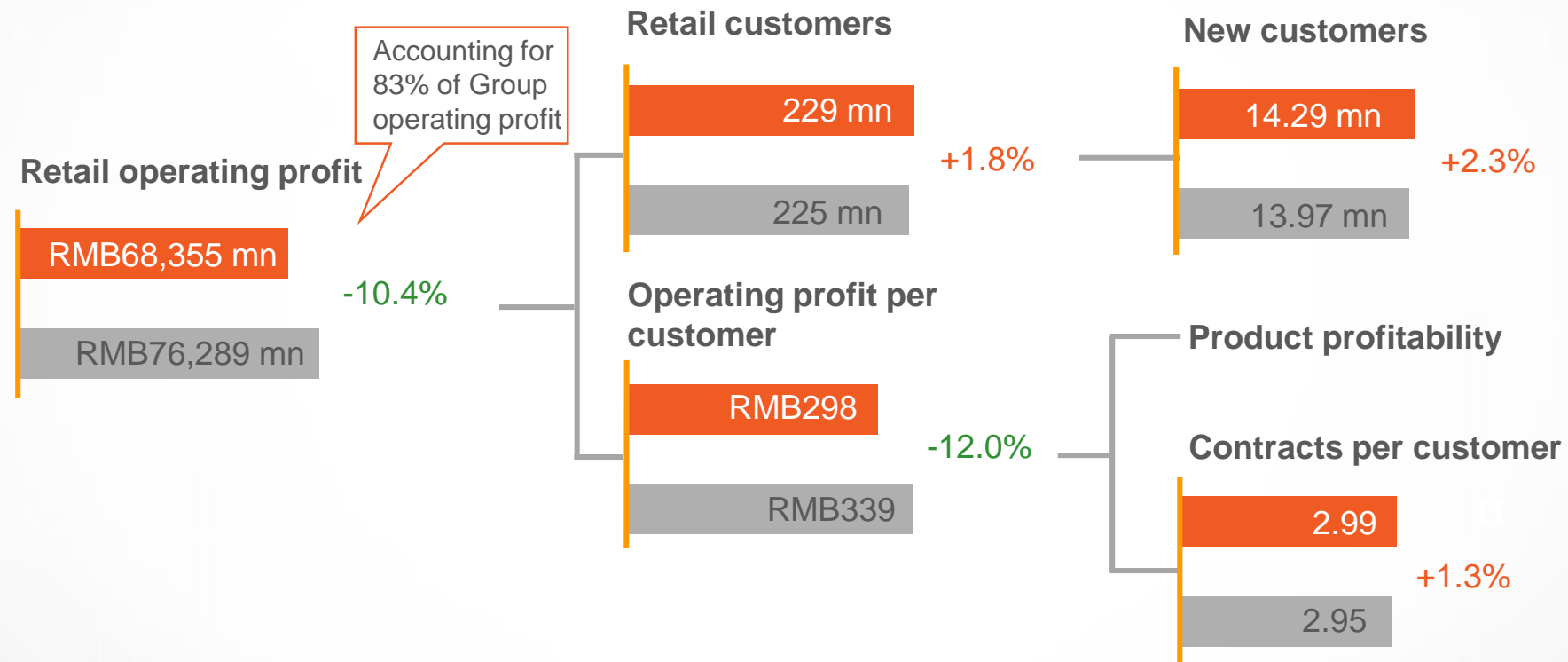




# Business results: retail customers and contracts per customer continued to increase in 1H 2023

■ 1H 2023 / Jun 30, 2023

■ 1H 2022 / Jun 30, 2022



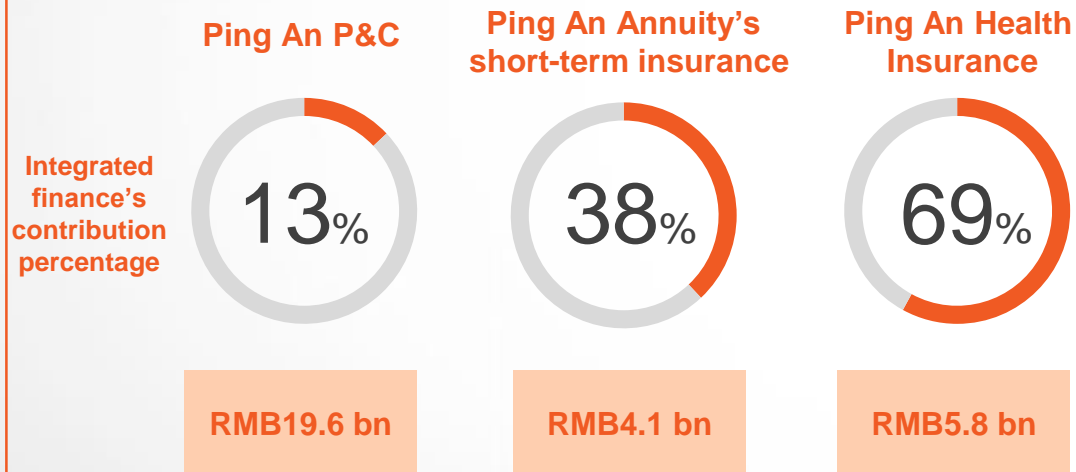
Notes: (1) Operating profit is operating profit attributable to shareholders of the parent company.  
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# Business results: integrated finance model significantly contributes to growth of core financial businesses

## Contributions to insurance businesses

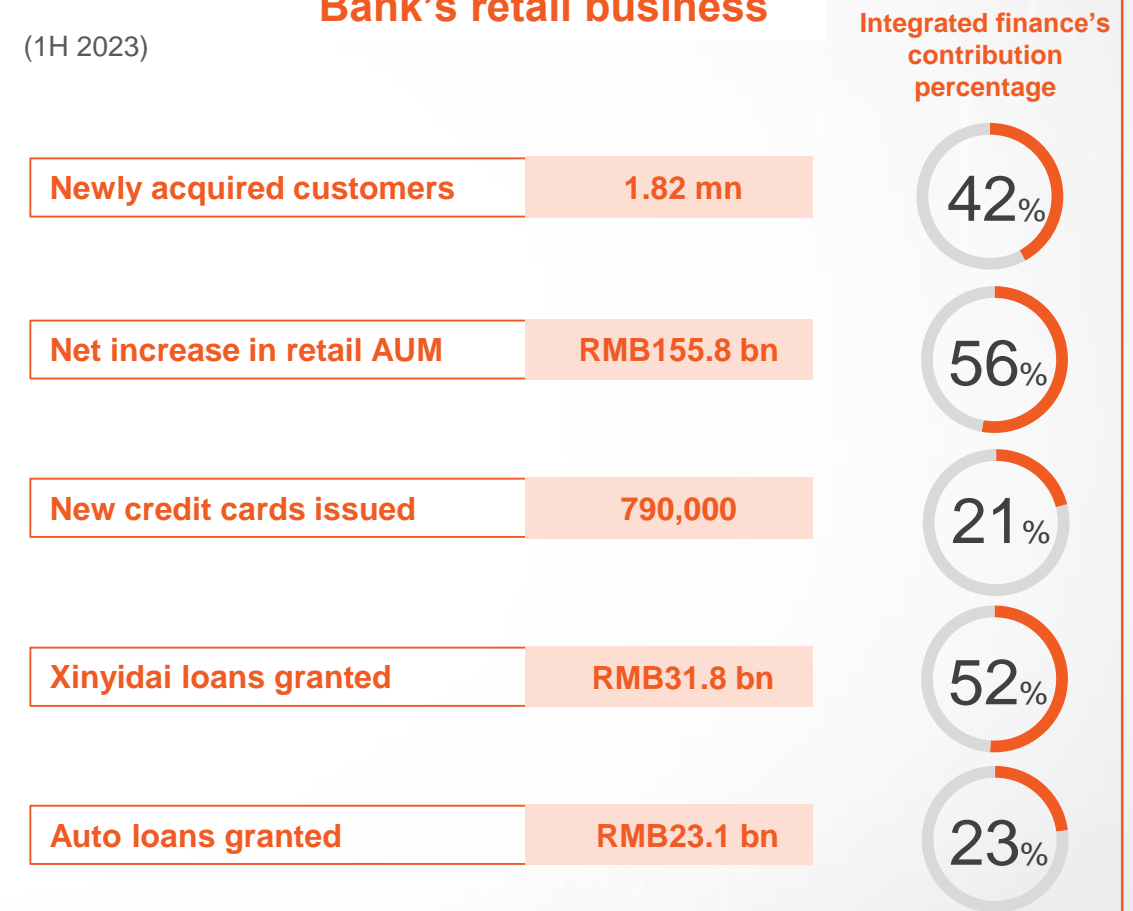
(1H 2023)

Premium income from cross-selling by Ping An Life's agents



## Contributions to Ping An Bank's retail business

(1H 2023)

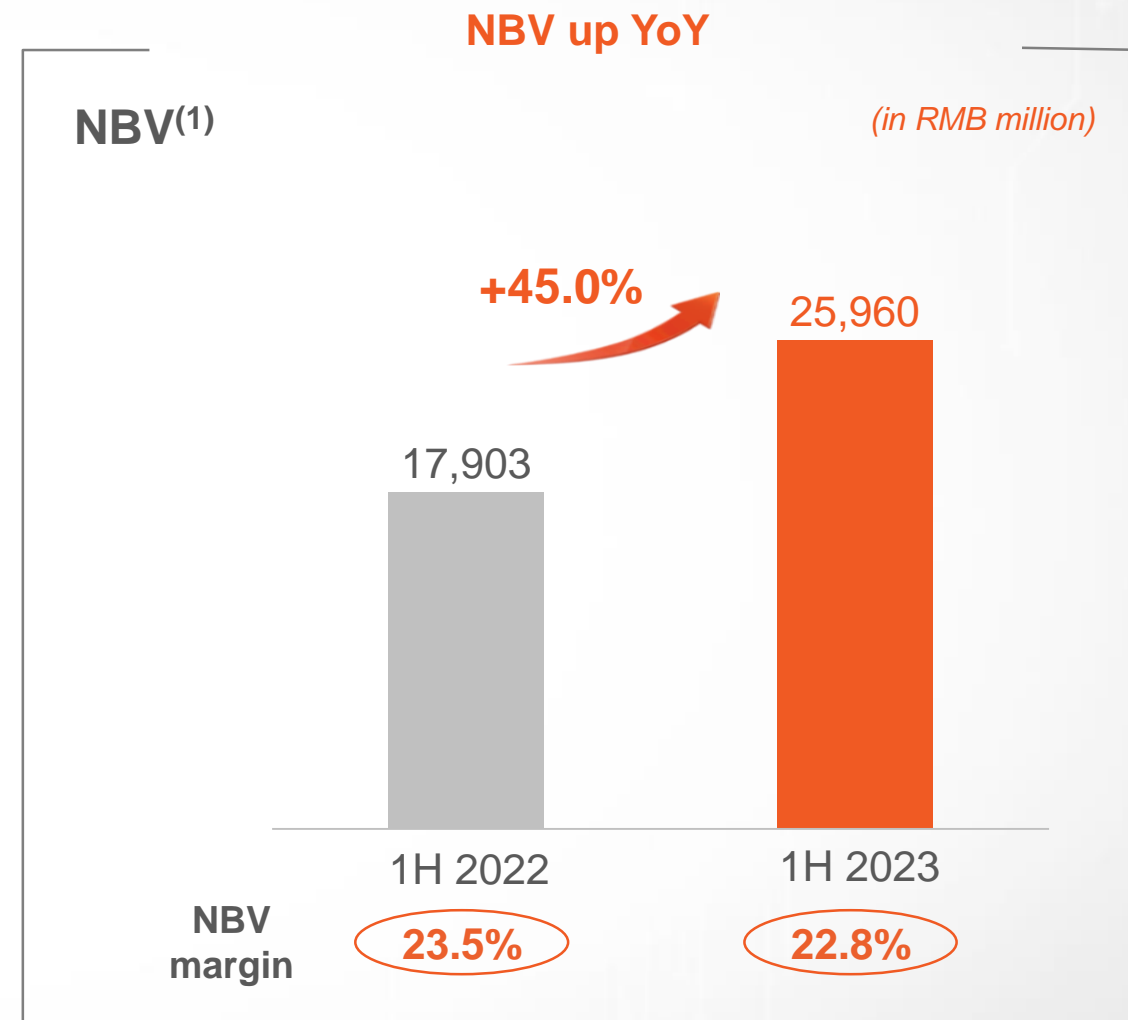
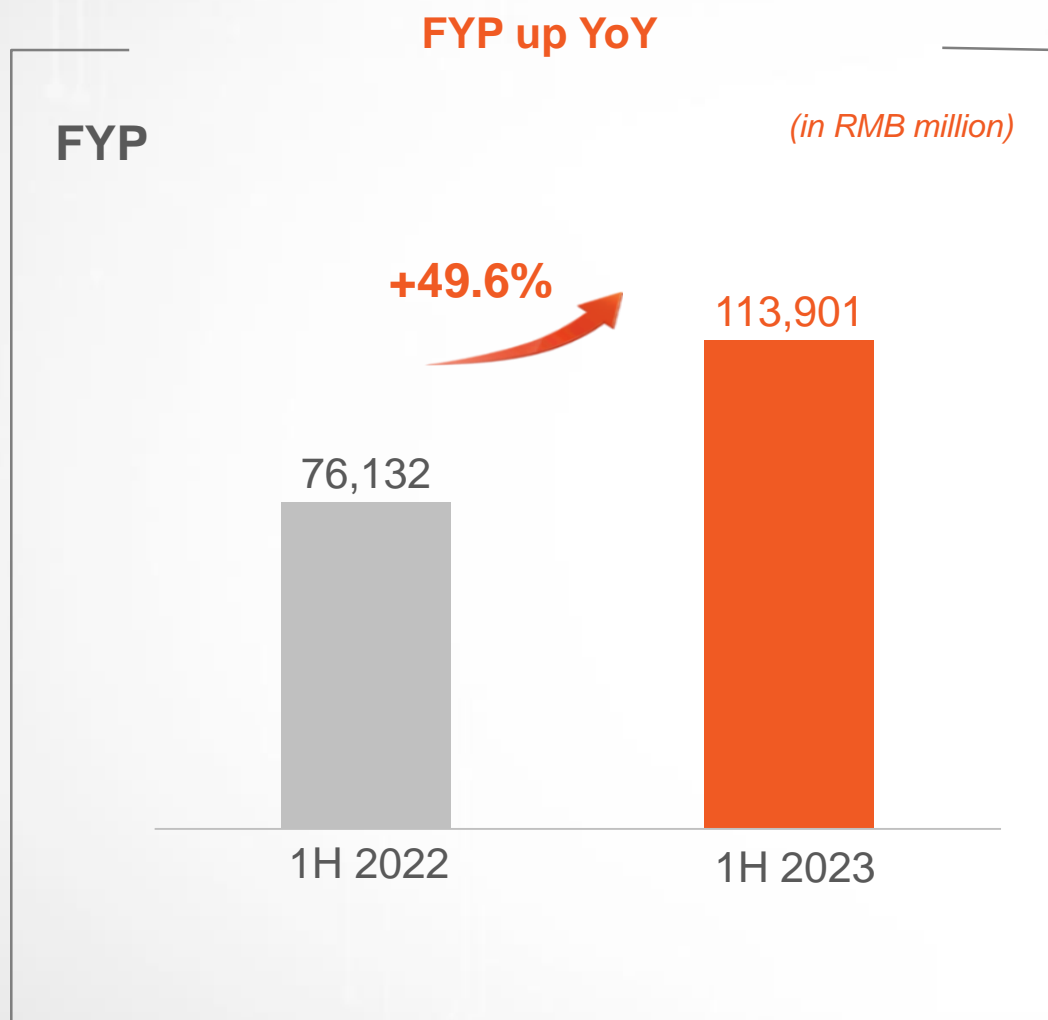


# Outlook: leverage unique strengths and seize market opportunities to promote steady growth in three metrics

	2017/Dec 31,2017	2022/Dec 31,2022	Customer development target
<b>Retail operating profit</b> Steady growth driven by the three metrics	RMB74.5 bn	RMB132.6 bn	Retail operating profit up steadily
<b>Retail customers</b> Continuously expanding retail customer base	166 mn	227 mn	Target segments: middle-class and above customers
<b>Contracts per customer</b> Steadily increasing contracts per customer	2.32	2.97	High-value contracts up
<b>Profit per customer</b> Stable and healthy product profitability	RMB450	RMB585	Value per customer up

Note: Data for 2022 (covering a full fiscal year).

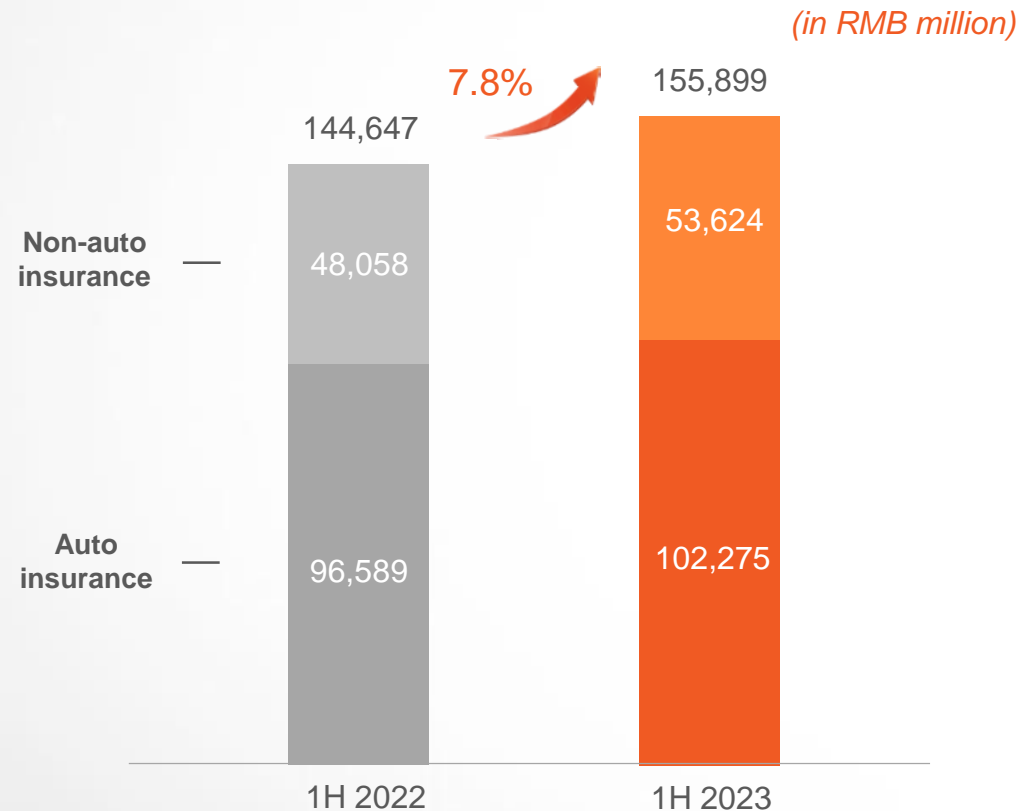
# L&H: NBV growth returned positive in 1H 2023



Note: (1) NBV for 1H 2022 has been restated using the end-2022 valuation assumptions and method.

# P&C: boosted insurance revenue steadily and maintained good business quality

## Insurance revenue



## Operating data by product type

(in RMB million)	Premium income		Underwriting COR	
	Amount	YoY change (%)	Ratio (%)	YoY change (pps)
Auto insurance	101,348	6.1	97.1	2.6
Liability insurance	14,219	14.7	99.5	(2.6)
Health insurance	7,032	57.4	92.3	1.3
Corporate P&C insurance	5,765	18.2	89.0	(8.4)
Agricultural insurance	5,528	53.1	93.4	(0.1)
Guarantee insurance	2,188	(79.3)	117.7	4.7
<b>Total premium income</b>	<b>154,136</b>	<b>5.0</b>	<b>98.0</b>	<b>0.9</b>

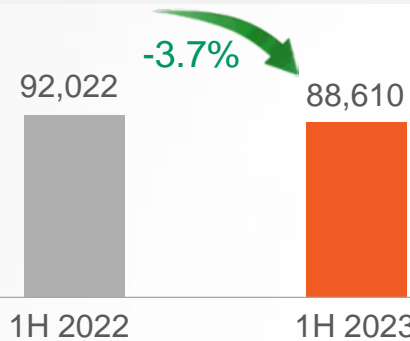
Notes: (1) The Company has implemented IFRS 17 since January 1, 2023. Insurance revenue and underwriting COR are under IFRS 17. Data for corresponding comparative periods have been restated.

(2) Presented in the table above are the main sources of Ping An P&C's premium income, which do not add up to its total premium income.

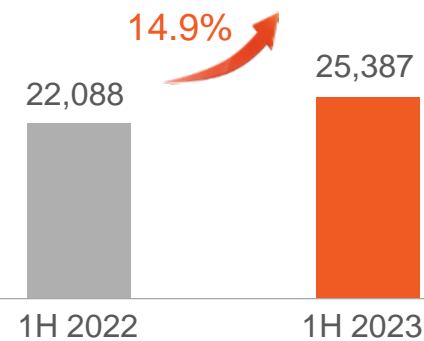
# Banking: maintained stable, healthy business performance and solid overall asset quality

(in RMB million)

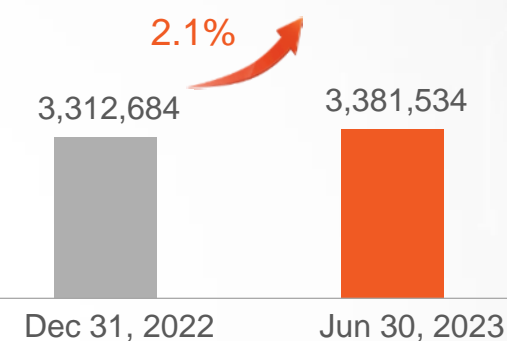
### Revenue



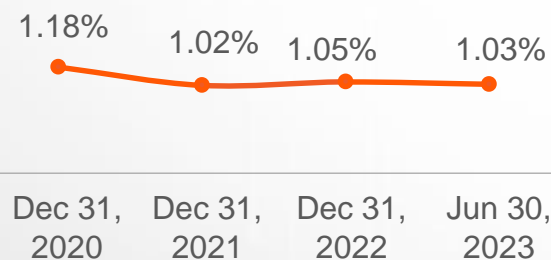
### Steadily growing net profit



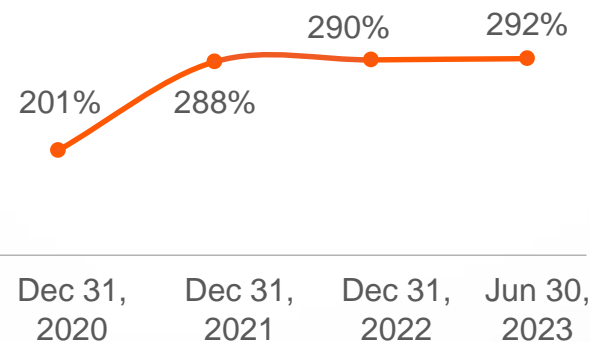
### Increasing deposits



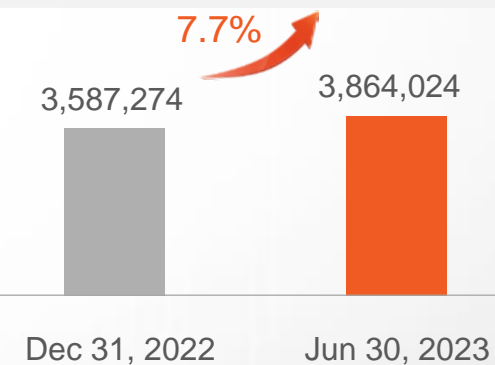
### Stable NPL ratio



### Steady provision coverage ratio



### Increasing retail AUM



# Insurance and Synergistic Segments

Jessica Tan  
Co-CEO

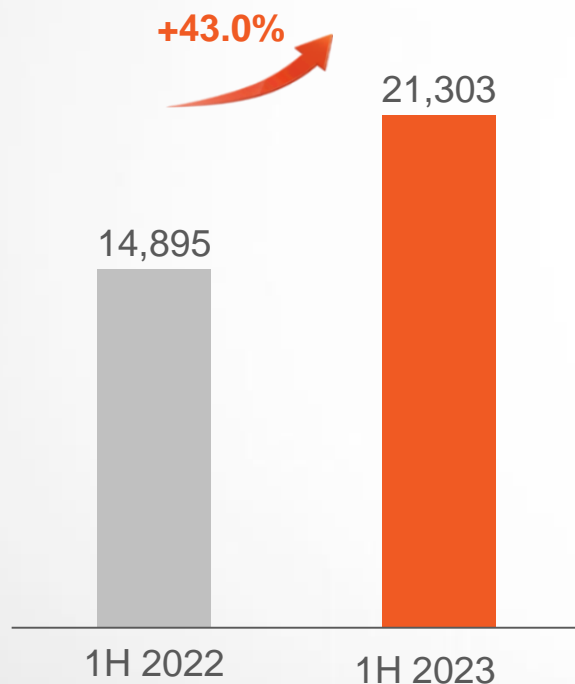


# Life reform: agent channel's performance and income growth driven by sharply rising productivity

## Performance<sup>(1)</sup> up YoY

Agent channel NBV

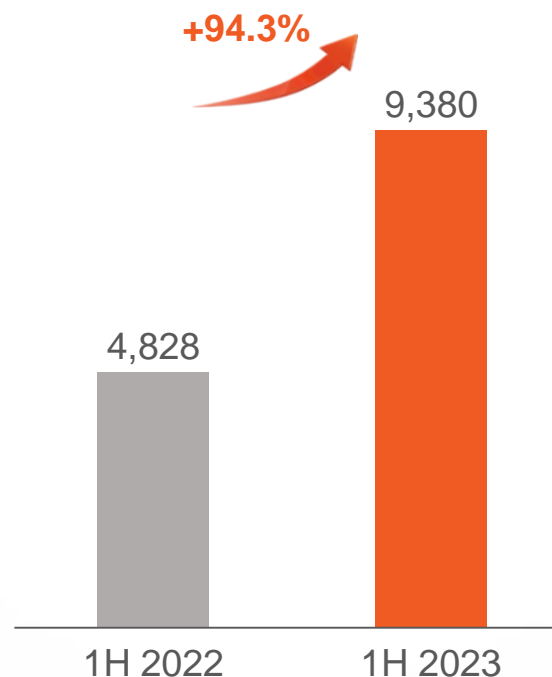
(in RMB million)



## Productivity per agent<sup>(1)</sup> up YoY

NBV per agent

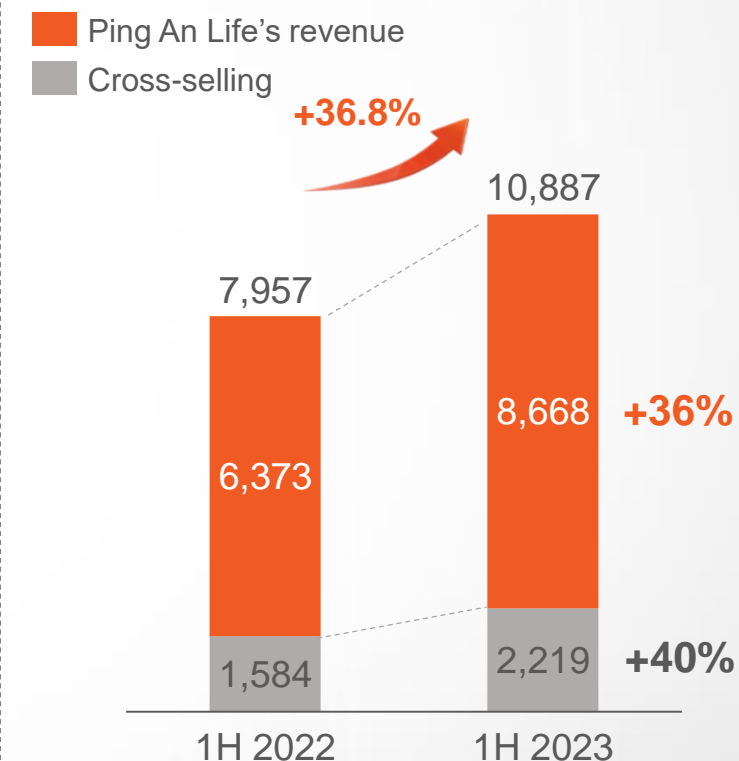
(RMB per agent per month)



## Income per agent<sup>(1)</sup> up YoY

Income per agent

(RMB per agent per month)



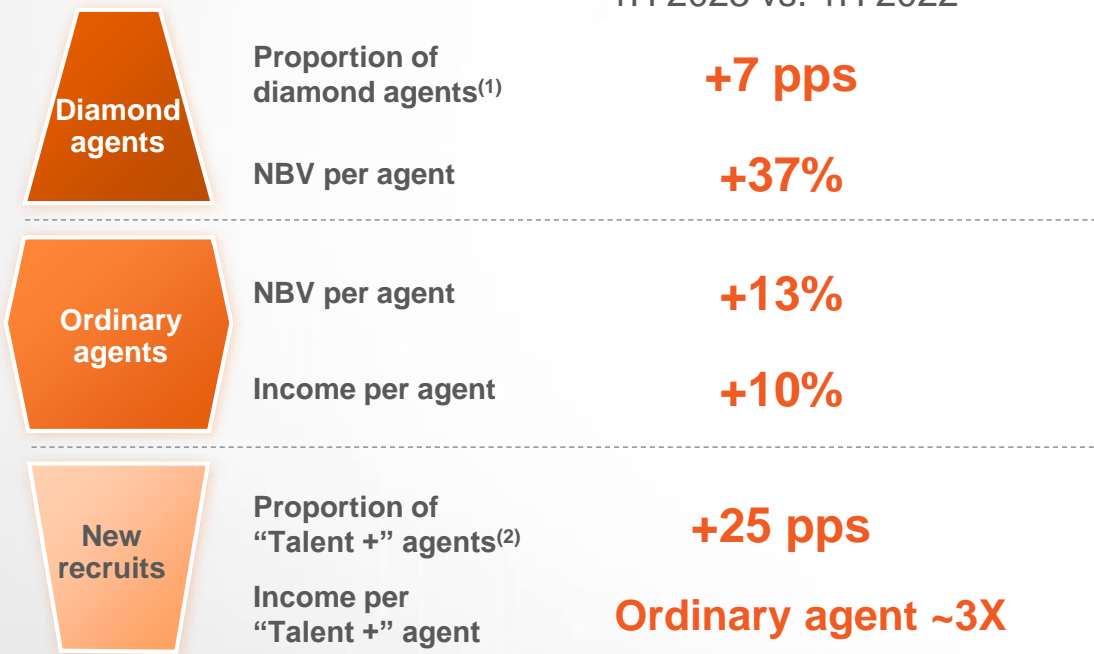
Note: (1) Exclusive of agents under the innovative high-potential agent model. NBV growth is on a like-for-like basis, which means NBV for 1H 2022 has been restated using the end-2022 valuation assumptions and method.

# Life reform: build a team of high-quality, high-productivity and high-income agents, and boost business via 5-star outlets with strong performance, high quality and good behavior

## For agents

Build a team of high-quality, high-productivity and high-income agents

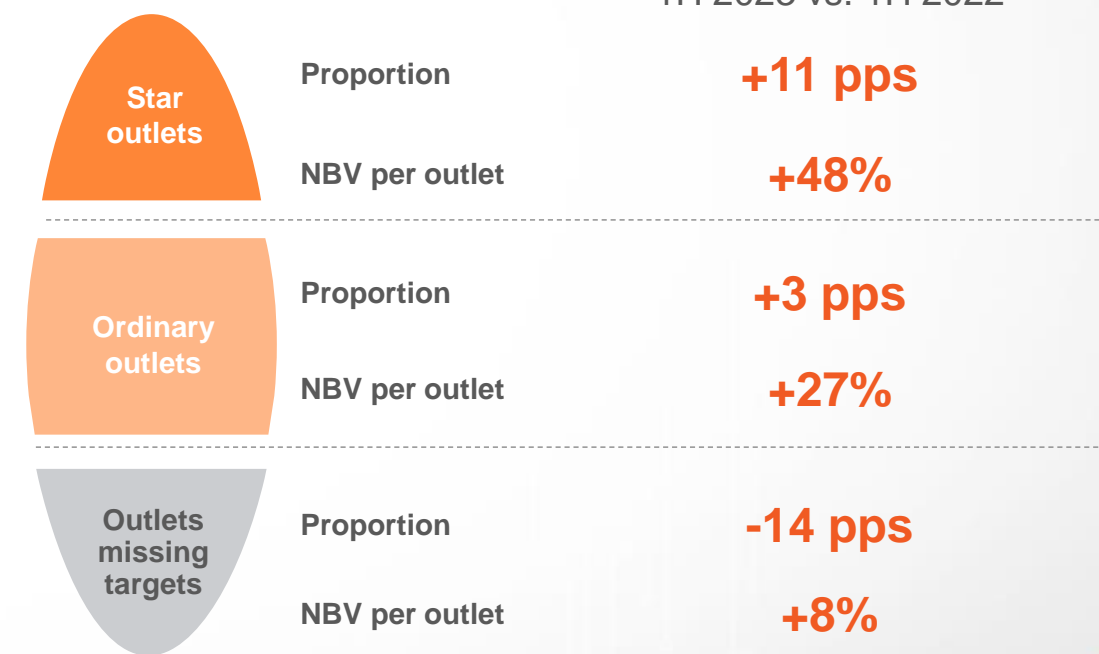
1H 2023 vs. 1H 2022



## For outlets

Build 5-star digital outlets with strong performance, high quality and good behavior

1H 2023 vs. 1H 2022<sup>(3)</sup>



Notes: (1) Diamond agent criteria: a first-year commission of RMB3,500 (RMB3,000 in some areas) achieved and two long-term insurance policies sold in a month.

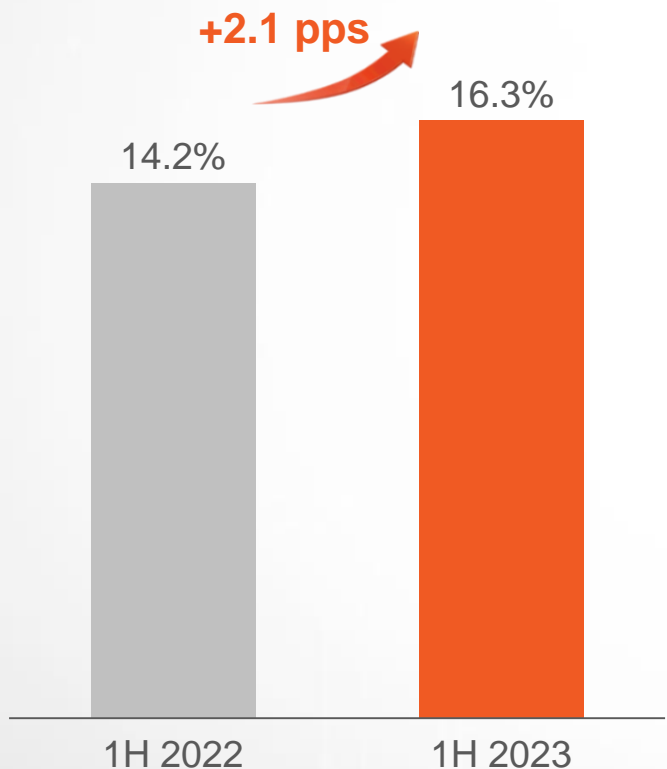
(2) The proportion of "Talent +" agents in new recruits.

(3) YoY changes in NBV per outlet are calculated based on outlets of fixed batches.

# Life reform: continuously growing contribution from diversified innovative channels

## Increasing contribution from multiple channels

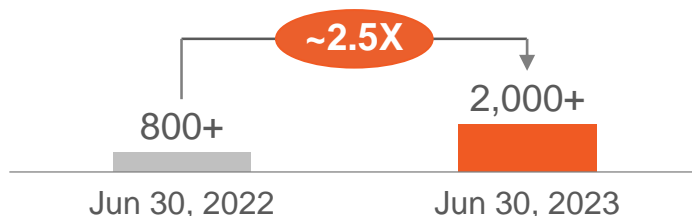
Percentage of multiple channels' contribution to NBV<sup>(1)</sup>



Private Wealth Advisers: 2,000+ Private Wealth Advisers have been recruited, covering 30+ bank branches

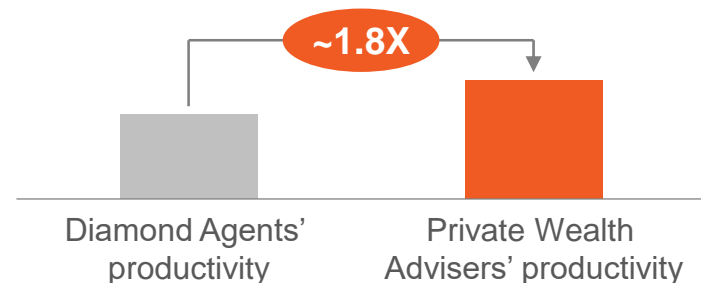
### Team size

Private Wealth Advisers



### More productive than Diamond Agents

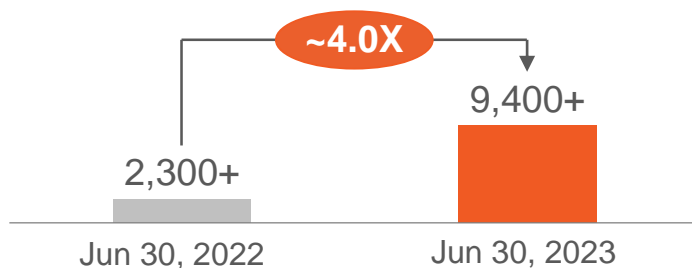
NBV per agent



Community Grid: Ping An Life successfully piloted Community Grid in 51 cities and built a team of 9,400+ offline specialists

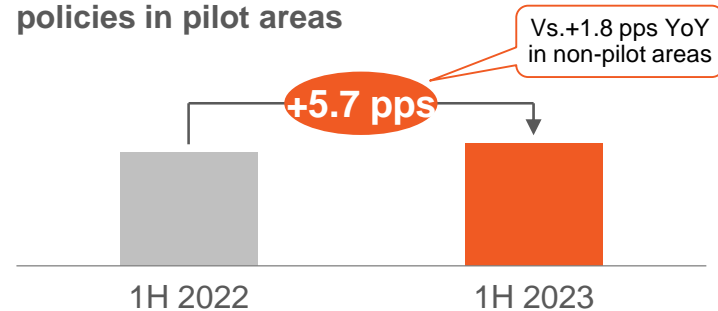
### Team size

Offline Community Grid specialists



### Persistency ratio up YoY

13-month persistency ratio of insurance policies in pilot areas

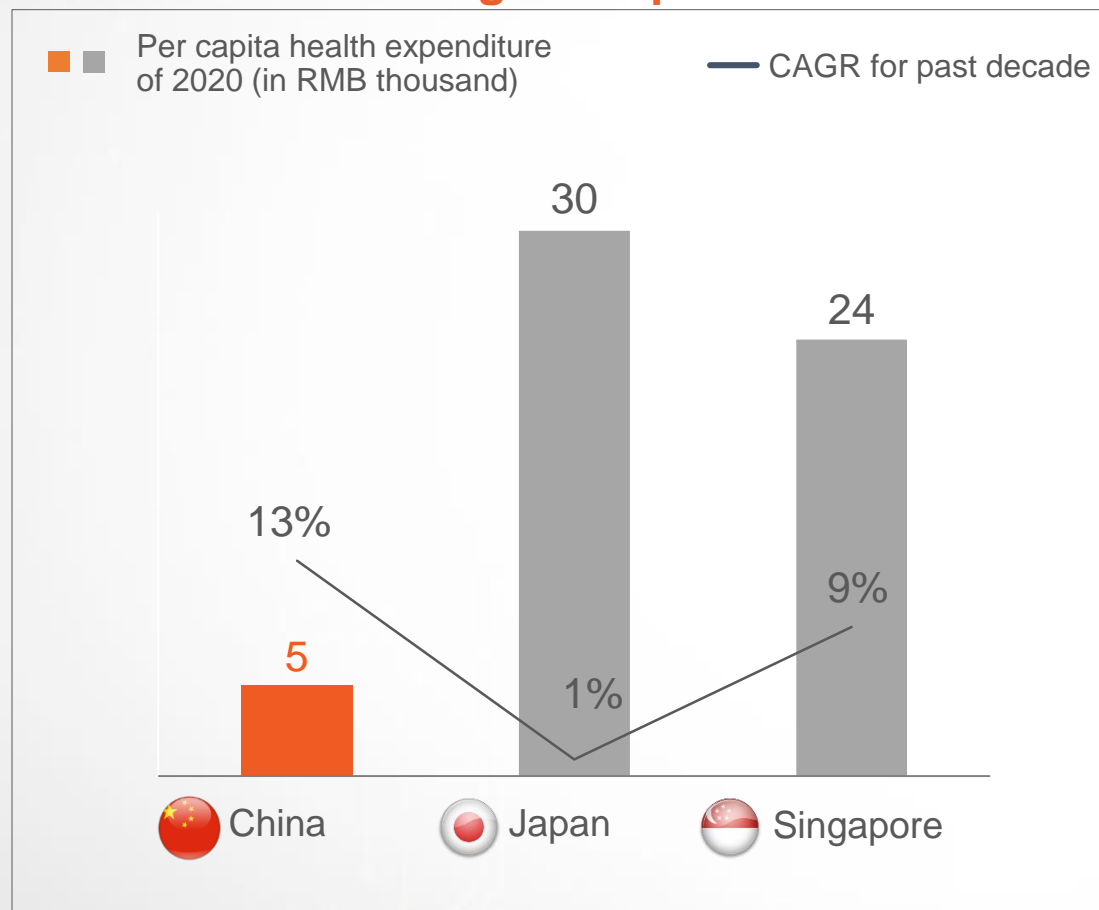


Note: (1) Multiple channels' contribution to NBV is the sum of Ping An Life's retail NBV from the Community Grid, Private Wealth Advisers, and lower-tier channel. Community Grid includes former telemarketing and internet channels, and Private Wealth Advisers includes the former bancassurance channel. Based on like-for-like NBV.

# Healthcare and eldercare empowerment: huge demand for healthcare and eldercare services in China

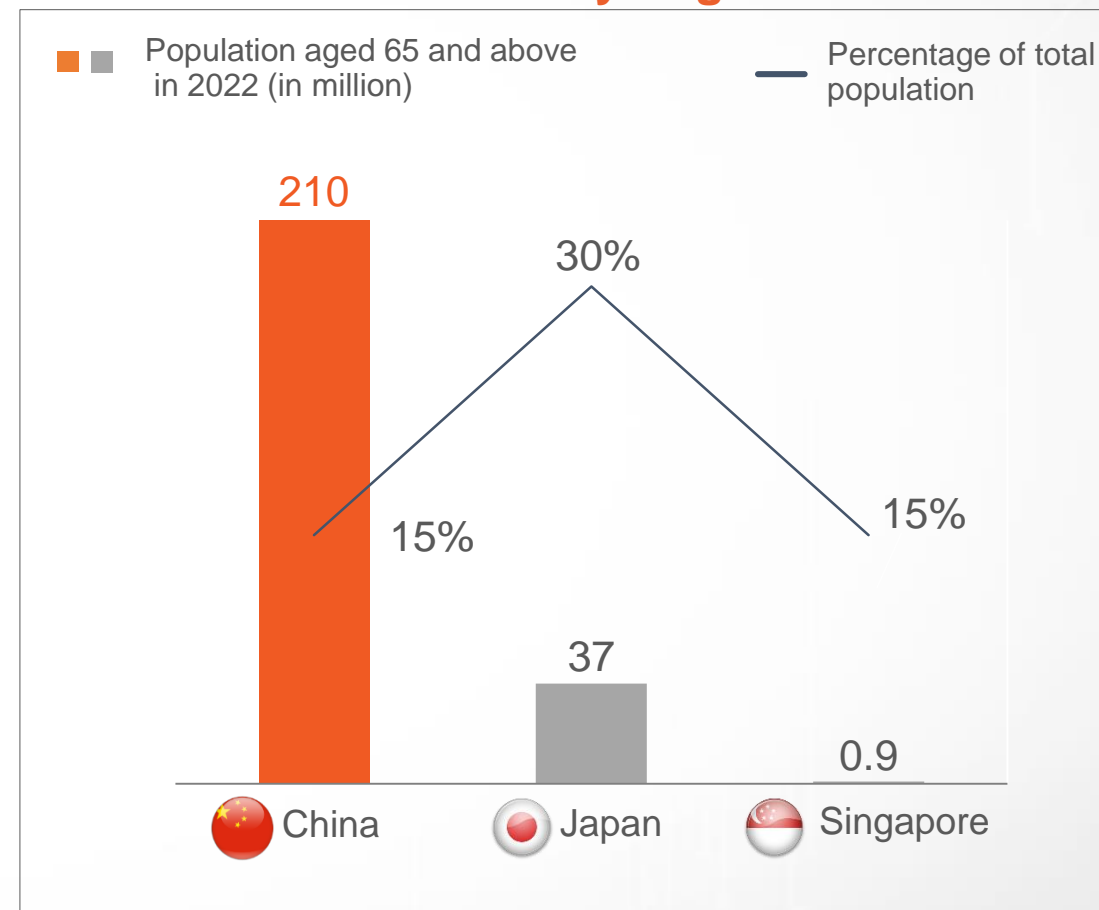
## Healthcare

### China's health expenditure has growth potential



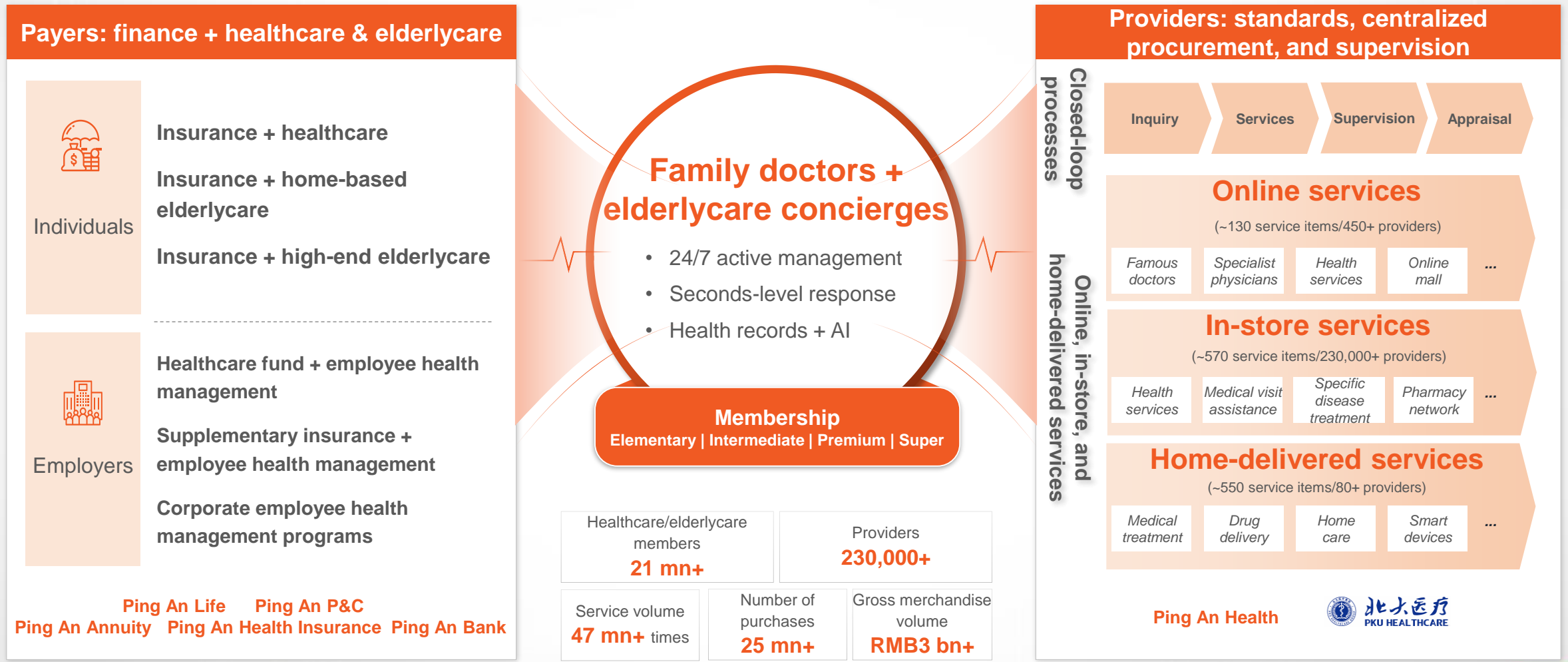
## Eldercare

### China's elderly population is very large

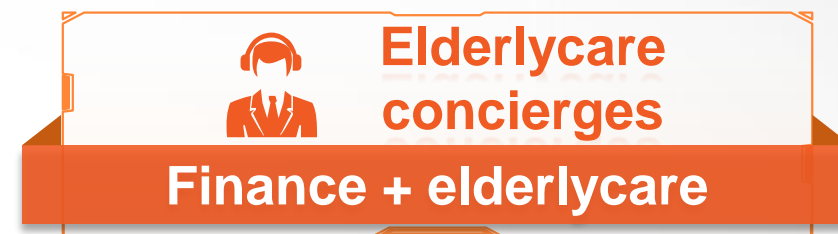


Note: Data on China is from the database of the National Bureau of Statistics of China. Data on Japan and Singapore is from the World Bank's database.

# Healthcare and elderycare empowerment: act as a payer and integrate service providers to provide most cost-effective services



# Payers: “finance + healthcare & elderlycare” meeting full-lifecycle needs of customers



## Insurance + employee health benefits

Large SOEs including central SOEs, some foreign companies and non-SOEs

Employee health benefits + healthcare fund + services

- **750** healthcare service items for employees
- **24/7** online consultations
- Offline medical visit assistance

## Insurance + healthcare

Middle-income customers

Critical illness insurance, exclusive annuities

- **270+** healthcare service items
- Peking University International Hospital's resources for the diagnosis and treatment of **50+** critical illnesses

## Insurance + home-based elderlycare

Middle- and high-income customers

Whole life insurance + flexible product combinations

- **10** scenarios including medical care, housing and nursing
- Launched **550** elderlycare service items
- Integrated services provided by **smart concierges, daily life concierges, and doctor concierges**

## Insurance + high-end elderlycare

High-income customers

Flexible product combinations

- **Top** elderlycare communities in **core** urban areas
- Elderlycare concepts covering **7 dimensions of health**
- Elderlycare services up to **international** standards

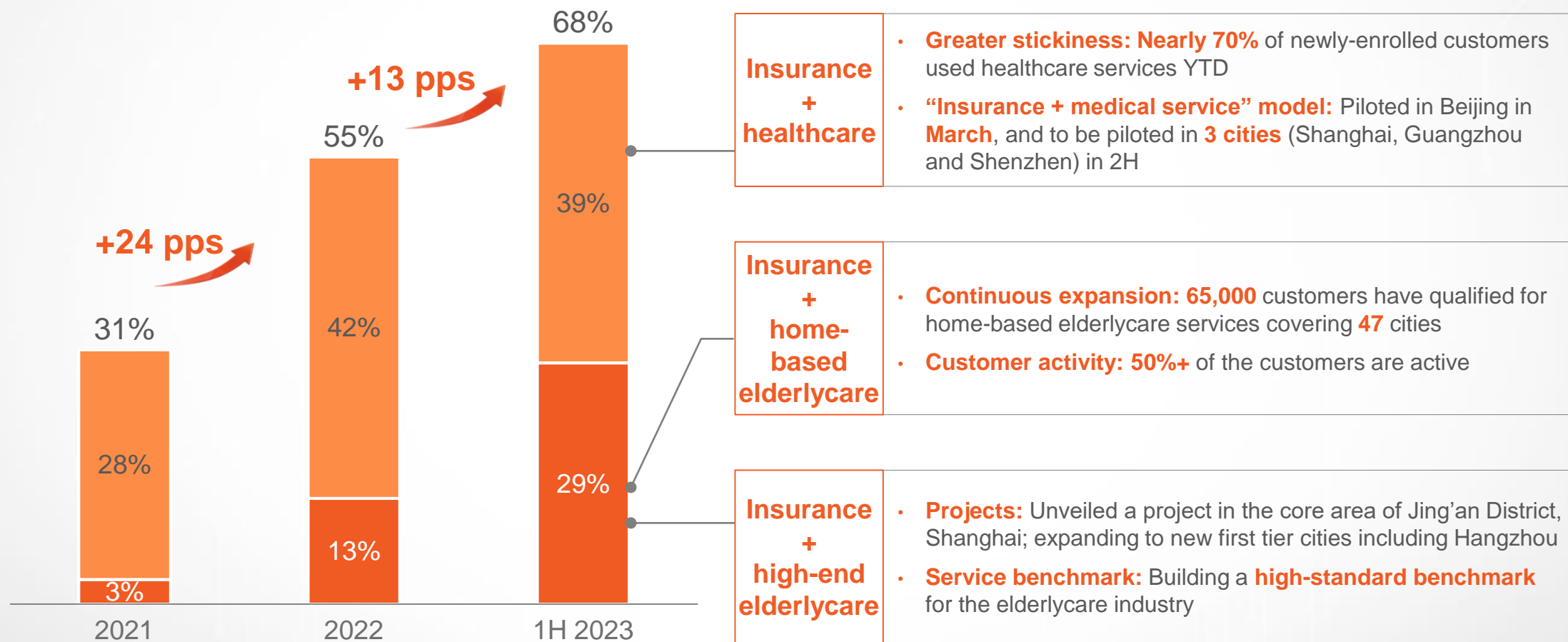
Segments

Products

Service framework

# Empowering value: contribution to Life NBV continues to increase, supported by services

Increasing percentage of NBV contributed by customers entitled to service benefits



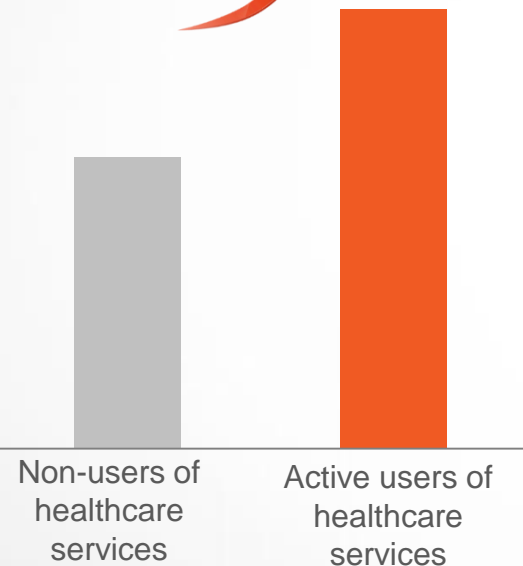


# Empowering value: healthcare services help enhance Life customer value

## Raise premium per customer

Premium per customer

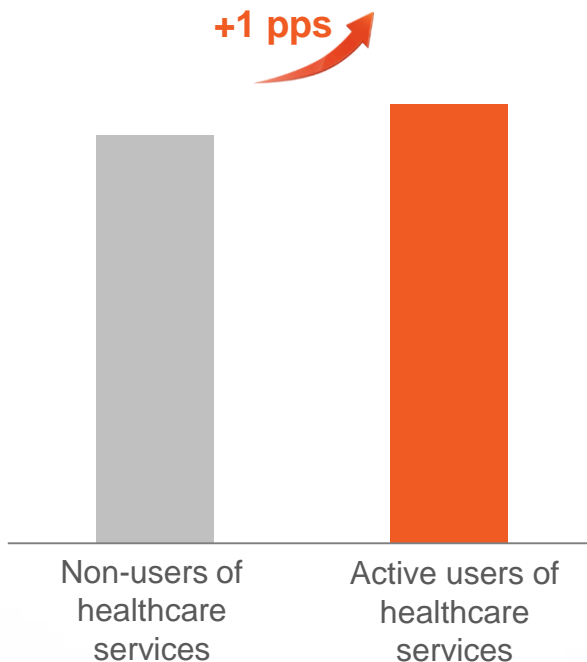
1.5X



## Promote renewal

Customer persistency ratio

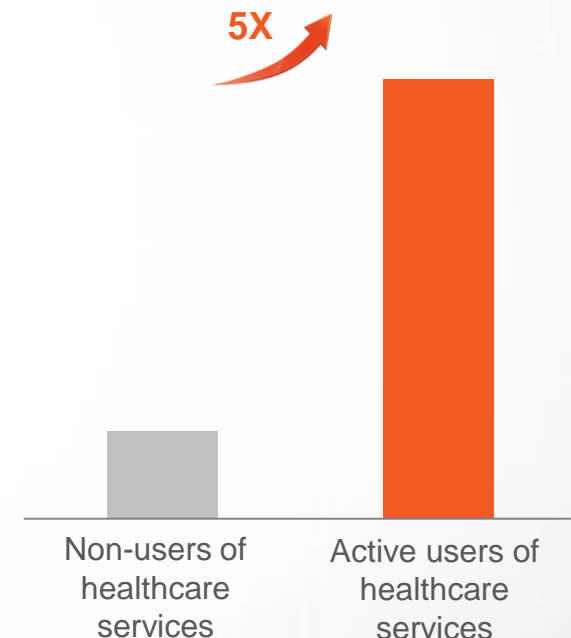
+1 pps



## Boost upselling

Customer upselling ratio

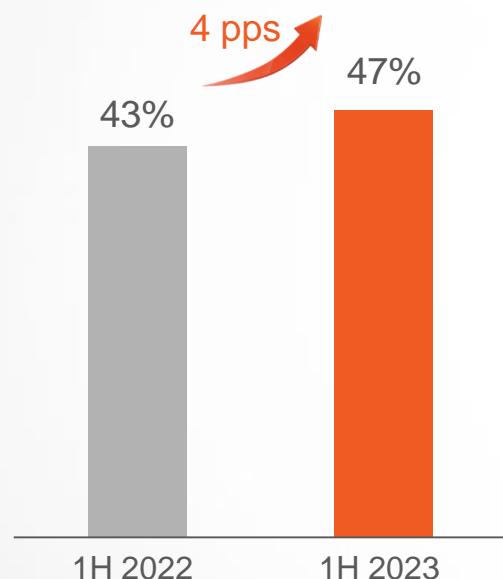
5X



# Technology: technological empowerment to core financial businesses continues to deepen

## Promoting sales

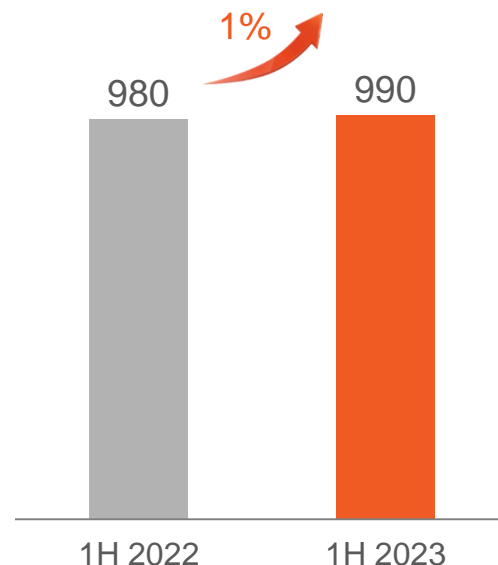
Proportion of sales realized by AI service representatives



## Improving efficiency

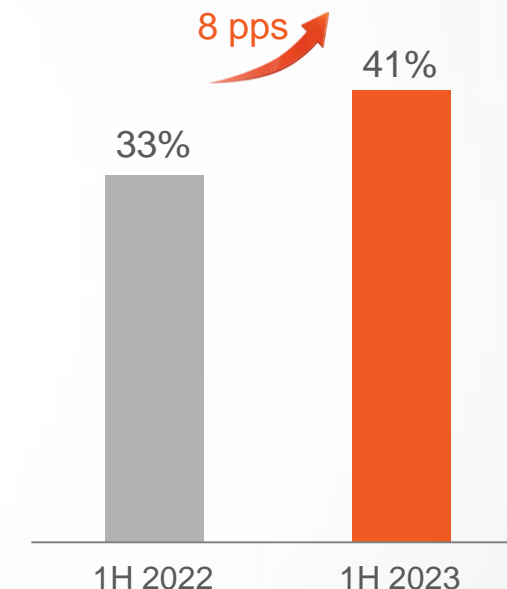
The volume of services provided by AI service representatives <sup>(1)</sup>

(million times)



## Containing risks

Percentage of the amount of overdue loans collected by AI



Notes: (1) The volume of services provided by AI service representatives refers to the total times of inbound and outbound call services provided by speech robots and text robots for credit card and insurance business lines, including Ping An Life, Ping An P&C, Ping An Bank and Ping An Finserv's non-loan business.

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

# Q&A

# Appendices: 1H 2023 Group operating profit (Table A-1)

(in RMB million)

	See Table B Life & Health	See Table C P&C	See Table D Banking	Asset Management	Technology	Other businesses and elimination	The Group
<b>Operating profit attributable to shareholders of the parent company</b>	<b>57,295</b>	<b>9,242</b>	<b>14,714</b>	<b>1,412</b>	<b>1,735</b>	<b>(2,441)</b>	<b>81,957</b>
Operating profit attributable to non-controlling interests	1,299	43	10,673	564	515	576	13,670
<b>Operating profit (A)</b>	<b>58,593</b>	<b>9,285</b>	<b>25,387</b>	<b>1,976</b>	<b>2,250</b>	<b>(1,865)</b>	<b>95,626</b>
Plus:							
Short-term investment variance (B)	(12,259)	-	-	-	-	-	(12,259)
Impact of one-off material non-operating items and others (C)	-	-	-	-	58	-	58
<b>Net profit (D = A + B + C)</b>	<b>46,335</b>	<b>9,285</b>	<b>25,387</b>	<b>1,976</b>	<b>2,308</b>	<b>(1,865)</b>	<b>83,426</b>
<b>Net profit attributable to shareholders of the parent company</b>	<b>45,121</b>	<b>9,242</b>	<b>14,714</b>	<b>1,412</b>	<b>1,793</b>	<b>(2,441)</b>	<b>69,841</b>
Net profit attributable to non-controlling interests	1,214	43	10,673	564	515	576	13,585

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

# Appendices: 1H 2022 Group operating profit (Table A-2, restated)

(in RMB million)

	See Table B Life & Health	See Table C P&C	See Table D Banking	Asset Management	Technology	Other businesses and elimination	The Group
<b>Operating profit attributable to shareholders of the parent company</b>	<b>59,069</b>	<b>8,602</b>	<b>12,802</b>	<b>4,400</b>	<b>4,909</b>	<b>(3,499)</b>	<b>86,282</b>
Operating profit attributable to non-controlling interests	563	40	9,286	838	395	518	11,640
<b>Operating profit (A)</b>	<b>59,632</b>	<b>8,642</b>	<b>22,088</b>	<b>5,238</b>	<b>5,304</b>	<b>(2,981)</b>	<b>97,922</b>
Plus:							
Short-term investment variance (B)	(15,295)	-	-	-	-	-	(15,295)
Impact of one-off material non-operating items and others (C)	-	-	-	-	(429)	-	(429)
<b>Net profit (D = A + B + C)</b>	<b>44,336</b>	<b>8,642</b>	<b>22,088</b>	<b>5,238</b>	<b>4,875</b>	<b>(2,981)</b>	<b>82,198</b>
<b>Net profit attributable to shareholders of the parent company</b>	<b>43,940</b>	<b>8,602</b>	<b>12,802</b>	<b>4,400</b>	<b>4,480</b>	<b>(3,499)</b>	<b>70,725</b>
Net profit attributable to non-controlling interests	396	40	9,286	838	395	518	11,473

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

# Appendices: L&H's changes in CSM

<i>(in RMB million)</i>	1H 2023	1H 2022	Notes
<b>Opening CSM</b>	<b>818,683</b>	<b>877,135</b>	<b>A</b>
Contribution from new business	27,157	24,198	<b>B</b>
Present value of expected premiums from new business sold	257,100	219,191	<b>C</b>
New business CSM margin (%)	10.6	11.0	<b>D=B/C</b>
Expected interest growth	12,445	13,357	<b>E</b>
Changes in estimates that adjust CSM <sup>(1)</sup>	(7,840)	(5,431)	<b>F</b>
Changes in financial risks of insurance contracts subject to VFA	5,713	1,274	<b>G</b>
<b>CSM release base</b>	<b>856,159</b>	<b>910,533</b>	<b>H=A+B+E+F+G</b>
Release of CSM	(38,665)	(41,524)	<b>I=X%*H</b>
<b>Closing CSM</b>	<b>817,494</b>	<b>869,010</b>	<b>J=H+I</b>

Notes: (1) Excluding changes in financial risks of insurance contracts subject to VFA.

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

# Appendices: L&H earnings (Table B)

<i>(in RMB million)</i>	1H 2023	1H 2022	Notes
<b>Insurance service result and others</b>	<b>48,115</b>	<b>50,226</b>	<b>A=B+E+H</b>
Release of CSM	38,665	41,524	B
CSM release base	856,159	910,533	C
CSM release rate (annualized,%)	9.0	9.1	$D=B/C*2$
Change in risk adjustment for non-financial risk	3,025	2,940	E
Opening risk adjustment	142,249	138,165	F
Risk adjustment release rate (annualized,%)	4.3	4.3	$G=E/F*2$
Operating variances and others	6,425	5,762	H
<b>Investment service result</b>	<b>17,500</b>	<b>14,176</b>	<b>I</b>
<b>Operating profit before tax</b>	<b>65,615</b>	<b>64,402</b>	<b>J=A+I</b>
Income tax	(7,022)	(4,770)	
<b>Operating profit</b>	<b>58,593</b>	<b>59,632</b>	<b>See Table A</b>

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

# Appendices: P&C earnings (Table C)

<i>(in RMB million)</i>	1H 2023	1H 2022	Notes
Insurance revenue	155,899	144,647	A
Insurance service expenses	(148,330)	(136,044)	B
Net expense from reinsurance contracts held	(1,768)	(1,674)	C
Net insurance financial result and others	(2,748)	(2,732)	D
<b>Underwriting profit</b>	<b>3,053</b>	<b>4,197</b>	<b>E=A+B+C+D</b>
Underwriting COR (%)	98.0	97.1	<b>F=- (B+C+D)/A</b>
Total investment income	8,044	6,040	G
Other net revenue and expenses	(453)	(529)	H
<b>Profit before tax</b>	<b>10,644</b>	<b>9,708</b>	<b>I=E+G+H</b>
Income tax	(1,359)	(1,066)	
<b>Net profit</b>	<b>9,285</b>	<b>8,642</b>	<b>See Table A</b>
<b>Operating profit</b>	<b>9,285</b>	<b>8,642</b>	<b>See Table A</b>

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



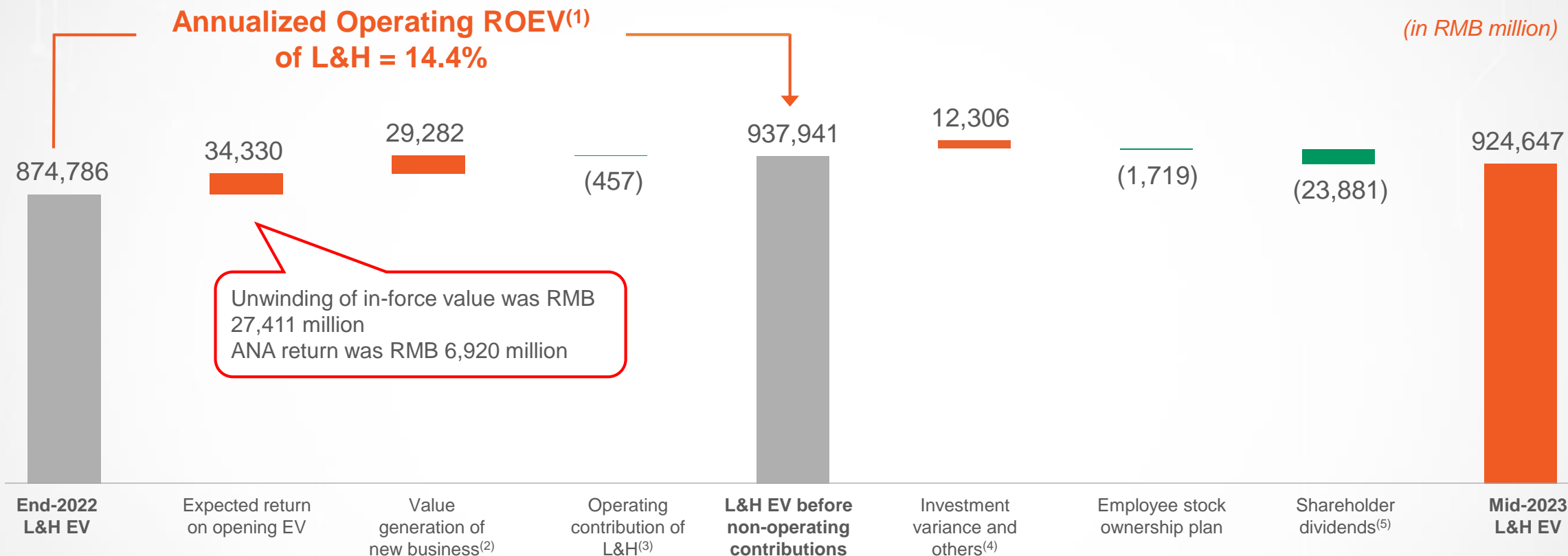
# Appendices: Banking earnings (Table D)

(in RMB million)

	1H 2023	1H 2022	Notes
Net interest revenue	62,634	64,059	A = B x C
Average balance of interest-earning assets	4,955,321	4,680,271	B
Net interest margin (unannualized,%)	1.26	1.37	C
Net non-interest revenue	25,976	27,963	
<b>Revenue</b>	<b>88,610</b>	<b>92,022</b>	<b>D</b>
General and administrative expenses	(23,438)	(24,349)	E = - (D x F)
Cost-to-income ratio (%)	26.45	26.46	F
Tax and surcharges	(874)	(867)	
<b>Operating profit before impairment losses on assets</b>	<b>64,298</b>	<b>66,806</b>	
Impairment losses on credit and other assets	(32,361)	(38,845)	
Including: Loan impairment loss	(27,663)	(29,831)	G = - (H x I)
Average balance of loans and advances	3,379,434	3,123,276	H
Credit cost (unannualized,%)	0.82	0.96	I
Other expenses	(4)	(178)	
<b>Profit before tax</b>	<b>31,933</b>	<b>27,783</b>	
Income tax	(6,546)	(5,695)	
<b>Net profit</b>	<b>25,387</b>	<b>22,088</b>	<b>See Table A</b>

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

# Appendices: L&H delivered an annualized operating ROEV of 14.4%



Notes: (1) Annualized Operating ROEV = Operating ROEV for 1H x 2.

(2) Value generation of new business includes NBV (RMB25,960 million) and risk diversification effects (RMB3,322 million).

(3) Operating contribution of L&H includes operating assumptions and model changes (RMB-2,473 million), L&H operating variance and others (RMB2,016 million).

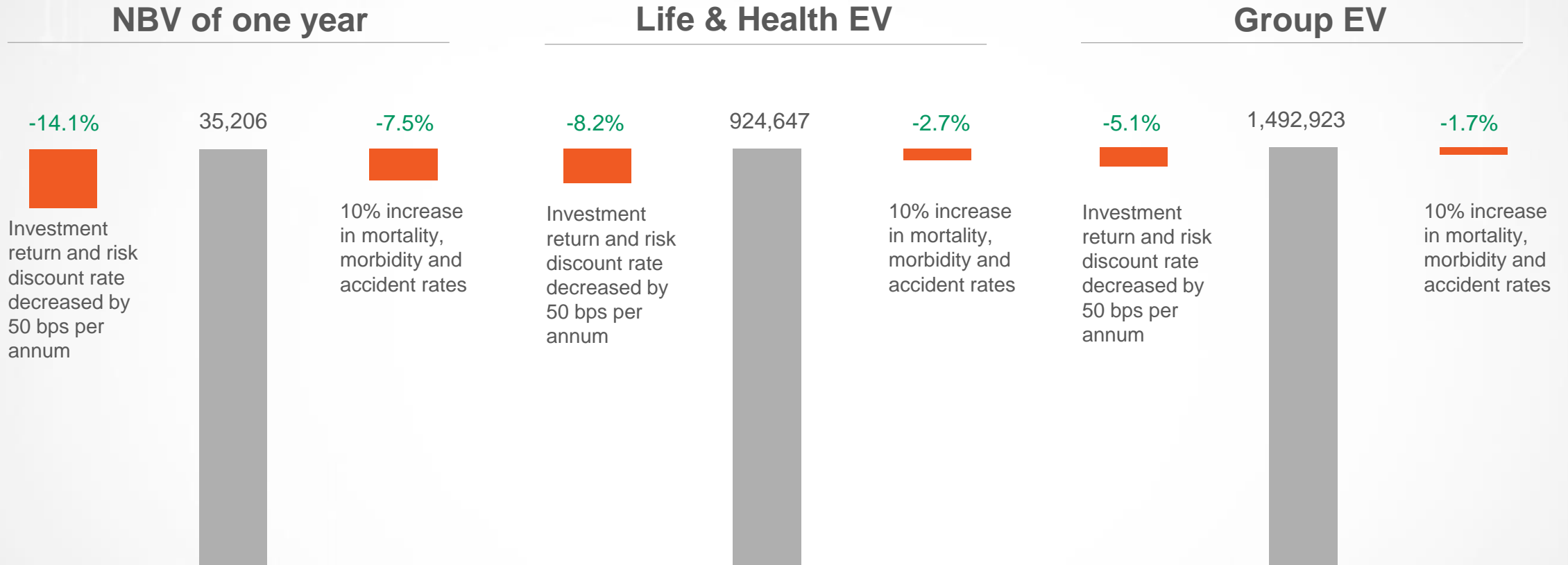
(4) Investment variance and others include the investment return variance, market value adjustments, and other impacts.

(5) Shareholder dividends paid by Ping An Life to the Group amounted to RMB23,881 million.

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

# Appendices: Sensitivity of NBV and EV to future investment return and incidence

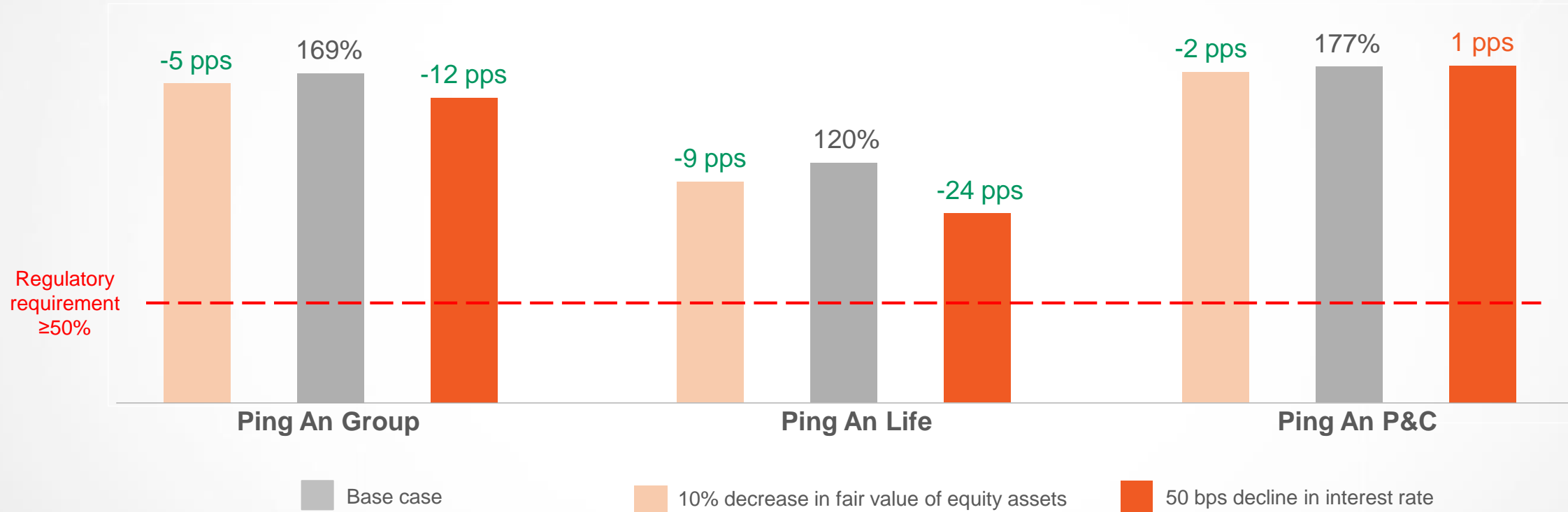
(in RMB million)



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.

# Appendices: The sensitivity of core solvency margin ratio



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