

# 2024 Interim Results

—Sustainable Growth through Cycles

August 2024

## 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 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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Group Senior Vice President

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Group President and Co-CEO

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Group Co-CEO

# 01

## Financial Results

Fu Xin, Group Senior Vice President

# | Stay Focused: Integrated Finance + Health and Senior Care Strategy

## World-leading Integrated Financial, Health and Senior Care Services Group



### Integrated Finance

Financial advisers  
One customer, multiple accounts, multiple products, and one-stop services



### Health and Senior Care

Family doctors and senior care concierges  
Industry standardization, central procurement, and service supervision

### Technological Empowerment

Empowering financial services with technologies, empowering financial services with ecosystems, and advancing development with technologies

# 1H 2024 Results: Steady Business and Positive Trend

## Revenue<sup>(1)</sup>

RMB554.1 billion

+1.5%

## OPAT<sup>(2)</sup>

RMB78.5 billion

-0.6%

## Net profit

RMB74.6 billion

+6.8%

## Interim dividend

RMB0.93/share

## Operating ROE (annualized)

16.4%

## NBV<sup>(3)</sup>

RMB22.3 billion

+11.0%

## Retail customers

236 million

+1.9%

## Shareholders' equity

RMB931.2 billion

+3.6%

- Notes:
- (1) This revenue is under IFRS. The Group's revenue under China Accounting Standards rose 1.3% YoY to RMB495 billion.
  - (2) The computation of operating profit for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%).
  - (3) The computation of NBV for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).
  - (4) Operating profit, net profit and shareholders' equity refer to the operating profit, net profit, and shareholders' equity attributable to shareholders of the parent company respectively.



# 1H 2024 Key Business Highlights: Steady Results and Improved Quality



## The Group

**Stable and resilient core businesses:** Group OPAT reached **RMB78.5 bn**, down slightly by 0.6% YoY; three core business lines (L&H, P&C and bank) all achieved growth, with OPAT up **1.7%** YoY.



## L&H

**Healthy business trend continued:** NBV grew **11.0%** YoY; NBV margin expanded **6.5 pps** YoY.

**Quality development in multiple channels:** Agent channel NBV grew **10.8%**, NBV per agent climbed **36.0%** YoY, and the number of individual life insurance sales agents reached **340,000**; bancassurance channel NBV rose **17.3%** YoY.

**Steadily improving business quality:** 13-month policy persistency ratio rose **2.8 pps** YoY; 25-month persistency ratio rose **3.3 pps** YoY.



## Dividend

**Stable cash dividends:** Interim cash DPS is **RMB0.93**.



## P&C

**Excellent Quality of Core Businesses:** Insurance revenue rose **3.9%** YoY; overall COR remained healthy at **97.8%**.



## Bank

**Strong ability to weather risks:** Ping An Bank's net profit rose **1.9%** YoY, core tier 1 capital adequacy ratio rose to **9.33%**, and provision coverage ratio was **264.26%**.

# Three Core Business Lines All Achieved OPAT Growth

(in RMB million)

	1H 2024	Proportion (%)	YoY Change (%)
L&H <sup>(1)</sup>	54,657	69.6	0.7
P&C	9,909	12.6	7.2
Bank	14,999	19.1	1.9
Asset management	1,296	1.7	(8.2)
Technology <sup>(2)</sup>	291	0.4	(83.2)
Others and elimination	(2,670)	(3.4)	9.4
<b>The Group</b>	<b>78,482</b>	<b>100.0</b>	<b>(0.6)</b>

## Core financial businesses remained stable



OPAT of three core business lines (L&H, P&C and bank) grew 1.7% YoY

Notes: (1) The computation of L&H OPAT is based on the long-run investment return assumption (4.5%). The 1H 2023 OPAT based on the long-run investment return assumption (4.5%) was RMB54,288 million, which was disclosed in the chapter "Analysis of Embedded Value" of the 2023 Annual Report.

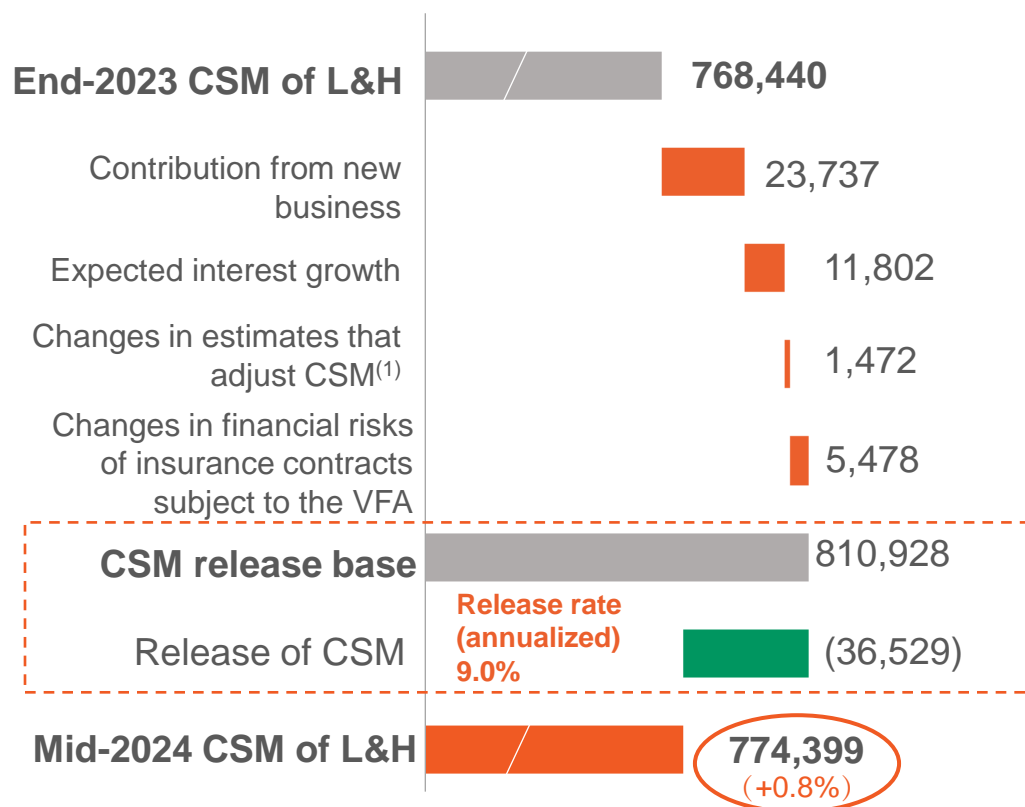
(2) The decline in Technology business's OPAT is mainly attributed to the YoY decrease in Lufax Holding's profit for 1H 2024.



# L&H OPAT Remained Stable and Healthy

(in RMB million)

	1H 2024	1H 2023	YoY Change (%)
<b>Insurance service result and others</b>	47,047	48,115	(2.2)
→ Release of CSM	36,529	38,665	(5.5)
Change in risk adjustment for non-financial risk	3,438	3,025	13.7
Operating variances and others	7,079	6,425	10.2
<b>Investment service result</b>	15,085	13,460	12.1
<b>Operating profit before tax</b>	<b>62,132</b>	<b>61,575</b>	<b>0.9</b>
Income tax	(5,831)	(6,012)	(3.0)
<b>Operating profit</b>	<b>56,301</b>	<b>55,564</b>	<b>1.3</b>
Operating profit attributable to shareholders of the parent company	54,657	54,288	0.7



- Notes:
- (1) Excluding changes in financial risks of insurance contracts subject to the VFA.
  - (2) The computation of operating profit for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%).
  - (3) Figures may not match the calculation due to rounding.

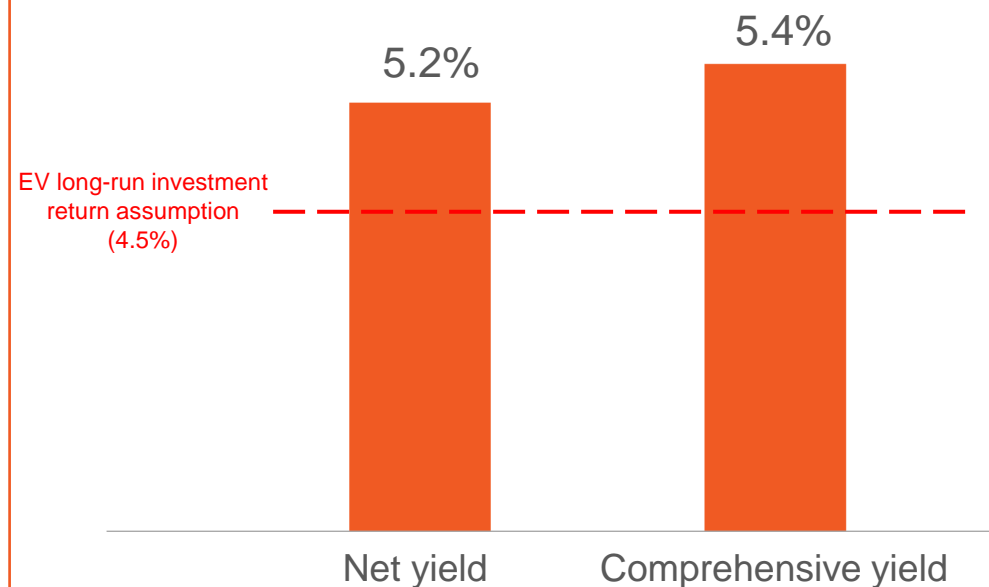
# 1H 2024 Comprehensive Investment Yield Improved

## Annualized investment yield

	1H 2024	1H 2023
<b>Net yield</b>	<b>3.3%</b>	<b>3.5%</b>
<b>Comprehensive yield</b>	<b>4.2%</b>	<b>4.1%</b>

Note: Computation of net and comprehensive yields excludes fair value changes of debt investments at FVTOCI backing Life & Health business.

## 10yr avg. investment yield (2014-2023)



- **Strategic allocation** We strike a balance between low-risk long-term bonds and risk assets, and between value stocks and growth stocks.
- **Fixed income** Proactively responding to the risk of falling interest rates, we narrowed the duration gap between assets and liabilities by increasing allocation to long-duration bonds. Moreover, we seized market opportunities to boost investment returns by increasing allocation to fixed income assets held for trading.
- **Equity** We seek to outperform the market with robust long-term investment returns by increasing long-term allocation to value-based equity assets and adhering to a balanced and diversified approach.

# Insurance Funds Allocation Remained Stable

## Proportions

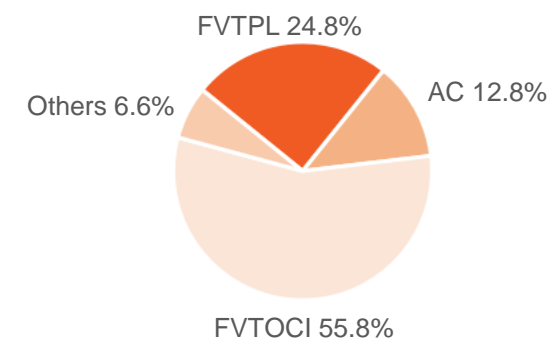
	Jun 30, 2024	Dec 31, 2023	Change (pps)
<b>Cash and cash equivalents</b>	<b>2.9%</b>	2.6%	0.3
<b>Term deposits</b>	<b>4.3%</b>	4.4%	(0.1)
<b>Debt financial assets</b>			
Bond investments	<b>60.7%</b>	58.1%	2.6
Bond funds	<b>2.3%</b>	2.3%	-
Preferred stocks	<b>2.2%</b>	2.4%	(0.2)
Perpetual bonds	<b>1.5%</b>	1.1%	0.4
Debt schemes	<b>3.6%</b>	4.0%	(0.4)
Wealth management products <sup>(1)</sup>	<b>3.8%</b>	4.8%	(1.0)
<b>Equity financial assets</b>			
Stocks	<b>6.4%</b>	6.2%	0.2
Equity funds	<b>2.1%</b>	3.1%	(1.0)
Wealth management products <sup>(1)</sup>	<b>1.1%</b>	1.4%	(0.3)
Unlisted equities	<b>2.2%</b>	2.3%	(0.1)
<b>Long-term equity stakes</b>	<b>4.0%</b>	4.3%	(0.3)
<b>Investment properties</b>	<b>2.5%</b>	2.7%	(0.2)
<b>Other investments<sup>(2)</sup></b>	<b>0.4%</b>	0.3%	0.1
<b>Total investments<sup>(3)</sup> (in RMB million)</b>	<b>5,203,251</b>	4,722,228	

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

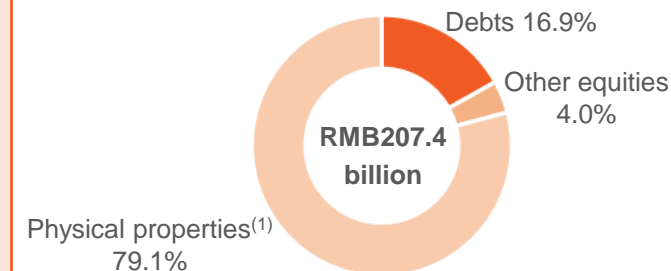
(2) Other investments mainly include statutory deposits for insurance operations, three-month or longer-term financial assets purchased under reverse repurchase agreements, and derivative financial assets.

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

## Investment portfolio (by accounting measurement)

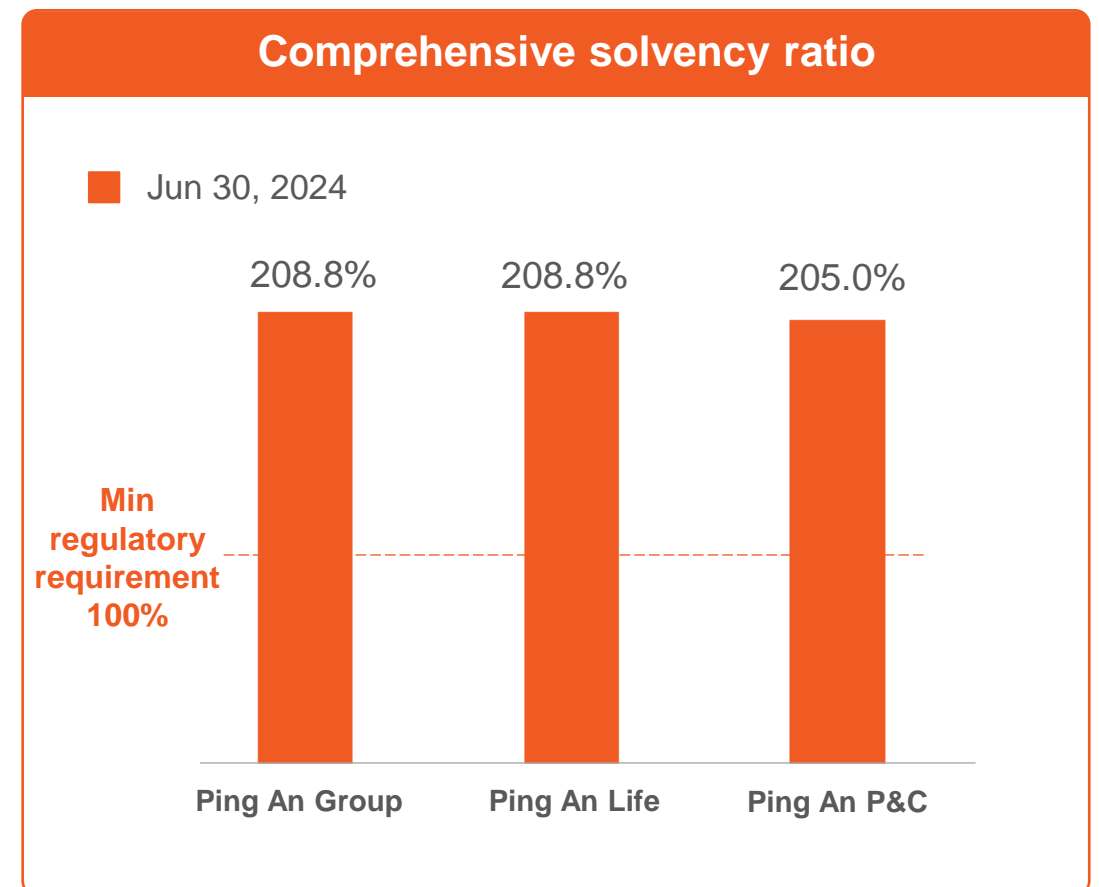
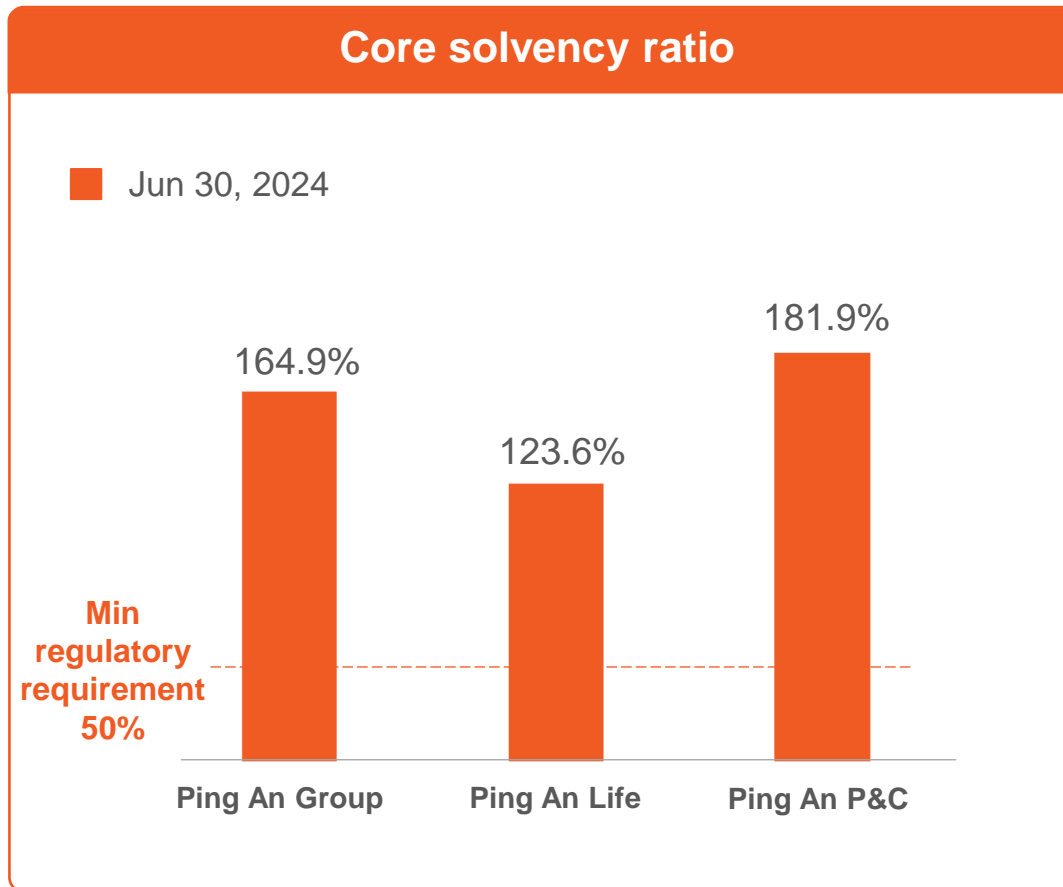


Real estate: 4% of total, down 0.3 pps YTD



Note: (1) Physical property investments include those invested directly or indirectly in the form of equity stakes in project companies, measured at cost.

# Solvency Ratios Still above Regulatory Requirements

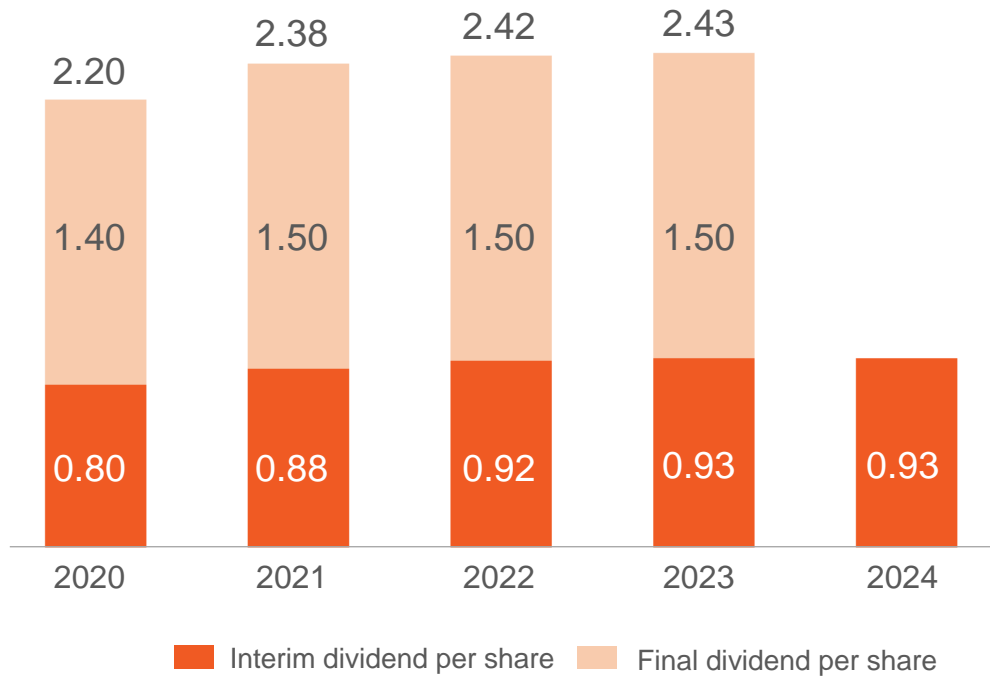


Note: Solvency ratios of Ping An Life and Ping An P&C are computed in accordance with the C-ROSS Phase II and the transition period policy.

# Stable Interim DPS Demonstrates Strong Focus on Shareholder Returns

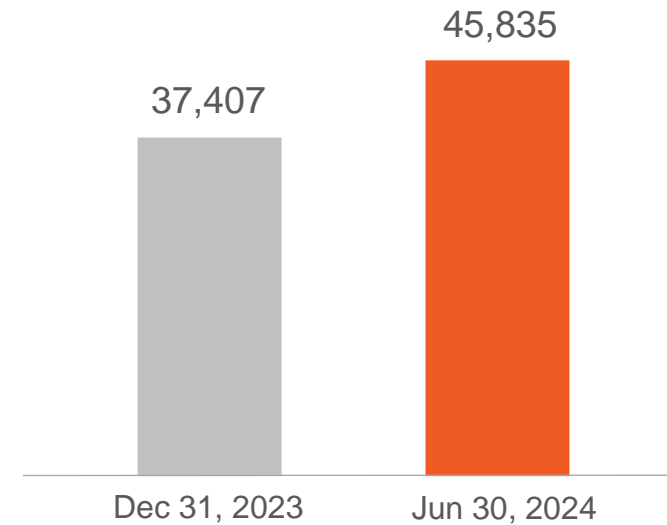
## Interim DPS remains unchanged YoY

(in RMB per share)



## Parent company free cash

(in RMB million)



# Sustainability: Responsible, Lower-Carbon and Forward-Looking

## Support for Real Economy

Ping An cumulatively invested **RMB9.4 trn+** to bolster the real economy

## Green Development

Green investment of insurance funds  
**RMB124.9 bn**

Green loan balance  
**RMB164.6 bn**

Green insurance premium income  
**RMB23.6 bn**



## Responsible Investment

Responsible investment of insurance funds  
**RMB799.9 bn**

## Social Responsibility

### Ping An Rural Communities Support

Funds provided for rural industrial vitalization in 1H 2024  
**RMB17 bn+**

	Rating/Award	1H 2024	Description
	MSCI ESG Ratings	<b>A</b>	1st in multi-line insurance & brokerage industry in the Asia-Pacific region
	S&P's <i>Sustainability Yearbook (China) 2024</i>	<b>Listed</b>	The only Chinese mainland-based insurer included
	Morningstar Sustainalytics' ESG Risk Ratings	<b>Low risk, 15.6</b>	1st among Chinese insurers
	CCTV's China Top 100 ESG Pioneer Listed Companies list	<b>Listed</b>	Included on the list and 1st in the financial industry for two consecutive years
	The <i>Fortune</i> China ESG Impact List for 2024	<b>Listed</b>	

## Global Partnerships



# Honors and Awards



Fortune

Global 500

No. **53**

No. **1**  
among  
global insurers  
again



Forbes

Global 2000

No. **29**

No. **1**  
among  
Chinese insurers



Brand Finance,  
the world's largest brand  
consultancy

Insurance 100

No. **1**

World's most valuable  
insurance brand  
for **8** years  
in a row



Fortune

China 500

No. **14**

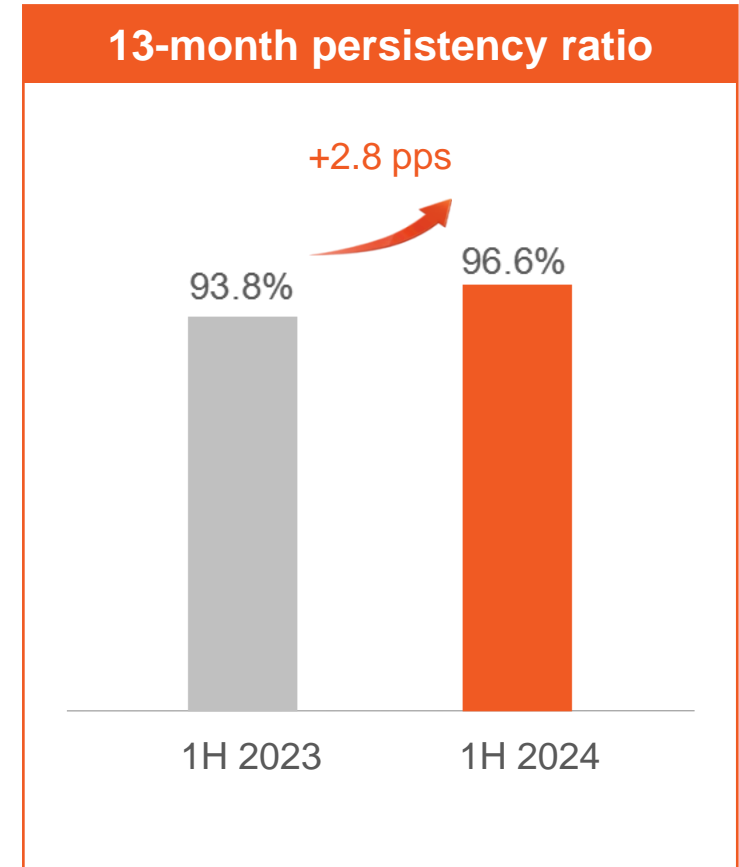
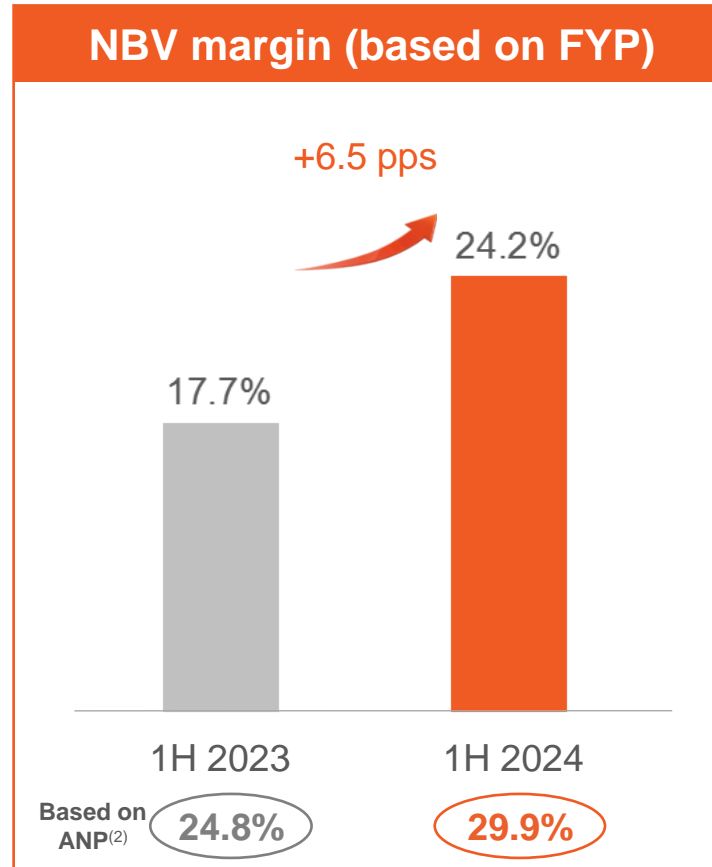
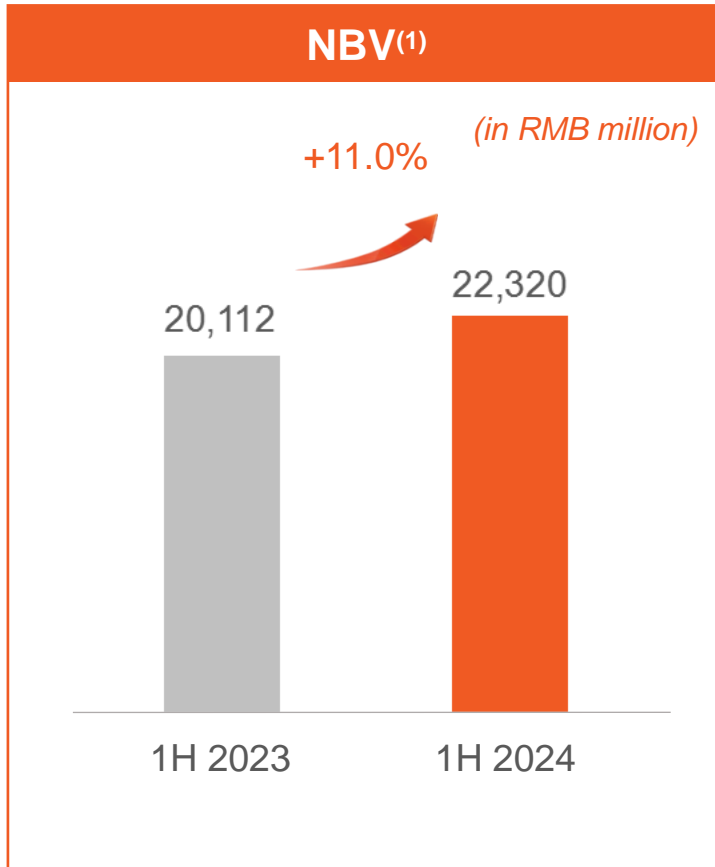


# 02

## Business Highlights

Xie Yonglin, Group President and Co-CEO

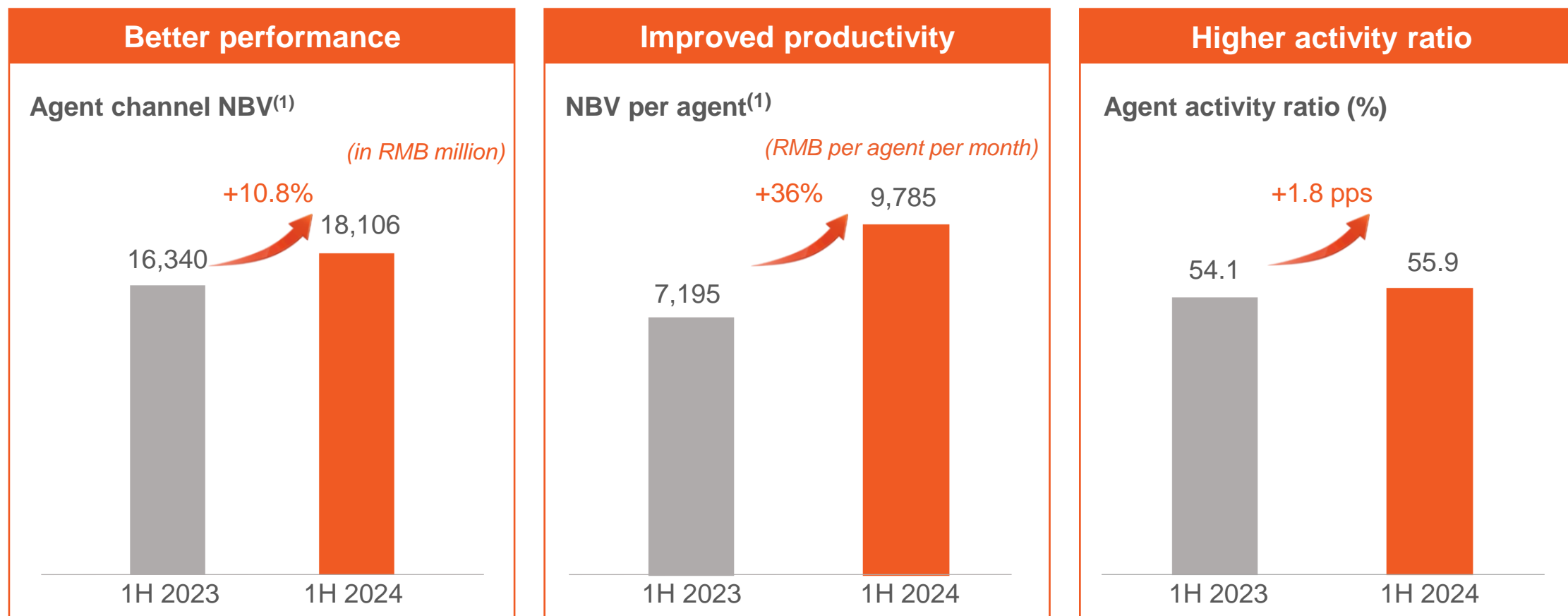
# L&H: Steady Business Growth and Improving Business Quality



Notes: (1) The computation of NBV for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).

(2) ANP (annualized new premium) is calculated as the sum of 100 percent of annualized first year premiums and 10 percent of single premiums.

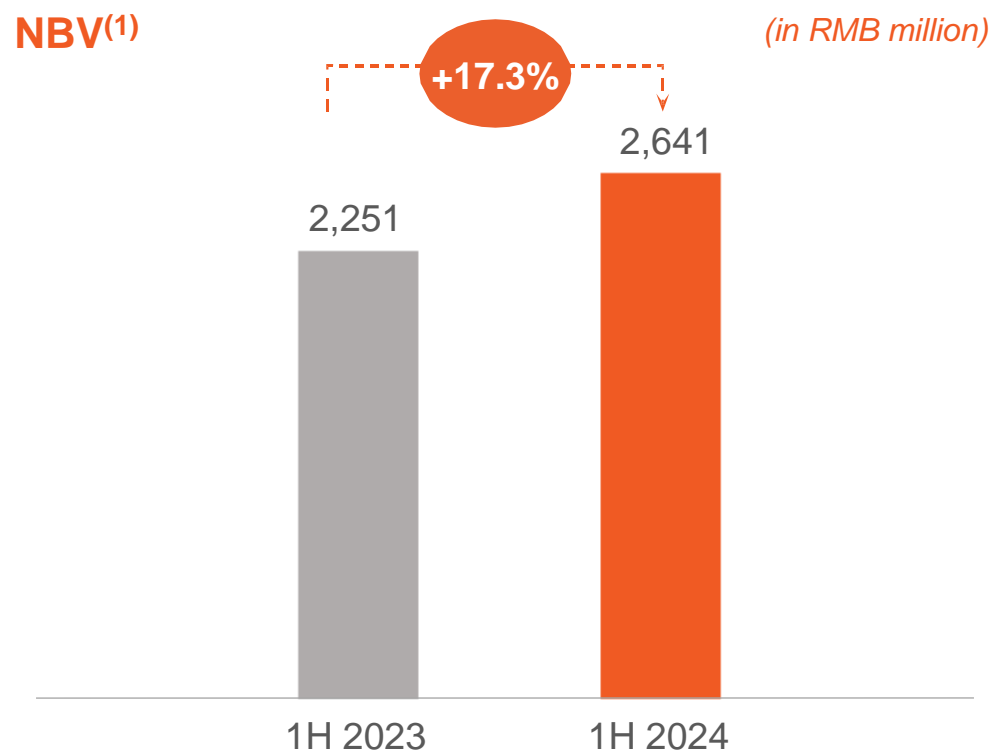
# Life: Higher NBV, Productivity and Activity Driven by Agency Reform



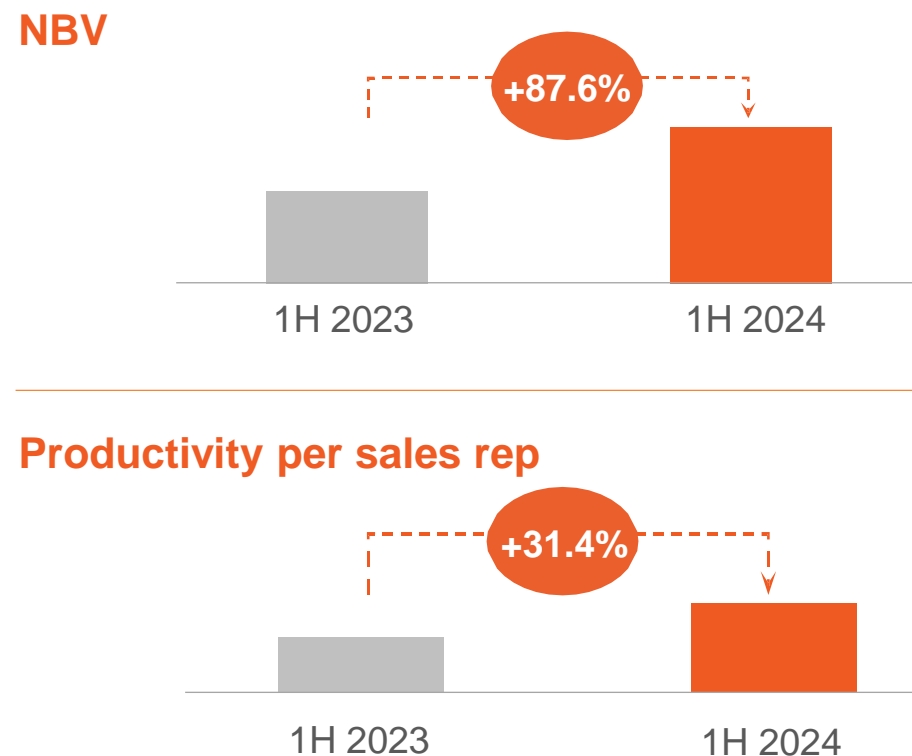
Note: (1) The computation of NBV for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).

# Life: Increasing Value Contribution from Bancassurance

## Better performance of bancassurance channel



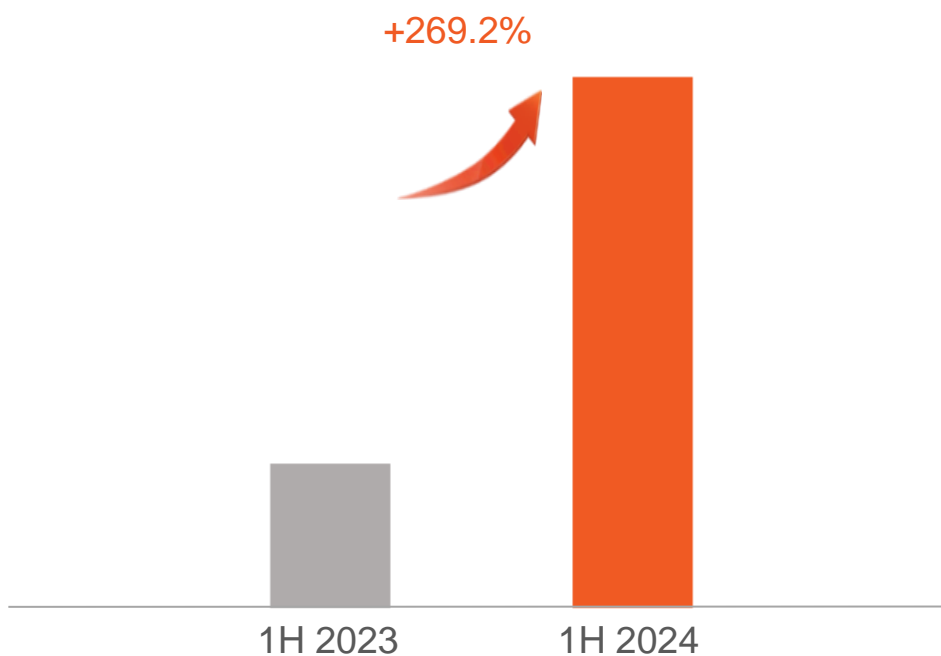
## Better performance and productivity of external channels



Note: (1) The computation of NBV for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).

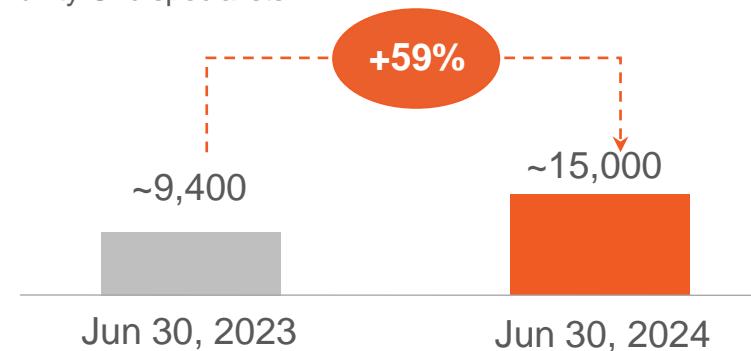
# Life: Community Grid NBV Surged due to Refined Customer Operation

## Significant NBV growth

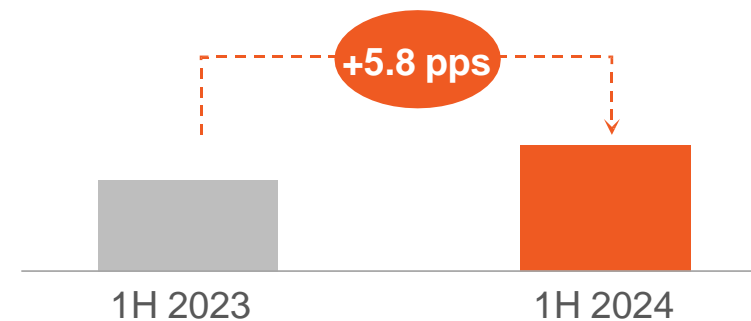


## Expanded sales team and better persistency

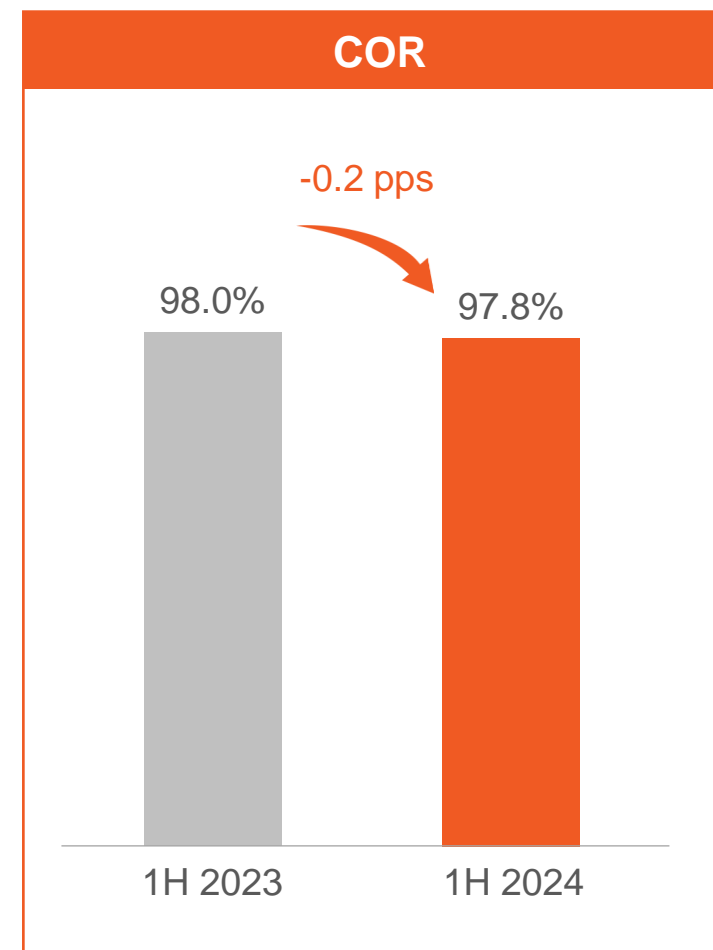
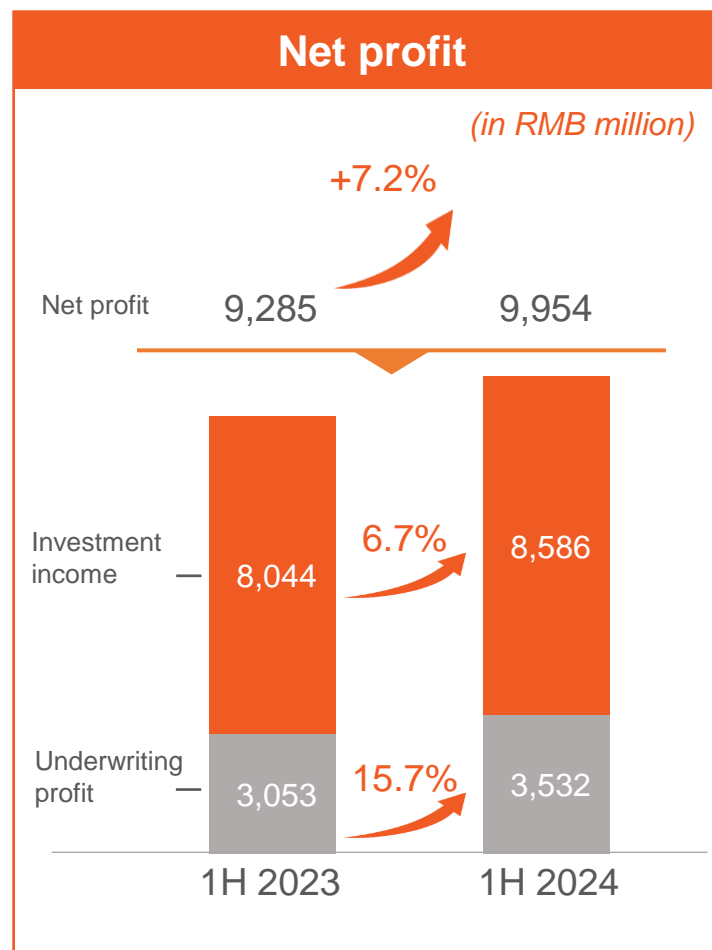
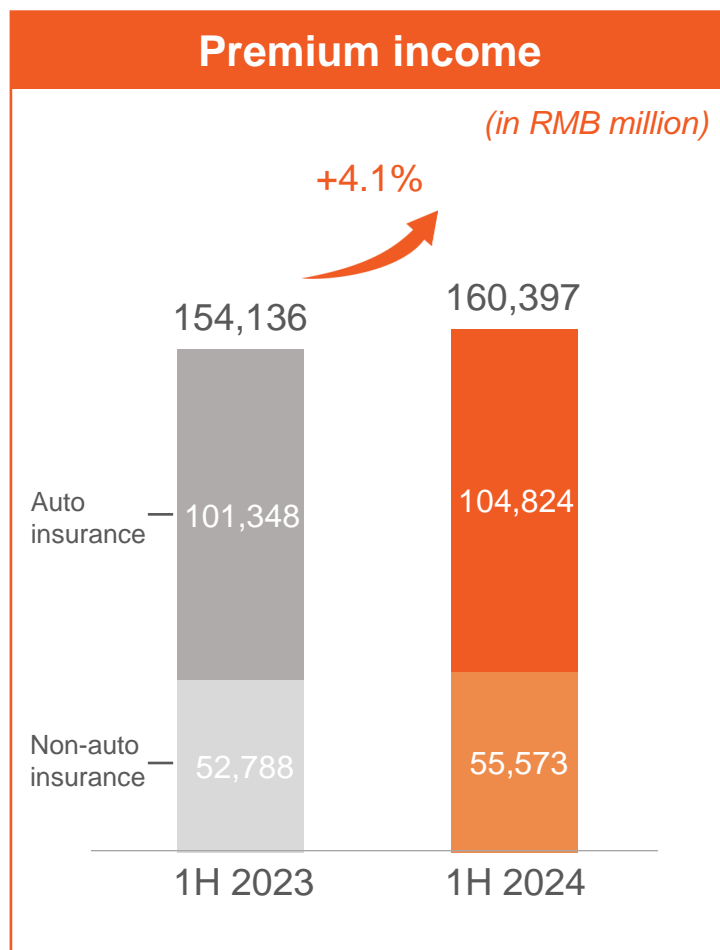
Community Grid specialists



13-month persistency ratio of retained customers



## P&C: Steady Net Profit Growth



# P&C: Robust Auto Business Quality and Enhanced Online Operation

## Auto insurance COR

+1.0 pps

97.1%

98.1%

1H 2023

1H 2024

## Registered users of “Ping An Auto Owner” app

+17.2%

(in million)

186

218

Jun 30, 2023

Jun 30, 2024

## Auto Insurance Service Quality Index evaluation

Score

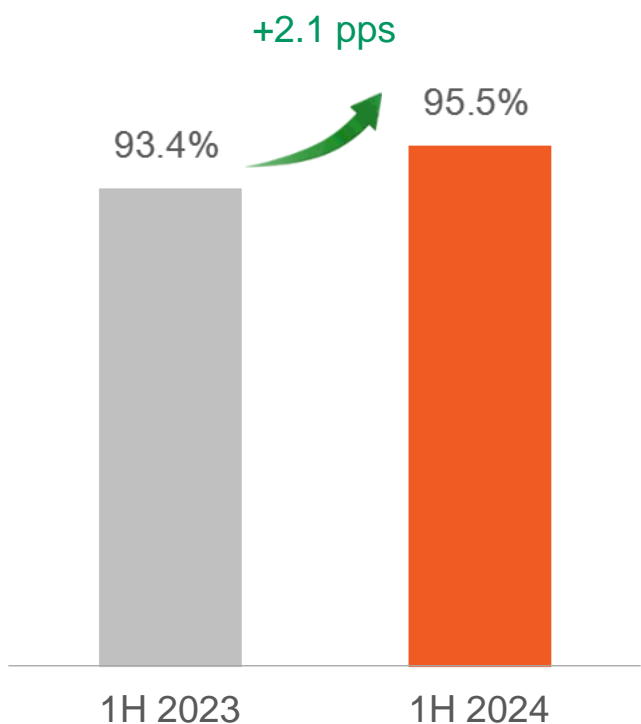
**90.87**

Ping An P&C continuously improved claims services under the “worry-free, time-saving, and money-saving” value proposition, ranking among top players in the P&C insurance industry in the Auto Insurance Service Quality Index evaluation by China Banking and Insurance Information Technology Management Co., Ltd.

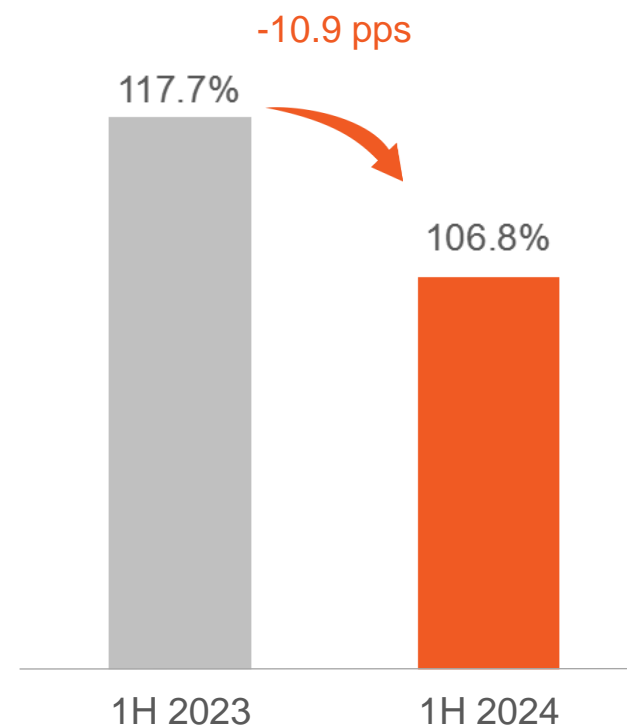


# P&C: Quality Non-auto Business; Lower COR in Guarantee Insurance

## Non-auto<sup>(1)</sup> COR (excluding guarantee insurance)

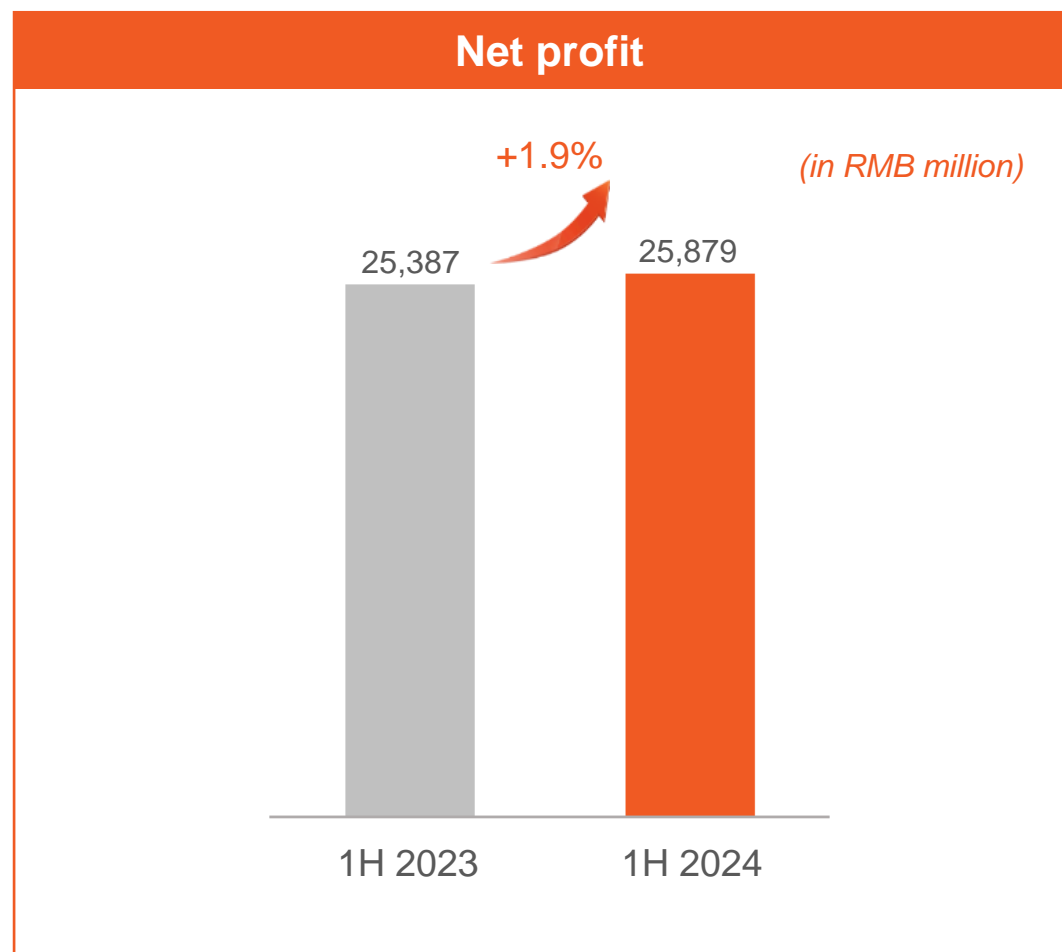
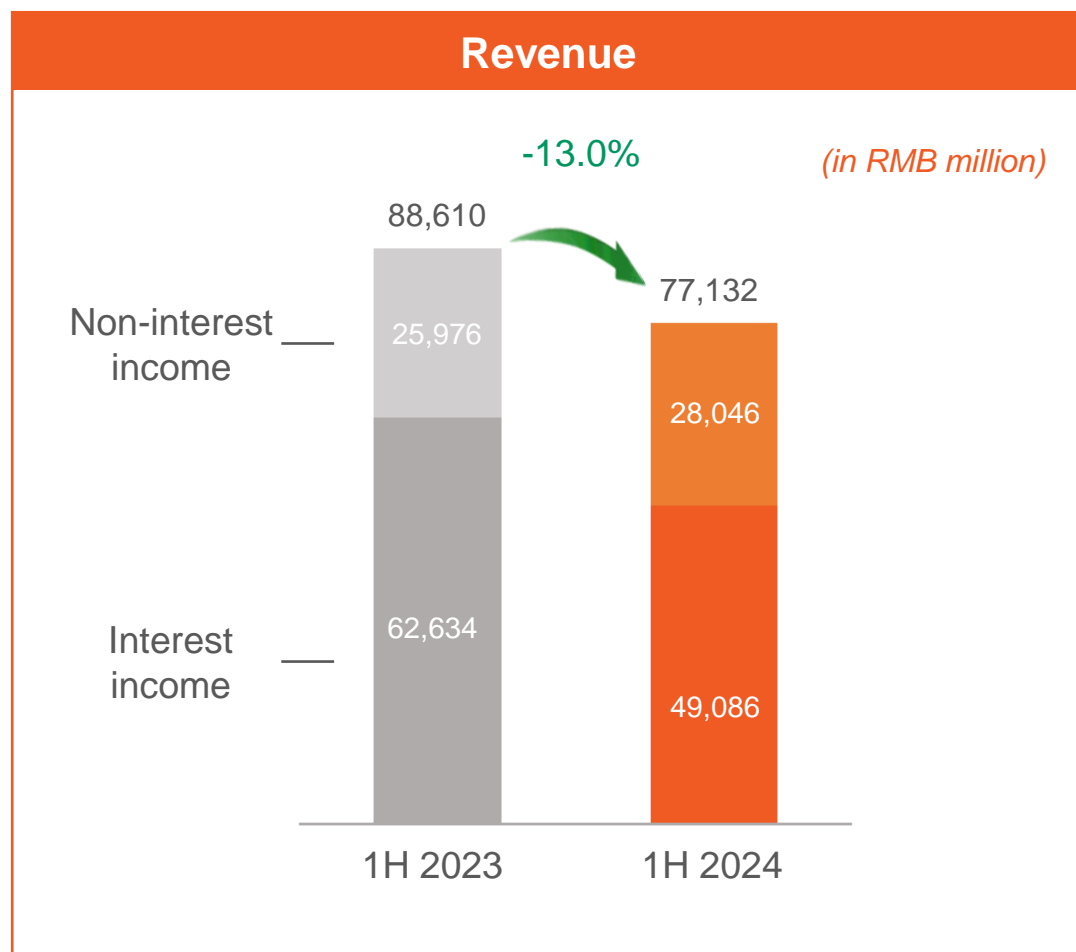


## Guarantee insurance<sup>(2)</sup> COR



Notes: (1) Non-auto insurance (excluding guarantee insurance) includes health insurance, agricultural insurance, liability insurance and corporate P&C insurance.  
(2) Ping An P&C suspended selling new financing guarantee insurance policies in 4Q 2023.

## Bank: Net Profit Maintained Growth

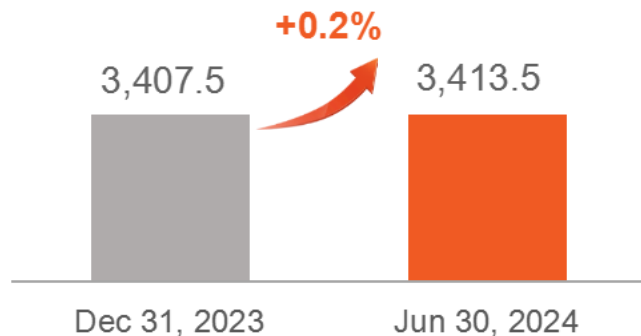


## Bank: Steady Growth in Business Scale

### Assets

Total assets **RMB5,754.0 bn** ↗ **+3.0%**

Total loans *(in RMB billion)*

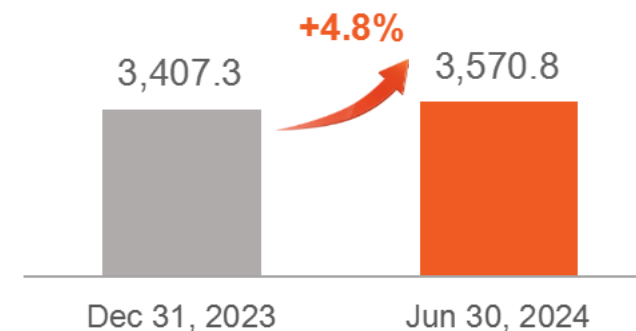


- Corporate loans **RMB1,592.1 bn** **+11.4%**
- Retail loans **RMB1,821.3 bn** **-7.9%**

### Liabilities

Total liabilities **RMB5,272.2 bn** ↗ **+3.1%**

Total deposits *(in RMB billion)*



- Corporate deposits **RMB2,280.5 bn** **+3.7%**
- Retail deposits **RMB1,290.3 bn** **+6.9%**

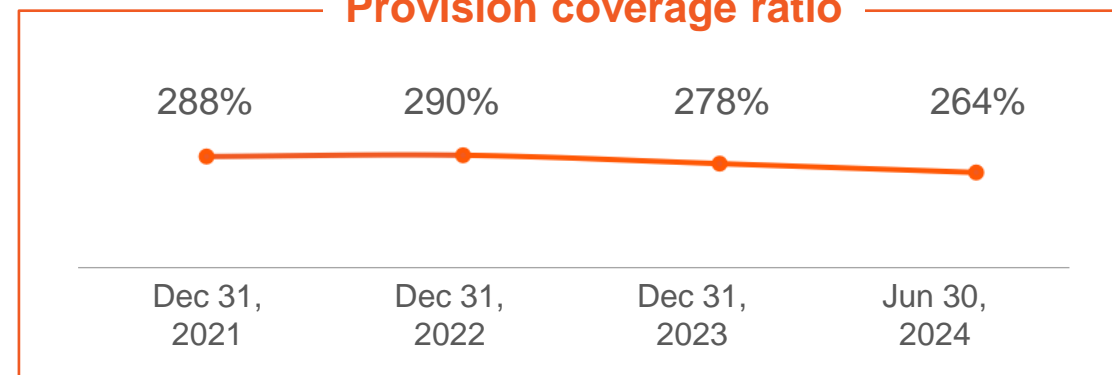
# Bank: Adequate Risk Provisions

## NPL ratio & provision coverage ratio

### NPL ratio

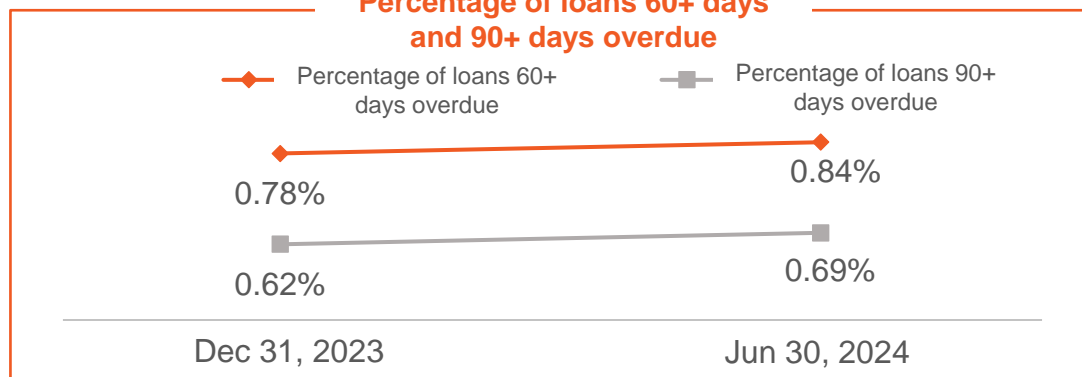


### Provision coverage ratio

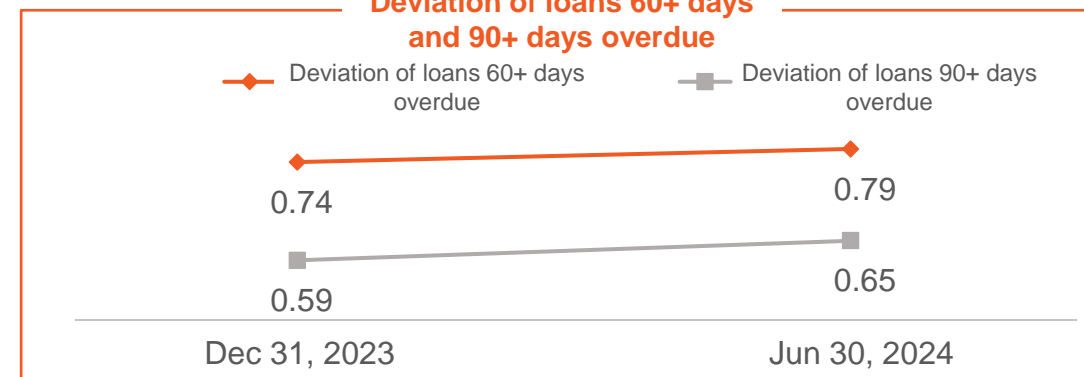


## Percentages & deviation of overdue loans

### Percentage of loans 60+ days and 90+ days overdue



### Deviation of loans 60+ days and 90+ days overdue



# 03

## Strategic Update

Michael Guo, Group Co-CEO

## Our Strategy: Integrated Finance + Health and Senior Care

Economic situation: **high-quality development**

CPC Central Committee's arrangement: **five priorities**

Demographic trends: **aging and declining birthrate**

Customer needs: **health and senior care**

**Ride the wave**

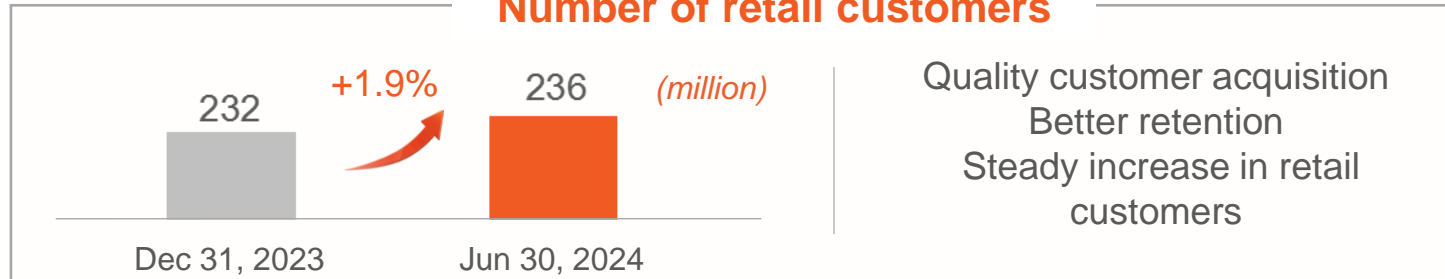
**Act ahead**

**Leading strategy**

**Through cycles**

## Integrated Finance: Proactive Adjustment, Stable Core Metrics

### Number of retail customers



### High-value customers<sup>(1)</sup>

**40mn** (+5%)  
Number of customers

**18%** (unchanged)  
Proportion

### Contracts per customer

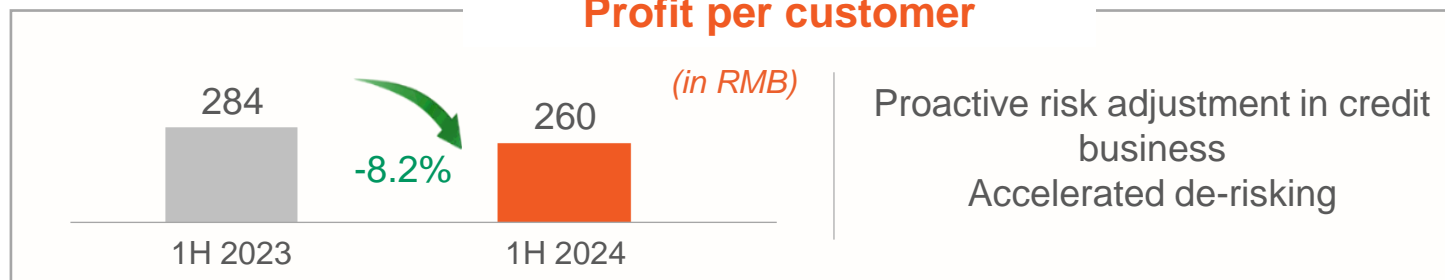


### High-growth customers<sup>(2)</sup>

**120mn** (+1%)  
Number of customers

**51%** (unchanged)  
Proportion

### Profit per customer



### Customer retention rate

**90%** (unchanged)



# Integrated Finance 2.0: From Cross-selling to Customer Operation

Large customer base

**236mn** customers

**700mn+** online users



Strong driver for high-quality development

**Integrated Finance 1.0**  
**Cross-selling**

**Product-oriented**  
**Distribution-driven**

Grow revenue through  
coordinated sales within the  
Group

**Integrated Finance 2.0**  
**Customer operation**

**Demand-oriented**  
**Data-driven**

Build synergy with “Channel +  
Product + Customer”

# Integrated Finance 2.0: From Product to Customer-Centric to Unlock Value

## Operation philosophy upgrade

Product distribution



Customer operation

Current value



Lifetime value

Product-based underwriting



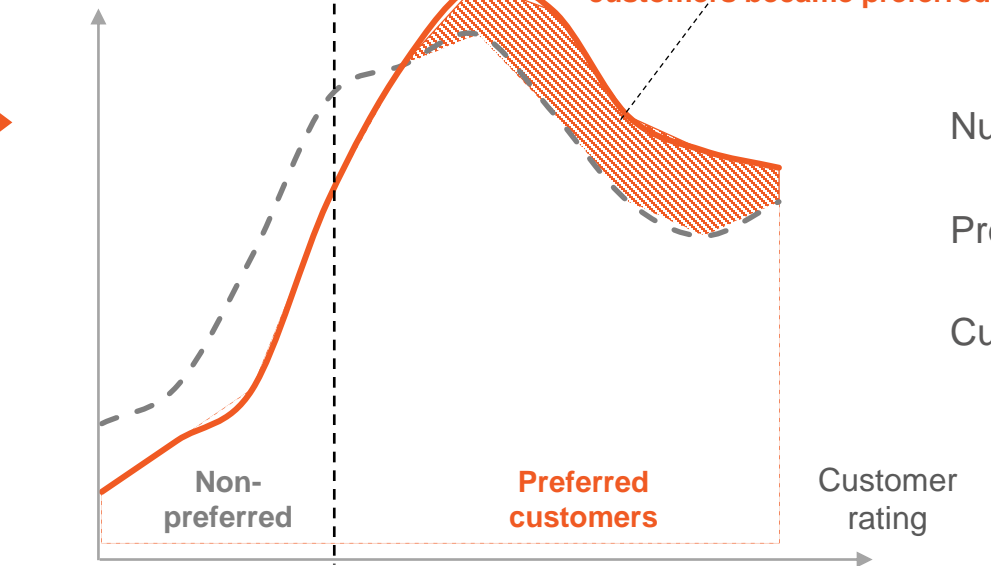
Customer-based underwriting

## Optimized underwriting — Case of auto insurance

— Customer rating system (upgraded)

- - - Auto insurance rating system (traditional)

Customer proportion (%)



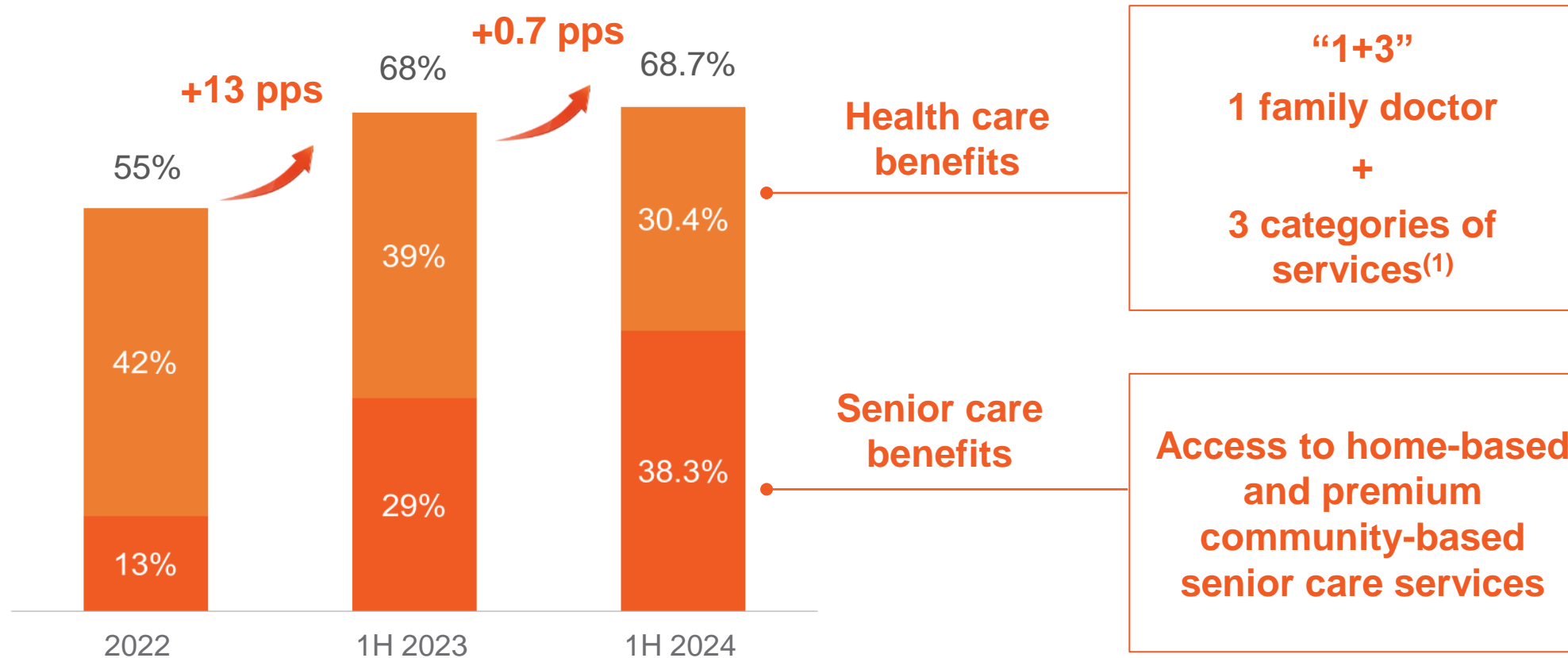
Number of customers **+3%**

Preferred customer proportion **+10 pps**

Customer profit **+3%**

## Health and Senior Care Helped Improve Service and Value Creation

Proportion of NBV from customers entitled to health and senior care services

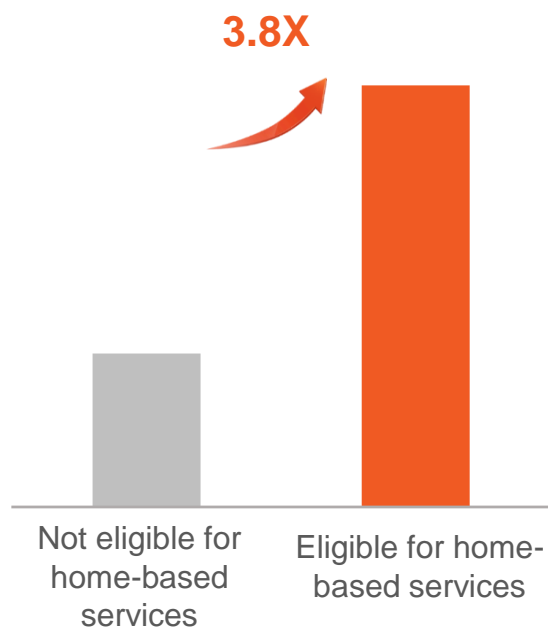


Note: (1) Health services, chronic disease services, and medical services.

## Senior Care Services Further Unlock Value for Life

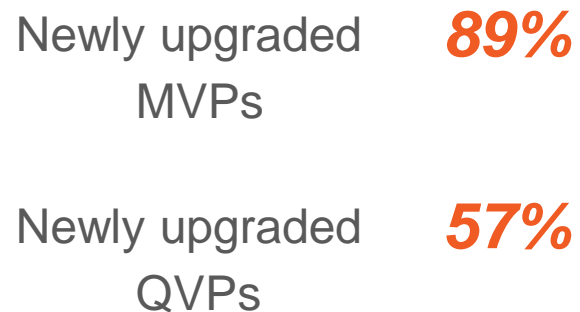
### Larger ticket size

FYP per policy<sup>(1)</sup>



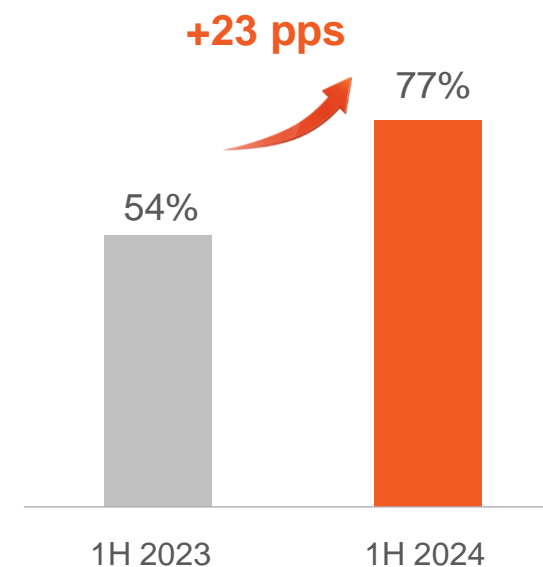
### Enable higher agent achievements

Proportion of agents selling policies with senior care services<sup>(1)</sup>



### Better customer acquisition

Proportion of high-end new customers<sup>(2)</sup> entitled to senior care services



Notes: (1) FYP per policy refers to first year premium per policy; MVPs refer to Most Valuable Professionals; QVPs refer to Qualified Valuable Professionals. Data as of Jun 30, 2024.

(2) Refers to high-end customers of the Group or customers with paid Life premiums of RMB300,000 and above.

# Home-based Senior Care: the Largest Provider; the 1st Choice for Quality Care



## Serving the most customers

**120,000+** customers entitled to services  
**60,000+** have activated services  
 Expanded to **64** cities in 3 years



## Providing most comprehensive services

**10** scenarios (medical care, dining, housing, exercise, wealth, rehabilitation, wellness, entertainment, nursing and hospice)  
**600+** service items



## Providing most professional services

**4** group standards  
 Whole-process supervision  
 Customers pay only when satisfied

### Examples of featured services

Physio-  
logical  
needs



### Home-delivered care

**Trained and qualified** caregivers;  
transparent process

Safety  
needs



### Smart guard

**35+** risks monitored;  
**24/7** concierge response

Emotional  
and psycho-  
logical  
needs



### Close companion

**8 human-like** characters;  
**24/7** online

# Home-based Senior Care: Develop 4 Alliances and Create Value with Expertise

## Medical Alliance

1+N+1 Medical service system

190mn

with chronic diseases

Full cycle management

Working with **PKU International Hospital**

- 1 specialist team
- N tailored treatment plans
- 1 online + offline disease management system
- 7 tailored chronic disease management plans

Serving times  
**4X** YoY in 1H 2024

## Nursing Alliance

5 "ones" Rehab & nursing alliance

44mn

disabled/ semi-disabled

Worry-free services

Issued the first "**Home-based Rehab & Nursing Service Standards**" with **PKUCare Rehab Hospital** and **China Association of Gerontology and Geriatrics**

Partner with **40+** service providers  
Cover **4** types of diseases and **10** rehab/nursing service items

Serving times  
**12X** YoY in 1H 2024

## Housing Alliance

PA-SAFE Home safety system

>60%

in unfriendly homes

"5-7-3" Renovation

Issued **Guidelines on Senior-friendly Home Design** with **Zhou Yanmin Studio of Tsinghua University**

- 5-minute self-assessment
- 7 space improvements
- "3-in-1" whole-process concierge

Serving times  
**3X** QoQ in 3 months after launch

## Entertainment Alliance

**FUN friends** Multilevel companion system

>60%

feel lonely

"Accompanied Study & Tour"

PKU x PA home-based class:

"Concierge-accompanied learning" program: pre-class preview, after-class discussion, final class party with classmates, and return to "youth"

**Accompanied tour and sojourn plans**

**6+** sojourn routes in  
**16 provinces**  
Senior courses in **21 cities**

Huge demand

Core competitiveness

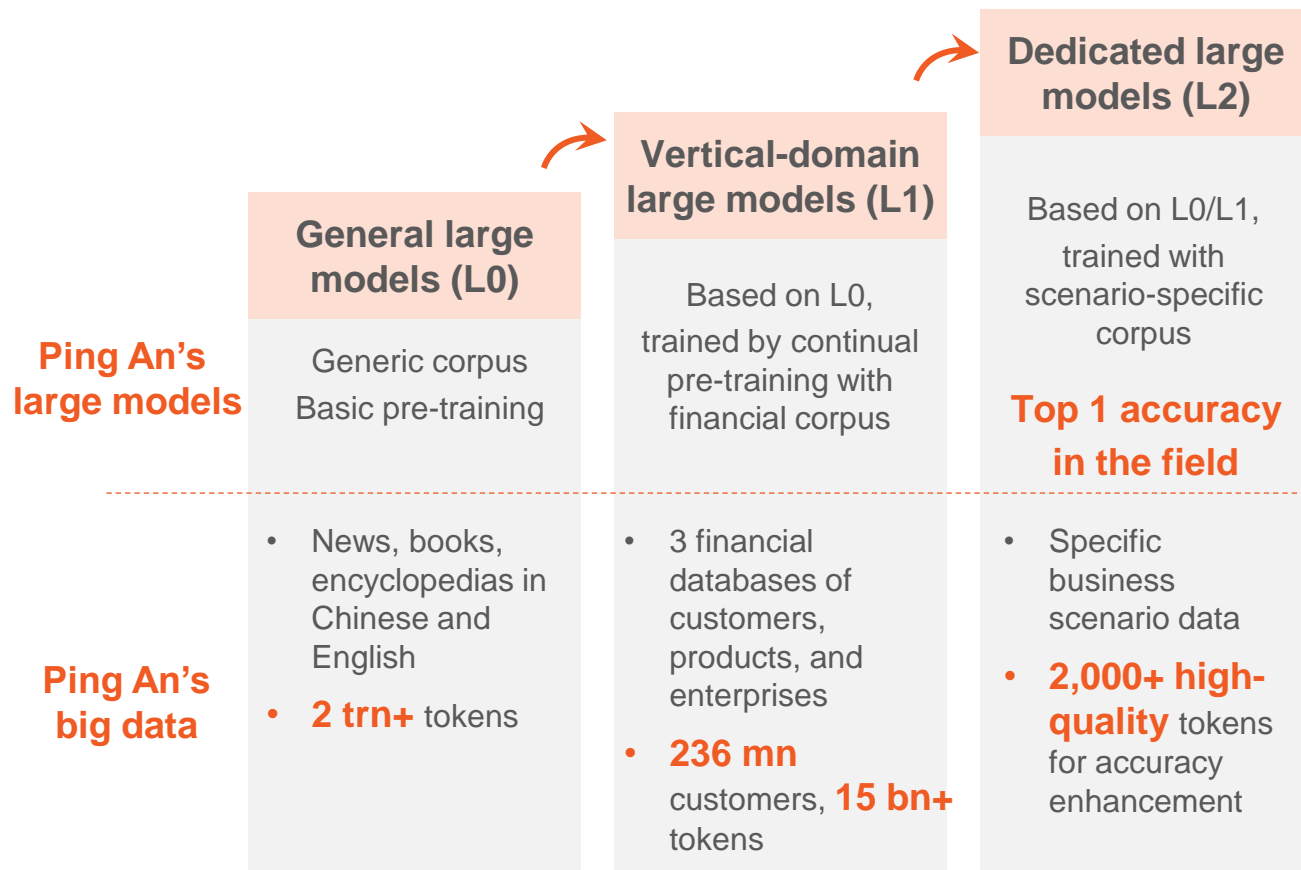
Business results

## Tech: Focus on 5 Labs, Explore Frontier Technologies

	Research	Applications
<b>Micro-expression lab</b>	<ul style="list-style-type: none"> <li>Focusing on expressions, eye movements, psychological diagnosis. Recognition accuracy of <b>39</b> expressions is <b>95%</b>, higher than competitor products.</li> </ul>	<ul style="list-style-type: none"> <li><b>Application:</b> Better control and lower cost of credit risk</li> <li><b>Effect:</b> Monitor customers' emotions, able to alert potential risks, reduce NPL ratios, serving <b>4mn+</b> customers</li> </ul>
<b>Smart voice lab</b>	<ul style="list-style-type: none"> <li>Focusing on 5 technologies, such as ASR, NLP, TTS etc., <b>leading</b> in the field of financial large language models.</li> </ul>	<ul style="list-style-type: none"> <li><b>Application:</b> Reducing operating costs in labor-intensive scenarios</li> <li><b>Effect:</b> <b>180mn</b> service volume per month, <b>80%</b> of service handled by AI service reps; <b>93%</b> of life policies underwritten within seconds, claims settled within <b>7.4</b> minutes</li> </ul>
<b>Smart image lab</b>	<ul style="list-style-type: none"> <li>Focusing on image recognition and generation; identifying <b>100k+</b> items and <b>10 mn+</b> subcategories; digital human at <b>top level</b>.</li> </ul>	
<b>Digital brain lab</b>	<ul style="list-style-type: none"> <li>Focusing on data acquisition, bookshelf and algorithm research; building <b>9 databases in 3 categories:</b> finance, health care, the Group.</li> </ul>	
<b>Silicon Valley lab</b>	<ul style="list-style-type: none"> <li>In-depth research on multi-modal, remote sensing, long video generation. <b>Unique</b> 3D gesture and expression generation of digital humans.</li> </ul>	<ul style="list-style-type: none"> <li><b>Exploration:</b> In-depth research on core, specialized frontier tech</li> <li><b>Incubation:</b> Frontier tech application and promotion in other labs, e.g. remote sensing in agricultural insurance</li> </ul>

# Case Study of LLM in Ping An: “AskBob” as a Professional Assistant

## Massive data for training Ping An’s large models



## Real-world applications

### AskBob-powered agents

- Q&A, search, training and assistance services for **sales, services, training, management and recruitment** scenarios
- 12mn+** inquiries responded each month, **93%** of standard cases resolved

### AskBob-powered financial advisers

- Build AI-based **marketing, claim and customer service capabilities** for **sales, operations, and service teams**
- Self-service resolution among life customers/users **94%**; AI-assisted customer service efficiency **+10%**



## Four Strategic Priorities: Progressing as Planned

1

### High-quality life agent recruitment

- **Stabilized agent force:** Stabilized agent force: The number of life agents stabilized at **340,000** and reversed a downward trend with a **2%** QoQ increase in 2Q
- **Improved productivity:** NBV per agent increased **30%** from 2023 to **RMB9,700+** per month

2

### Retail customer development

- **Improved systems:** We adopted forward-looking indicators, e.g. customer retention rate and product penetration rate, to monitor process and results
- **Innovative approaches:** We established a full-lifecycle customer value system and customer-centric underwriting and risk management systems
- **Concrete measures:** High-end customer migration, high-value customer retention, and customer acquisition via scenarios/new media marketing

3

### “Online, in-store and home-delivered” health & senior care network

- **Optimized online service experience:** We optimized end-to-end customer journeys to eliminate breakpoints with smart service robots
- **Improved in-store services:** We partnered with **100%** of 3A hospitals across China and achieved optimal turnaround time for hospital services
- **Expanded home-delivered services:** We launched home-based senior care in **10** more cities, covered **50%** more customers, and added **60+** at-home tests

4

### Digital transformation

- **Enhanced empowerment:** We advanced digital operations, digital business and digital management
- **Improved data:** We enhanced **9** databases, i.e. “**5** health care databases + **3** financial databases + **1** business operations database”
- **Advanced technology:** Our **5** labs focus on core tech breakthroughs in key areas

**Expertise Makes Life Easier**

# Q&A



## Appendices: 1H 2024 Group Operating Profit (Table A-1)

(in RMB million)

	See Table B <b>Life &amp; Health</b>	See Table C <b>P&amp;C</b>	See Table D <b>Banking</b>	<b>Asset Management</b>	<b>Technology</b>	<b>Other businesses and elimination</b>	<b>The Group</b>
<b>Operating profit attributable to shareholders of the parent company</b>	<b>54,657</b>	<b>9,909</b>	<b>14,999</b>	<b>1,296</b>	<b>291</b>	<b>(2,670)</b>	<b>78,482</b>
Operating profit attributable to non-controlling interests	1,644	45	10,880	389	581	578	14,117
<b>Operating profit (A)</b>	<b>56,301</b>	<b>9,954</b>	<b>25,879</b>	<b>1,685</b>	<b>872</b>	<b>(2,092)</b>	<b>92,599</b>
Plus:							
Short-term investment variance (B)	(4,078)	-	-	-	-	-	(4,078)
Impact of one-off material non-operating items and others (C)	-	-	-	-	182	-	182
<b>Net profit (D = A + B + C)</b>	<b>52,224</b>	<b>9,954</b>	<b>25,879</b>	<b>1,685</b>	<b>1,054</b>	<b>(2,092)</b>	<b>88,704</b>
<b>Net profit attributable to shareholders of the parent company</b>	<b>50,612</b>	<b>9,909</b>	<b>14,999</b>	<b>1,296</b>	<b>473</b>	<b>(2,670)</b>	<b>74,619</b>
Net profit attributable to non-controlling interests	1,612	45	10,880	389	581	578	14,085

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

## Appendices: 1H 2023 Group Operating Profit (Table A-2, Restated)

(in RMB million)

	See Table B <b>Life &amp; Health</b>	See Table C <b>P&amp;C</b>	See Table D <b>Banking</b>	<b>Asset Management</b>	<b>Technology</b>	<b>Other businesses and elimination</b>	<b>The Group</b>
<b>Operating profit attributable to shareholders of the parent company</b>	<b>54,288</b>	<b>9,242</b>	<b>14,714</b>	<b>1,412</b>	<b>1,735</b>	<b>(2,441)</b>	<b>78,950</b>
Operating profit attributable to non-controlling interests	1,276	43	10,673	564	515	576	13,647
<b>Operating profit (A)</b>	<b>55,564</b>	<b>9,285</b>	<b>25,387</b>	<b>1,976</b>	<b>2,250</b>	<b>(1,865)</b>	<b>92,597</b>
Plus:							
Short-term investment variance (B)	(9,229)	-	-	-	-	-	(9,229)
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: L&H's Changes in CSM

<i>(in RMB million)</i>	1H 2024	1H 2023	Notes
<b>Opening CSM</b>	<b>768,440</b>	<b>818,683</b>	<b>A</b>
Contribution from new business	23,737	27,157	<b>B</b>
Present value of expected premiums from new business sold	229,530	257,100	<b>C</b>
New business CSM margin (%)	10.3	10.6	<b>D=B/C</b>
Expected interest growth	11,802	12,445	<b>E</b>
Changes in estimates that adjust CSM <sup>(1)</sup>	1,472	(7,840)	<b>F</b>
Changes in financial risks of insurance contracts subject to the VFA	5,478	5,713	<b>G</b>
<b>CSM release base</b>	<b>810,928</b>	<b>856,159</b>	<b>H=A+B+E+F+G</b>
Release of CSM	(36,529)	(38,665)	<b>I=X%*H</b>
<b>Closing CSM</b>	<b>774,399</b>	<b>817,494</b>	<b>J=H+I</b>

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

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

## Appendices: L&H Earnings (Table B)

<i>(in RMB million)</i>	1H 2024	1H 2023	Notes
<b>Insurance service result and others</b>	<b>47,047</b>	<b>48,115</b>	<b>A=B+E+H</b>
Release of CSM	36,529	38,665	B
CSM release base	810,928	856,159	C
CSM release rate (annualized, %)	9.0	9.0	$D=B/C*2$
Change in risk adjustment for non-financial risk	3,438	3,025	E
Opening risk adjustment	157,162	142,249	F
Risk adjustment release rate (annualized, %)	4.4	4.3	$G=E/F*2$
Operating variances and others	7,079	6,425	H
<b>Investment service result</b>	<b>15,085</b>	<b>13,460</b>	<b>I</b>
<b>Operating profit before tax</b>	<b>62,132</b>	<b>61,575</b>	<b>J=A+I</b>
Income tax	(5,831)	(6,012)	
<b>Operating profit</b>	<b>56,301</b>	<b>55,564</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 2024	1H 2023	Notes
Insurance revenue	161,910	155,899	A
Insurance service expenses	(153,557)	(148,330)	B
Net expense from reinsurance contracts held	(1,657)	(1,768)	C
Net insurance financial result and others	(3,164)	(2,748)	D
<b>Underwriting profit</b>	<b>3,532</b>	<b>3,053</b>	<b>E=A+B+C+D</b>
COR (%)	97.8	98.0	<b>F=- (B+C+D)/A</b>
Total investment income	8,586	8,044	G
Other net revenue and expenses	(329)	(453)	H
<b>Profit before tax</b>	<b>11,789</b>	<b>10,644</b>	<b>I=E+G+H</b>
Income tax	(1,835)	(1,359)	
<b>Net profit</b>	<b>9,954</b>	<b>9,285</b>	<b>See Table A</b>
<b>Operating profit</b>	<b>9,954</b>	<b>9,285</b>	<b>See Table A</b>

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

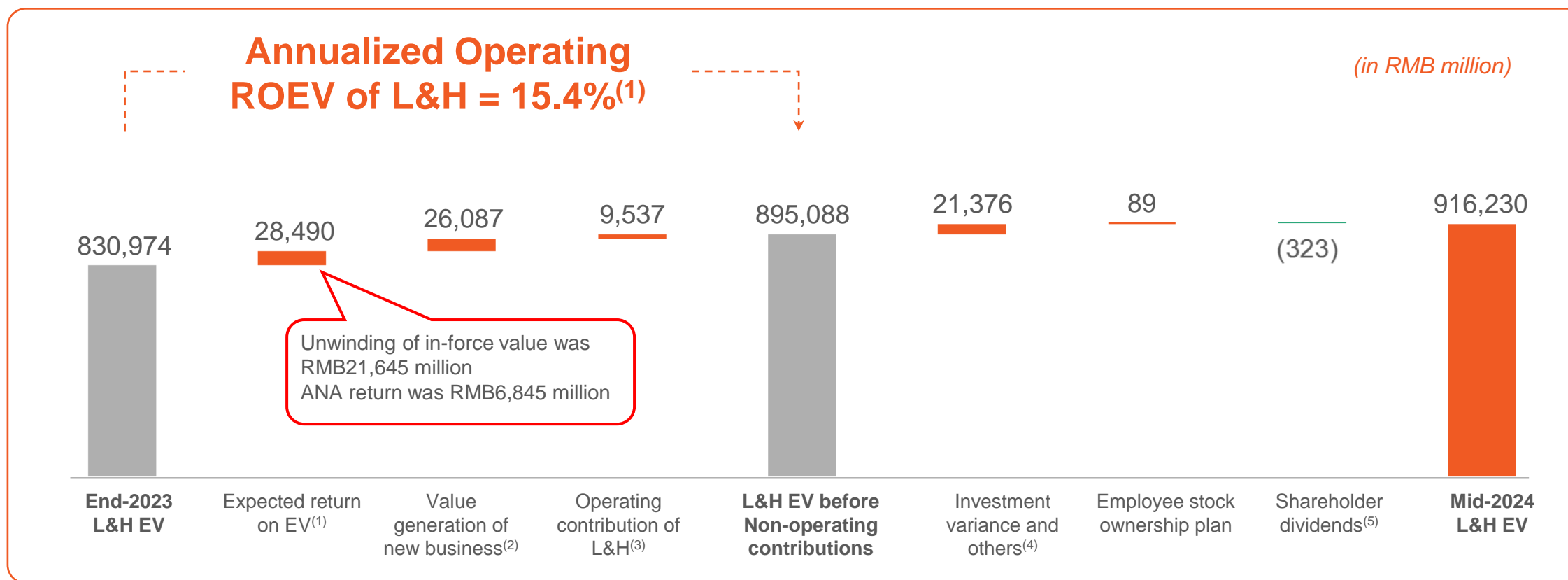


## Appendices: Banking Earnings (Table D)

<i>(in RMB million)</i>	1H 2024	1H 2023	Notes
Net interest revenue	49,086	62,634	A=BxC
Average balance of interest-earning assets	5,038,878	4,955,321	B
Net interest margin (unannualized, %)	0.97	1.26	C
Net non-interest revenue	28,046	25,976	
<b>Revenue</b>	<b>77,132</b>	<b>88,610</b>	<b>D</b>
General and administrative expenses	(21,109)	(23,438)	E=-(DxF)
Cost-to-income ratio (%)	27.37	26.45	F
Tax and surcharges	(783)	(874)	
<b>Operating profit before impairment losses on assets</b>	<b>55,240</b>	<b>64,298</b>	
Impairment losses on credit and other assets	(23,153)	(32,361)	
Including: Loan impairment loss	(23,775)	(27,663)	G=-(HxI)
Average balance of loans and advances	3,420,025	3,379,434	H
Credit cost (unannualized, %)	0.70	0.82	I
Other expenses	(110)	(4)	
<b>Profit before tax</b>	<b>31,977</b>	<b>31,933</b>	
Income tax	(6,098)	(6,546)	
<b>Net profit</b>	<b>25,879</b>	<b>25,387</b>	<b>See Table A</b>

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

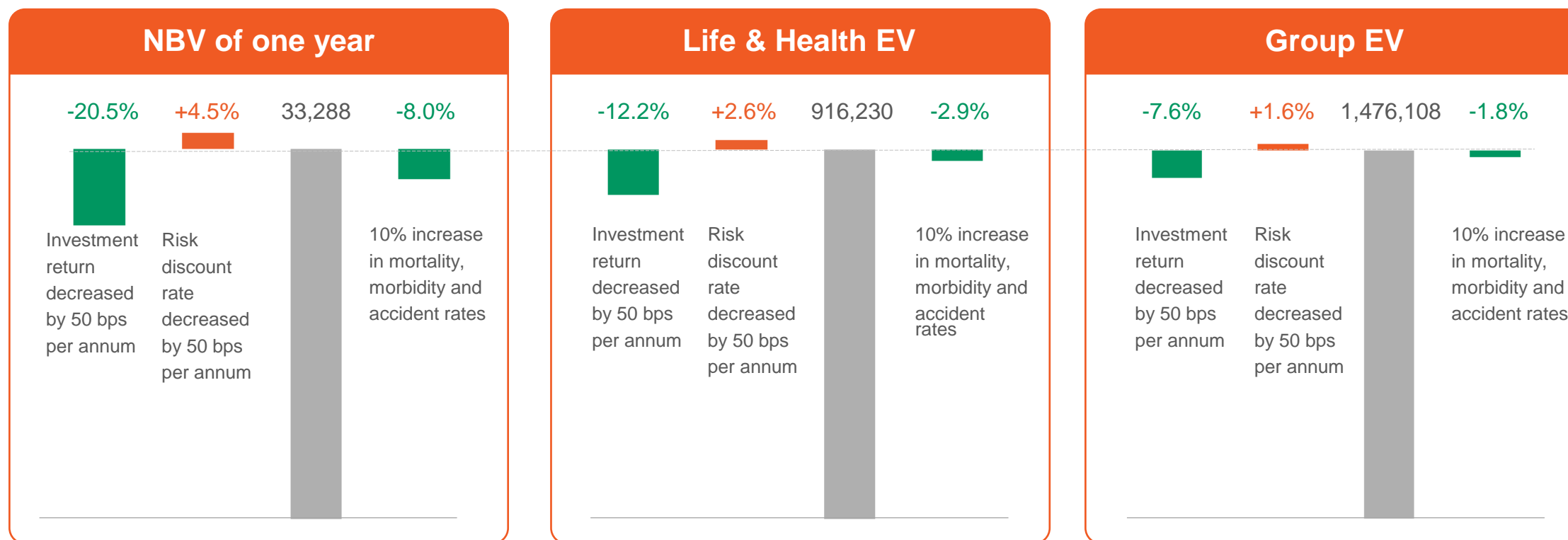
# Appendices: L&H Delivered a 15.4% Annualized Operating ROEV



- Notes:
- (1) Expected return on opening EV is based on a 4.5% long-run investment return and a 9.5% risk discount rate. Annualized operating ROEV equals to 1H operating ROEV multiplied by 2.
  - (2) Value generation of new business includes NBV (RMB22,320 million) and risk diversification effects (RMB3,767 million).
  - (3) Operating contribution of L&H includes operating assumptions and model changes (RMB-31 million), L&H operating variance and others (RMB9,568 million).
  - (4) Investment variance and others include the investment variance, market value adjustments, and other impacts.
  - (5) Dividends upstreamed from Ping An Health Insurance to the Group (RMB323 million).
  - (6) Figures may not match the calculation due to rounding.

# Appendices: Sensitivity of NBV and EV to Future Investment Return, Risk Discount Rate and Incidence

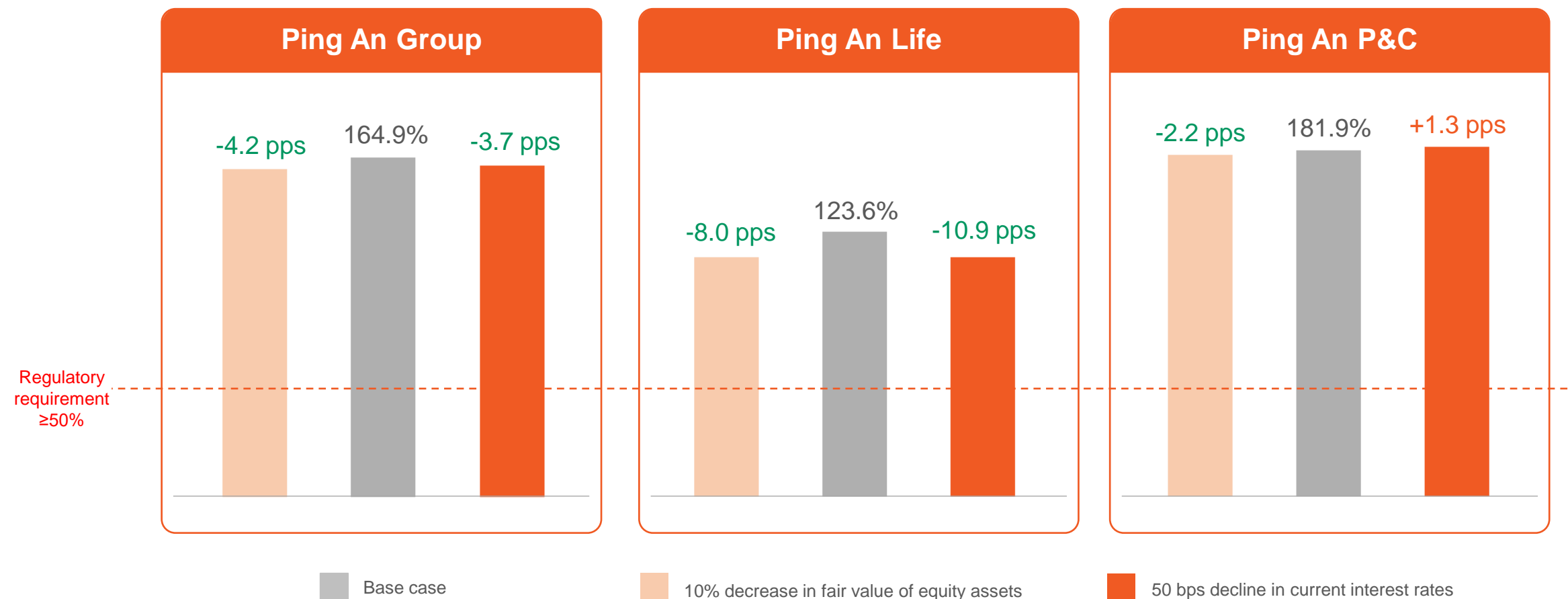
(in RMB million)



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: Sensitivity of Core Solvency Margin Ratio



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

# Appendices: Nominal Yield on Debt Schemes and Debt WMPs: 4.6%

Debt schemes and debt WMPs

Scale: **RMB384.3 billion**

Proportion: **7.4%**



	% of total investments	Nominal yield (%)	Remaining maturity (year)
<b>Infrastructure</b>	<b>4.5</b>	<b>4.6</b>	<b>4.0</b>
Expressway	0.7	4.7	2.9
Electric power	0.5	4.7	4.7
Infrastructure and development zones	1.5	4.6	5.0
Others (water supply, environmental protection, railway, etc.)	1.8	4.6	3.4
<b>Non-banking financial services<sup>(1)</sup></b>	<b>1.0</b>	<b>4.9</b>	<b>2.1</b>
<b>Real estate industry<sup>(2)</sup></b>	<b>0.9</b>	<b>4.7</b>	<b>2.5</b>
<b>Others</b>	<b>1.0</b>	<b>4.4</b>	<b>2.9</b>
<b>Total</b>	<b>7.4</b>	<b>4.6</b>	<b>3.4</b>

- Over **96.4%** of the debt schemes and trust schemes have **AAA** external credit ratings
- Apart from some high-credit rating entities, the vast majority of the assets held 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: real estate debt schemes directly invested in property projects; and trust schemes, infrastructure investment schemes, project related ABSs, etc. with funds used in connection with real estate companies.

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