

中国平安 PINGAN

金融 · 科技

2021 Annual Results

March 2022



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. 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. 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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President and Co-CEO

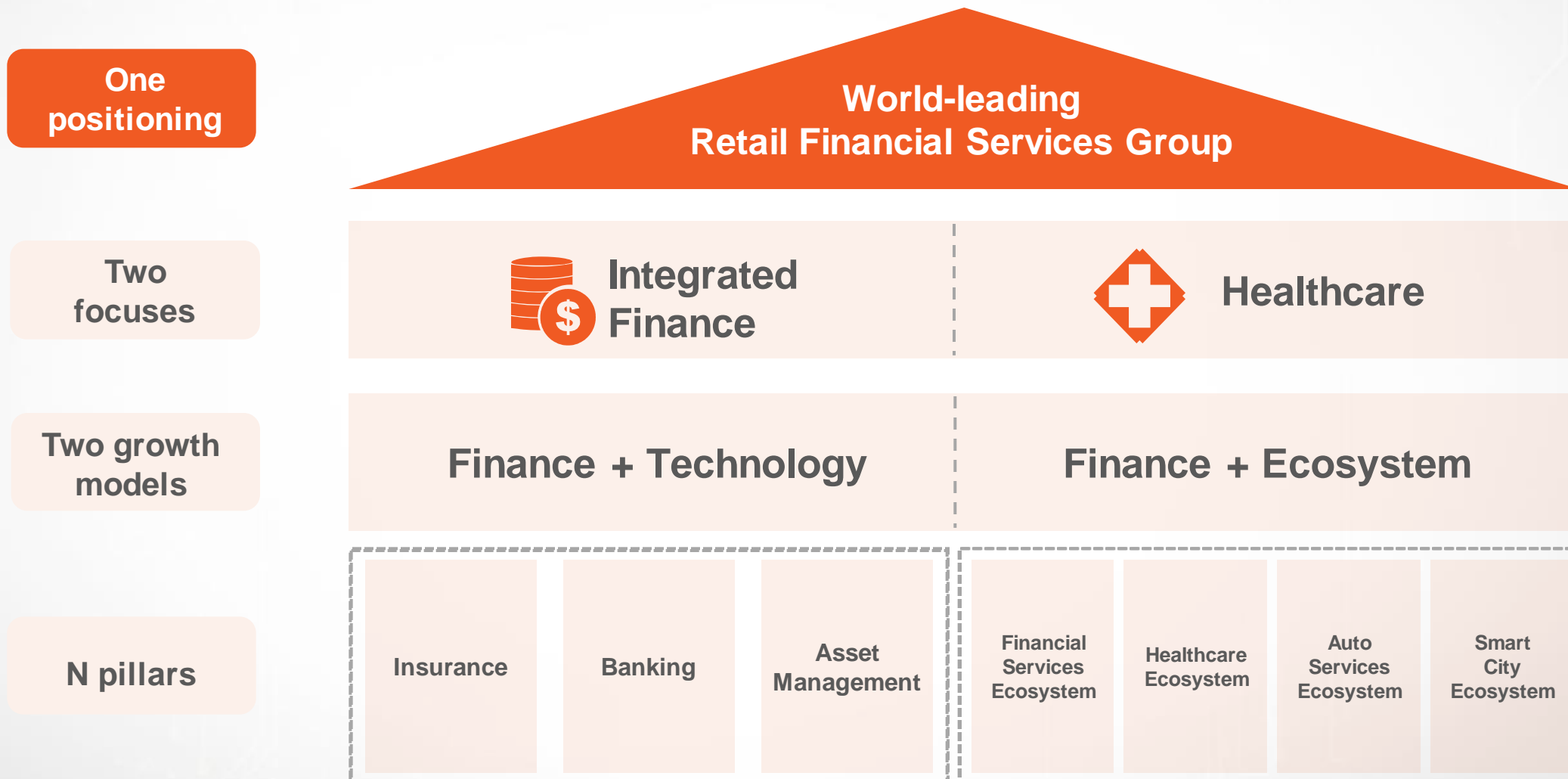
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Co-CEO and CFO

Ping An's strategies: advance the “integrated finance + healthcare” strategic upgrade, and build the “integrated finance + HMO managed care” service system



2021 Business Highlights

(RMB)

Operating profit⁽¹⁾

147,961 million

+6.1%

Dividend per
share

2.38/share

+8.2%

Operating ROE

18.9%

Net profit⁽¹⁾

101,618 million

-29.0%

L&H EV

876,490 million

+6.3%

L&H operating
profit⁽¹⁾

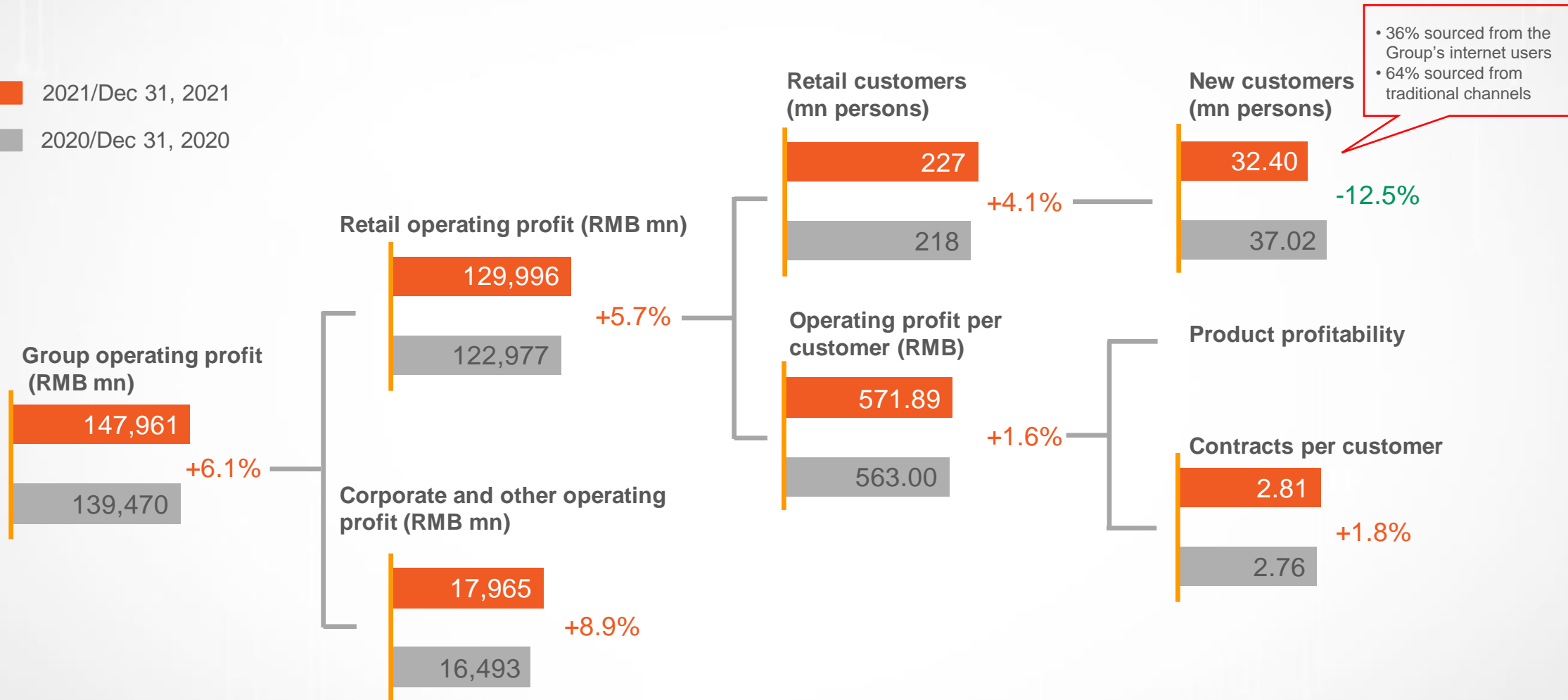
95,906 million

+3.5%

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

OPAT growth drivers: 88% Retail vs 12% Corporate & Other

■ 2021/Dec 31, 2021
 ■ 2020/Dec 31, 2020



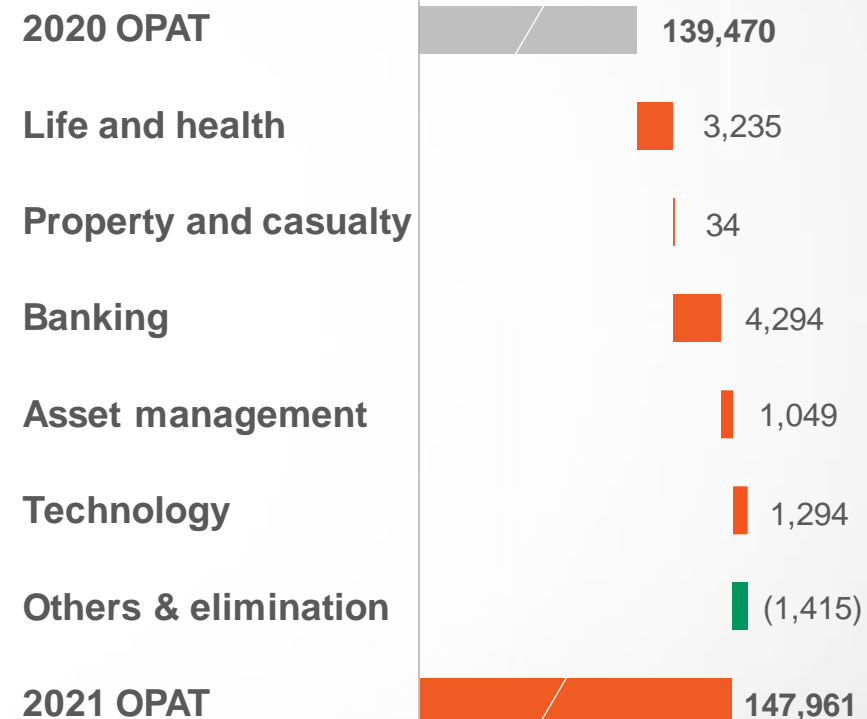
Notes: (1) Operating profit refers to the operating profit attributable to shareholders of the parent company.
 (2) Figures may not match the calculation due to rounding.

Group operating profit rose 6.1% YoY

(in RMB million)

	2021	Proportion (%)	YoY Change (%)
Life and health	95,906	64.8	3.5
Property and casualty	16,117	10.9	0.2
Banking	21,060	14.2	25.6
Asset management ⁽¹⁾	12,221	8.3	9.4
Technology ⁽²⁾	7,948	5.4	19.5
Others & elimination	(5,291)	(3.6)	36.5
The Group	147,961	100.0	6.1

Operating profit growth drivers



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

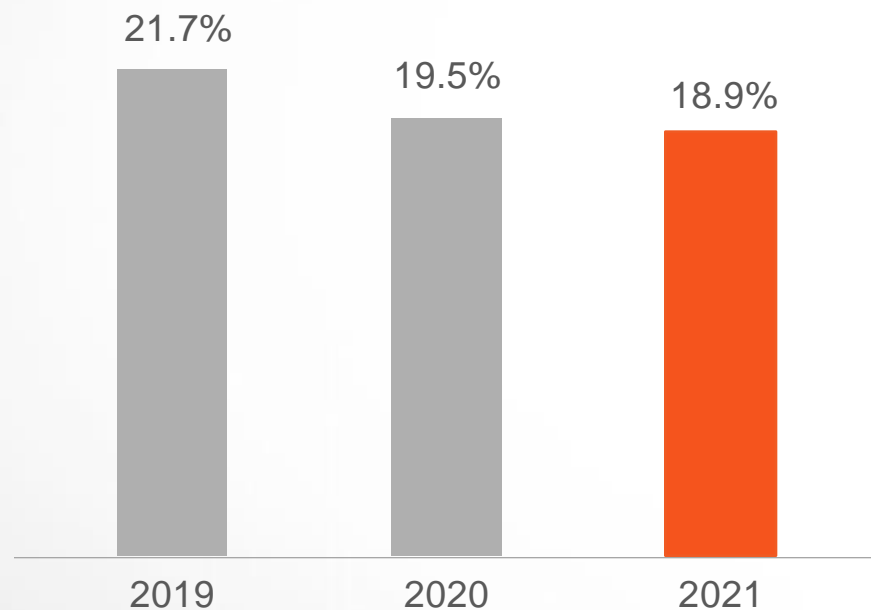
(2) The technology business represents the results of subsidiaries, associates and joint ventures that engage in technology business including Autohome, Lufax Holding, OneConnect, and Ping An Health.

(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.

Delivered an 18.9% operating ROE in 2021

Operating ROE



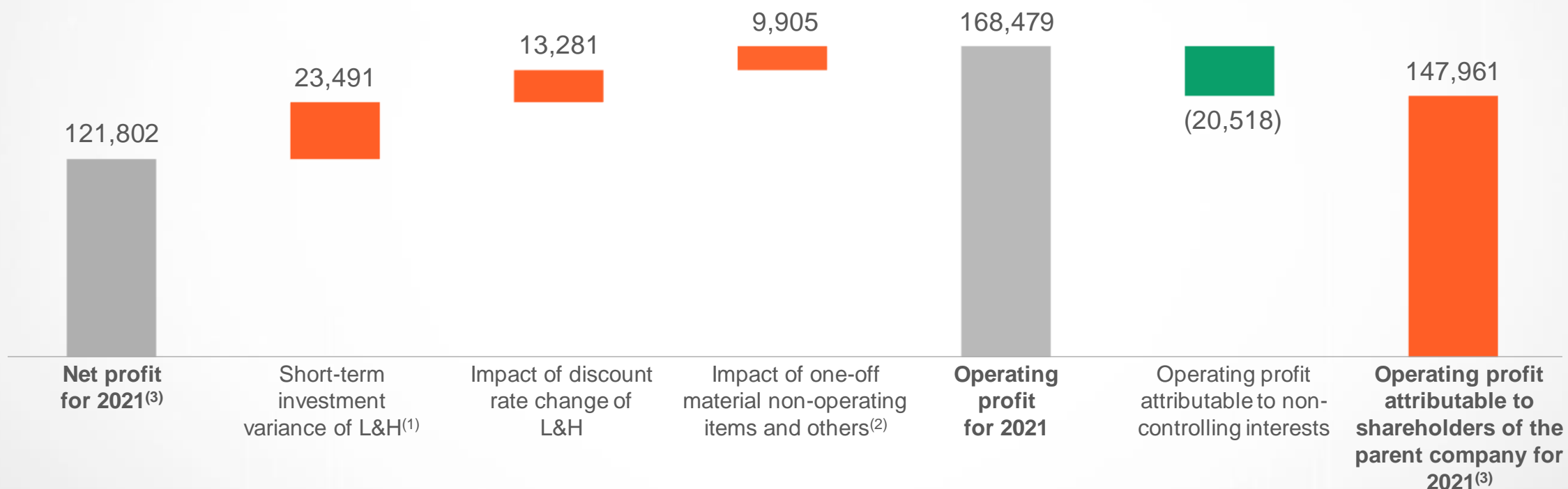
Operating ROE by segment

(%)	2021
Life and health	32.3
Property and casualty	14.8
Banking	10.9
Asset management	11.3
Technology	8.0
The Group	18.9

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 material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses, which in 2021 refers to the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Group.

(3) Ping An made adjustments including impairment provisions, valuation adjustments, and equity method adjustments totaling RMB43.2 billion to investments related to China Fortune Land Development in 2021. The impacts on net profit after tax attributable to shareholders of the parent company and operating profit after tax attributable to shareholders of the parent company were negative RMB24.3 billion and negative RMB7.3 billion respectively.

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

L&H operating profit attributable to shareholders of the parent company rose 3.5% YoY

(in RMB million)

		2021	2020	YoY change (%)
End-2020 residual margin of L&H	960,183			
Contribution from new business	55,905			
Expected interest growth	36,505			
Lapse variances and others	(29,373)			
Release of residual margin	(82,488)			
End-2021 residual margin of L&H	940,733			
Release of residual margin		82,488	81,583	1.1
Return on net worth ⁽¹⁾		14,567	13,170	10.6
Spread income ⁽²⁾		4,823	4,565	5.6
Operating variances and others ⁽³⁾		7,436	4,607	61.4
Operating profit before tax		109,314	103,926	5.2
Income tax		(12,239)	(10,260)	19.3
Operating profit after tax		97,075	93,666	3.6
Operating profit attributable to the parent company		95,906	92,672	3.5

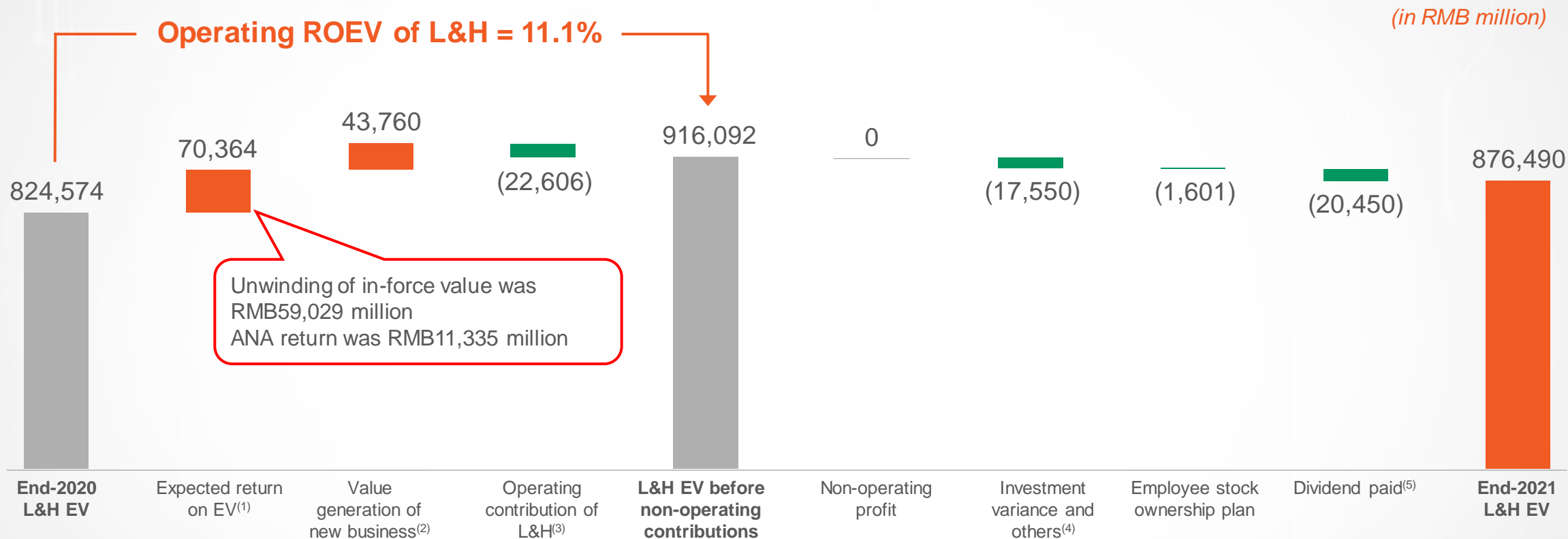
Notes: (1) Return on net worth is the investment return on shareholder equity based on the EV long-run investment return assumption (5%).

(2) Spread income is the expected investment return from assets backing contract liability based on the EV long-run investment return assumption (5%) exceeding the interest required on contract liability.

(3) Operating variances and others increased 61.4% YoY, largely because the increase in long-term life insurance policyholders' reserve reduced the year-on-year base for operating variances and others as the result of significant adjustments of non-economic assumptions in 2020. The positive operating variances and others in 2021 reflected the better-than-assumed operating experience.

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

L&H delivered an operating ROEV of 11.1%



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

(2) Value generation of new business includes NBV (RMB37,898 million) and risk diversification effects (RMB5,863 million).

(3) Operating contribution of L&H includes operating assumptions and model changes (RMB-5,876 million), L&H operating variance and others (RMB-16,730 million). The operating variances and others declined as new business growth declined and policy persistency ratios fluctuated.

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

(5) Dividends paid by Ping An Life to the Group amounted to RMB20,450 million.

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

L&H NBV fell as the uncertainties in the economic situations tempered consumer spending on long-term protection products

	NBV	Change (%)	NBV Margin (%)	Change (pps)
<i>(in RMB million)</i>				
Retail business	37,330	(23.4)	38.4	(9.0)
Agent channel	31,076	(27.6)	43.1	(11.8)
Protection & Saving hybrid (short-PPP)	7,178	16.0	19.5	0.7
Protection & Saving hybrid (long-PPP) ⁽¹⁾	7,560	5.1	47.5	(8.1)
Long-term protection ⁽²⁾	12,512	(51.4)	86.7	(9.3)
Short-term insurance	3,827	1.4	75.6	8.4
Telemarketing, internet and others	4,485	5.9	28.2	0.8
Bancassurance	1,769	9.9	19.3	1.6
Group business	568	(30.8)	1.5	(0.3)
Total NBV	37,898	(23.6)	27.8	(5.5)

High-protection business

Notes: (1) PPP stands for Premium Payment Period. Protection & Saving hybrid (Long-PPP) products cover endowment and annuity products with PPP of 10 years and above. The critical illness plus savings combination sold over recent years contains high protection elements, though its main products are classified as Long-PPP Protection & Saving hybrid due to conservative classification.

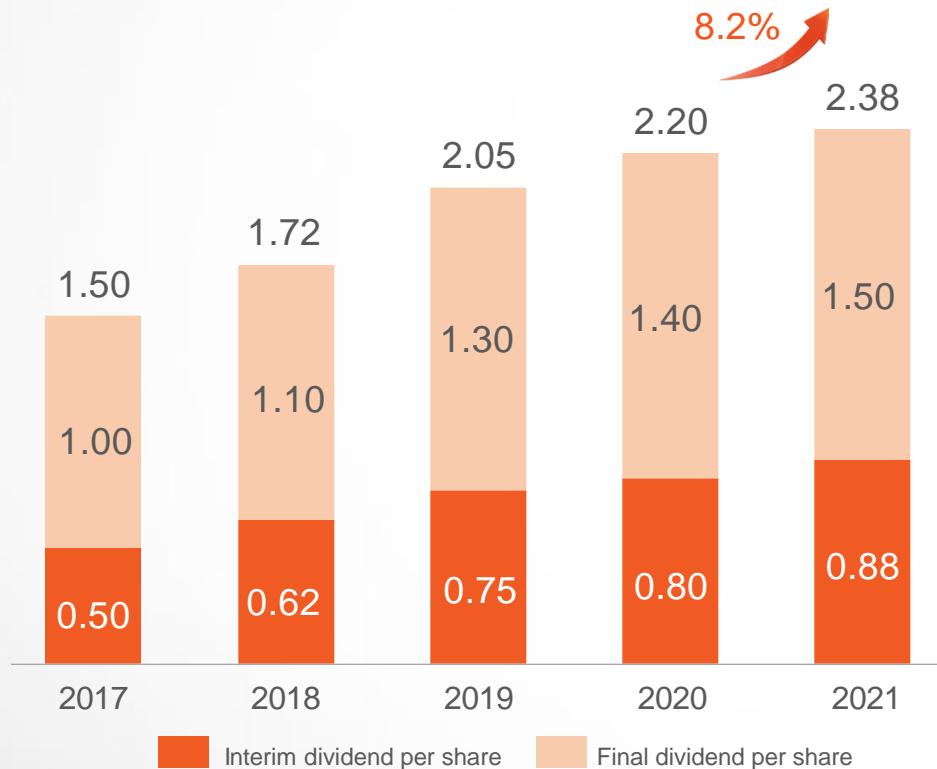
(2) Long-term protection products cover whole-life, term life, critical illness and long-term accident insurance.

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

Continued growth of cash dividends with DPS up 8.2% YoY

Attaching importance to shareholder returns with an annual cash dividend of RMB2.38 per share

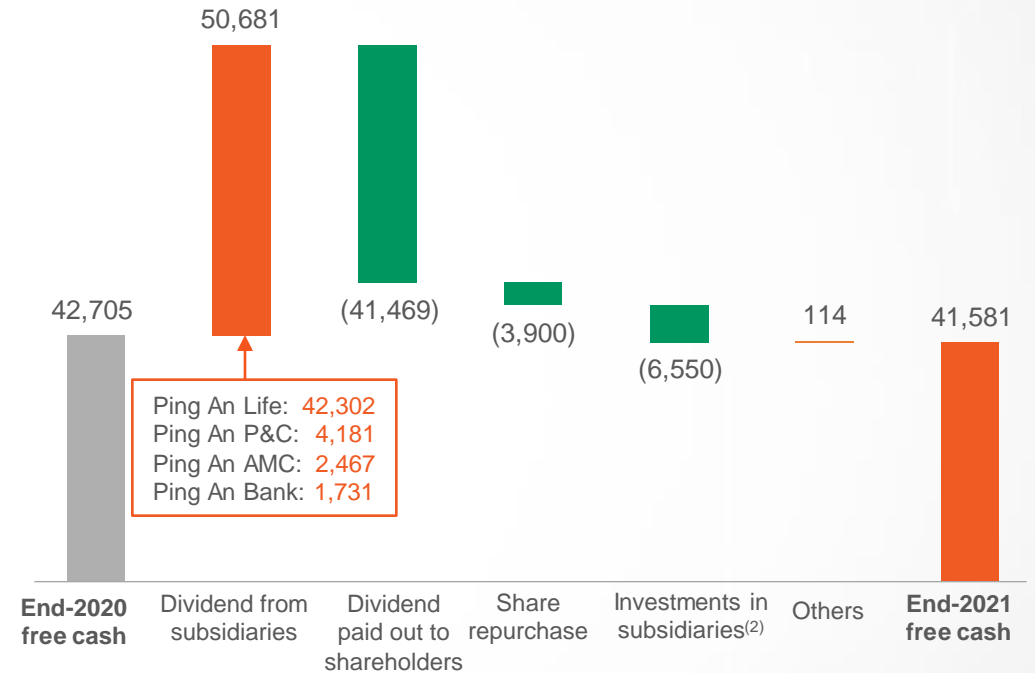
(in RMB per share)



Note: 2021 final dividend is pending approval at the 2021 Annual General Meeting.

Free cash position of the parent company remained at a reasonable level

(in RMB million)



Notes: (1) Free cash of the parent company includes bonds, equity securities, 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.
 (2) The Company's investments in subsidiaries in 2021 mainly comprised capital injections into Ping An Annuity and Ping An Health Insurance, which are pending regulatory approval.

Share repurchase



Proposal

- The 4th meeting of the 12th Board of Directors deliberated and approved the repurchase of RMB5-10 billion worth of the Company's A shares in August 2021.
- The repurchase was funded by the Company's proprietary funds.
- The repurchase will not have any material adverse impact on the Company's operating activities, profitability, financial status, research and development capabilities, solvency or future development.

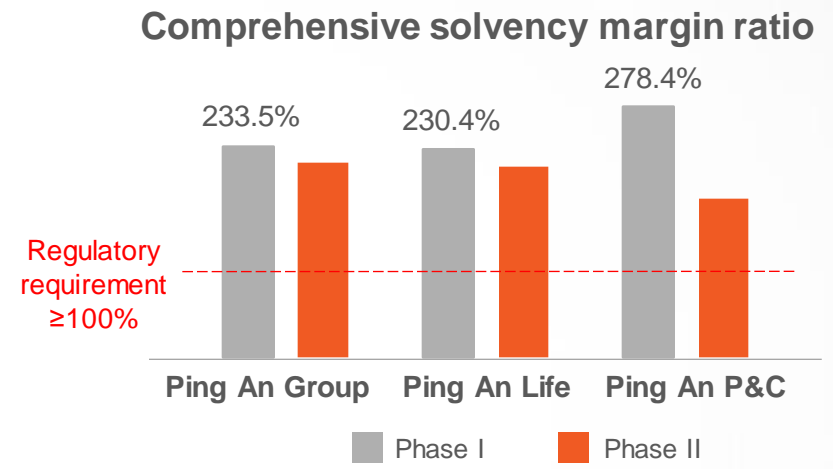
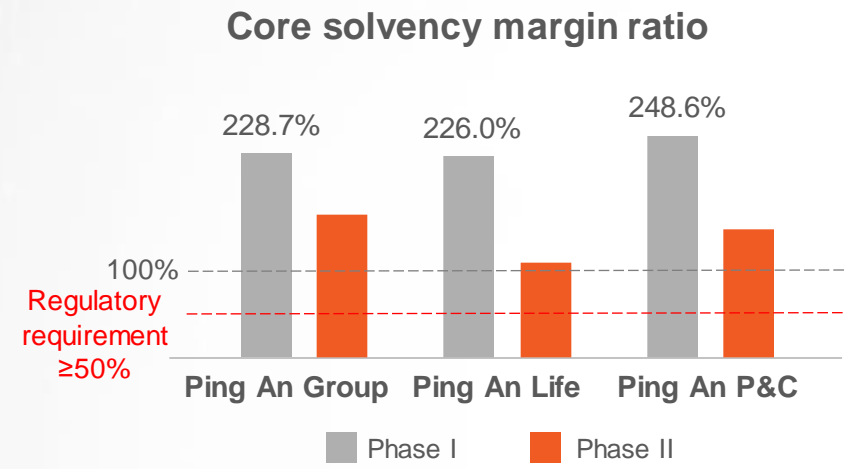


Progress

- The repurchase period is up to 12 months from the date on which the repurchase plan was deliberated and approved by the Board of the Company.
- Approximately 77.77 million shares had been repurchased for a total of RMB3.9 billion as of December 31, 2021.

Solvency margin ratios comfortably above regulatory requirements under C-ROSS Phase II Rules, effective from the Q1 2022 Report

Simulated calculation under C-ROSS Phase II Rules as of Dec 31, 2021



New rules: actual capital

- Future policy surplus is split into different types of capital
- A 35% limit is set for the share of future policy surplus in core capital whereas the excess shall be accounted for in capital liabilities

New rules: minimum capital

- Higher capital requirements for insurance businesses including financing credit insurance and auto insurance
- Look-through regulation and higher capital requirements for assets
- Inclusion of all rate-sensitive assets in the measurement of interest rate risk

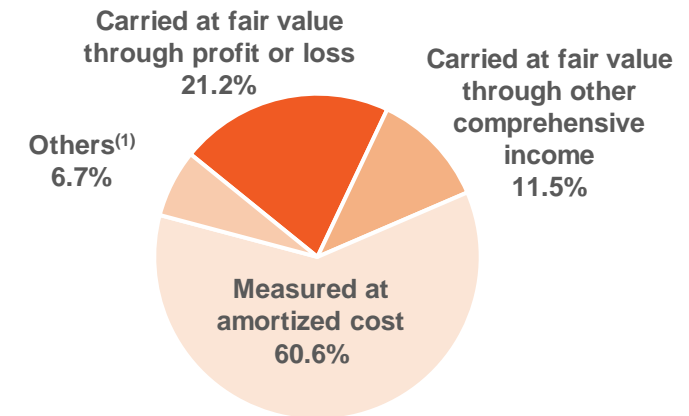
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Note: Solvency margin ratios under C-ROSS Phase II are calculated based on the *Regulatory Rules on Solvency of Insurance Companies (II)* promulgated by the CBIRC in December 2021.

Investment portfolio of insurance funds

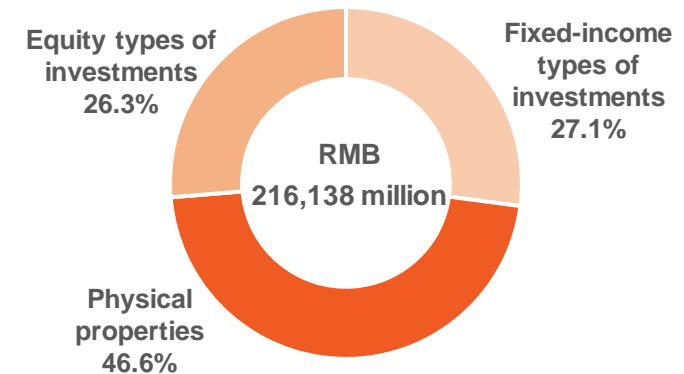
Proportion	Dec 31, 2021	Dec 31, 2020	Change (pps)
Cash and cash equivalents	2.8%	2.3%	0.5
Term deposits	5.3%	6.1%	(0.8)
Debt financial assets			
Bond investments	48.6%	50.2%	(1.6)
Bond funds	2.3%	1.3%	1.0
Preferred stocks	3.0%	3.2%	(0.2)
Perpetual bonds	1.5%	1.4%	0.1
Policy loans	4.6%	4.3%	0.3
Debt schemes	5.0%	4.3%	0.7
Wealth management products ⁽¹⁾	6.7%	6.7%	-
Equity financial assets			
Stocks	7.0%	8.4%	(1.4)
Equity funds	2.3%	1.8%	0.5
Wealth management products ⁽¹⁾	0.8%	1.1%	(0.3)
Unlisted equities	2.8%	2.2%	0.6
Long-term equity stakes	4.1%	4.2%	(0.1)
Investment properties	2.6%	1.7%	0.9
Other investments ⁽²⁾	0.6%	0.8%	(0.2)
Total investments (in RMB million)	3,916,412	3,740,581	

Investment portfolio (by accounting measurement)



Note: (1) Others include long-term equity stakes, investment properties, and derivative financial assets.

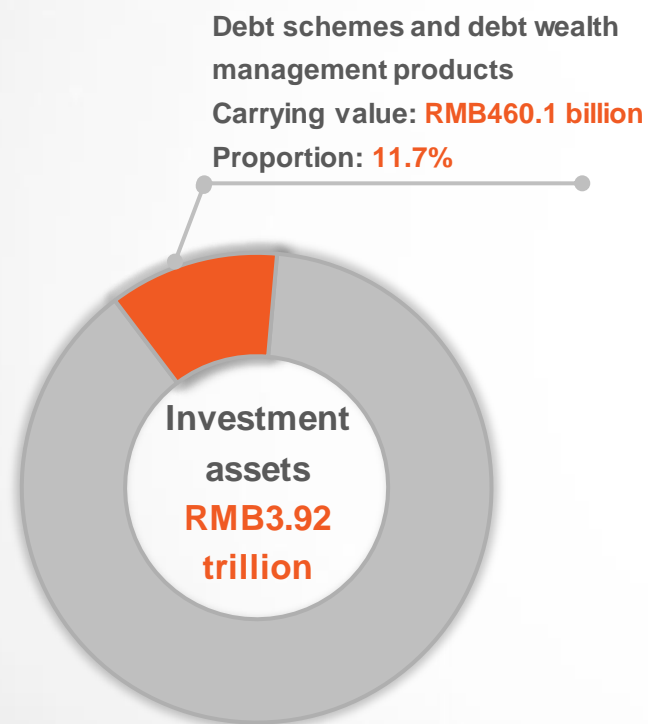
Real estate investments: 5.5% of total investments



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.

Non-standard debt assets generated 5.31% average nominal yield

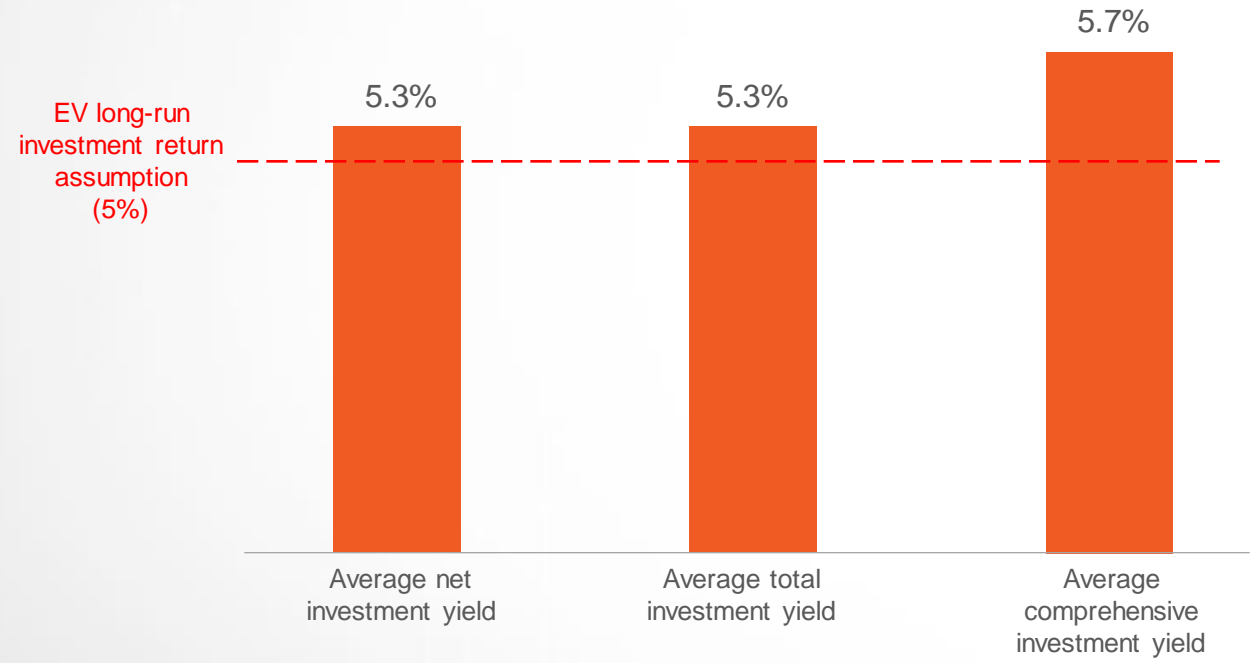


	% of total investments	Nominal yield (%)	Remaining maturity (year)
Infrastructure	4.4	5.27	4.45
Expressway	1.3	5.34	3.83
Electric power	0.8	4.84	5.21
Infrastructure and development zones	1.0	5.65	5.30
Others (water supply, environmental protection, railway...)	1.3	5.17	3.99
Non-banking financial services	2.3	5.48	3.06
Real estate industry	2.5	5.40	2.10
Coal mining	0.1	5.85	2.25
Others	2.4	5.11	3.88
Total	11.7	5.31	3.54

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 debt schemes 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%)

10-year average investment return (2012-2021)



Investment performance

	2021	2020
Net investment yield	4.6%	5.1%
Total investment yield	4.0%	6.2%

Constantly improving internal controls over investment risk management



Adjustments related to China Fortune Land Development including impairment provisions and others

- The Group made **adjustments including impairment and valuation adjustments totaling RMB43.2 billion**

to investments related to China Fortune Land

Development in 2021.

**Impairments and
adjustments:
RMB43.2 billion**

Equities:
RMB15.9 billion

Debts:
RMB27.3 billion



Review and improve the investment risk management system

Improve investment concentration management

- 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 single counterparty's proportions to net assets and net profit respectively.
- Moreover, the Company enhances the setting, using, warning, and adjustment of credit limits for major clients and the monitoring and management of risks in key sectors and risk areas. 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 a deep understanding of industry trends and cycles.

Sustainability: contribute to people's happy life and carbon neutrality

Ping An's ongoing positive impacts on the environment, society and governance (ESG)

Responsible Investment & Financing

Total responsible investment & financing was nearly **RMB1.22 trillion**

Social Responsibility

Ping An Rural Communities Support provided **RMB41.8 billion+** for poverty alleviation and industry revitalization

Green Finance

Green investments & financing reached **RMB224,580 mn**

Green banking business reached **RMB89,813 mn**

Environmentally sustainable insurance premium income totaled **RMB44,569 mn**







Green development goals

- **Green operations:** to achieve **operational carbon neutrality by 2030**
- **Green investments & credit:** to reach **RMB400 billion** by 2025
- **Green insurance:** to reach **RMB250 billion** by 2025

Index & Rating

2021

Description

	MSCI ESG rating	BBB	Leading position in the domestic insurance industry
	FTSE4Good Index Series	Included	
	CDP rating	A-	The best rating among financial companies in the Chinese mainland
	Hang Seng Corporate Sustainability Index	A	Included in the Hang Seng China Enterprises Index ESG Index and the Hang Seng ESG50 Index

Global Partnerships



2021 Honors and Awards



Fortune

Fortune Global 500

No. **16**

Global financial
service companies

No. **2**



Forbes

Global 2000 list

No. **6**

Global insurance
conglomerates

No. **1**

Global financial
services companies

No. **5**



WPP & Kantar,
the world's largest
communications group

Top 100 most valuable
global brands

No. **49**

Global
insurance brands

No. **1**



Brand Finance,
the world's largest brand
consulting company

Brand Finance
Insurance 100
2021 list

No. **1**

Global financial
groups

No. **3**

Integrated Finance

Xie Yonglin
President and Co-CEO

Retail integrated finance: accelerate the transformation toward the new customer-centric model

Develop professional financial service advisers based on customer demand-related projects

- **Continued to promote customer demand projects**, identified customer touchpoints, and established labels according to customers' existing products, activities, channels and other metrics
- **Developed professional financial service advisers**, and matched products and services with scenarios based on customer profiling

Focus on key scenarios, innovate product combinations, and empower the main financial businesses

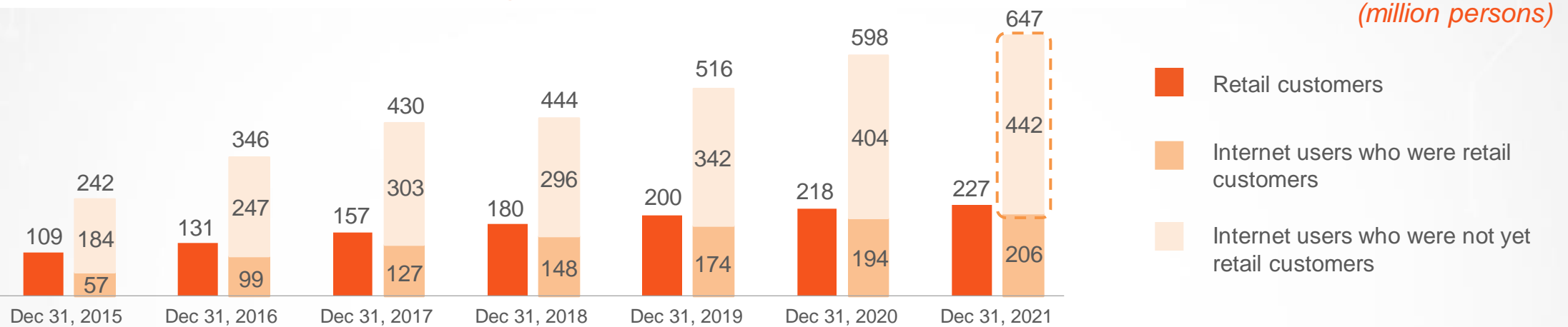
- Ping An combined its **insurance trust products** with eldercare programs or whole-life insurance, leading the market by scale of sales. **New insurance trust product sales amounted to nearly RMB30 billion** in 2021
- **The auto ecosystem met auto owners' demands for one-stop integrated financial services**, and provided **over 5 million** auto owners with refueling benefits in 2021. Ping An continued to lead the market in terms of auto finance
- **"The financial master accounts"** address customers' payment needs and improve customer acquisition, customer retention, and asset retention. **AUM in financial master accounts grew 132.2% from the beginning of 2021 to RMB321.6 billion as of December 31, 2021**

Continue to consolidate "Four Connects and One Platform"

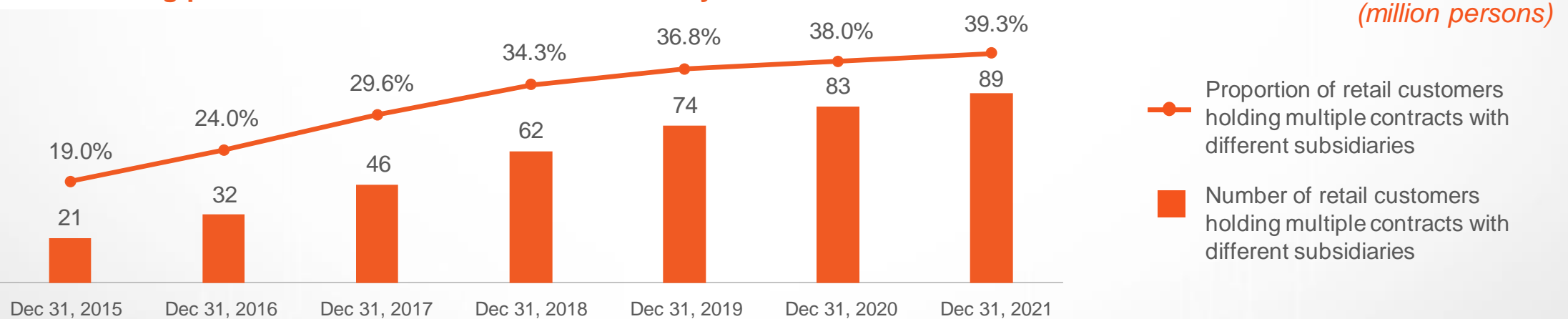
- **Strengthen data governance and compliant data use** to accurately empower the main businesses of member companies
- **Further connect benefits with products**, and develop more innovative product combinations through rapid iteration
- **Build a unified operation platform, and manage the input and output of seasonal marketing campaigns** to drive cross migration and product sales, and build Ping An's unique marketing brand

Retail integrated finance: increased customers, users and cross-selling

Increased customers and users, and significant potential to further penetrate our user base



Cross-selling penetration ratio has increased materially



Notes: (1) At the end of 2019, we tightened 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.

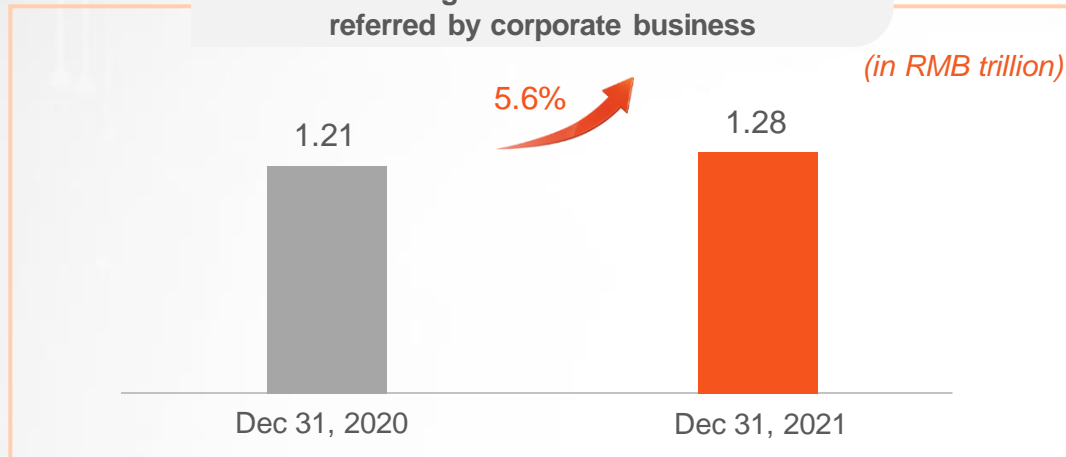
(2) Figures may not match the calculation due to rounding.

Corporate integrated finance: deepen the “1+N” corporate business model by focusing on three customer segments and three models

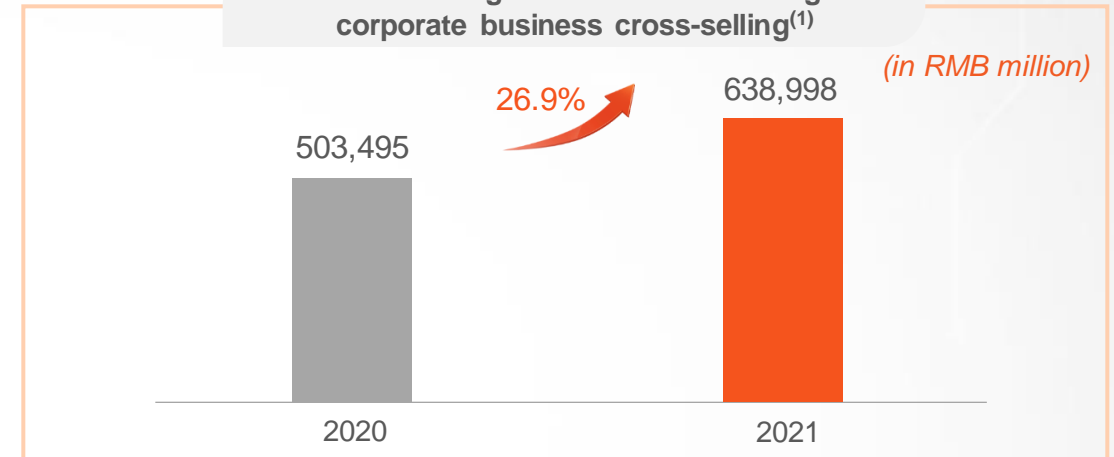
	<i>Customer segments served</i>	<i>Measures</i>	<i>Performance</i>
Simple standard model	Micro-, small and medium-sized business customers	<p>Technological empowerment</p> <ul style="list-style-type: none"> Ping An acquired customers and increased customer activity at low costs, and sought substantial growth of financial business by directly delivering standardized products to customers online without any intermediaries 	<ul style="list-style-type: none"> Ping An Digital Pocket gradually becomes the unified operation platform for micro-, small and medium-sized business customers. Registered business users of the platform increased to nearly 8.14 million, up 682.5% from the beginning of 2021
Sophisticated investment and financing model	Strategic customers and large customers	<p>Driven by integrated finance</p> <ul style="list-style-type: none"> Ping An acquired more customers through existing ones by leveraging its advantages in the ecosystems and investment of insurance funds. Ping An provided customers with tailor-made solutions and “commercial bank + investment bank + investment” solutions 	<ul style="list-style-type: none"> Ping An built a bond ecosystem which connected all processes from contracting to handling, underwriting, investing, and trading Ping An won the bid for a large subway public-private partnership project with a total project scale of over RMB30 billion, and promoted subsequent deals including syndicated loans
Trading collaboration model	Financial institutions	<p>Driven by “expertise + technology” strategy</p> <ul style="list-style-type: none"> Ping An shares its capabilities and advantages in technology, strategy and risk management with financial institutions to build a service alliance and develop the Group’s ecosystems with them 	<ul style="list-style-type: none"> Ping An enables member companies to make investment decisions, boost trading returns, and reduce investment risks via unified strategic research, performance appraisal, and risk warning

Corporate integrated finance: significant improvement of synergies

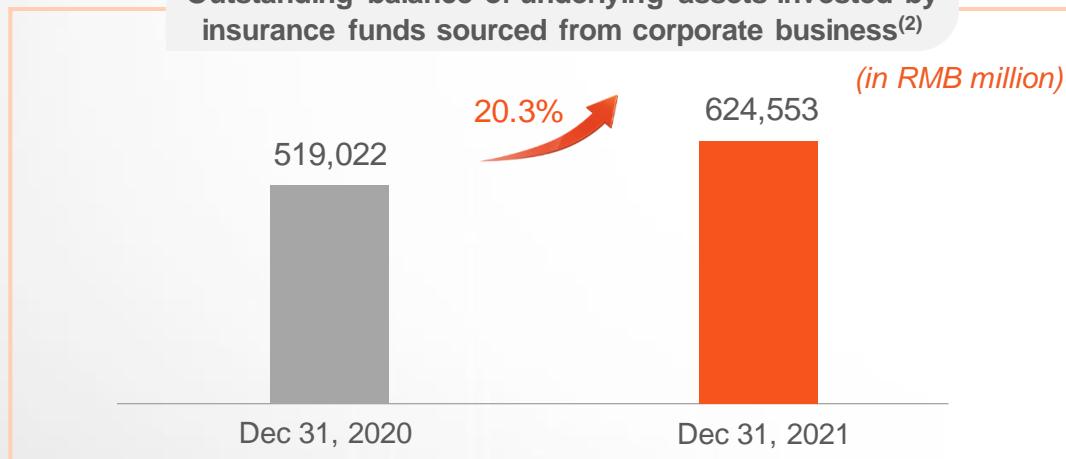
Outstanding balance of retail assets referred by corporate business



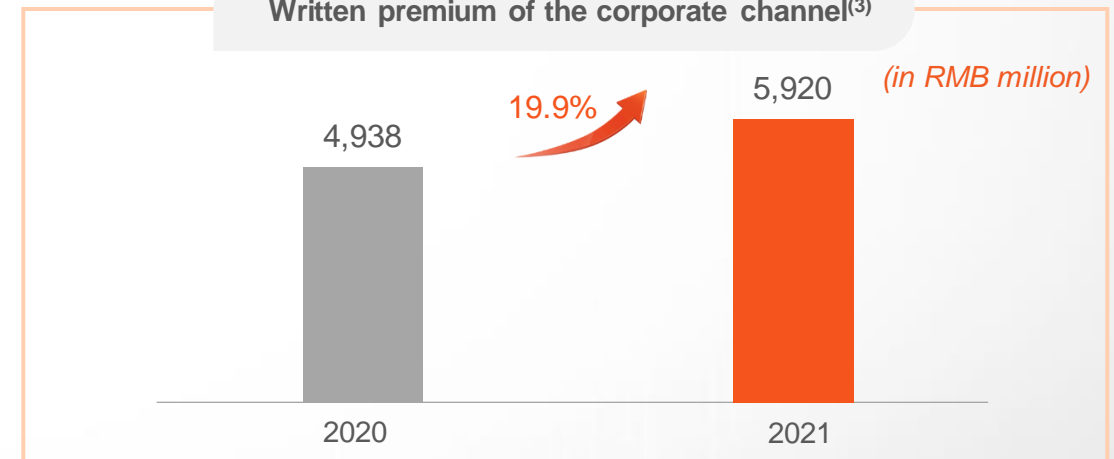
New financing scale achieved through corporate business cross-selling⁽¹⁾



Outstanding balance of underlying assets invested by insurance funds sourced from corporate business⁽²⁾



Written premium of the corporate channel⁽³⁾



Notes: (1) The 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.

(2) The underlying assets invested by insurance funds sourced from corporate business refer to the assets sourced by the Group's core financial companies, including Ping An Asset Management, Ping An Securities, and Ping An Trust, for the allocation of the Group's insurance funds.

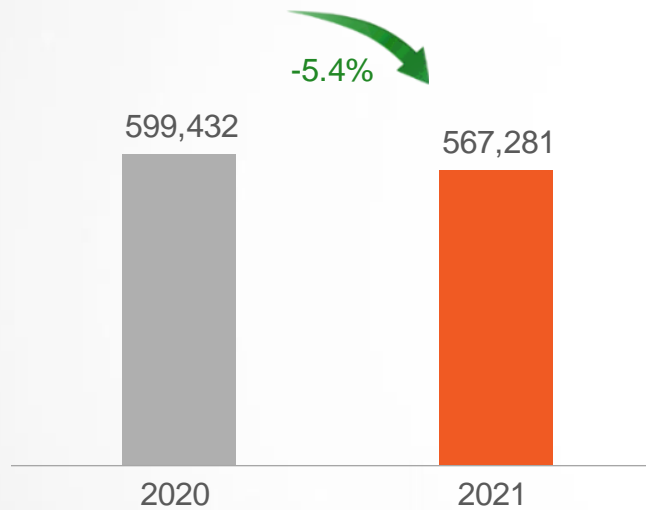
(3) The written premium of the corporate channel refers to the corporate premiums achieved through cross-selling less that achieved by Ping An Life.

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

L&H: maintained a stable market share despite a slow decline in business volume

Written premium

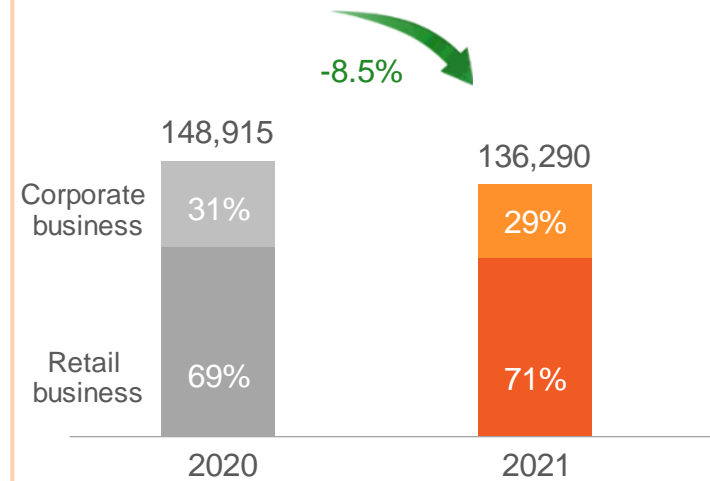
(in RMB million)



- **Stable share:** the market share by written premium is stable at ~**15%** ⁽¹⁾

FYP

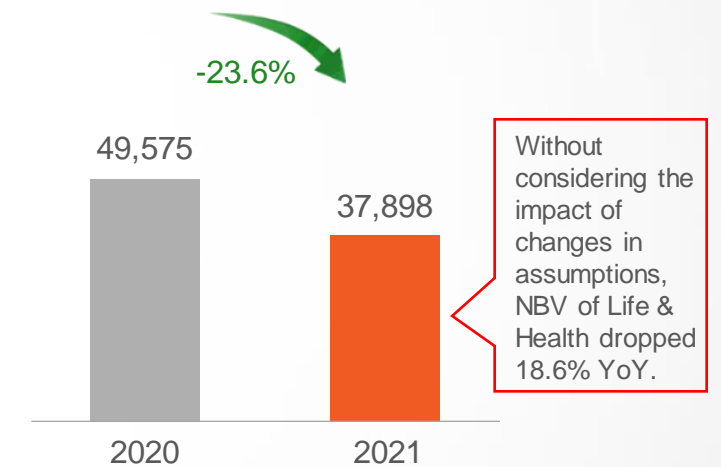
(in RMB million)



- **Retail business:** **decreased 5.5%** YoY, but the proportion increased by **2 pps**
- **Corporate business:** **decreased 15.2%** YoY, in line with the market

NBV

(in RMB million)



- **Structural adjustment:** the proportion of savings products⁽²⁾ FYP increased by **8 pps**, leading to a **3.7 pps** decrease in NBV margin
- **Assumption adjustments:** adjustments of the expense ratio, persistency ratio, and so on brought **down** the NBV margin by **1.8 pps**

Notes: (1) Market written premium is estimated on the basis of data from the CBIRC, being the total of life insurers' premium incomes, new contributions to policyholders' investment funds, and new contributions into separate accounts of investment-linked products.

(2) Savings products refer to Protection & Saving hybrid products, including Protection & Saving products (long-PPP) that cover endowment and annuity products with PPP of 10 years and above, and Protection & Saving products (short-PPP) that cover endowment and annuity products with PPP below 10 years.

P&C: maintained strong business quality despite short-term pressure on written premiums

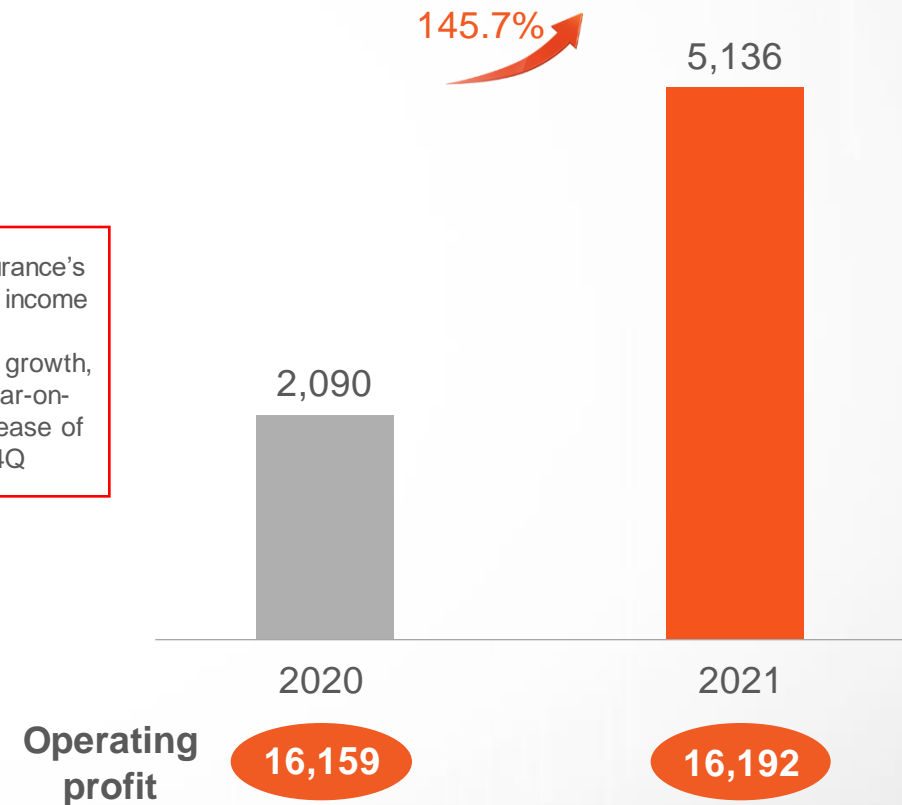
Premium income and combined ratio

(in RMB million)	Premium income		Combined ratio	
	Amount	YoY change (%)	Ratio (%)	YoY change (pps)
Auto insurance	188,838	(3.7)	98.9	0.7
Liability insurance	19,875	29.8	105.1	10.5
Guarantee insurance	18,098	(51.6)	91.2	(19.8)
Accidental injury insurance	17,204	20.2	93.8	5.0
Corporate property & casualty insurance	7,691	8.1	92.9	2.6
Total premium income	270,043	(5.5)	98.0	(1.1)

Auto insurance's premium income gradually resumed growth, with a year-on-year increase of 8.7% in 4Q

Underwriting profit

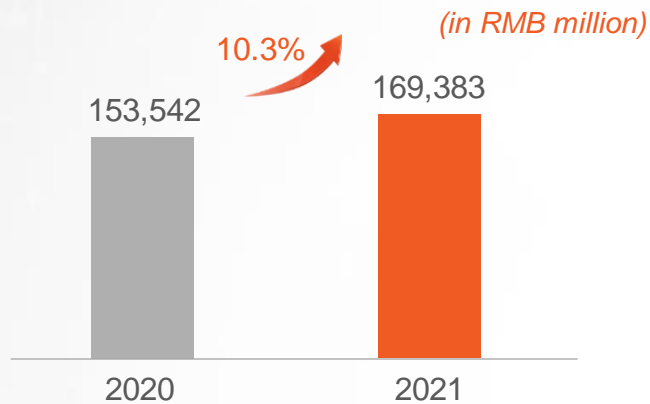
(in RMB million)



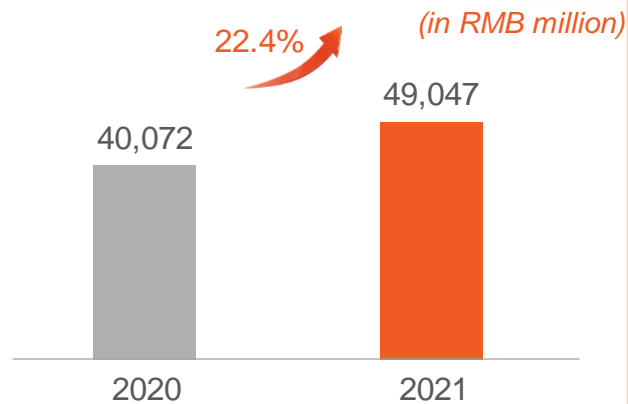
Note: Presented in the table above are the top five sources of Ping An P&C's premium income, which do not add up to its total premium income.

Banking: business grew steadily on effective management of liabilities

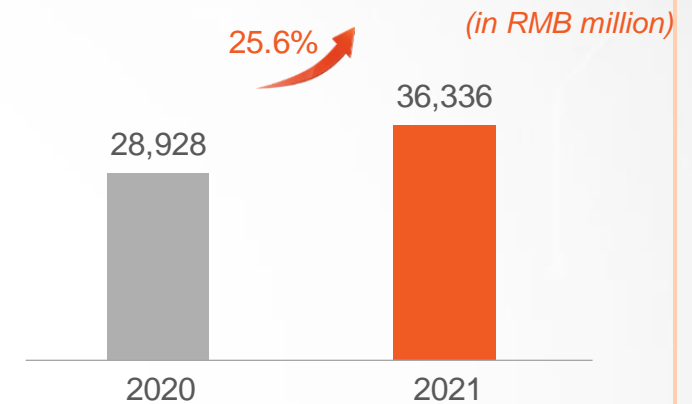
Steady revenue growth



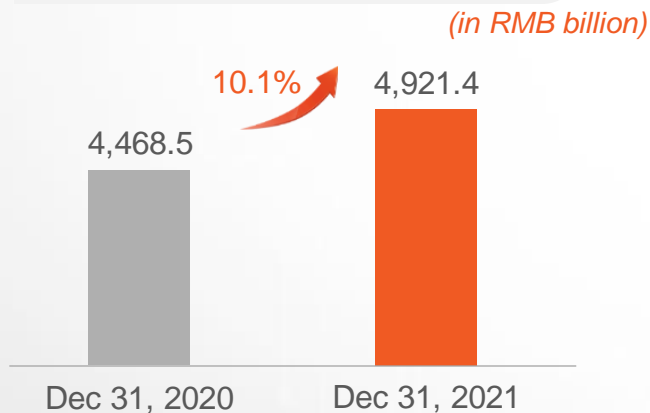
Fast non-interest revenue⁽¹⁾ growth



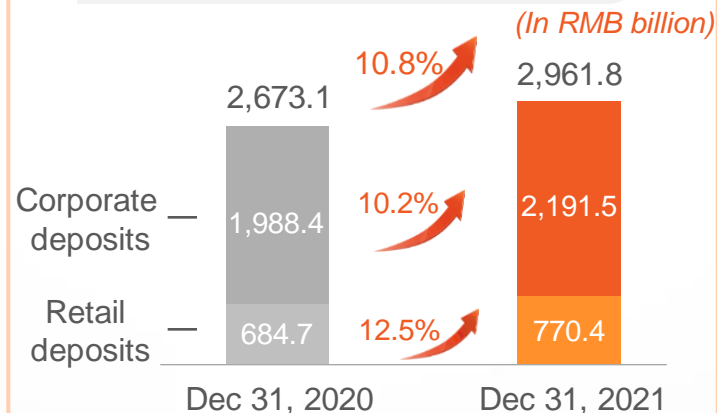
Surging net profit



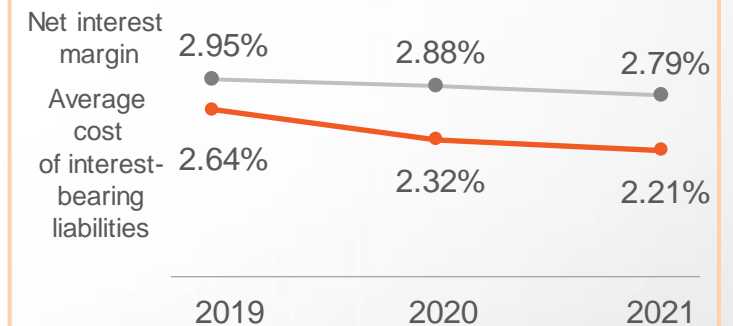
Breakthrough in total assets



Deposits grew significantly



Net interest margin⁽¹⁾ remained stable and cost of liabilities optimized



Notes: (1) 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.

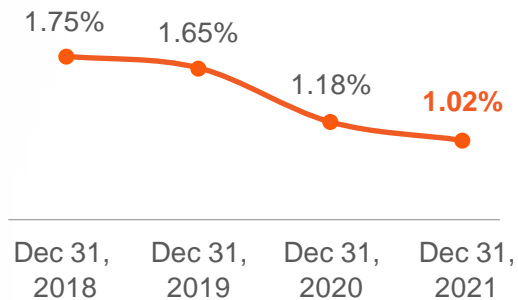
(2) Figures may not match the calculation due to rounding.

Banking: continued de-risking and strengthened risk provisions

Continued de-risking

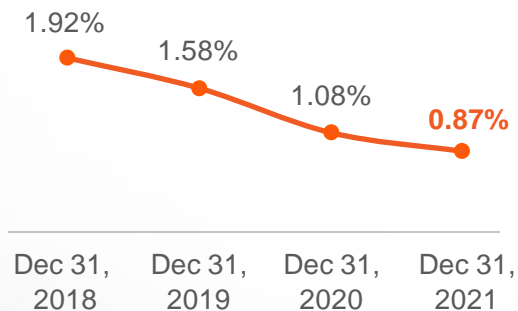
Balance and ratio of non-performing loans dropped

- Non-performing loan ratio fell **0.16 pps** from the beginning of 2021 to **1.02%**, the lowest level in history
- Balance of non-performing loans declined **0.4%** from the beginning of 2021 to nearly **RMB31.3 billion**



Percentage of loans 60+ days overdue dropped significantly

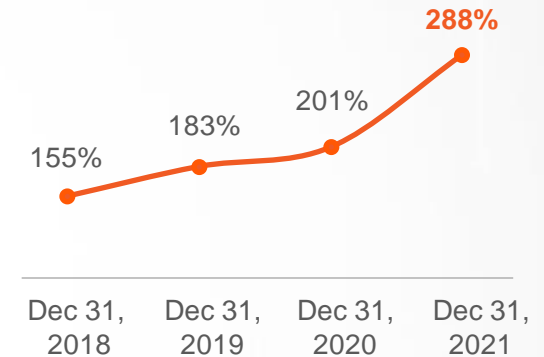
- Percentage of loans 60+ days overdue fell **0.21 pps** from the beginning of 2021 to **0.87%**



Strengthened risk provisions

Provision coverage ratio grew significantly

- Net profit grew significantly, and provision coverage ratio rose **87 pps** from the beginning of 2021



Provision coverage ratio for loans 60+ days overdue hit a record high

- The deviation of loans 60+ days overdue dropped to **0.85**



Banking: stronger operating performance thanks to upgrade of the three major business lines

Retail business built the “five-in-one” model

Expand customer segments and consolidate the AUM

Retail customers	118.21 million	+10.3%
Retail AUM	RMB3.18 trillion	+21.3%
Qualified private banking customers	69.7 thousand	+21.6%
Private bank AUM	RMB1.41 trillion	+24.6%

Enhance comprehensive operations

Balance of retail loans	RMB1.91 trillion	+19.0%
Credit cards in circulation	70.13 million	+9.2%

Corporate business moved into a new arena

Technology-empowered transaction banking

Registered business users of Ping An Digital Pocket	~8.14 million	+682.5%
Supply chain financing backed by IoT	RMB300 billion+	
Direct bill discounting business	RMB616.5 billion	+37.3%

Sophisticated investment and financing business empowered by integrated finance

Scale of sophisticated investment and financing business	RMB1,159.1 billion	+6.6%
Financing referred by Ping An Bank	RMB473.4 billion	+16.8%

Interbank business made breakthroughs

Transformation and upgrade of the asset management business achieved good results

Revenue from Ping An Wealth Management	RMB2,647 million
Net profit from Ping An Wealth Management	RMB1,616 million
Carrying value of NAV-type products	RMB838.4 billion +80.9%

Increasing cooperation with peers

Cumulative customers of ET-Bank	2,370
Interbank institutional sales volume	RMB1,483 billion +84.0%

Life Reform

Jessica Tan
Co-CEO

Advance the reform of “4 channels + 3 products”

The world's leading life insurer

Channel reform: transformation from a single channel to multiple channels

Balanced development of 4 channels:

Agent channel

Community Grid

Private Wealth Adviser

Lower-tier channel

+

Product reform: build a differentiated framework of “insurance + service”

Reform of 3 core products:

Insurance + health management

Insurance + home-based eldercare

Insurance + high-end eldercare

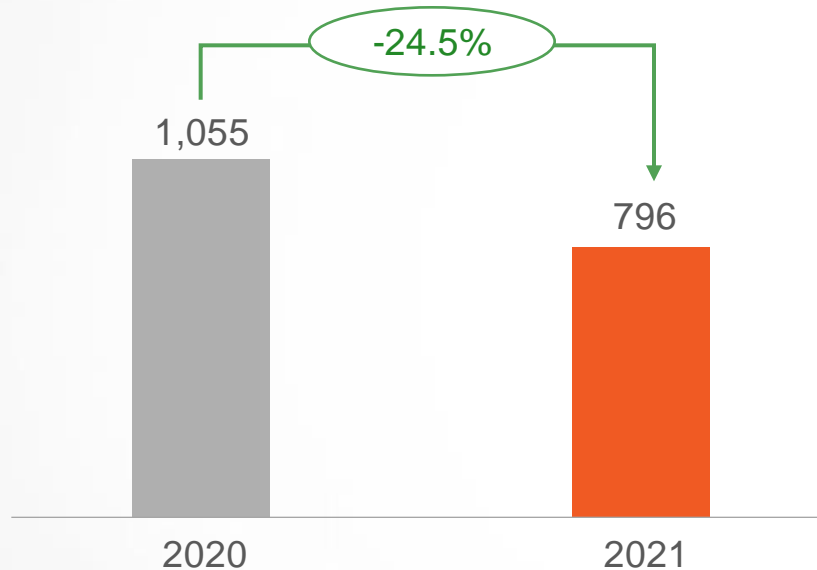
Digital Reform

Note: The Community Grid channel includes the former telemarketing and online marketing channels, and the Private Wealth Adviser channel includes the former bancassurance channel.

Channel reform—the agent channel: build a team of “high-competence, high-performing, and high-quality” agents, and improve team structure

Average number of agents

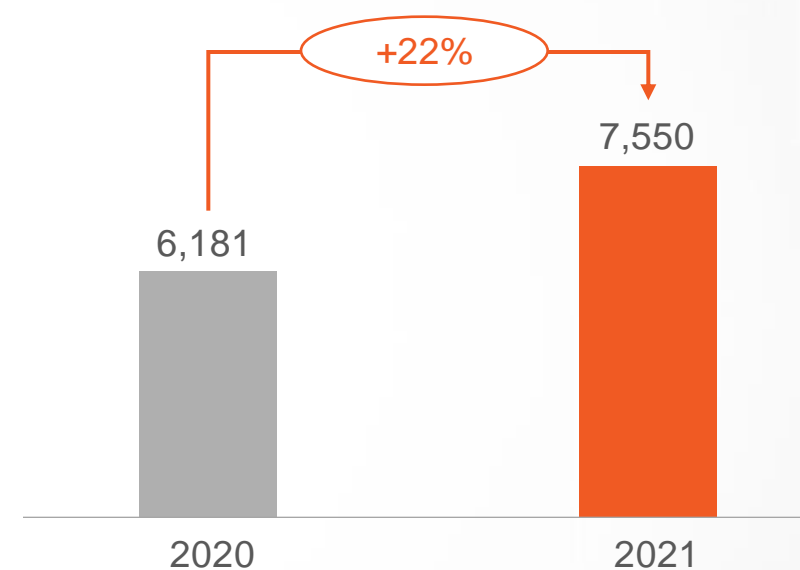
(In thousand)



- **Qualifications:** The proportion of agents with a college education background and above increased by **2.4 pps** from the beginning of 2021
- **Activity:** Customer visits per agent increased by **200% to 300% YoY**

FYP per agent

(RMB per agent per month)



- **Sales:** The number of long-term insurance policies sold per agent increased by **7%**
- **Adjusted portfolio:** FYP per policy increased by **~15%** due to a higher proportion of high-premium savings products

Note: The average number of agents is the average monthly number of agents.

Channel reform—the agent channel: carry out tiered, refined management of the agent force, and build a team of “high-competence, high-performing, and high-quality” agents

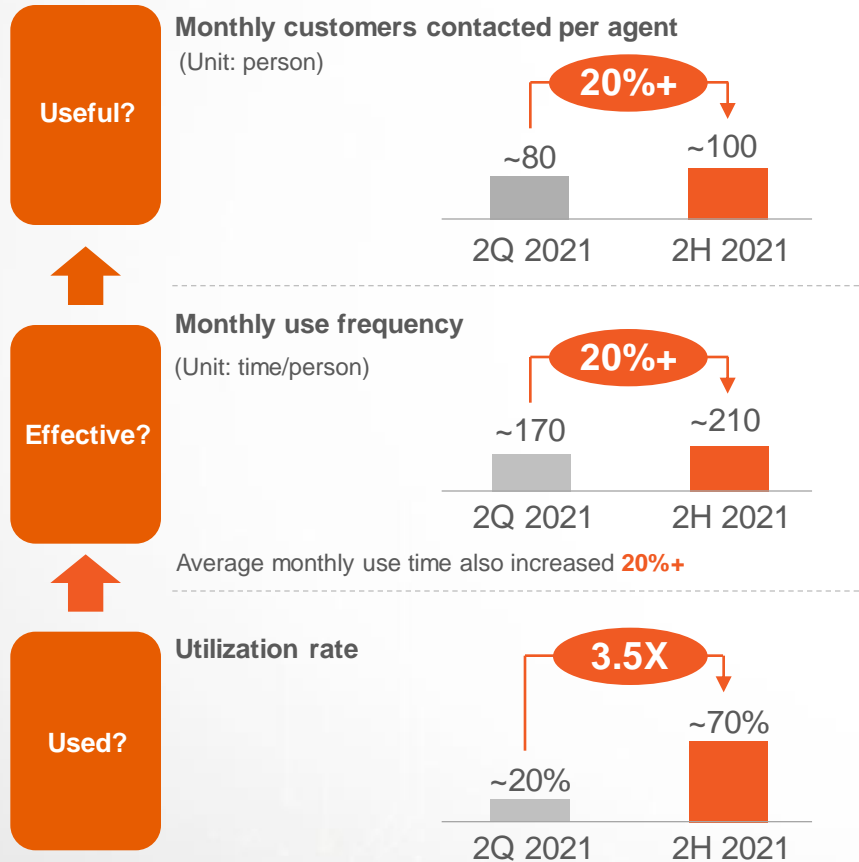
Future team structure: shift from the “pyramid” team structure to an “olive-shaped” one, and advance high-quality transformation of the agent team



Channel reform—the agent channel: the digital pilot yielded results; we will promote the reform while ensuring quality

Basic digitization—100% domestic coverage

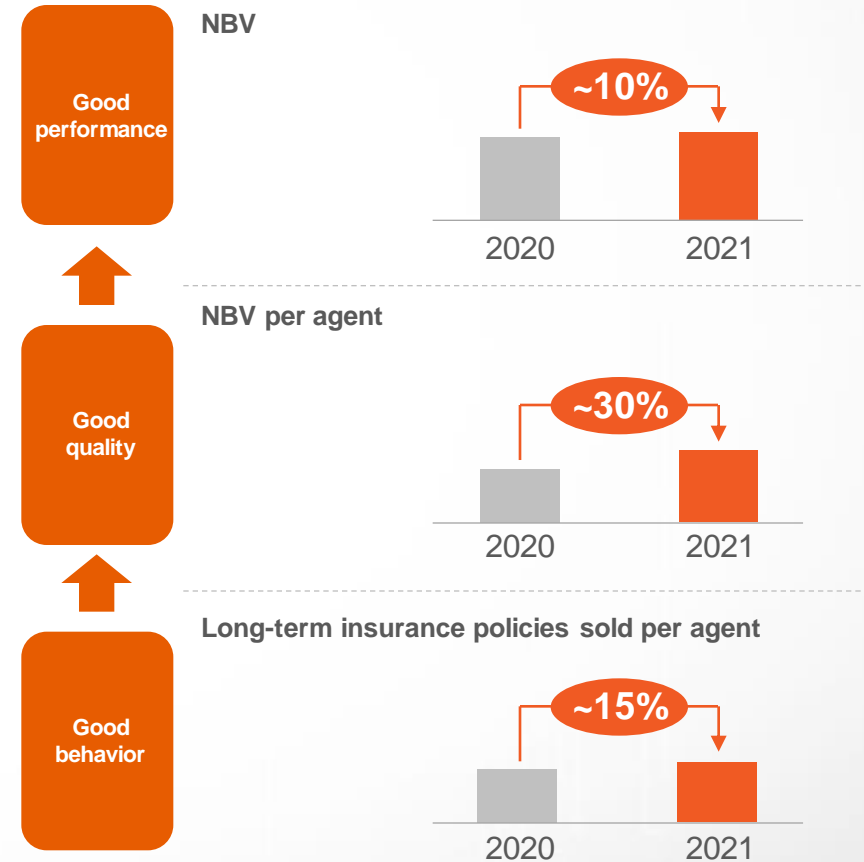
The evaluation standard for 5-Star outlets with strong performance, high quality and good behaviors and the five modules (recruitment, development, productivity, performance, and management), empowered by basic tools, have been implemented for over six months⁽¹⁾



Smart operations, implemented in 30% of business outlets

Whole-process smart operations management, piloted in three batches⁽²⁾: the first batch (~5% of business outlets) has been piloted for over one year, with significant effects.

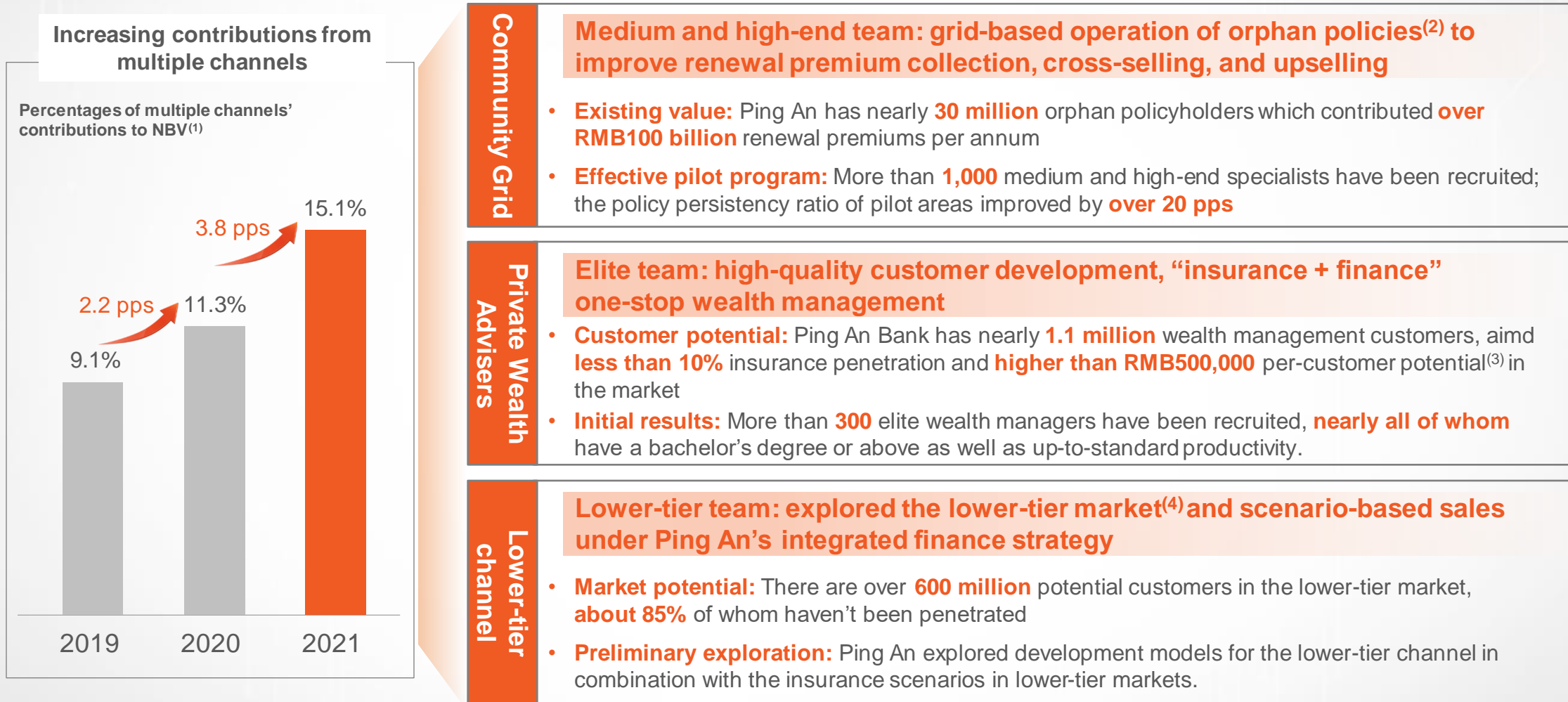
Effects of the first batch of pilots (~5% of business outlets)



Notes: (1) Basic digitization has been in operation since March 2021.

(2) The three batches of pilots were initiated in late 2020, mid-2021 and late 2021 respectively. The first batch of pilots covered about 5% of business outlets.

Channel reform—multiple channels: development of three innovative channels



Notes: (1) Multiple channels' contributions to NBV are the sum of Ping An Life's retail business NBV contributed by the Community Grid, Private Wealth Advisers, and the lower-tier channel; Community Grid includes the former telemarketing and internet channels, and Private Wealth Advisers includes the former bancassurance channel.

(2) Orphan policies are in-force policies sold by agents who have terminated their agency relationship with Ping An Life before the termination of the agency relationship.

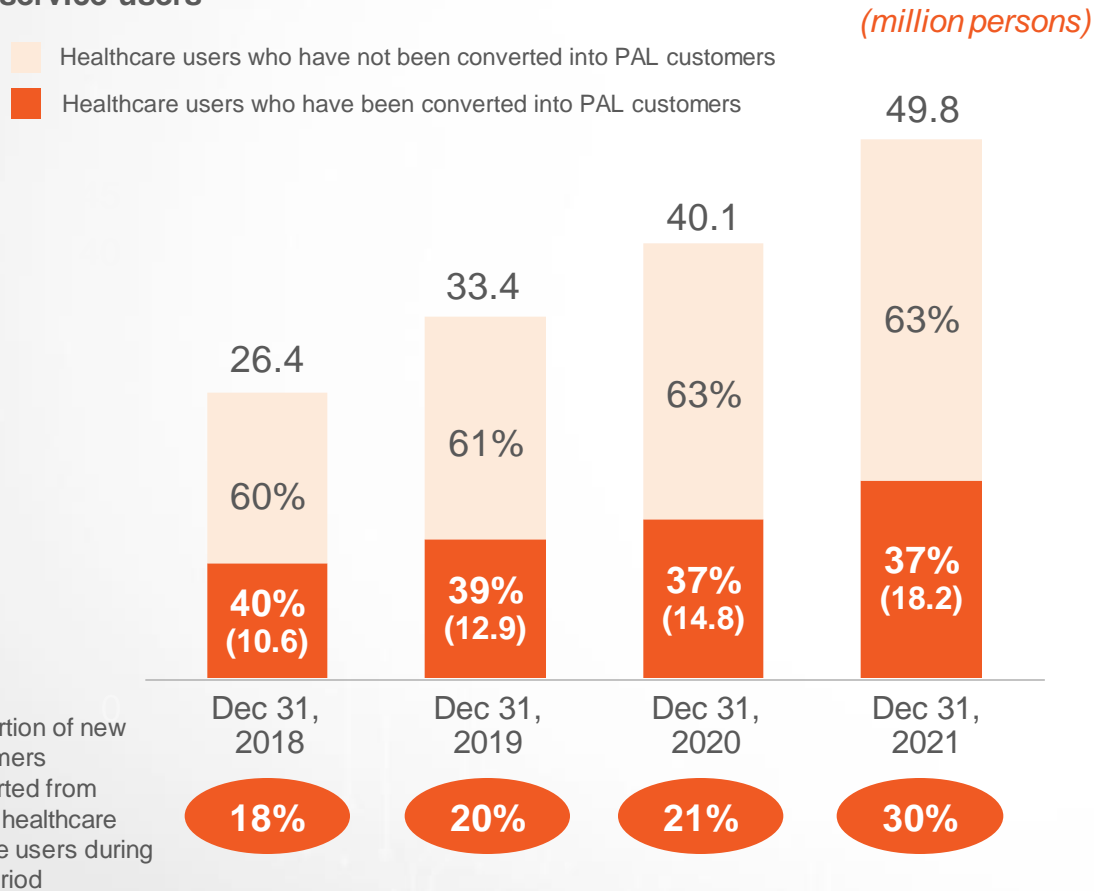
(3) Per-customer potential refers to the premiums of life insurance products expected to be purchased by wealth management customers.

(4) The lower-tier markets and the lower-tier channel refer to Ping An Life's innovative channel focused on potential customers in tier 3 and 4 cities as well as villages, townships, and counties.

Product reform—“insurance + service”: healthcare services bring more customers to Ping An Life and help increase customer retention

Customer acquisition: 30% of Ping An Life’s new customers were converted through healthcare services

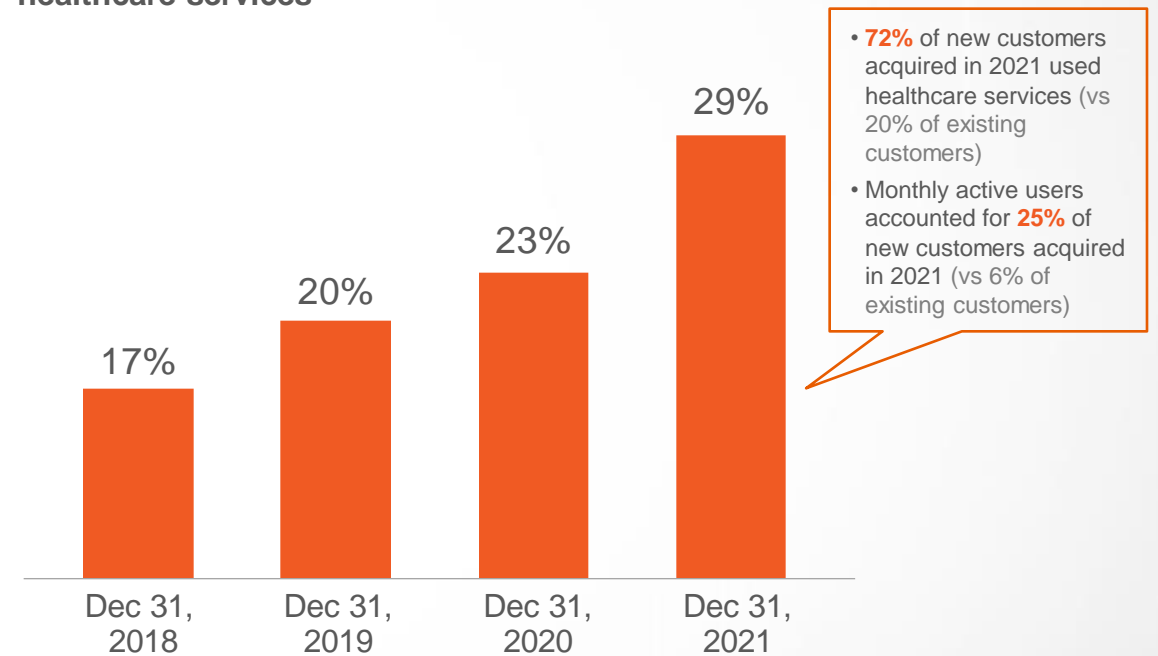
Steadily increasing PAL customers converted from active healthcare service users⁽¹⁾



Proportion of new customers converted from active healthcare service users during the period

Customer retention: Nearly 30% of PAL customers use healthcare services, contributing significant value

Increasing percentage of PAL customers actively using healthcare services



- Per capita premium of active healthcare users is **1.4 times** that of non-healthcare users
- Per capita upselling rate of active healthcare users is **2.4 times** that of non-healthcare users
- Mortality rate of active healthcare users is **15%** lower than that of non-healthcare users

Note: (1) Active healthcare service users are those of the registered users of Ping An Life’s “Jin Guan Jia” app who also used healthcare services; Ping An Life’s customers are based on holders of in-force policies rather than policy beneficiaries.

Product reform—“insurance + service”: three-tier products provide full-lifecycle healthcare and eldercare services



Energetic stage: healthy life

Insurance + health management

Your family doctor
Worry-free, time-saving, and money-saving

- **Worry-free:** Family doctors, specialists, and global experts
- **Time-saving:** Online-merge-offline, in-store, and home-delivered services
- **Money-saving:** Health management, disease management, and chronic disease management



Retired stage: splendid life

Insurance + home-based eldercare

Your eldercare concierge
Comfortable, whole-hearted and worry-free

- **Comfortable old people:** Comfortable living, professional medical care, and good entertainment
- **Whole-hearted concierges:** AI assistants, exclusive concierges, and expert teams
- **Worry-free offspring:** Risk monitoring, physical sign monitoring, and service supervision

Including “insurance + health management”



Old age stage: high-quality eldercare

Insurance + high-end eldercare

Your private concierge
Prime, exclusive and respectful

- **Prime life:** Core locations, 7-star facilities, and lifetime residences
- **Exclusive services:** 7D healthcare, 1+N concierges, and international standards
- **Respectful care:** Health monitoring, community monitoring, and operations supervision

Including “insurance + health management” and “insurance + home-based eldercare”

Product reform—insurance + health management: professional healthcare services to make your life more exciting

	Worry-free	Time-saving	Money-saving	Example
 <p>乐享RUN Le Xiang RUN for mass customers</p>	<p>Private doctors: Nearly 2,000 in-house general practitioners, providing 24/7 services</p>	<p>Remote diagnosis/treatment: Online + AI-powered consultation, diagnosis, treatment, and services</p>	<p>Health management: 5D assessment + health management (sleep, exercise, nutrition...) Chronic disease prevention: Precise management of 35 chronic diseases</p>	 <p>Private family doctors</p>
On the basis of Le Xiang RUN				
 <p>尊享RUN Zun Xiang RUN for middle class customers</p>	<p>+ Specialists: 40,000+ in-house and external doctors, covering nine departments</p>	<p>+ Hospital visit arrangement: Arrangement of outpatient and inpatient services at 1,500+ 3A hospitals + Home delivery of medicines: delivery within 1 hour in 140 cities</p>	<p>+ Critical illness management: Second opinions and hospitalization assistance from the world's top 100 medical institutions</p>	 <p>Specialists</p>
On the basis of Zun Xiang RUN				
 <p>尊享RUN PLUS Zun Xiang RUN PLUS for affluent customers</p>	<p>+ Professional nutritionists/fitness trainers/psychotherapists: 20,000+ nutritionists, fitness trainers and psychotherapists + Renowned doctors: Consultation with ~2,000 famous doctors</p>	<p>+ Hospital visit assistance: An accompany team of 3,000+ members</p>	<p>+ High-end health checkup: ~2,000 facilities across China + High-end rehabilitation: Home-based rehabilitation and nursing in 331 cities</p>	 <p>Consultation with renowned doctors</p>

Increase coverage: service utilization

20%  72%

(Existing customers vs. new customers acquired in 2021)

Improve customer retention: monthly active users

6.0%  25%

(Existing customers vs. new customers acquired in 2021)

Promote health: % of users within normal blood sugar range

16%  ~70%

(Users who did not use the services vs. users who used the services)

Product reform—insurance + eldercare management: professional, respectful eldercare services

China will have 360 million people aged above 60 by 2030, an increase of 38%

Institution

3%

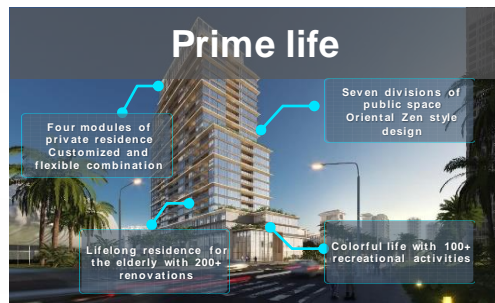
Community

7%

Home

90%

High-end eldercare



- **Core location:** 10-minute community life circle in tier 1 and 2 cities
- **7-star facilities:** 7 enjoyable activity spaces
- **Lifelong residence:** 100+ customized renovations

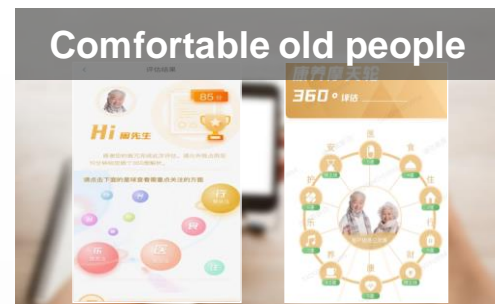


- **7D healthcare:** 1,000+ customized healthcare solutions
- **1 + N concierges:** 950+ customized private service items
- **International standards:** 20+ certifications by international institutions

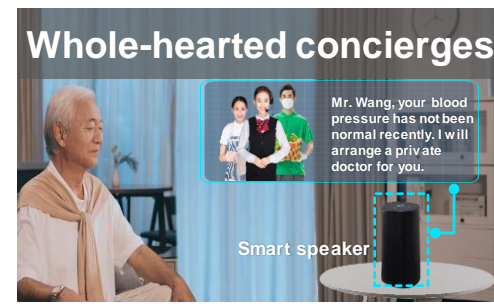


- **Health monitoring:** Full-cycle monitoring on 7 health dimensions
- **Community monitoring:** 10 types of warnings + contingency plans
- **Operations supervision:** 6 types of care standards for disability and dementia

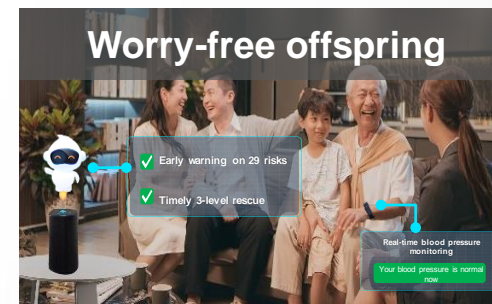
Home-based eldercare



- **Comfortable living:** 300+ one-stop service items covering clothing, dining, housing and transportation
- **professional medical care:** Arrangement of visits to 1,500+ 3A hospitals
- **Wonderful entertainment:** 150+ cultural, entertaining and sport activities



- **AI assistant:** 24/7 smart companionship
- **Exclusive concierge:** all-around care with 650+ service items
- **Expert team:** strong support in 10 fields



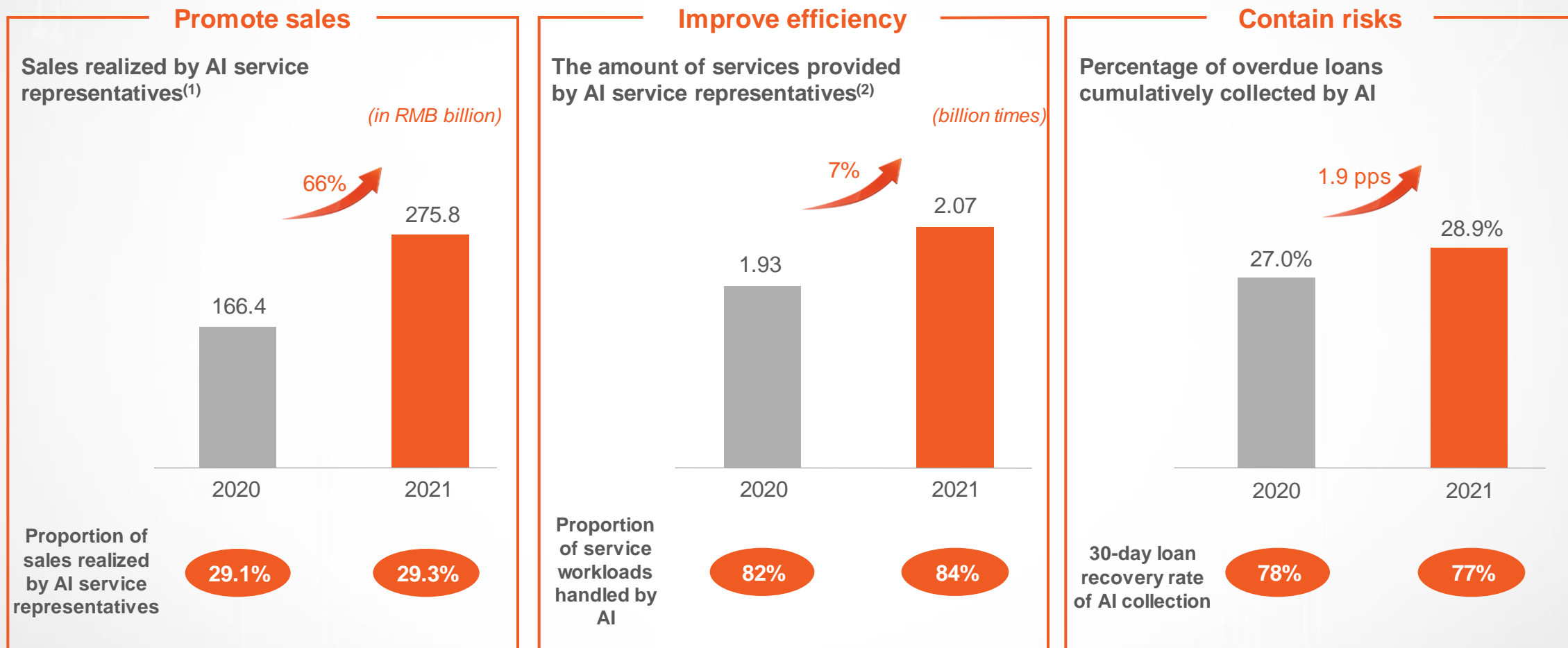
- **Risk monitoring:** 29 types of warnings and a 3-level rescue system
- **Physical sign monitoring:** 24/7 meticulous monitoring of 7 categories of physical signs
- **Service supervision:** 200+ selected leading providers

“9073” eldercare pattern

Technology

Jessica Tan
Co-CEO

Technology-empowered financial services: promote sales, improve efficiency, and contain risks



Notes: (1) Due to business adjustments, sales realized by AI service representatives in the Reporting Period exclude sales contributed by Ping An Bank and Lufax Holding. Relevant metrics and data for the comparable period have been restated accordingly.

(2) The amount of services provided by AI service representatives refers to the total number of times of inbound and outbound call services provided by speech robots and text robots for lending, credit card, and insurance business lines.

Ecosystem-empowered financial services: build a closed loop represented by the healthcare ecosystem

Empower financial services with ecosystems

- **Customer acquisition:** The Group had over **647 million** internet users as of December 31, 2021. The Group acquired **32.40 million** new retail financial customers in 2021, **35%+** of whom were sourced from its internet user base for the third consecutive year.
- **Customer retention:** The nearly **206 million** financial customers who used services from the Group's ecosystems held **2.3 times** more contracts and **4.1 times** more AUM per capita respectively than those who did not use such services.

Financial services ecosystem

- **Retail customers:** Lufax Holding served **15.52 million** active investors and a total of **16.84 million** borrowers
- **Institutions:** OneConnect served **109** offshore financial institutions and **62** government and regulatory authorities⁽¹⁾



Healthcare ecosystem

- **Users:** **400+ million** users
- **Services:**
 - 1) Medical services:** **40,000+** in-house doctors and contracted external doctors; **10,000+** hospitals in cooperation
 - 2) Healthcare:** **202,000** contracted pharmacies
 - 3) Technology:** served **45,000+** medical institutions and about **1.32 million** doctors
- **Payment:** Health insurance premium exceeded **RMB140 billion**



Auto services ecosystem

- **B-end:**
 - Dealers:** about **25,000** served⁽²⁾
 - Automakers:** **92** covered⁽²⁾
 - Used cars:** Autohome and TTP Car Inc., a leading online used car auction platform in China, jointly contributed **about 17%** of China's used passenger car transaction volume through used car deal matching and auction services⁽³⁾ in 2021
- **C-end:** **46.9 million** daily active users



Smart city ecosystem

- **Government services:** launched in **165** cities
- **Business development:** covered **1.74 million** enterprises
- **Citizen services:** served **140 million** citizens



Notes: (1) The numbers of institutions served are based on cumulatively served customers as of September 30, 2021.

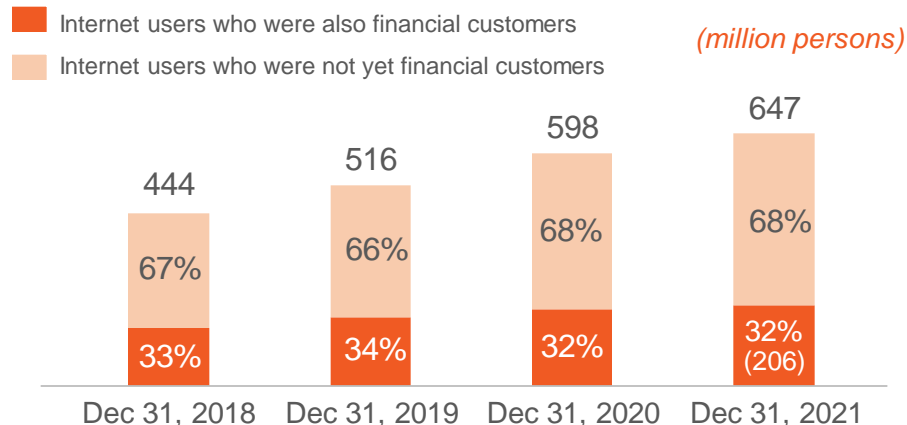
(2) The numbers of dealers and automakers are from Autohome's 2020 annual report.

(3) The data on used passenger car transactions is from the China Automobile Dealers Association (CADA).

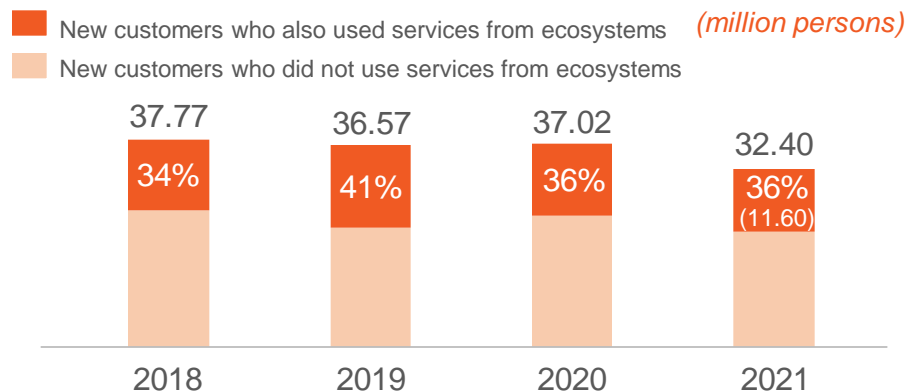
Empower financial services with ecosystems: acquire customers, improve customer retention, and boost main financial businesses

Customer acquisition: 36% of new retail financial customers used services from the Group's ecosystems

Scale grew steadily

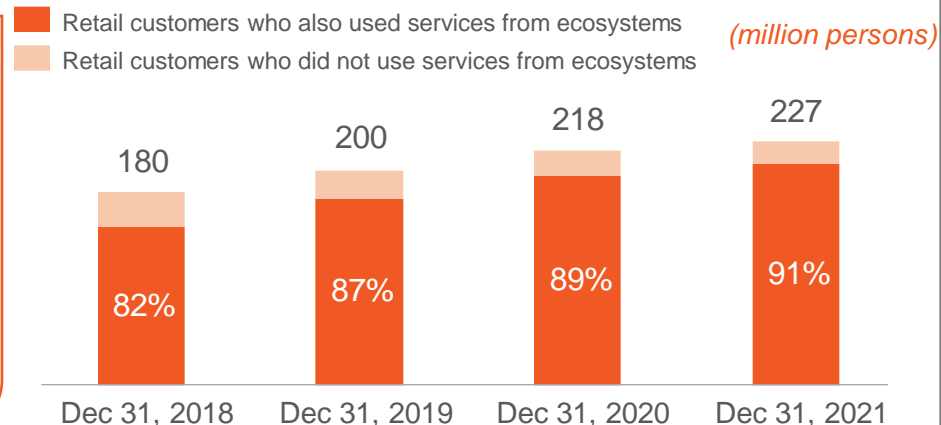


Ecosystems boosted customer acquisition

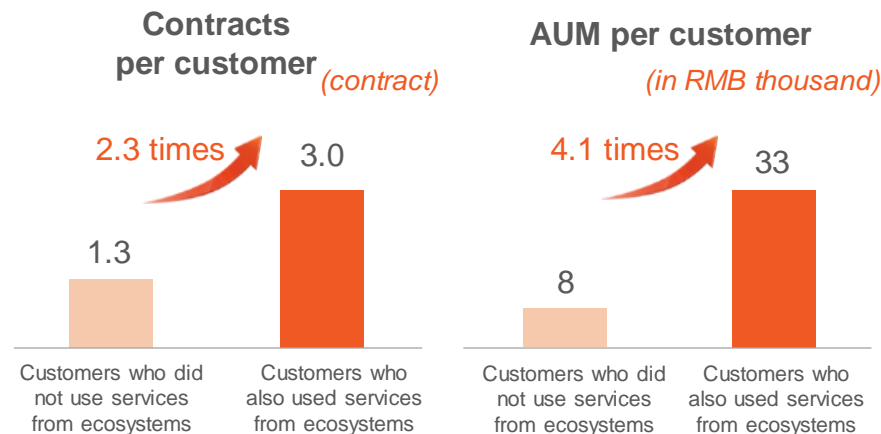


Customer retention: 91% of retail financial customers used services from the Group's ecosystems

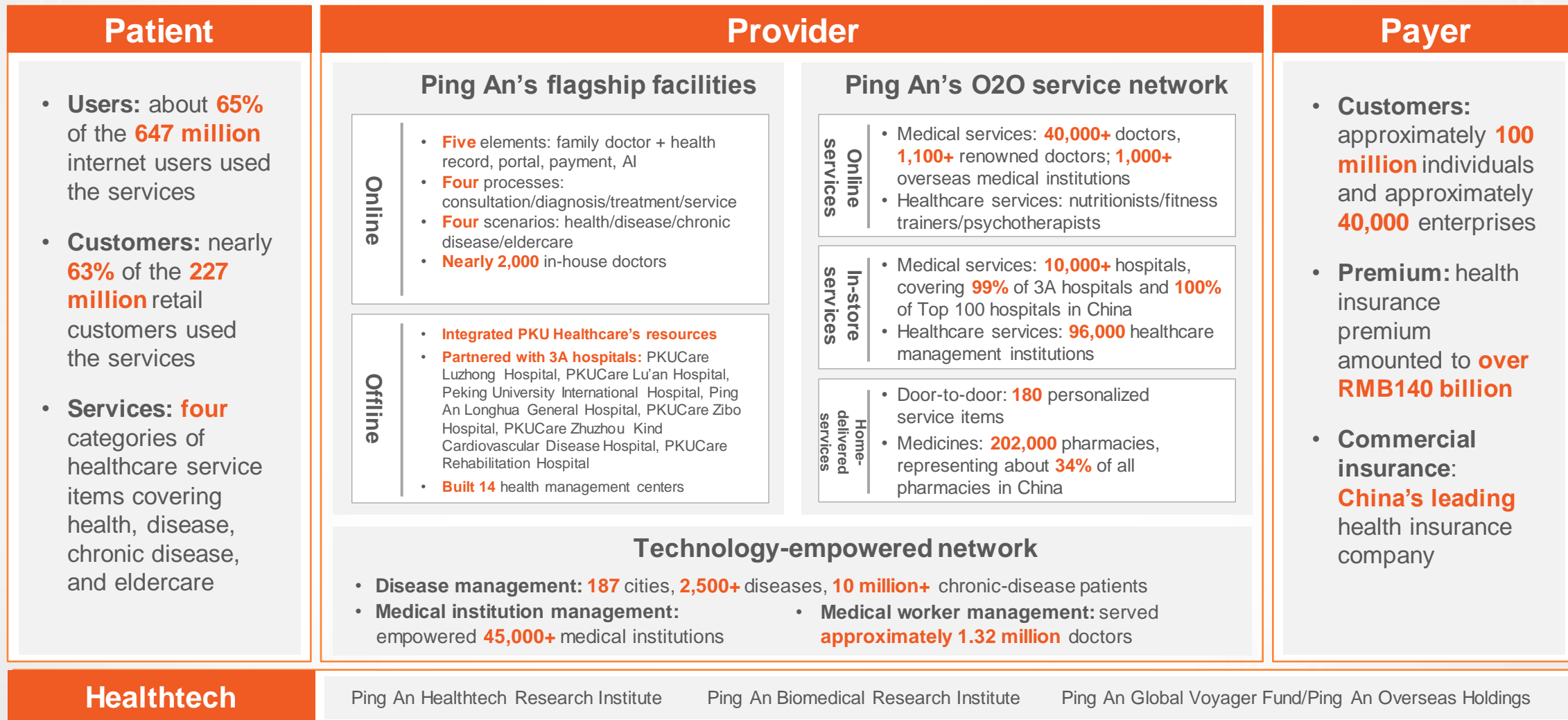
Scale grew steadily



Ecosystems improved customer retention

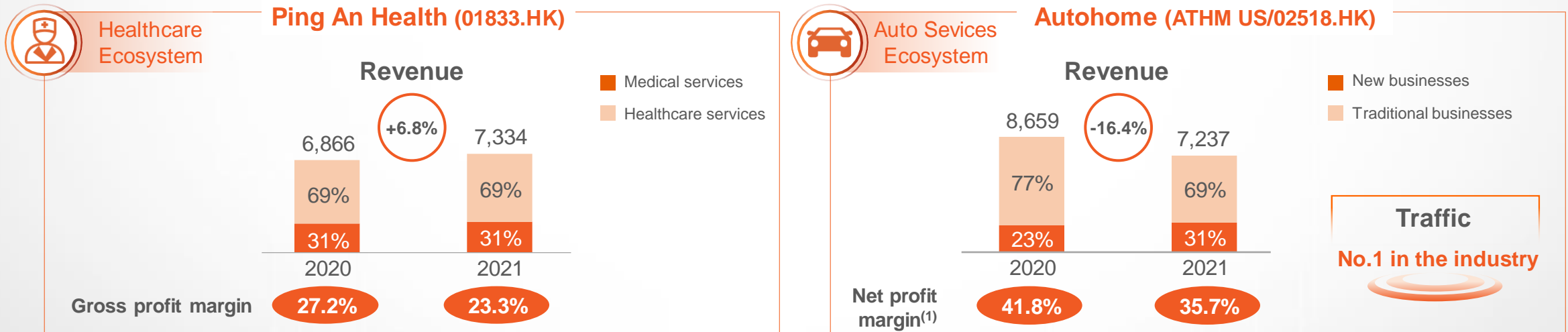


Technology-powered development: Ping An's healthcare ecosystem centering on "HMO + family doctor + O2O"



Technology-powered development: build China's leading financial, healthcare, and auto services platforms

(in RMB million)



Notes: (1) Net profit/loss margins of Lufax Holding and OneConnect were calculated based on their respective net profit/loss attributable to shareholders of the parent company. Net profit margin of Autohome was calculated based on its adjusted net income attributable to Autohome Inc. (Non-GAAP).

(2) Recurring revenue of OneConnect refers to volume-based and support revenue, comprising revenue from business origination services, risk management services, operational support services, the cloud services platform, and others. Non-recurring revenue refers to implementation revenue. Autohome's new business revenue includes online marketplace and other business revenue; its traditional business revenue includes media business revenue and leads generation revenue.

(3) OneConnect's ranking among Chinese listed financial software companies by revenue is from China Insights Consultancy. Autohome's ranking by monthly active users is from QuestMobile's *Report on Development of China's Mobile Internet (2022)*.

Q&A

Appendices: 2021 Group operating profit (Table A-1)

<i>(in RMB million)</i>	See Table B	See Table C	See Table D				
	Life & Health	P&C	Banking	Asset Management	Technology	Other businesses and elimination	The Group
Net profit attributable to shareholders of the parent company	59,468	16,117	21,060	12,221	(1,957)	(5,291)	101,618
Net profit attributable to non-controlling interests	835	75	15,276	1,731	1,500	767	20,184
Net profit (A)	60,303	16,192	36,336	13,952	(457)	(4,524)	121,802
Excluding:							
Short-term investment variance (B)	(23,491)	-	-	-	-	-	(23,491)
Impact of discount rate change (C)	(13,281)	-	-	-	-	-	(13,281)
Impact of one-off material non-operating items and others (D))	-	-	-	-	(9,905)	-	(9,905)
Operating profit (E = A – B – C – D)	97,075	16,192	36,336	13,952	9,448	(4,524)	168,479
Operating profit attributable to shareholders of the parent company	95,906	16,117	21,060	12,221	7,948	(5,291)	147,961
Operating profit attributable to non-controlling interests	1,169	75	15,276	1,731	1,500	767	20,518

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

Appendices: 2020 Group operating profit (Table A-2)

<i>(in RMB million)</i>	See Table B	See Table C	See Table D				
	Life & Health	P&C	Banking	Asset Management	Technology	Other businesses and elimination	The Group
Net profit attributable to shareholders of the parent company	95,018	16,083	16,766	11,172	7,936	(3,876)	143,099
Net profit attributable to non-controlling interests	1,054	76	12,162	1,120	1,567	281	16,260
Net profit (A)	96,072	16,159	28,928	12,292	9,503	(3,595)	159,359
Excluding:							
Short-term investment variance (B)	10,308	-	-	-	-	-	10,308
Impact of discount rate change (C)	(7,902)	-	-	-	-	-	(7,902)
Impact of one-off material non-operating items and others (D))	-	-	-	-	1,282	-	1,282
Operating profit (E = A – B – C – D)	93,666	16,159	28,928	12,292	8,221	(3,595)	155,670
Operating profit attributable to shareholders of the parent company	92,672	16,083	16,766	11,172	6,654	(3,876)	139,470
Operating profit attributable to non-controlling interests	994	76	12,162	1,120	1,567	281	16,200

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

Appendices: Life & Health earnings (Table B)

Profit Analysis

<i>(in RMB million)</i>	2021	2020	Notes
Release of residual margin	82,488	81,583	A
Return on net worth	14,567	13,170	
Spread income	4,823	4,565	
Operating variances and others	7,436	4,607	
Operating profit before tax	109,314	103,926	
Income tax	(12,239)	(10,260)	
Operating profit after tax	97,075	93,666	See Table A
Short-term investment variance	(23,491)	10,308	
Impact of discount rate change	(13,281)	(7,902)	
Impact of one-off material non-operating items and others	-	-	
Net profit	60,303	96,072	See Table A

Residual Margin

<i>(in RMB million)</i>	2021	2020	Notes
Opening residual margin	960,183	918,416	
Contribution from new business	55,905	88,571	
Expected interest growth	36,505	36,319	
Release of residual margin	(82,488)	(81,583)	A
Lapse variances and others	(29,373)	(1,539)	
Closing residual margin	940,733	960,183	
Residual margin release / opening residual margin	8.6%	8.9%	
Long-term protection % release	71%	72%	

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

Appendices: P&C earnings (Table C)

(in RMB million)

	2021	2020	Notes
Premium income	270,043	285,854	
Net earned premiums	260,490	253,017	B
Claim expenses	(174,663)	(153,302)	
Commission expenses of insurance operations	(32,039)	(40,704)	
Administrative expenses	(53,179)	(62,394)	
Reinsurance commission revenue	4,527	5,473	
Underwriting profit	5,136	2,090	D = B x (1-C)
Combined ratio (%)	98.0	99.1	C
Total investment income	14,123	18,370	E = F x G
Average investment assets	325,515	298,708	F
Total investment yield (%)	4.3	6.1	G
Other net revenue and expenses	(563)	(831)	
Profit before tax	18,696	19,629	
Income tax	(2,504)	(3,470)	
Net profit	16,192	16,159	See Table A
Operating profit	16,192	16,159	See Table A

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

Appendices: Banking earnings (Table D)

(in RMB million)

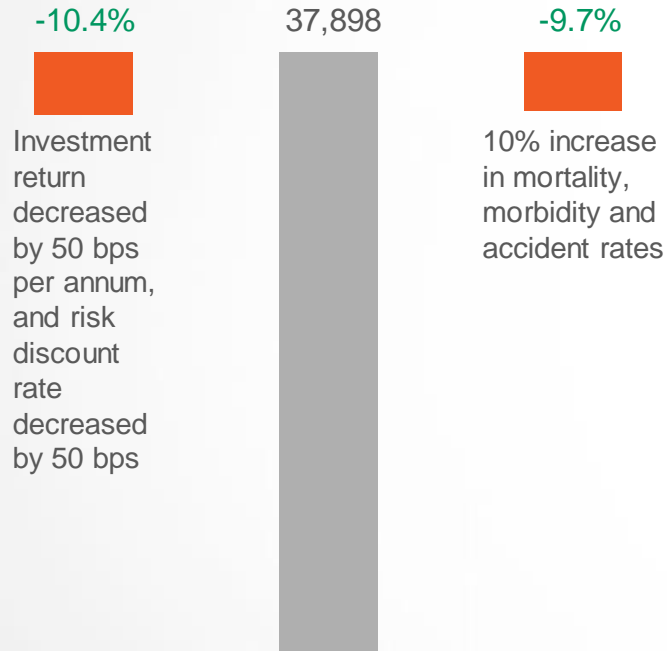
	2021	2020	Notes
Net interest revenue	120,336	113,470	H = I x J
Average balance of interest-earning assets	4,314,998	3,944,430	I
Net interest margin (%)	2.79	2.88	J
Net non-interest revenue	49,047	40,072	
Revenue	169,383	153,542	K
General and administrative expenses	(47,937)	(44,690)	L = - (K x M)
Cost-to-income ratio (%)	28.30	29.11	M
Taxes and surcharges	(1,644)	(1,525)	
Operating profit before impairment losses on assets	119,802	107,327	
Impairment losses on credit and other assets	(73,817)	(70,418)	
Including: Loan impairment loss	(59,407)	(43,148)	N = - (O x P)
Average balance of loans and advances (including discounted bills)	2,853,155	2,497,111	O
Credit cost (%)	2.08	1.73	P
Other expenses	(106)	(155)	
Profit before tax	45,879	36,754	
Income tax	(9,543)	(7,826)	
Net profit	36,336	28,928	See Table A

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

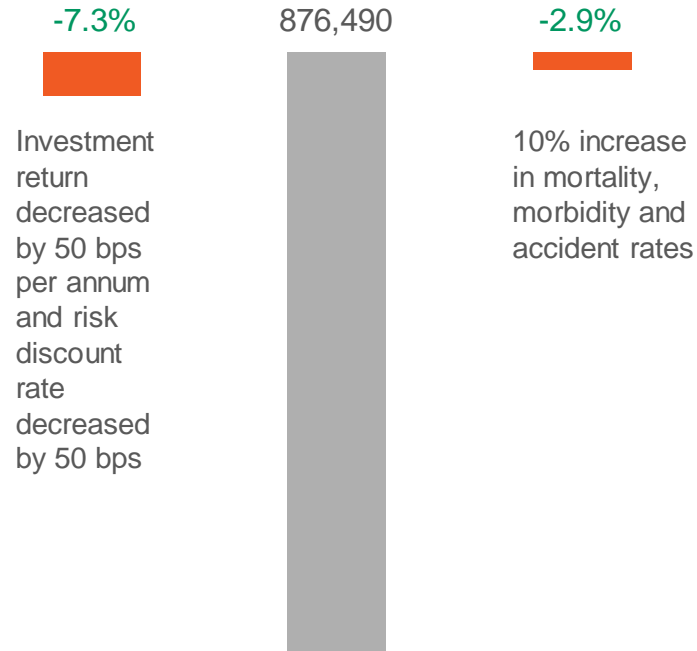
Appendices: NBV and EV exhibited low sensitivity to future investment return

(in RMB million)

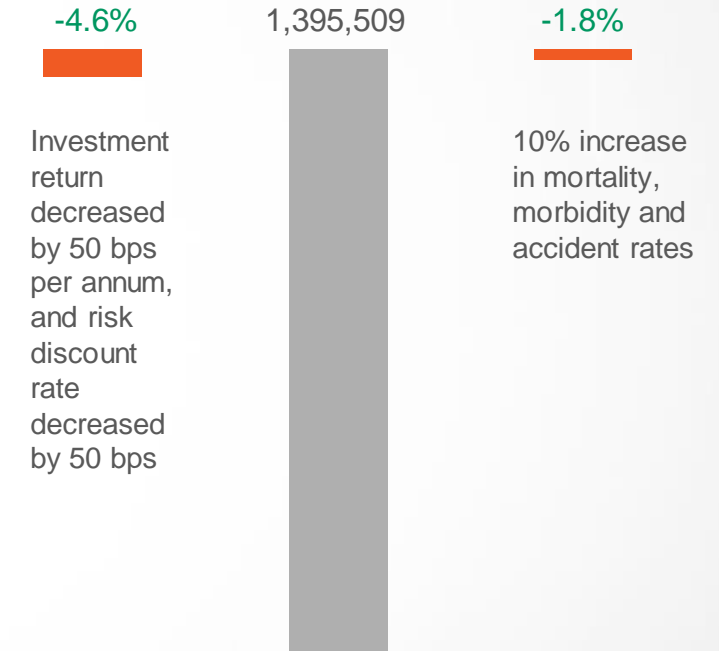
NBV of one year



Life & Health EV



Group EV



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.