

2020 First Quarter Results

April 2020



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

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

Contents

Overview

Retail Integrated Finance &
Insurance Business

Corporate Integrated Finance &
Banking Business

Technology Business

Overview

Challenging operating environment for 1Q 2020

Challenges & Impacts

- **Business was impacted by COVID-19:** Core financial businesses were impacted as traditional offline operations were halted along with falling financing demands.
- **Rising credit risk:** As the operating environment became difficult, some enterprises faced solvency declines, rising credit risks, increasing bad debt losses, and asset quality pressures.
- **Increased investment risk:** Greater volatility of fair value gains and losses were driven by volatile equity markets, falling interest rates and the Company's implementation of the new accounting standards for financial instruments.

Measures

- **Online measures:** Utilizing strong technological capabilities, we promoted resumption of work, and strengthened both our product and service capabilities. We further developed innovative online operating models and accumulated customer resources to secure post-epidemic business growth.
- **Strengthen credit risk management :** Strengthened and enhanced the efficiency of our credit risk management on a pre/ during/ post investment basis with fintech.
- **Asset allocation was optimized:** The Company continued to focus on long-term value investments and lengthened asset duration to narrow the asset-liability duration gap. Moreover, the Company proactively seized investment opportunities arising from epidemic-induced market weakness.

Future prospects

Opportunities and challenges coexist in the medium- to long-term:

- **Financial services:** The demand for insurance and financing will accelerate. Ping An will accelerate technological transformations of the traditional financial businesses to meet customers' growing demand.
- **Healthtech:** Epidemic prevention and containment spurred technological application and spawning development opportunities for health services. Ping An will seize opportunities in the development of healthtech to strengthen cutting-edge advantages of its technology business with insurance services and health expertise.

Business highlights for 1Q 2020

Group

Customer development

Life & Health insurance

Banking

Technology

- Despite market volatility and offline business interruptions brought on by the epidemic, operating profit attributable to shareholders of the parent company rose **5.3%** year on year to **RMB35,914 million**. Ping An ranked **9th** on the Brand Finance Global 500 2020 list, joining the league of world's top ten for the first time.
- Retail customers continued to grow in 1Q to **204 million**. In the first three months of 2020, Ping An acquired **8.71 million** new retail customers, of whom **34.7%** were sourced from internet users within the Group's five ecosystems.
- Life & Health operating profit attributable to shareholders of the parent company rose **23.7%** year on year to **RMB24,302 million**. Amid the COVID-19 epidemic, the Company leveraged technologies to develop innovative online operating models and accumulate customer resources for post-epidemic business growth.
- Ping An Bank's revenue and net profit rose **16.8%** and **14.8%** year on year respectively. The provision coverage ratio of non-performing loans was further strengthened by **17.23 pps** from the beginning of 2020.
- Amid the COVID-19 epidemic, Ping An arranged for its **nearly 400,000** employees to work from home and hold online audio and video conferences with its strong technological capabilities. Ping An has won **the first place** in **52** international contests in total. For example, OneConnect's information extraction technology **topped** the rankings in two sub-tasks at the 14th International Workshop on Semantic Evaluation (SemEval).

Overview

Retail Integrated Finance
and Insurance Business

Corporate Integrated Finance
and Banking Business

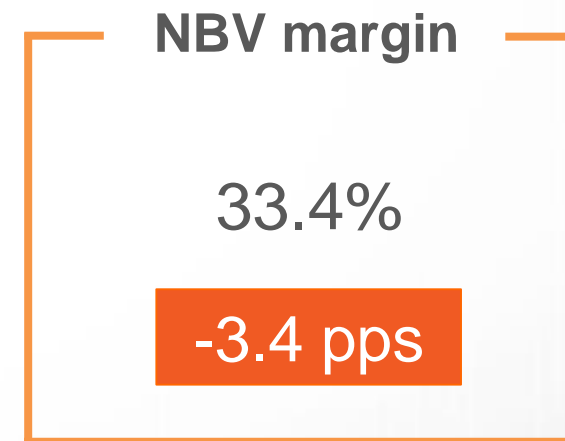
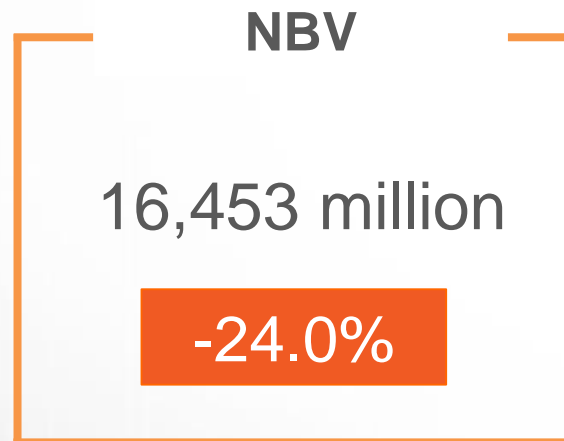
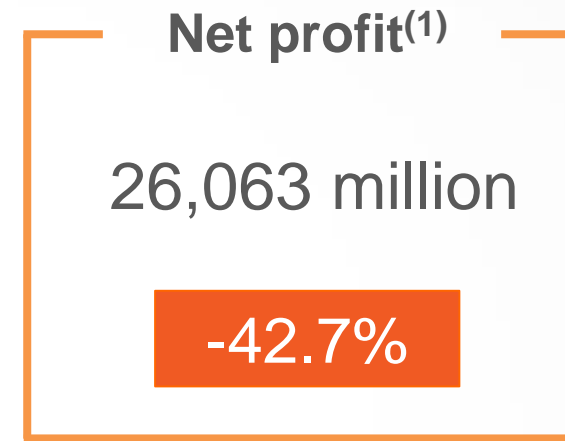
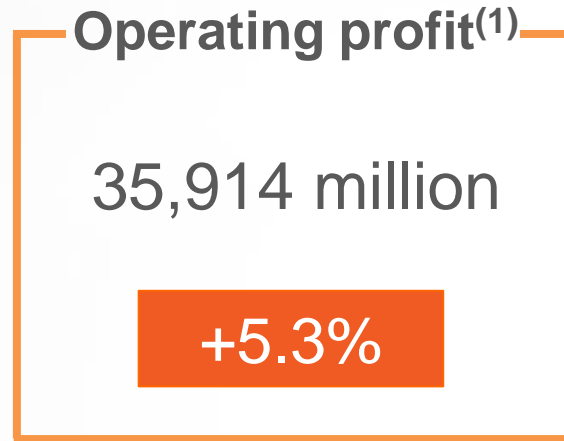
Technology Business



Financial Review

Financial performance for 1Q 2020

(in RMB)



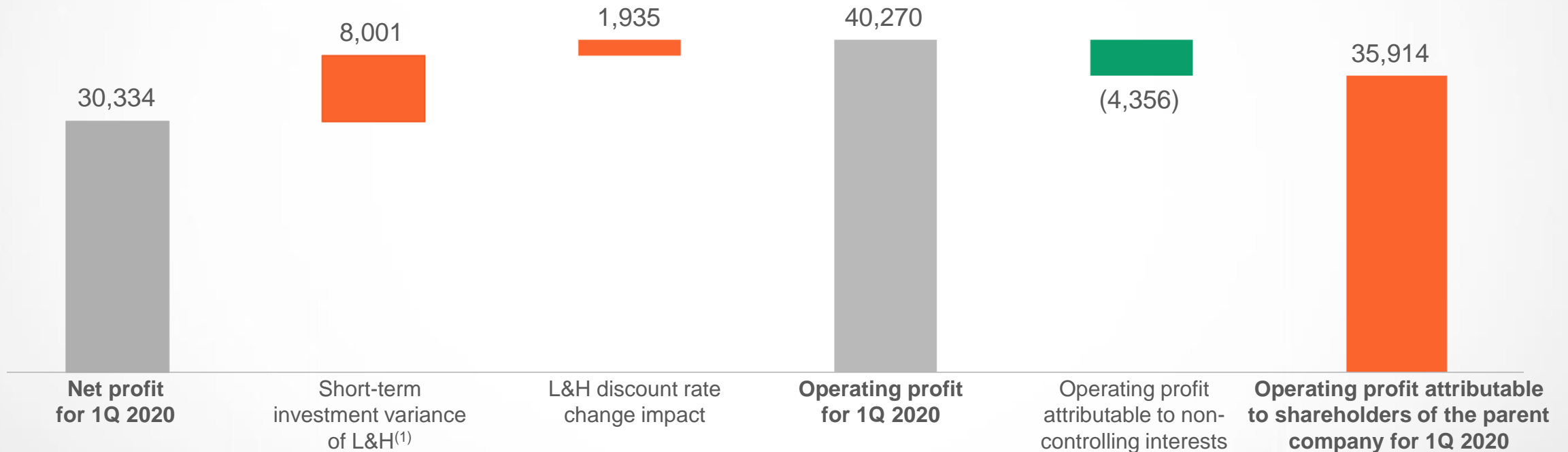
Notes: (1) Both the operating profit and the net profit are attributable to shareholders of the parent company.

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

Operating profit excludes non-operating items to reflect underlying performance

Operating Profit = Net Profit - Short-term Investment Variance - Discount Rate Change Impact - One-off Material Non-operating Items

(in RMB million)



Notes: (1) Short-term investment variance of L&H is the variance between the actual investment return of the life and health insurance business and the investment return calculated based on the EV ultimate investment return assumption (5%), net of the associated impact on insurance and investment contract liability.

(2) There was no one-off material non-operating item during the Reporting Period.

Group operating profit rose 5.3% YoY

	1Q 2020	Proportion (%)	1Q 2019	YoY Change (%)
<i>(in RMB million)</i>				
Life & health insurance	24,302	67.7	19,652	23.7
Property & casualty insurance	4,421	12.3	5,767	(23.3)
Banking	4,954	13.8	4,319	14.7
Trust	902	2.5	994	(9.3)
Securities	803	2.2	648	23.9
Other asset management ⁽¹⁾	752	2.1	3,189	(76.4)
Technology ⁽²⁾	1,290	3.6	1,402	(8.0)
Others & elimination	(1,510)	(4.2)	(1,852)	(18.5)
Group	35,914	100.0	34,119	5.3

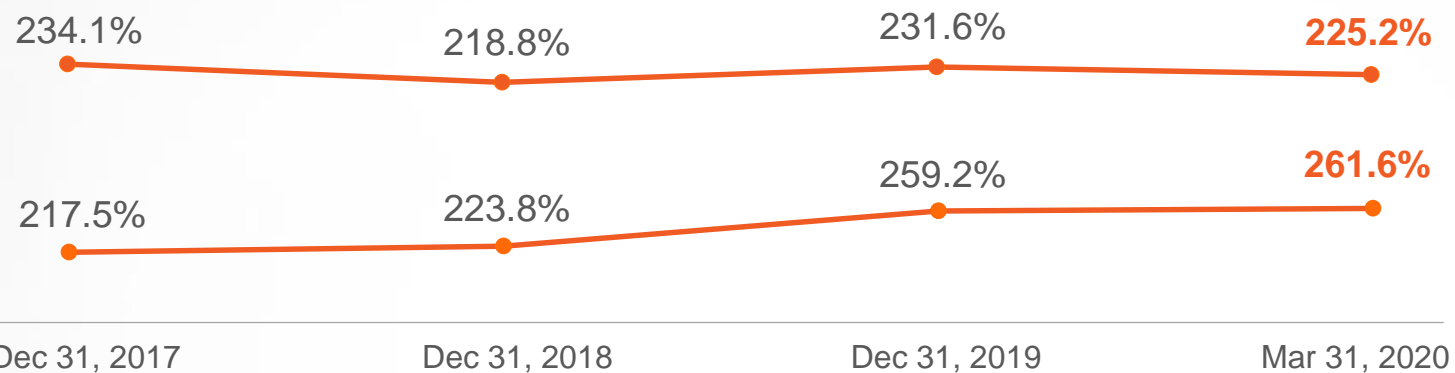
Notes: (1) The other asset management business represents results of companies that engage in asset management business including Ping An Asset Management, Ping An Financial Leasing, and Ping An Overseas Holdings.

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

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

Strong capital adequacy position

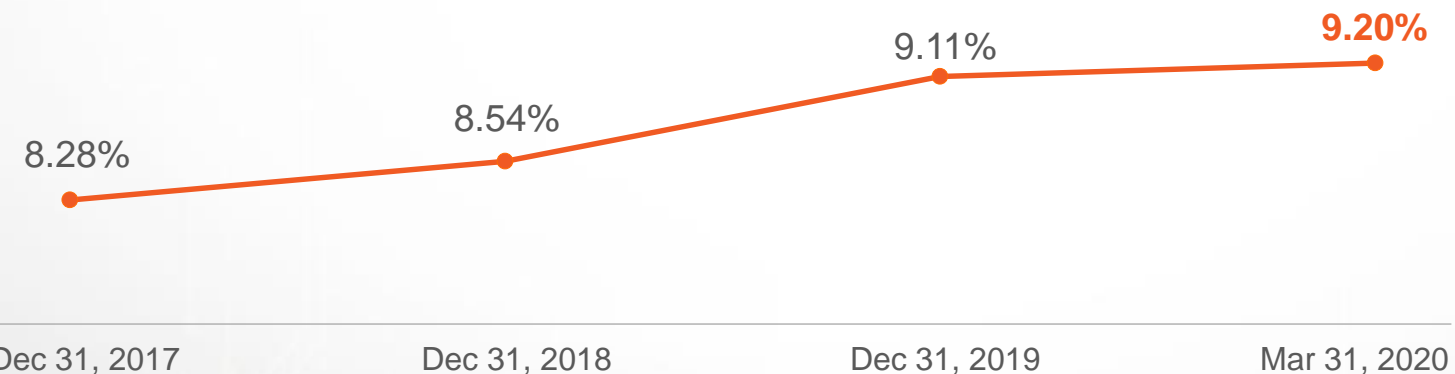
Comprehensive solvency margin ratios remained strong



Ping An Life
(regulatory requirement:
Core solvency margin ratio $\geq 50\%$,
Comprehensive solvency margin ratio $\geq 100\%$)

Ping An P&C
(regulatory requirement:
Core solvency margin ratio $\geq 50\%$,
Comprehensive solvency margin ratio $\geq 100\%$)

Core tier 1 capital adequacy ratio comfortably above regulatory minimum



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

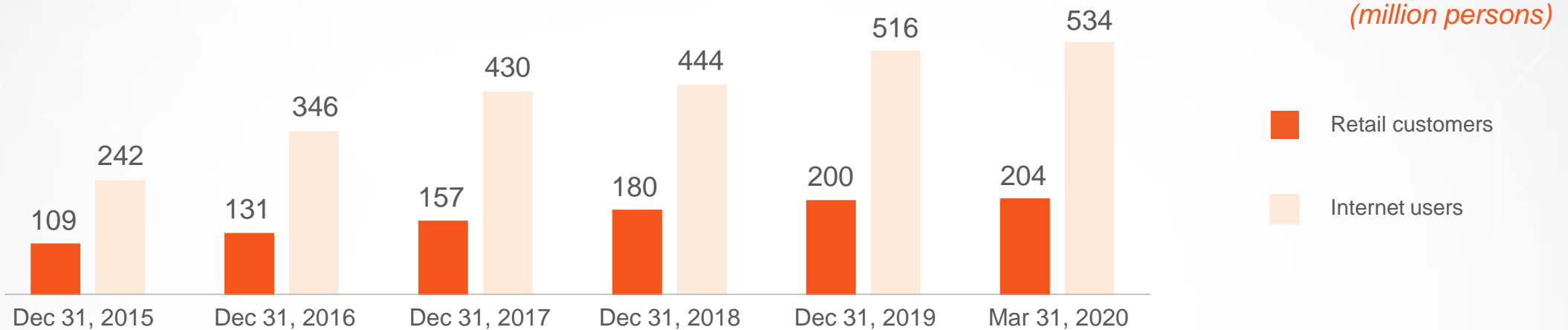
Retail Integrated Finance and Insurance Business



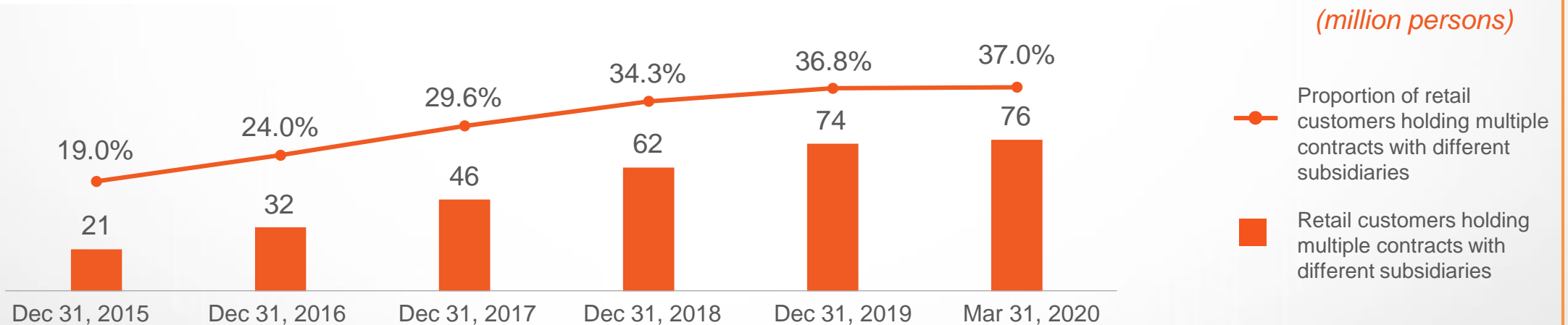
Retail Integrated Finance

Retail customers and cross-sell penetration grew

Significant potential to further penetrate our 534 million internet users



Cross-selling penetration ratio has increased along with growth in retail customers



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

Overview

**Retail Integrated Finance
and Insurance Business**

Corporate Integrated Finance
and Banking Business

Technology Business



Insurance Business

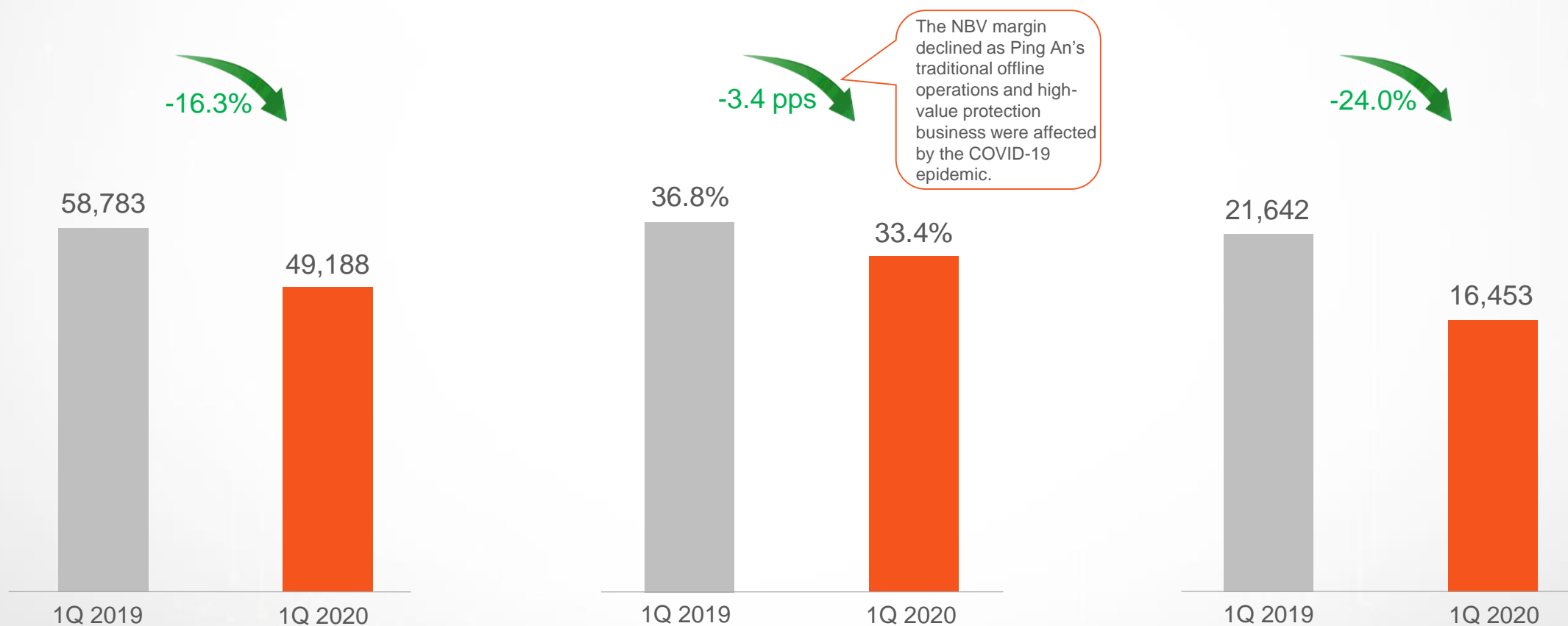
Life & Health NBV declined by 24% YoY largely due to COVID-19

(in RMB million)

FYP used to calculate NBV

NBV margin

NBV



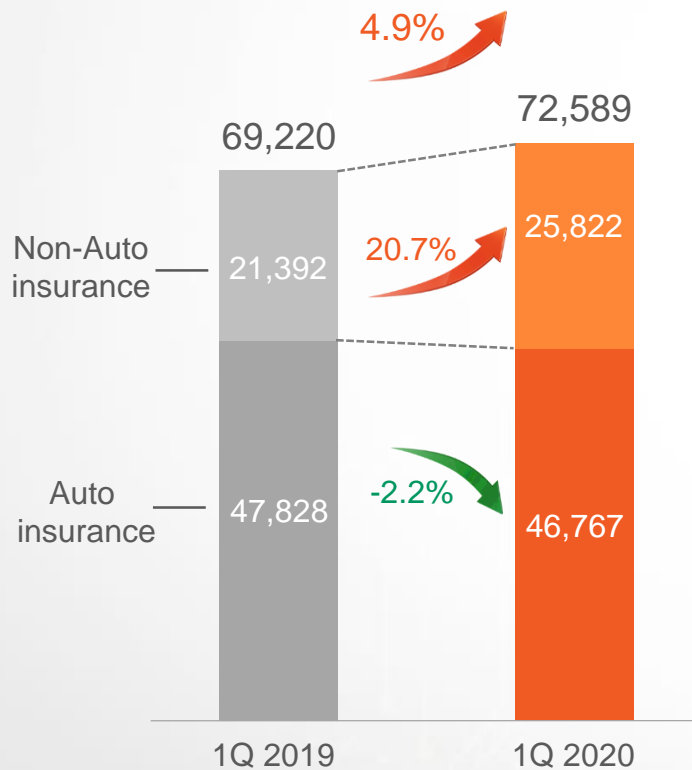
The NBV margin declined as Ping An's traditional offline operations and high-value protection business were affected by the COVID-19 epidemic.

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

P&C: operating profit fell 23.3% YoY due to decreased investment income, but still with a better-than-industry combined ratio

(in RMB million)

Premium income



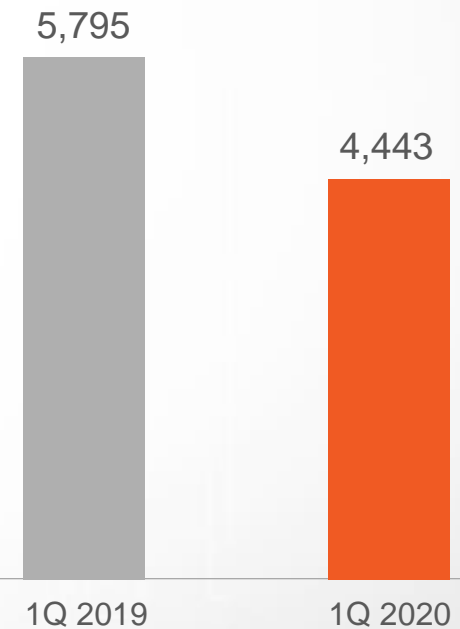
Combined ratio

-0.5 pps



Operating profit

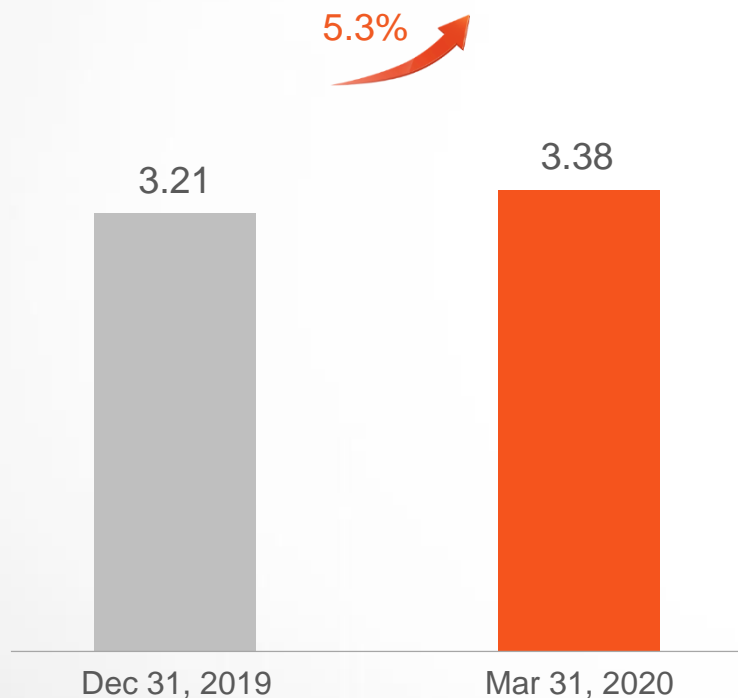
-23.3%



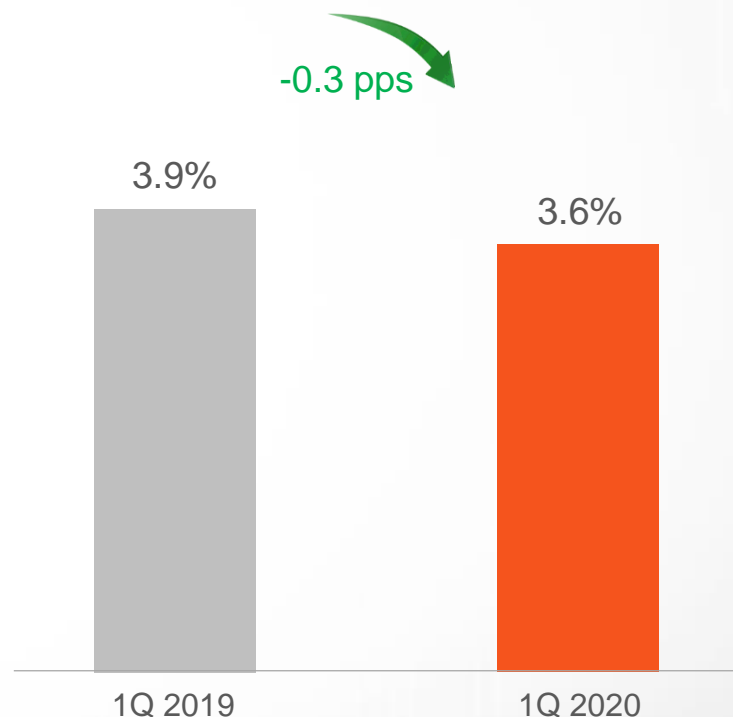
Investment portfolio of insurance funds grew by 5.3% from the beginning of 2020

Investment assets

(in RMB trillion)



Annualized net investment yield



Note: In computing annualized net investment yield, only interest income from deposits and debt financial assets as well as operating lease income from investment properties were annualized, while interest income from financial assets purchased under reverse repurchase agreements, interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions, and dividend income were not annualized.

Corporate Integrated Finance and Banking Business



Corporate Integrated Finance

Corporate integrated finance business model strengthened

“1+N” corporate business model

Customer development



- Established a **key customer development team** to review customer relationships and identify business opportunities, and focused on industries that contribute significantly to people’s livelihoods and long-term economic development.



- Established an **SME customer development team** led by Ping An Bank to share information within the Group on **key customers** in terms of products.

Optimization and collaboration



- Directly involve **product managers of insurance subsidiaries**, and effectively **remove sales intermediaries** to improve the efficiency of product inception.



- Established a **model management team** for in-depth **joint management and joint decision-making**
- Strengthened business models including **simple model, complex investment and financing model, and trading model.**

Technological empowerment



- Empower teams and business by building a system platform based on the business models to deliver **online management of trading models, and end-to-end sales support.**

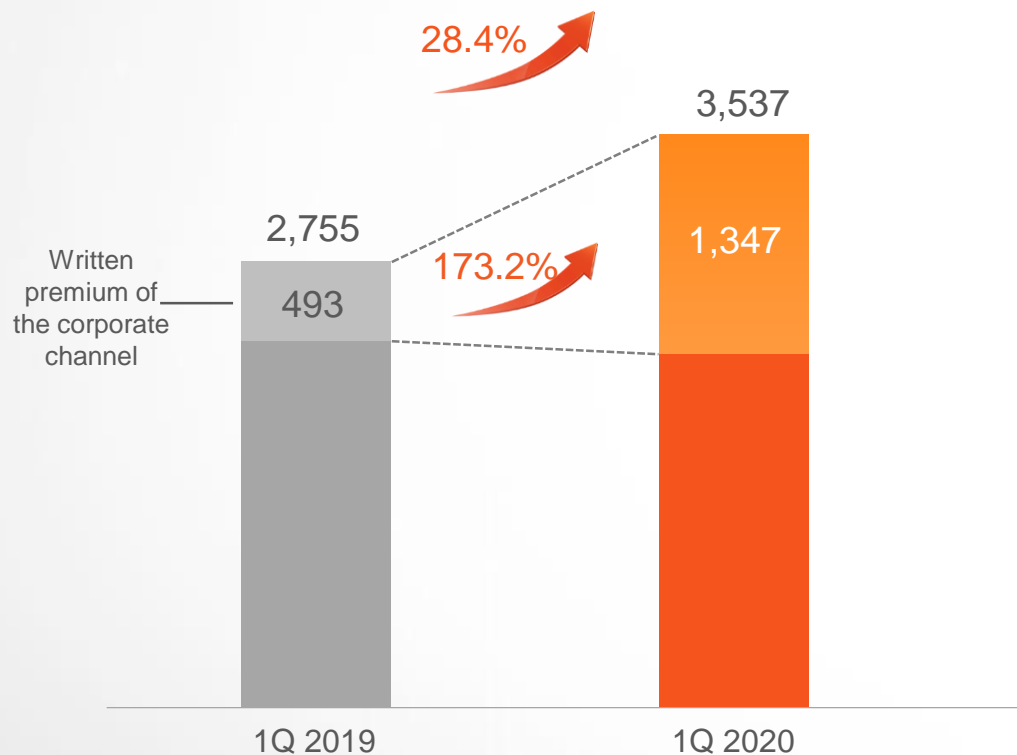


- Refined information on corporate customers of the Group, built business scenarios for simple models, and realized **end-to-end online pooling, sorting and dispatch of business leads.**

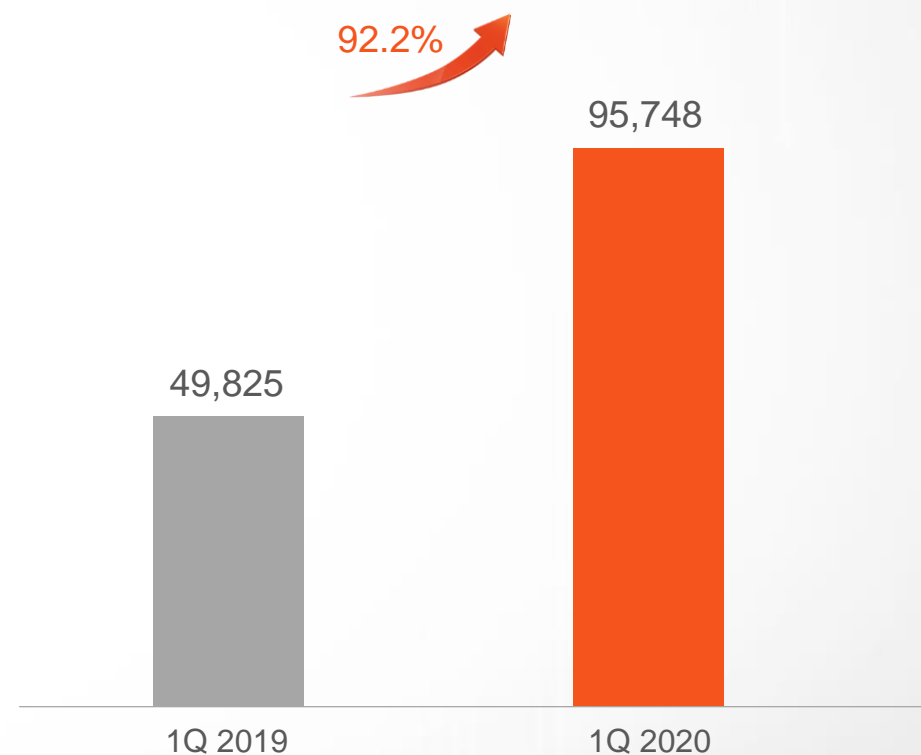
Rising corporate business volume

(in RMB million)

Corporate premiums achieved through cross-selling rose 28%



New financing scale achieved through corporate business cross-selling rose 92%



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

(2) Written premium of the corporate channel refers to the written premium of the integrated financial business less that of the life insurance channel.

(3) 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.

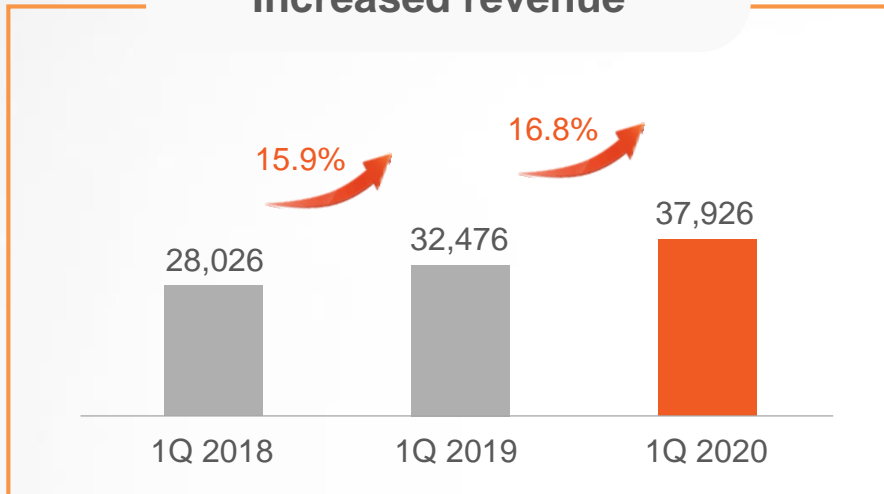


Banking Business

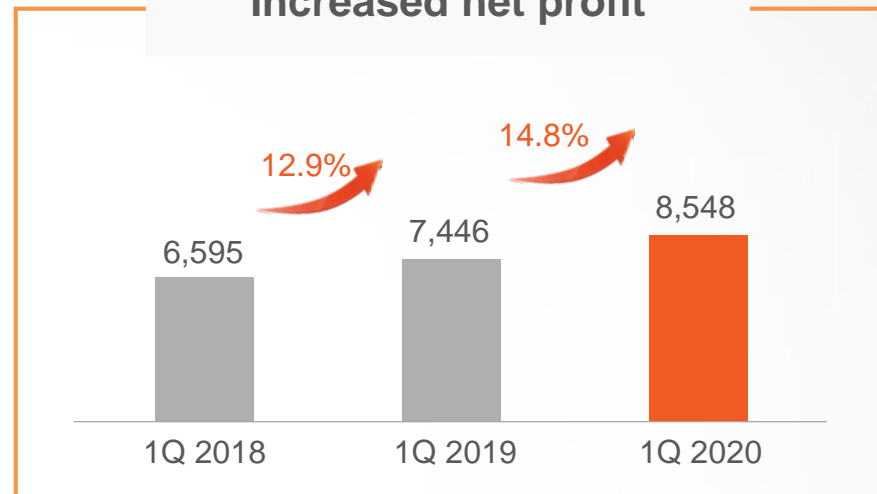
Growing profitability and 14.8% YoY increase in net profit

(in RMB million)

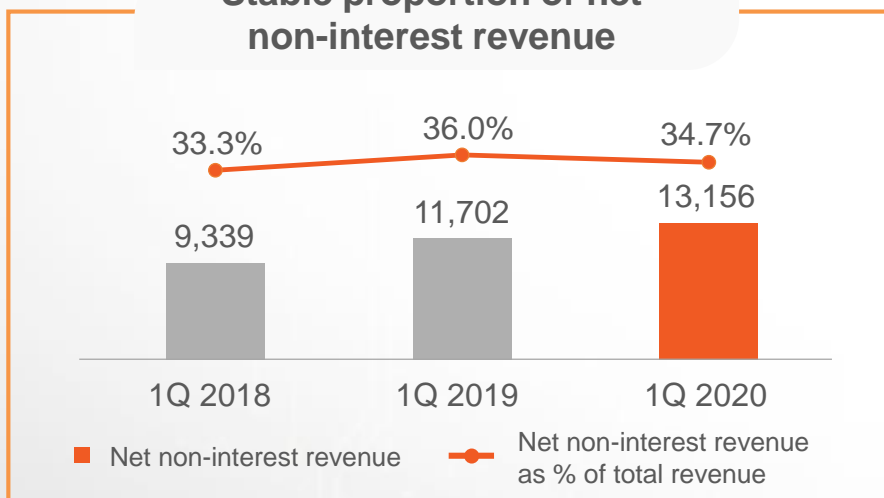
Increased revenue



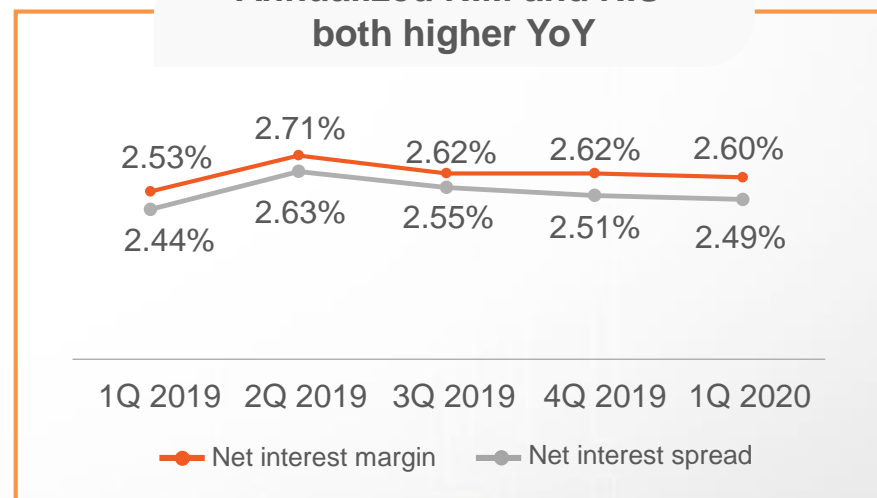
Increased net profit



Stable proportion of net non-interest revenue

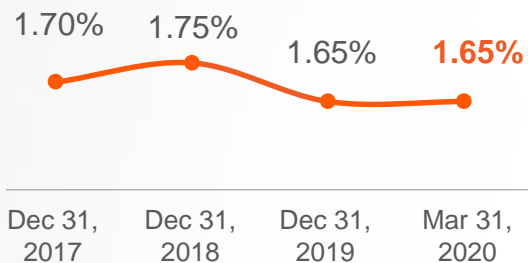


Annualized NIM and NIS both higher YoY

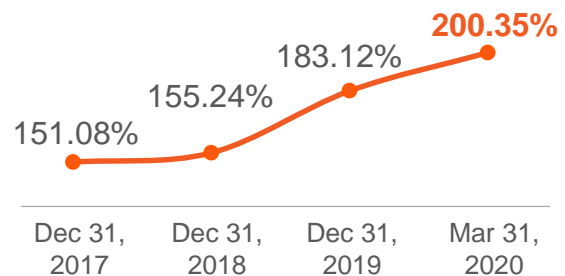


Asset quality risks under control

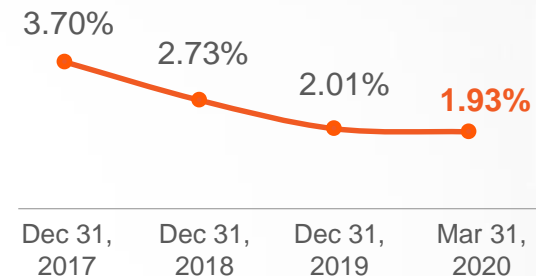
Stable NPL ratio



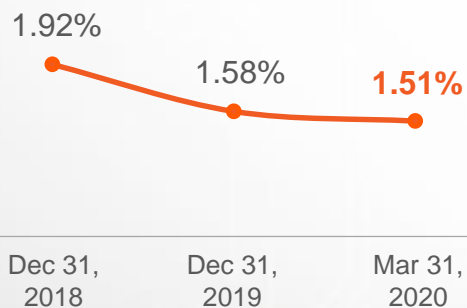
Provision coverage ratio now over 200%



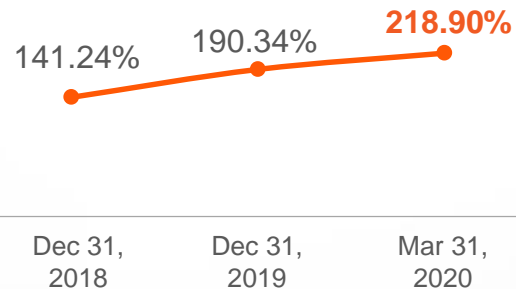
SML ratio improved



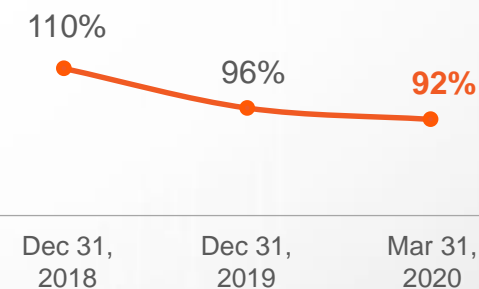
Decreased percentage of loans 60+ days overdue



Increased provision coverage ratio for loans 60+ days overdue



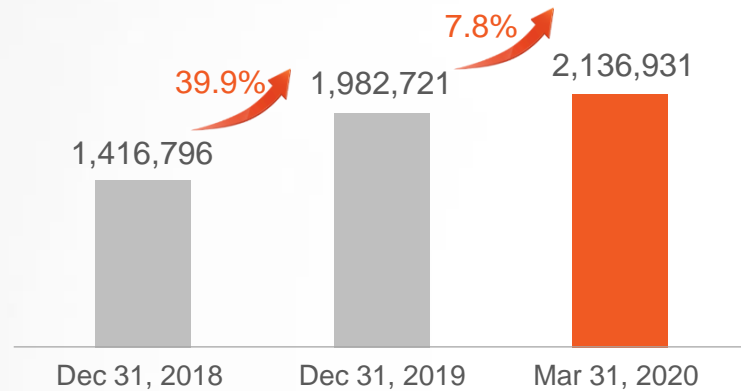
Decreased deviation of loans 60+ days overdue



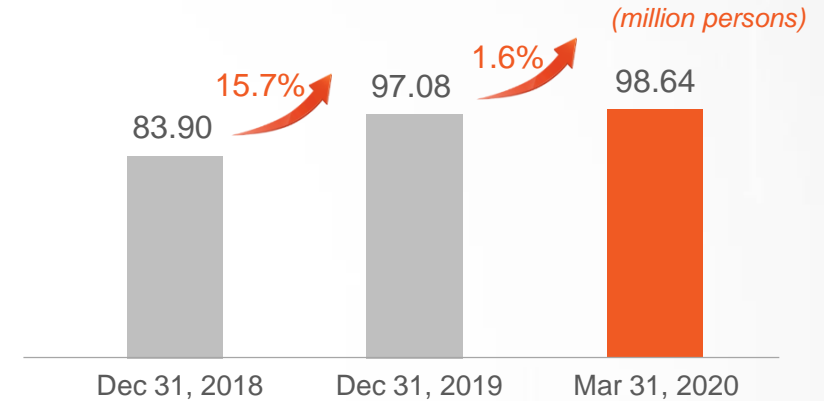
Retail business transformation was upgraded; COVID-19 had a short-term impact on retail asset quality

(in RMB million)

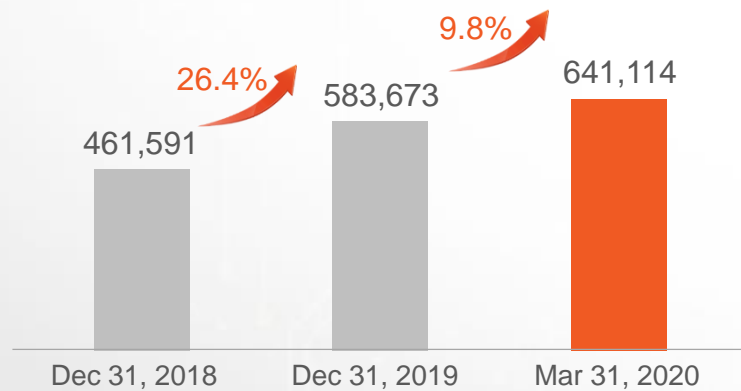
Retail AUM rose 7.8% YTD



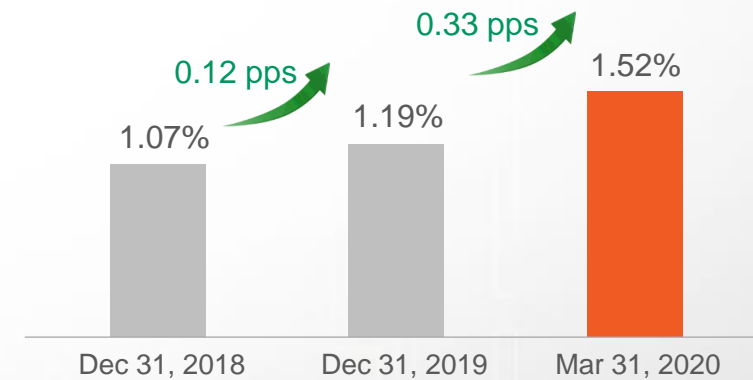
Retail customers grew 1.6% YTD despite challenging environment



Balance of retail deposits continued to grow



Retail NPL ratio adversely impacted by COVID-19

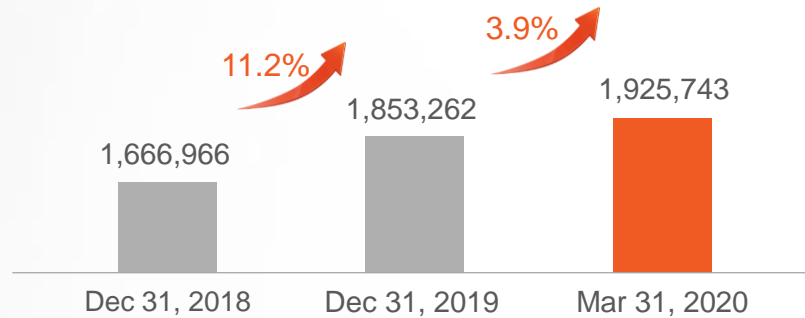


Corporate banking and interbank business grew

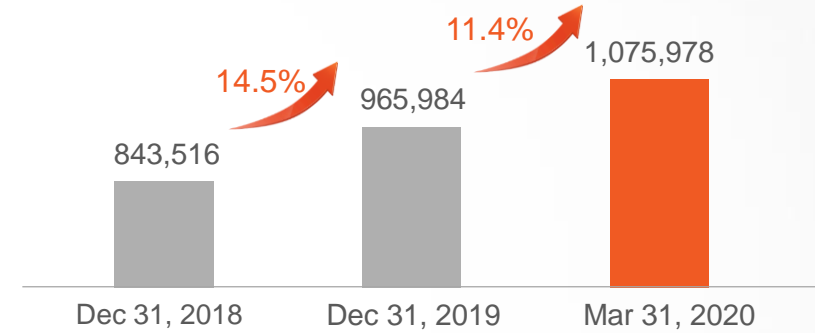
➤ Ping An Bank continued to enhance corporate banking

(in RMB million)

Balance of corporate deposits rose 3.9% YTD



Corporate loans grew YTD with continued focus on risk controls



➤ Ping An Bank upgraded the interbank business

Net revenue from trading

RMB3,077 million

+209.5%YoY

Interbank institutional sales volume

RMB212,446 million

+63.4%YoY

Bond trading volume

RMB1.46 trillion

+161.0%YoY

Technology Business

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

Tech patent applications

- **23,933** technology patent applications so far
- Including **5,567** filed under the Patent Cooperation Treaty (PCT) or abroad

Awards & certifications

- Ping An won **the first place** in **52** international contests in total
- OneConnect **topped** the rankings in two sub-tasks at International Workshop on Semantic Evaluation (SemEval)
- Ping An Technology was **top-ranked** in Stanford Question Answering Dataset 2.0 (SQuAD 2.0) **for the third time**, and scored **the highest** in 11 sub-tasks of the General Language Understanding Evaluation (GLUE) benchmark

Medical papers

- Published about **40** top medical papers
- Including the one published with Jinling Hospital in **EbioMedicine**, a sub-journal of **The Lancet**, and
- The one on endoscopic image quality published in **Scientific Reports**, a sub-journal of **Nature**

Sales



We have applied AI to recruitment interviews of Ping An Life's sales agents as well as training and sales support for them:

- Since its go-live, AI interview robot has completed **7.20 million** interviews, saving the Company **830,000 hours** of in-person interviews. In the first three months of 2020, the robot completed **1.2 million** interviews, up **28%** year on year.
- Through profiling of life insurance sales agents, Ping An analyzes the agents' life cycles and provides customized career development plans.

Operations



- Ping An Property & Casualty leverages technologies including robots and OCR to pursue robotic process automation gradually across China.
- For Ping An Property & Casualty's main product lines, **99.3%** of transactions are processed online and **99.8%** of transactions are paperless.

Services



- Widely used in banking, insurance, and other areas, our speech robots provided services over **109 million times** in the first three months of 2020.
- The net promoter score (NPS) for March improved by **1.62 pps** from the beginning of 2020.

Healthtech business



Ping An Good Doctor(01833.HK)

Has built AI-aided in-house medical teams, and provides users with online-merge-offline services by integrating offline health care networks

- As of March 31, 2020, Ping An Good Doctor had closely cooperated with **over 50** provincial and municipal governments to provide real-time online consultation services and free consultation hotlines. In addition, Ping An Good Doctor worked with **over 30** leading businesses and internet platforms to provide 24/7 online consultation services. Ping An Good Doctor invited renowned doctors and experts to give live interpretation of anti-epidemic knowledge.
- Amid the peak of the epidemic, Ping An Good Doctor provided 24/7 online consultation services, and it attracted **over 1,000 million visits** to its online platform.
- Ping An Good Doctor will directly and continuously benefit from more positive and liberal policies by cooperating with local governments, municipal SHI bureaus, and hospitals.



Ping An HealthKconnect

Committed to becoming a smart technology company fully empowering the health care ecosystem

- Ping An HealthKconnect has developed **an integrated smart SHI platform** based on its smart SHI system. Starting from SHI, Ping An HealthKconnect provides **integrated medical management solutions** covering hospitals, doctors, pharmacies, and insured members.
- As of March 31, Ping An Healthcare Diagnostics Center donated **nearly RMB3 million** worth of **92,000** pieces of medical supplies across the border in cooperation with its Japanese partners. Ping An Healthcare Diagnostics Center dispatched to Wuhan a vehicle equipped with a mobile CT scanner, which screened **5,304** people. Moreover, Ping An Healthcare Diagnostics Center performed nucleic acid tests on a total of **33,113** samples for COVID-19. Ping An HealthKconnect assisted the National Health Commission Capacity Building and Continuing Education Center in providing training on epidemic prevention and control, and helped municipal SHI bureaus to provide services through mobile devices.

Fintech business



Lufax Holding

World-leading online wealth management and retail lending technology platform

- Customer assets increased by **2.3%** from the beginning of 2020 to **RMB354,848 million** due to its business transformation in response to the latest regulatory requirements.
- In retail lending, Lufax Holding maintained steady growth. As of March 31, 2020, the balance of loans under management stood at **RMB506,275 million**, up **9.5%** from the beginning of 2020.
- During the COVID-19 epidemic, Lufax Holding made full use of AI to alleviate the manpower shortage and closely monitor the loan portfolio's quality. Lufax Holding also aided customers by helping eligible borrowers defer principal and interest repayments in accordance with state policies.



OneConnect (OCFT US)

China's leading technology-as-a-service cloud platform

- OneConnect's end-to-end technology applications and business services help financial institutions increase revenues, manage risks, improve efficiency, enhance service quality and reduce costs, thereby enabling digital transformations.
- Despite the short-term adverse impact of COVID-19 on usage of some products, OneConnect increased the transaction volume facilitated in the first three months of 2020 by optimizing its business portfolio and vigorously developing third-party customers.
- The epidemic has driven up the financial sector's demand for cloud-based solutions and online products, bringing long-term growth opportunities for the industry.

Smart city: the platforms have gone live in more than 115 cities across China and some countries and regions involved in the Belt and Road Initiative

Daily life services

- Ping An's smart city business helped the Shenzhen Municipal Government launch a series of "Shen i Nin" anti-epidemic services in the "i Shenzhen" app, and was highly recognized by citizens for supporting Shenzhen's anti-epidemic battle and resumption of work and production.
- As of March 31, 2020, "i Shenzhen" had **nearly nine million** registered users and **more than six million** monthly active users.

Health care services

- The smart city business launched the "**Nationwide COVID-19 Real Time Dashboard**" with authoritative organizations of the state. The dashboard went live on **more than 300** official platforms in **21** provinces and **31** cities across China, keeping the public updated on the latest development of the epidemic.
- Ping An's smart city business also provided AI-based image reading services for **over 1,500** medical facilities across China to identify COVID-19. It took only **15** seconds to issue a single smart analysis, and **over 20,000** suspected infection cases were identified.

中国平安 PINGAN

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Thank you!

