Ping An (2318 HK)

2Q NBV stabilized against a high base; expect to see Group OPAT turnaround

BUY (Maintain)

Target Price	**HK$52.00**
Up/Downside	**43.6%**
Current Price	**HK$36.20**

China Insurance

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Stock Data

Mkt Cap (HK$ mn)	655,488.1
Avg 3 mths t/o (HK$ mn)	1,352.5
52w High/Low (HK$)	50.10/29.80
Total Issued Shares (mn)	18107.4

Source: FactSet

Shareholding Structure

Charoen Pokphand Group Company Ltd	13.0%
UBS Group AG	8.7%

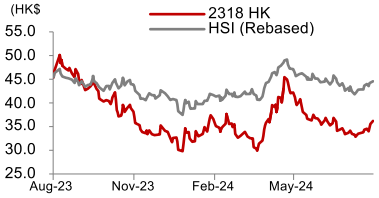
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	8.4%	3.6%
3-mth	-13.9%	-8.9%
6-mth	-1.1%	-7.6%

Source: FactSet

12-mth Price Performance



Source: FactSet

Auditor: Ernst & Young

Related reports:

1. Ping An (2318 HK) - Expect $3.5bn CB dilutive effect to be short-term, Jul. 17, 2024 (link)

2. Ping An (2318 HK) - 1Q24 NBV beat; Life OPAT y/y turned positive, Apr.15, 2024 (link)

3. Ping An (2318 HK) - Resilient DPS despite OPAT decline; EV assumptions change cut VNB more than expected, Mar 27, 2024 (link)

4. Ping An (2318 HK) – 1H23 NBV beat consensus; interim dividend up 1.1% YoY reinforcing a long-run growth story, Sep 4, 2023 (link)

Ping An reported resilient 1H24 results with NBV +11% YoY on a like-for-like basis to RMB 22.3bn, outpacing our forecast / market consensus by 3.6%/9.5%. Agency and bancassurance NBV drove up by 10.8%/17.3% YoY given a better margin to 33.0%/22.5% in 1H24, +10.5pct/+6.8pct on a like-for-like basis. 2Q NBV stabilized at RMB9.43bn against a high base pushed by FYP increase (+49.6% YoY) in 1H23. NBV margin was 24.2%, +6.5pct YoY in 1H24, offsetting -19.0% YoY FYP decline. We maintain the view on high-quality NBV growth to be driven by improving margin rather than scaling up volumes, and expect Ping An's margin expansion to progress with more productive agents and efficient bancassurance models. Group OPAT decline narrowed to -0.6% YoY in 1H24 (vs 1Q24: -3.0% YoY), backed by 1.7% YoY increase in OPAT of three core business lines to RMB 79.6bn. Looking ahead, we expect the Group OPAT to turn around in FY24, given 1) stabilized L&H OPAT underpinned by improved operating efficiency; 2) enhanced P&C UWP with evident scale-back of guarantee biz, and 3) low base of AMC and Tech OPAT in 2H23. We expect full-year Group OPAT to grow 3.9% YoY (*CMBI est*), laying the ground for progressive dividend growth. Interim dividend was HK$ 0.93 per share, flat to that of 1H23. Maintain BUY, with TP unchanged at HK$52.0 implying 0.6x FY24E P/EV.

- **Expect NBV to navigate L&H OPAT growth.** Ping An L&H achieved +11% YoY rise in NBV to RMB22.3bn in 1H24, implying a stable 2Q24 figure at RMB9.43bn. We see this result as a mix of: 1) margin expansion with total NBV margin +6.5pct to 24.2% in 1H24; 2) highly productive agent force as NBV per agent/month +36% YoY to RMB 9,785 with marginally lifted agent scale to 340k (vs 1Q24: 333k); and 3) restated 1H23 EV-related figures based on end-2023 long-run investment return (4.5%) and risk discount rate (9.5%) assumptions. L&H OPAT to S/H grew 0.7% YoY to RMB 54.7bn, enhanced by better operating variances (+10.2%) and investment service results (+12.1%) on a like-for-like basis in 1H24. CSM release dropped 5.5% YoY to RMB36.5bn, primarily dragged by the new business CSM -12.6% YoY to RMB23.7bn. Looking ahead, we expect the deviation of NBV and new business CSM to be short-term, as higher new biz growth shall accumulate distributable future earnings to benefit in CSM release. We forecast CSM release growth to turn positive in 1H25, and full-year L&H OPAT +1.9% YoY (*CMBI est*).
- **P&C CoR declined due to scale-back of guarantee insurance.** P&C CoR was 97.8% in 1H24, -0.2pct YoY with expense ratio down to 27.2% (-0.2pct) and claim ratio remained intact at 70.6%. Auto CoR was 98.1%, +1pct YoY given increasing claims from recovering travels and more frequent natural catastrophes in 1H24. The insurer scaled back on high-loss guarantee business with insurance revenue of the line -44% YoY to RMB8.05bn and CoR contracted to 106.8% (-10.9 pct YoY). Non-auto CoR, excl. guarantee was up by 2.1pct to 95.5%, dragged by commercial property, health and agriculture. We see better-than-expected underwriting profit to RMB3.5bn, +15.3% YoY, thanks to increase in insurance revenue. We expect FY24E CoR to fall to 97.7% to reflect positive structural chg.
- **Valuation.** The stock is trading at 0.42x FY24E P/EV and 0.61x FY24 P/BV, with 7.6% dividend yield and avg. 12.3% three-year ROE (*CMBI est*). We look positive on the Group's OPAT turnaround, given strengthened three core businesses and a low base in 2H23, esp. for AMC and Tech segments. Reiterate BUY, with TP unchanged at HK$52.0, implying 0.6x FY24 P/EV.

Earnings Summary

(YE 31 Dec)	FY22A	FY23A	FY24E	FY25E	FY26E
Net profit (RMB mn)	134,817	109,274	135,592	141,302	151,952
EPS (RMB)	8.78	4.84	6.53	7.05	7.66
Consensus EPS (RMB)	n.a	n.a	6.52	7.17	7.87
P/B (x)	0.7	0.7	0.6	0.6	0.5
P/Embedded value (x)	0.4	0.4	0.4	0.4	0.4
Dividend yield (%)	7.3	7.5	8.0	8.6	9.5
ROE (%)	18.2	9.7	12.2	12.3	12.3

Source: Company data, Bloomberg, CMBIGM estimates

Ping An: 1H24/2Q24 Key metrics overview

(RMB mn, %)	1H24	1H23	Y/Y %	2Q24	2Q23	Y/Y %
Profitability & NAV under IFRS 9 & 17:						
Insurance revenue:	**274,608**	**269,305**	***2.0%***	**137,756**	**136,199**	***1.1%***
Life & Health	**112,856**	**113,611**	***-0.7%***	**56,631**	**56,784**	***-0.3%***
Non-PAA	98,854	99,029	*-0.2%*			
PAA	14,002	14,582	*-4.0%*			
P&C	**161,910**	**155,899**	***3.9%***	**81,283**	**79,620**	***2.1%***
Auto	108,390	102,275	*6.0%*			
Non-auto, excl A&H	41,399	42,723	*-3.1%*			
Accident & Health	12,121	10,901	*11.2%*			
Insurance service expenses:	**(218,832)**	**(213,910)**	***2.3%***	**(108,836)**	**(107,955)**	***0.8%***
Life & Health	**(65,289)**	**(65,491)**	***-0.3%***			
Non-PAA	(53,585)	(53,128)	*0.9%*			
PAA	(11,704)	(12,363)	*-5.3%*			
P&C	**(153,557)**	**(148,330)**	***3.5%***			
OPAT attribute to shareholders:	**78,482**	**78,950**	***-0.6%***	**39,774**	**39,030**	***1.9%***
Life & Health insurance, *restated*	54,657	54,288	*0.7%*	27,369	27,592	*-0.8%*
P&C insurance	9,909	9,242	*7.2%*	6,035	4,719	*27.9%*
Bank	14,999	14,714	*1.9%*	6,345	6,252	*1.5%*
AMC	1,296	1,412	*-8.2%*	386	107	*260.7%*
Technology	291	1,735	*-83.2%*	493	1,042	*-52.7%*
Others	(2,670)	(2,441)	*9.4%*	(854)	(682)	*25.2%*
NPAT attribute to shareholders:	**74,619**	**69,841**	***6.8%***	**37,910**	**31,489**	***20.4%***
Life & Health insurance	50,612	*12.2%*	*12.2%*	25,466	20,150	*26.4%*
P&C insurance	9,909	*7.2%*	*7.2%*	6,035	4,719	*27.9%*
Bank	14,999	*1.9%*	*1.9%*	6,345	6,252	*1.5%*
AMC	1,296	*-8.2%*	*n.a*	386	107	*260.7%*
Technology	473	*-73.6%*	*-73.6%*	532	943	*-43.6%*
Others	(2,670)	*9.4%*	*9.4%*	(854)	(682)	*25.2%*
	1H24	**2023**	**Y/Y %**			
Net asset value attribute to shareholders:	**931,208**	**899,011**	***3.6%***			
Operating ROE by segment:	**16.4**	**17.6**	***-1.2 pct***			
Life & Health insurance	29.4	33.6	*-6.2 pct*			
P&C insurance	15.2	15.2	*0.0 pct*			
Bank	11.9	12.7	*-0.8 pct*			
AMC	2.8	2.4	*0.4 pct*			
Technology	0.6	3.6	*-3.0 pct*			

Source: Company data, CMBIGM

Ping An Life & Health	1H24	1H23	YoY%	2Q24	2Q23	YoY %
VNB	**22,320**	**20,112**	***11.0%***	**9,430**	**9,433**	***0.0%***
Agency, *restated*	*18,106*	*16,340*	*10.8%*			
Bancassurance, *restated*	2,641	2,251	*17.2%*			
Group and others, *restated*	111	203	*-45.5%*			
VNB margin	**24.2**	**17.7**	***6.5 pct***	**26.5**	**19.5**	***7.0 pct***
Agency, restated	33.0	22.5	10.5 pct			
Bancassurance, restated	22.5	15.7	6.8 pct			
Tele, internet and others, restate	15.6	15.7	-0.1 pct			
Group, restated	0.7	1.1	-0.4 pct			

EV composition:	1H24	2023	YoY %
Life & Health EV, *restated*	**916,230**	**830,974**	***10.3%***
L&H ANW	460,634	384,510	*19.8%*
L&H VIF after CoC	455,596	446,465	*2.0%*

L&H Profitability Analysis			
Contract service margin (CSM)	**774,399**	**817,494**	***-5.3%***
New business CSM (NB CSM)	23,737	27,157	*-12.6%*
New business CSM margin (%)	*10.3%*	*10.6%*	*-0.2 pct*
CSM Base	810,929	856,159	*-5.3%*
CSM release [1]	**36,529**	**38,665**	***-5.5%***
CSM release rate (%)	*9.0%*	*9.0%*	*0.0 pct*
Change in risk adjustment for non-financial risk [2]	**3,438**	**3,025**	***13.7%***
RA release (%)	*4.4%*	*4.3%*	*0.0 pct*
Operating variances and others [3]	**7,079**	**6,425**	***10.2%***
Investment service result, *restated* [4]	15,085	13,460	*12.1%*
Ping An L&H operating profit after tax (L&H OPAT)	**56,302**	**55,564**	***1.3%***
Ping An L&H net profit after tax (L&H NPAT)	**52,225**	**46,335**	***12.7%***
L&H Insurance service results	**47,047**	**48,115**	***-2.2%***
L&H Investment service results	**15,085**	**13,460**	***12.1%***

CROSS-II Solvency ratios (%):	2Q24	1Q24	*QoQ %*	1Q24	4Q23	*QoQ %*
Ping An Life core solvency ratio (%)	**123.6**	**118.8**	***4.8 pct***	**118.8**	**105.0**	***13.8 pct***
Ping An Life comprehensive solvency ratio (%)	208.8	206.0	*2.8 pct*	206.0	194.7	*11.3 pct*

Premiums income breakdown:	1H24	1H23	YoY %
First-year premiums (FYP)	**92,218**	**113,901**	***-19.0%***
First-year regular premiums (FYRP)	**65,574**	**71,237**	***-7.9%***
First-year single premiums (FYSP)	64,569	67,627	*-4.5%*
as a % of Total FYP	*71.1%*	*62.5%*	*8.6 pct*
Gross written premiums (GWP)	387,766	379,918	*2.1%*
Annualized Premiums Earned (APE)	72,031	78,000	*-7.7%*

Premium income by distribution:	1H24	1H23	YoY %
Agency FYP (incl. ST insurance)	**54,821**	**72,639**	***-24.5%***
Agency RP	*56,993*	*59,180*	*-3.7%*
as a % of FYP	*104.0%*	*81.5%*	*22.5 pct*
Bancassurance FYP (incl. ST insurance)	**11,746**	**14,342**	***-18.1%***
Bancassurance RP	*6,817*	*9,743*	*-30.0%*
as a % of FYP	*58.0%*	*67.9%*	*-9.9 pct*
Tele, internet and others (incl. ST insurance)	**9,353**	**8,395**	***11.4%***
Tele, community grid and others RP	*1,764*	*2,314*	*-23.8%*
as a % of FYP	*18.9%*	*27.6%*	*-8.7 pct*
Group & Others FYP	**16,298**	**18,526**	***-12.0%***
Group & Others RP	*1,764*	*2,314*	*-23.8%*
as a % of FYP	*10.8%*	*12.5%*	*-1.7 pct*
Agency APE	**60,752**	**63,369**	***-4.1%***
Bancassurance APE	**7,445**	**10,311**	***-27.8%***
Group & others APE (incl. tele & community grid)	**3,834**	**4,320**	***-11.2%***

Premium income by product:	1H24	1H23	YoY %
Participating	35,420	33,601	*5.4%*
Universal	72,531	80,701	*-10.1%*
Traditional life	**125,009**	**96,633**	***29.4%***
Long-term health	57,161	58,595	*-2.4%*
Accident & short-term health	23,598	23,965	*-1.5%*
Annuity	**73,897**	**86,252**	***-14.3%***
Investment-linked	150	171	*-12.3%*
Premium income by product mix (%):			
Traditional life as a % of total GWP	*32.2%*	*25.4%*	*6.8 pct*
Long-term health as a % of total GWP	*14.7%*	*15.4%*	*-0.7 pct*
Accident & ST health as a % of total GWP	*6.1%*	*6.3%*	*-0.2 pct*
Protection-related as a % of total GWP	***53.1%***	***47.2%***	***5.9 pct***

Other operating metrics:	1H24	1H23	YoY %	2Q24	1Q24	YoY %
1) Agent productivity:						
Number of life insurance agents(mn)	**0.34**	**0.37**	***-9.1%***	**0.34**	**0.33**	**2.1%**
Monthly avg. no. of agents (mn)	0.31	0.38	*-18.7%*			
Activity rate (%)	55.9	54.1	*3.3%*			
Agent productivity (VNB per agent)	**58,708**	**43,168**	***36.0%***			
2) Life policy persistency ratio (%):						
13-month persistency	96.6	93.8	*2.8 pct*			
25-month persistency	90.9	87.6	*3.3 pct*			

Source: Company data, CMBIGM

Ping An P&C	1H24	1H23	YoY %	2Q24	2Q23	YoY %
Underwriting combined ratio (CoR, %):	**97.8**	**98.0**	***-0.2 pct***			
Loss ratio (%)	70.6	70.6	*0.0 pct*			
Expense ratio (%)	27.2	27.4	*-0.2 pct*			
P&C underwriting profits (RMB mn)	**3,532**	**3,053**	***15.7%***			
CoR by product (%):	**1H24**	**1H23**	**YoY %**			
Auto	98.1	97.1	*1.0 pct*			
Guarantee	106.8	117.7	*-10.9 pct*			
Liability	98.0	99.5	*-1.5 pct*			
Commercial property	94.7	89.0	*5.7 pct*			
Health	95.9	92.3	*3.6 pct*			
P&C premium income by product (RMB mn):	**1H24**	**1H23**	**YoY %**			
Auto	**104,824**	**101,348**	***3.4%***			
Non-auto, excl. A&H	**39,717**	**40,640**	***-2.3%***			
Guarantee	(1,814)	2,188	*-182.9%*			
Liability	14,179	14,219	*-0.3%*			
Commercial property	6,202	5,765	*7.6%*			
Agriculture	7,349	5,528	*32.9%*			
Others, excl agriculture	13,801	12,940	*6.7%*			
A&H	**23,598**	**23,965**	***-1.5%***			
Accident	5,766	5,116	*12.7%*			
Health	10,090	7,032	*43.5%*			
Total PC GWP	**160,397**	**154,136**	***4.1%***			
CROSS-II Solvency ratios (%):	**2Q24**	**1Q24**	**QoQ %**	**1Q24**	**4Q23**	**QoQ %**
Ping An P&C core solvency ratio (%)	**181.9**	**173.8**	***8.1 pct***	**173.8**	**169.4**	***4.4 pct***
Ping An P&C comprehensive solvency ratio (%)	205.0	199.1	*5.9 pct*	199.1	207.8	*-8.7 pct*

Source: Company data, CMBIGM

Ping An Bank	1H24	1H23	YoY %	1H24	2023	YoY %
Net interest margin (NIM)	**1.96**	**2.55**	***-0.59 pct***	**1.96**	**2.38**	***-0.42 pct***
Cost-to-Income ratio	27.37	26.45	*0.92 pct*	27.37	27.90	*-0.53 pct*
Non-performing loan ratio (NPL ratio %)	1.06	1.03	*0.03 pct*	1.06	1.06	*0.00 pct*
Provision coverage ratio %	**264.26**	**291.51**	***-27.25 pct***	**264.26**	**277.63**	***-13.37 pct***
Capital adequacy ratio:						
Core T1 capital %	9.33	8.95	*0.38 pct*	9.33	9.22	*0.11 pct*
T1 capital %	10.97	10.68	*0.29 pct*	10.97	10.90	*0.07 pct*
Capital adequacy ratio %	12.76	13.27	*-0.51 pct*	12.76	13.43	*-0.67 pct*

Source: Company data, CMBIGM

Investment performance	1H24	2023	YoY %	2Q24	2Q23	YoY %
Investment yields (%), annualized:						
Group net investment yield (%)	**3.3**	**3.5**	***-0.2 pct***			
Group total investment yield (%)	**3.5**	**3.4**	***0.1 pct***			
Group comprehensive yield (%)	**4.2**	**4.1**	***0.1 pct***			
L&H net investment yield (%)	3.4	3.5	*-0.1 pct*			
L&H total investment yield (%)	3.6	3.4	*0.2 pct*			
L&H comprehensive investment yield (%)	4.3	4.1	*0.2 pct*			
P&C net investment yield (%)	3.0	3.6	*-0.6 pct*			
P&C total investment yield (%)	3.3	3.4	*-0.1 pct*			
P&C comprehensive investment yield (%)	3.4	3.5	*-0.1 pct*			
P/L investment items:	**1H24**	**1H23**	**YoY %**			
Net investment income (RMB mn)	**88,273**	**85,217**	***3.6%***			
Total investment income (RMB mn)	97,983	79,639	*23.0%*			
Comprehensive investment income (RMB mn)	126,724	109,086	*16.2%*			
B/S investment items:	**1H24**	**2023**	**YoY %**			
Total investment assets (RMB mn)	**5,203,251**	**4,722,228**	***10.2%***			
Off-balance sheet debt (NSA debt)	384,347	416,810	*-7.8%*			
Off-balance sheet equity (NSA equity)	58,612	68,399	*-14.3%*			
Real estate investments	207,425	203,987	*1.7%*			
Mix by types (%):						
Cash & equivalents %	*7.1%*	*6.9%*	*0.2 pct*			
Bond %	*60.7%*	*58.1%*	*2.6 pct*			
NSA debt investments %	***7.4%***	***8.8%***	***-1.4 pct***			
NSA equity investments %	***1.1%***	***1.4%***	***-0.3 pct***			
Real estate investments %	***4.0%***	***4.3%***	***-0.3 pct***			
Mix by financial assets by measurement (%):						
AC	*12.8%*	*13.3%*	*-0.5 pct*			
FVOCI	***55.8%***	***56.0%***	***-0.2 pct***			
FVTPL	***24.8%***	***23.6%***	***1.2 pct***			
Others	*6.6%*	*7.1%*	*-0.5 pct*			

Source: Company data, CMBIGM

Financial Summary

INCOME STATEMENT	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
Insurance revenue		**525,981**	**536,440**	**547,877**	**587,790**	**650,350**
Insurance service expenses		**(422,221)**	**(440,178)**	**(450,358)**	**(486,383)**	**(544,121)**
Net expenses from reinsurance contracts held		(4,314)	(3,731)	(3,330)	(3,757)	(4,365)
Insurance service results		**99,368**	**92,301**	**93,686**	**97,083**	**101,215**
Net finance (expenses)/income from insurance contracts		(99,933)	(123,959)	(120,547)	(120,603)	(122,186)
Net finance (expenses)/income from reinsurance contracts		564	542	477	0	0
Interest income		115,933	118,503	120,521	136,247	151,930
Net investment income		(2,311)	33,324	58,864	63,871	71,175
Other gains/(losses) from changes in fair value		(17,752)	(16,238)	(10,344)	(11,284)	(13,110)
Net investment results		**(3,499)**	**12,172**	**48,970**	**68,231**	**87,809**
Net interest income from banking operations		131,096	118,947	99,937	99,896	99,723
Net interest income/(expenses) from non-banking operations		(22,698)	(24,346)	(21,463)	(20,558)	(22,188)
Loan loss provisions		(64,168)	(62,833)	(61,376)	(65,122)	(65,359)
Other fee and commission income/(expenses)		(9,928)	(8,773)	(7,162)	(7,154)	(7,173)
Other income		60,652	68,804	62,758	73,104	85,422
Other expenses		(107,779)	(123,515)	(125,351)	(137,843)	(151,631)
Foreign exchange gains/losses		3,144	120	(1,066)	(1,116)	(1,116)
Other results		**36,301**	**14,210**	**(13,963)**	**(24,696)**	**(32,746)**
Profit before tax		**142,335**	**120,117**	**126,817**	**139,246**	**155,314**
Income taxes		(7,518)	(10,843)	8,775	2,056	(3,362)
Net profit		**134,817**	**109,274**	**135,592**	**141,302**	**151,952**
Net profit attributable to shareholders		111,008	85,665	115,350	124,552	135,487

BALANCE SHEET	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec (RMB mn)						
ASSETS						
Cash and amount due from banks and other financial institutions		774,841	804,077	835,505	879,798	934,920
Balances with central bank and statutory deposits		295,559	285,879	352,943	435,739	537,959
Intangible assets		99,411	99,078	96,245	93,492	90,818
Investments in associates and joint ventures		280,793	258,877	252,124	257,192	262,362
Property		53,657	50,401	49,576	48,765	47,967
Investment property		114,763	121,406	124,957	133,806	144,564
Reinsurance contract assets		20,615	22,215	24,958	27,333	30,001
Loans and advances to customers		3,242,258	3,320,110	3,547,533	3,809,401	4,073,381
Fixed maturity investments		4,729,856	4,976,779	5,529,375	5,937,422	6,432,584
Equity investments		1,073,763	1,130,853	1,147,029	1,228,260	1,327,012
Derivative financial assets		29,278	44,978	52,331	54,445	56,645
Deferred tax assets		89,321	101,337	97,316	93,454	89,746
Other assets		205,825	367,427	621,308	578,316	391,664
Total assets		**11,009,940**	**11,583,417**	**12,731,201**	**13,577,423**	**14,419,623**
LIABILITIES						
Due to banks and other financial institutes		923,088	963,718	1,139,718	1,199,145	1,259,103
Customer deposits and payables to brokerage customers		3,431,999	3,534,539	3,745,312	3,970,031	4,130,420
Insurance contract liabilities		3,671,177	4,159,801	4,832,207	5,291,961	5,808,621
Obligations under repurchase agreements		271,737	241,803	268,871	298,969	332,436
Derivative financial instruments		39,738	44,531	44,996	45,900	46,822
Deferred tax liabilities		14,217	14,148	14,361	14,577	14,796
Current tax liabilities		16,076	7,117	4,482	2,823	1,778
Other liabilities		1,455,807	1,388,743	1,369,238	1,350,007	1,331,046
Total liabilities		**9,823,944**	**10,354,453**	**11,419,185**	**12,173,413**	**12,925,022**
EQUITIES						
Share capital		18,280	18,210	18,107	18,107	18,107
Reserves		268,724	263,752	267,745	275,338	274,609
Retained profits		593,183	622,050	693,589	770,194	853,537
Total shareholders' equity		**869,191**	**899,011**	**974,441**	**1,058,638**	**1,141,252**
Non-controlling interests		316,805	329,953	337,575	345,372	353,350
Total equity		**1,185,996**	**1,228,964**	**1,312,015**	**1,404,010**	**1,494,602**
Total liabilities & equity		**11,009,940**	**11,583,417**	**12,731,201**	**13,577,423**	**14,419,623**

PER SHARE DATA	2021A	2022A	2023A	2024E	2025E	2026E
YE 31 Dec						
DPS	2.36	2.40	2.48	2.64	2.85	3.13
EPS (Reported)	5.77	8.78	4.84	6.53	7.05	7.66
Consensus EPS	n.a	n.a	n.a	6.52	7.17	7.87
Group embedded value/share (HK$)	76.34	77.89	76.34	79.34	82.35	85.68
VNB/share (HK$)	2.07	1.58	1.71	1.92	2.16	2.44
No. of shares basic	18,280	18,280	18,210	18,107	18,107	18,107
PROFITABILITY	**2021A**	**2022A**	**2023A**	**2024E**	**2025E**	**2026E**
YE 31 Dec						
Return on equity (ROE)		18.2%	9.7%	12.2%	12.3%	12.3%
Return on life embedded Value		1.8%	(2.0%)	2.9%	2.5%	2.6%
VNB margin (FYP APE basis)		20.7%	15.5%	18.1%	19.7%	20.7%
Combined ratio		100.3%	100.7%	97.7%	97.1%	96.6%
VALUATION	**2021A**	**2022A**	**2023A**	**2024E**	**2025E**	**2026E**
YE 31 Dec						
P/Embedded value (x)	0.4	0.4	0.4	0.4	0.4	0.4
P/B	0.7	0.7	0.7	0.6	0.6	0.5
Dividend yield (%)	7.1	7.3	7.5	8.0	8.6	9.5
Dividend payout (%), based on OPAT	29.2	29.8	37.3	37.7	38.5	39.2

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets. | Note: stock data by market close on Aug 26, 2024.

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