

# Ping An (2318 HK)

## Group OPAT back to double-digit rise; expect CSM to return to positive growth in 2026E

Ping An delivered robust FY25 results with Group OPAT back to double-digit growth of 10.3% YoY to RMB134.4bn, translating to 35.3% YoY rise in 4Q25, slightly lower than our estimate of RMB135.9bn ([link](#)). Group NPAT reported at RMB134.8bn in FY25, up 6.5% YoY, modestly higher than our estimate of RMB133.1bn. The gap between OPAT and NPAT involved non-operating items incl. 1) RMB9.06bn in short-term investment variance from L&H business (vs. FY24: -RMB3.9bn) and 2) RMB8.6bn in one-off losses from the combined effect of consolidation of subsidiaries and sale of Autohome, and revaluation losses on higher value of H-share convertible bonds. By segment, L&H/P&C/PAB/AM OPAT was +2.9%/+13.2%/-4.2%/+68.2% YoY in FY25 and Fintech OPAT turned positive to RMB249mn. DPS rose 5.9% YoY to RMB2.7, in line with Bloomberg consensus, which implies an OPAT payout of 36.4% (FY24: 37.9%). NBV jumped 29.3% YoY to RMB36.9bn, with bancassurance NBV surging 138% YoY to RMB9.4bn (26% mix). CSM balance modestly fell by 0.8% YoY but headed towards positive growth trajectory. According to management, if excl. interest rate movements, the metric realized a YoY increase in the year. Maintain BUY, with our TP based on SOTP at HK\$90 (unchanged) which implies 0.9x FY26E P/EV.

■ **L&H OPAT rose thanks to improving operating variance and investment results.** In FY25, L&H OPAT climbed 7.5% YoY to RMB103.3bn, with 2H L&H OPAT rising 12.5% YoY to RMB48.6bn, supported by more-than-doubled operating variance gains and investment service result (30% mix vs. 2H24/1H25: 17%/24%). CSM release amounted to RMB68.2bn, down 4.2% YoY with the decline in 2H narrowed to 3.0% YoY (1H25: -5.2% YoY). L&H operating variance and others rose 17% to RMB9.4bn, reflecting disciplined expense control and improved claims and/or persistency experience amid stringent regulatory oversight. Investment service results rose 55.5% YoY to RMB27.3bn thanks to the surge in 2H at RMB14.4bn. NBV grew 29.3% YoY to RMB36.9bn with agency/bancassurance/telemarketing /group channels rising 10%/138%/29%/down 33% YoY in FY25. With sustained strong NBV momentum, we expect CSM balance to return to positive growth trajectory in 2026E, supporting CSM release back to YoY increase in 2H26E (CMBI est).

■ **P&C UWP almost doubled; COR down 1.5pct to 96.8%.** P&C auto/non-auto premium rose 3.2%/14.5% YoY to RMB230bn/RMB113bn (67%/33% mix). CoR was 96.8%, down 1.5pct YoY, with auto/non-auto CoR at 95.8%/99.1%, down 2.3pct/0.8pct YoY thanks to optimized costs in auto segment and profit gains from guarantee insurance. UWP was RMB10.7bn, up 96.2% YoY driven by auto, agriculture, and guarantee insurance, partially offset by liability and A&H segments. P&C net profit fell 2.8% YoY to RMB14.5bn due to a high base for investment income. Looking ahead, we expect Ping An's P&C to remain one of core drivers of Group OPAT rise with non-auto CoR to further improve.

■ **% of core equities in total investment assets rose to 19.2%, with OCI/TPL stocks at 57%/43%.** Net/comprehensive investment yield was 3.7%/6.3% in FY25, -0.1pct/+0.5pct YoY. Total investment assets reached RMB6.5tn, up 13.2% YoY. Core equities (stocks + equity funds) amounted to RMB1.24tn, up by 118% YoY, making up 19.2% of total investment assets in FY25 (vs. FY24/1H25: 9.9%/12.6%). In 2H25, Ping An scaled up TPL and OCI stocks by RMB192bn/RMB117bn, changing the mix of TPL/OCI stocks to 43%/57% (vs. 1H25: 35%/65%). This enhanced equity exposure generated fair value gains and led to increased comprehensive investment income to RMB325bn (+22% YoY) on top of a high base. EV investment experience variance was up 37.3% YoY to RMB29.8bn, driving Group/L&H EV each up by 5.7%/11.2% YoY.

■ **Valuation:** The stock is trading at 0.6x FY26E P/EV and 0.8x FY26E P/B, with a yield of 5.6% (CMBI est), the highest among peers. We expect L&H CSM

**BUY (Maintain)**

**Target Price** **HK\$90.00**  
**Up/Downside** **51.8%**  
**Current Price** **HK\$59.30**

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### Stock Data

Mkt Cap (HK\$ mn)	1,073,804.4
Avg 3 mths t/o (HK\$ mn)	2,940.3
52w High/Low (HK\$)	73.45/40.80
Total Issued Shares (mn)	18108.0

Source: FactSet

### Shareholding Structure

Charoen Pokphand Group	13.0%
Company Ltd	
UBS Group AG	9.0%

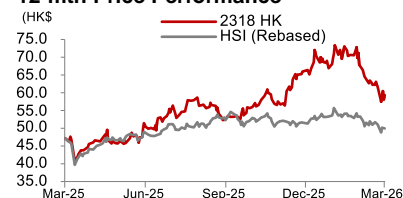
Source: HKEx

### Share Performance

	Absolute	Relative
1-mth	-12.8%	-6.9%
3-mth	-10.4%	-7.3%
6-mth	13.2%	18.5%

Source: FactSet

### 12-mth Price Performance



Source: FactSet

**Auditor: Ernst & Young**

### Related reports:

- [Banca fuelling NBV growth in jumpstart sales; 4Q earnings could ease on growth stock corrections](#), 23 Jan 2026
- [China Insurance - Easing solvency risk factors to steer insurance funds into long-term stockholdings](#), 8 Dec 2025
- [3Q earnings beat; improving business quality with catalysts across-the-board worth to expect](#), 31 Oct, 2025
- [1H25 a mixed bag: NBV beat while OPAT in line](#), Aug 28, 2025
- [1Q25 NBV stayed robust lifting L&H OPAT back to positive growth](#), Apr 28, 2025

balance and release to return to positive growth trajectory in 2026E, which could further unleash L&H OPAT upside. Considering increasing equity market volatilities, we modestly revise down FY26-27E EPS by 1%/2% to RMB7.85/8.33 and introduce FY28 estimates ([Table](#)). Maintain BUY, with our TP at HK\$90 (unchanged) based on SOTP which implies 0.9x FY26E P/EV and 1.2x FY26E P/B. Our TP includes 1) 1.1x target P/EV for Ping An L&H; 2) 0.9x P/B for Ping An P&C; 3) 0.6x P/B for Ping An Bank; 4) 1.0x P/B for AM and other operations; and 5) HK\$0.8 per share for online businesses based on P/B-ROE.

- **Key risks:** 1) significant regulatory tightening on life insurance and/or financial conglomerates; 2) heightened equity market volatilities; 3) prolonged low-interest rate environment; 4) intensified pricing competition in P&C industry; and 5) asset quality deterioration, etc.

### Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Net profit (RMB mn)	126,607	134,778	137,868	146,162	157,973
EPS (Reported)(RMB)	7.16	7.68	7.85	8.33	9.00
Consensus EPS (RMB)	n.a	n.a	8.15	8.88	9.60
P/B (x)	1.0	0.9	0.8	0.8	0.7
P/Embedded value (x)	0.7	0.6	0.6	0.6	0.5
Dividend yield (%)	5.0	5.3	5.6	5.9	6.4
ROE (%)	13.9	14.0	12.7	12.0	12.0

Source: Company data, Bloomberg, CMBIGM estimates

6. [Life OPAT awaits for longer time to turnaround](#), 24 Mar, 2025

7. [Robust 3Q doubled in NBV and earnings growth](#), 23 Oct, 2024

## FY25 key metrics snapshot/CMBI estimate change

(RMB bn, %)	Actual	FY25 CMBI est	Diff.	Current			Previous			Chg.		
				FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
EPS (RMB)	7.68	7.52	2.1%	7.85	8.33	9.00	7.93	8.50	<i>n.a.</i>	-1%	-2%	<i>n.a.</i>
Operating EPS (RMB)	7.66	7.68	-0.3%	7.93	8.48	9.22	7.85	8.46	<i>n.a.</i>	1%	0%	<i>n.a.</i>
Group NPAT	134.8	133.0	1.3%	137.9	146.2	158.0	140.3	150.3	<i>n.a.</i>	-2%	-3%	<i>n.a.</i>
Group OPAT	134.4	135.9	-1.1%	139.2	148.9	161.8	138.8	149.6	<i>n.a.</i>	0%	0%	<i>n.a.</i>
NBV	36.9	40.4	-8.7%	43.1	50.9	60.0	47.6	56.2	<i>n.a.</i>	-9%	-9%	<i>n.a.</i>
FYP	157.9	166.8	-5.3%	177.2	200.3	226.8	187.4	211.4	<i>n.a.</i>	-5%	-5%	<i>n.a.</i>
NBV margin (FYP basis)	23.4%	24.2%	-0.9pct	24.4%	25.4%	26.5%	25.4%	26.6%	<i>n.a.</i>	-1.0pct	-1.2pct	<i>n.a.</i>
EV	1,504	1,528	-1.6%	1,586	1,689	1,796	1,653	1,798	<i>n.a.</i>	-4%	-6%	<i>n.a.</i>
Net asset value	1,000	1,079	-7.3%	1,243	1,337	1,396	1,179	1,279	<i>n.a.</i>	5%	5%	<i>n.a.</i>
DPS (RMB)	2.70	2.76	-2.3%	2.92	3.09	3.34	2.90	3.08	<i>n.a.</i>	1%	1%	<i>n.a.</i>
Dividend payout (OPAT basis)	36.4%	36.0%	0.4pct	36.8%	36.5%	36.3%	37.0%	36.4%	<i>n.a.</i>	-0.2pct	0.1pct	<i>n.a.</i>

Source: Company data, CMBIGM estimates

## Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
<b>YE 31 Dec (RMB mn)</b>						
Insurance revenue	536,440	551,186	559,502	570,712	594,031	626,510
Insurance service expenses	(440,178)	(449,102)	(453,268)	(463,856)	(483,468)	(510,239)
Net expenses from reinsurance contracts held	(3,731)	(3,601)	(5,066)	(5,286)	(5,518)	(5,825)
<b>Insurance service results</b>	<b>92,301</b>	<b>98,127</b>	<b>100,970</b>	<b>101,791</b>	<b>105,277</b>	<b>110,690</b>
Net finance (expenses)/income from insurance contracts	(123,959)	(172,662)	(179,978)	(207,722)	(233,018)	(262,436)
Net finance (expenses)/income from reinsurance contracts	542	960	336	342	362	387
Interest income	118,503	123,627	135,798	151,689	168,444	187,650
Net investment income	33,324	161,074	154,544	163,491	181,256	201,740
Other gains/(losses) from changes in fair value	(9,940)	(19,814)	(13,795)	(13,447)	(14,948)	(15,261)
<b>Net investment results</b>	<b>18,470</b>	<b>93,185</b>	<b>96,905</b>	<b>94,352</b>	<b>102,097</b>	<b>112,081</b>
Net interest income from banking operations	118,947	93,913	88,662	86,134	83,663	80,997
Net interest income/(expenses) from non-banking operations	(24,346)	(19,405)	(20,533)	(20,397)	(21,191)	(22,924)
Loan loss provisions	(62,833)	(56,245)	(54,738)	(53,326)	(52,247)	(50,887)
Other fee and commission income/(expenses)	(8,773)	(7,841)	(9,779)	(9,610)	(9,518)	(9,429)
Other income	68,804	65,191	73,345	80,126	88,429	98,548
Other expenses	(129,813)	(139,117)	(137,291)	(145,142)	(153,609)	(164,106)
Foreign exchange gains/losses	120	380	618	618	618	618
<b>Other results</b>	<b>7,912</b>	<b>(17,338)</b>	<b>(7,481)</b>	<b>(8,178)</b>	<b>(9,188)</b>	<b>(11,204)</b>
<b>Profit before tax</b>	<b>120,117</b>	<b>170,495</b>	<b>185,590</b>	<b>183,130</b>	<b>193,233</b>	<b>206,417</b>
Income taxes	(10,843)	(23,762)	(27,289)	(27,058)	(28,358)	(29,522)
Net profit	109,274	146,733	158,301	156,072	164,875	176,896
<b>Net profit attributable to shareholders</b>	<b>85,665</b>	<b>126,607</b>	<b>134,778</b>	<b>137,868</b>	<b>146,162</b>	<b>157,973</b>

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
<b>YE 31 Dec (RMB mn)</b>						
<b>ASSETS</b>						
Cash and amount due from banks and other financial institutions	804,077	1,018,027	1,189,867	1,268,310	1,355,602	1,402,775
Balances with central bank and statutory deposits	329,531	344,608	334,290	338,552	342,868	345,047
Intangible assets	99,078	97,263	83,478	59,290	42,110	35,489
Investments in associates and joint ventures	258,877	185,514	141,251	144,090	146,986	148,456
Property	50,401	48,603	46,934	47,032	47,131	47,180
Investment property	121,406	119,158	128,259	141,158	155,926	164,094
Reinsurance contract assets	22,215	26,084	25,515	28,711	31,614	33,177
Loans and advances to customers	3,320,110	3,294,053	3,320,386	3,384,888	3,466,076	3,531,437
Fixed maturity investments	4,976,779	5,912,846	6,074,144	6,705,605	7,429,889	7,831,064
Equity investments	1,130,853	1,328,664	1,928,348	2,142,865	2,389,790	2,526,941
Derivative financial assets	44,978	68,698	30,002	33,077	36,468	38,291
Deferred tax assets	101,337	122,012	114,640	90,270	71,081	63,075
Other assets	323,775	392,297	481,357	2,149,644	1,724,518	1,559,366
<b>Total assets</b>	<b>11,583,417</b>	<b>12,957,827</b>	<b>13,898,471</b>	<b>16,533,492</b>	<b>17,240,058</b>	<b>17,726,392</b>
<b>LIABILITIES</b>						
Due to banks and other financial institutes	963,718	838,183	1,104,609	972,826	1,021,468	1,133,064
Customer deposits and payables to brokerage customers	3,534,539	3,710,167	3,809,246	6,044,885	6,166,387	6,228,051
Insurance contract liabilities	4,159,801	4,984,795	5,360,910	5,908,025	6,505,438	6,827,049
Obligations under repurchase agreements	241,803	462,292	643,547	521,273	422,231	342,007
Derivative financial instruments	44,531	74,937	46,862	47,804	48,765	49,252
Deferred tax liabilities	14,148	13,977	6,647	3,739	2,103	1,577
Current tax liabilities	7,117	14,970	11,095	7,101	4,545	3,636
Other liabilities	1,388,743	1,553,225	1,499,030	1,410,437	1,327,080	1,325,269
<b>Total liabilities</b>	<b>10,354,453</b>	<b>11,653,115</b>	<b>12,482,483</b>	<b>14,916,090</b>	<b>15,498,017</b>	<b>15,909,906</b>
<b>EQUITIES</b>						
Share capital	18,210	18,210	18,108	18,108	18,108	18,108
Reserves	263,752	221,594	215,070	292,420	284,647	280,220
Retained profits	622,050	693,797	767,241	856,408	950,993	1,009,777
<b>Total shareholders' equity</b>	<b>899,011</b>	<b>928,600</b>	<b>1,000,419</b>	<b>1,166,936</b>	<b>1,253,749</b>	<b>1,308,104</b>
Non-controlling interests	329,953	376,112	415,569	450,465	488,292	508,381
<b>Total equity</b>	<b>1,228,964</b>	<b>1,304,712</b>	<b>1,415,988</b>	<b>1,617,402</b>	<b>1,742,041</b>	<b>1,816,485</b>
<b>Total liabilities &amp; equity</b>	<b>11,583,417</b>	<b>12,957,827</b>	<b>13,898,471</b>	<b>16,533,492</b>	<b>17,240,058</b>	<b>17,726,392</b>

<b>PER SHARE DATA</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Dec</b>						
DPS	2.48	2.61	2.78	2.92	3.09	3.34
EPS (Reported)	4.84	7.16	7.68	7.85	8.33	9.00
Consensus EPS	n.a	n.a	n.a	8.15	8.88	9.60
No. of shares basic	18,210	18,210	18,108	18,108	18,108	18,108
<b>PROFITABILITY</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Dec</b>						
Return on equity (ROE)	9.7%	13.9%	14.0%	12.7%	12.0%	12.0%
Return on life embedded Value	7.7%	7.5%	7.4%	6.9%	7.3%	7.6%
VNB margin (FYP APE basis)	23.7%	18.5%	23.4%	24.4%	25.4%	26.5%
Combined ratio	100.7%	98.3%	96.8%	96.8%	96.7%	96.6%
<b>VALUATION</b>	<b>2023A</b>	<b>2024A</b>	<b>2025A</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
<b>YE 31 Dec</b>						
P/Embedded value (x)	0.7	0.7	0.6	0.6	0.6	0.5
P/B (x)	1.1	1.0	0.9	0.8	0.8	0.7
Dividend yield (%)	4.7	5.0	5.3	5.6	5.9	6.4

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets.

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