

Ping An (2318 HK)

1Q26 preview: Expect resilient OPAT, NPAT to slide on equity swings; solid NBV uptrend

Ping An is scheduled to report 1Q26 earnings on Apr 28 (Tue) post-market. We expect Group OPAT to remain resilient at RMB39.2bn, up 3.5% YoY (vs. 1Q25: +2.4% YoY) primarily driven by L&H and asset management (AM) segments. For Life OPAT, we forecast a 4.5% YoY increase in 1Q26 (1Q25: +5.0% YoY) supported by steady insurance AUM growth and a stable interest rate, which should help narrow the decline in CSM release. We maintain our view that L&H CSM balance will return to positive growth in 2026E. Group NPAT could fall 10% YoY in 1Q26 due to heightened equity market volatility (CSI300/HSI: -3.9%/-3.3% in 1Q26, vs. -1.2%/+15.3% in 1Q25). By contrast, high-dividend yield assets rebounded (CSI Dividend Low Volatility Index/CSI Dividend Index: +2.1%/+4.1% in 1Q26, vs. -2.8%/-3.1% in 1Q25), which we estimate will support a low-single digit uptick in Group net asset value. Looking ahead, we see Group OPAT accelerating on a multi-pronged strategy: 1) L&H OPAT growth from new business and a scaled AUM; 2) PAB profit turnaround; and 3) easing AM drag alongside the deepening de-risking process. For 1Q26, we forecast NBV to edge up 19.2% YoY, backed by solid new business sales. Maintain BUY. We fine-tune our TP to HK\$86 (previous: HK\$90), implying 0.83x FY26E P/EV and 1.2x FY26E P/B.

- **1Q26 OPAT/NPAT to diverge amid heightened equity market swings.** We estimate Group OPAT to rise by 3.5% YoY to RMB39.2bn, underpinned by resilient L&H and AM segments, along with recovered PAB profitability from a low base. For Life OPAT, we anticipate a steady 4.5% YoY increase (1Q25: +5.0%), driven by robust CSM balance supported by new business growth and a relatively stable interest rate. For P&C, OPAT is likely to decline as improved underwriting profit (CMBI est. 1Q26 COR at 96.1% vs. 1Q25: 96.6%) should be offset by weakened investment income. For PAB, we expect an earnings inflection on the back of a narrowed NIM decline and better operating efficiency. In 1Q26, the AM segment is likely to benefit from brokerage upside. Top-performer CITIC Securities (600030 CH, NR/6030 HK, NR) posted a 54.6% YoY surge in its 1Q26 preliminary net profit, providing a positive cross-read for Ping An's AM performance. Group NPAT could decline 10% YoY in 1Q26 due to heightened equity swings, with the CSI300/HSI down 3.9%/3.3%. Despite this volatility, we believe Ping An's bottom-line decline could be middling among key peers, given its higher OCI stock allocation in insurance funds at 57% as of FY25, vs. 18%-42% for other A+H listed insurers.
- **NBV uptrend sustains amid strong savings demand.** We estimate NBV to rise 19.4% YoY in 1Q26, driven by elevated new business sales but partially offset by modest margin contraction. We attribute the accelerating new business sales to 1) continued strong deposit migration in domestic market, and 2) bancassurance-led growth outpacing agency during the 2026 jumpstart sales. NBV margin could retreat modestly due to 1) continued product mix shift towards lower-margin par/shorter-duration policies, and 2) rising new business contribution from channels of bancassurance and community finance. Looking into 2026E, we expect L&H NBV to sustain a high-teens YoY increase primarily supported by new sales growth.
- **Valuation:** The stock is trading at 0.6x FY26E P/EV and 0.8x FY26E P/B with a yield of 5.4% and an avg. three-year forward operating ROE above 13%. We fine-tune our price target to HK\$86 (from HK\$90) based on the SOTP, baking in rising market headwinds, while keeping other key operating metrics largely unchanged. Our new TP implies 0.83x FY26E P/EV and 1.2x FY26E P/B. Maintain BUY. Key catalysts include 1) L&H CSM release and balance growth inflection in 2026E; 2) PAB profit turnaround; and 3) continued de-risking process to ease the AM drag.
- **Key risks:** 1) regulatory tightening on life insurance and financial conglomerates; 2) significantly heightened equity market volatilities; 3) prolonged low-interest rate environment; 4) intense pricing competition in the P&C sector; and 5) asset quality deterioration, etc.

BUY (Maintain)

Target Price	HK\$86.00
(Previous TP)	HK\$90.00
Up/Downside	39.8%
Current Price	HK\$61.50

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Stock Data

Mkt Cap (HK\$ mn)	1,113,642.0
Avg 3 mths t/o (HK\$ mn)	2,721.7
52w High/Low (HK\$)	73.45/44.70
Total Issued Shares (mn)	18108.0

Source: FactSet

Shareholding Structure

Charoen Pokphand Group	13.0%
Company Ltd	
JPMorgan Chase & Co.	8.4%

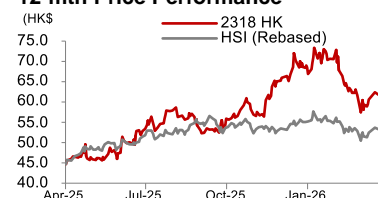
Source: HKEx

Share Performance

	Absolute	Relative
1-mth	-0.4%	-4.5%
3-mth	-10.9%	-10.4%
6-mth	13.3%	11.1%

Source: FactSet

12-mth Price Performance



Source: FactSet

Auditor: Ernst & Young

Related reports:

- [Group OPAT back to double-digit rise: expect CSM to return to positive growth in 2026E](#), Mar 30, 2026
- [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

Earnings Summary

(YE 31 Dec)	FY24A	FY25A	FY26E	FY27E	FY28E
Net profit (RMB mn)	146,733	158,301	162,128	171,683	184,569
EPS (Reported)(RMB)	7.16	7.68	8.20	8.72	9.44
Consensus EPS (RMB)	n.a	n.a	8.04	8.57	8.90
P/B (x)	1.1	1.0	0.8	0.8	0.7
P/Embedded value (x)	0.7	0.6	0.6	0.6	0.5
Dividend yield (%)	4.9	5.2	5.4	5.8	6.1
ROE (%)	13.9	14.0	13.4	12.0	13.0

Source: Company data, Bloomberg, CMBIGM estimates | Note: stock price data quoted by market close on Apr 21, 2026 (Tue).

6. [1Q25 NBV stayed robust lifting L&H OPAT back to positive growth](#), Apr 28, 2025

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

Financial Summary

INCOME STATEMENT	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
Insurance revenue	536,440	551,186	559,502	570,712	594,017	626,469
Insurance service expenses	(440,178)	(449,102)	(453,268)	(463,856)	(483,459)	(510,215)
Net expenses from reinsurance contracts held	(3,731)	(3,601)	(5,066)	(5,286)	(5,518)	(5,824)
Insurance service results	92,301	98,127	100,970	101,791	105,271	110,674
Net finance (expenses)/income from insurance contracts	(123,959)	(172,662)	(179,978)	(202,519)	(227,180)	(255,861)
Net finance (expenses)/income from reinsurance contracts	542	960	336	339	359	384
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)	(12,435)	(13,784)	(13,928)
Net investment results	18,470	93,185	96,905	100,566	109,095	119,986
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
Other results	7,912	(17,338)	(7,481)	(8,178)	(9,188)	(11,204)
Profit before tax	120,117	170,495	185,590	189,344	200,226	214,306
Income taxes	(10,843)	(23,762)	(27,289)	(27,216)	(28,543)	(29,737)
Net profit	109,274	146,733	158,301	162,128	171,683	184,569
Net profit attributable to shareholders	85,665	126,607	134,778	144,001	153,056	165,744

BALANCE SHEET	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec (RMB mn)						
ASSETS						
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	28,689	31,552	33,079
Loans and advances to customers	3,320,110	3,294,053	3,320,386	3,378,649	3,459,909	3,525,498
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	2,125,429	1,700,069	1,535,590
Total assets	11,583,417	12,957,827	13,898,471	16,503,016	17,209,380	17,696,579
LIABILITIES						
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	5,903,488	6,492,648	6,806,826
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
Total liabilities	10,354,453	11,653,115	12,482,483	14,911,554	15,485,227	15,889,683
EQUITIES						
Share capital	18,210	18,210	18,108	18,108	18,108	18,108
Reserves	263,752	221,594	215,070	260,348	253,733	249,945
Retained profits	622,050	693,797	767,241	862,540	964,020	1,030,463
Total shareholders' equity	899,011	928,600	1,000,419	1,140,997	1,235,861	1,298,516
Non-controlling interests	329,953	376,112	415,569	450,465	488,292	508,381
Total equity	1,228,964	1,304,712	1,415,988	1,591,462	1,724,153	1,806,896
Total liabilities & equity	11,583,417	12,957,827	13,898,471	16,503,016	17,209,380	17,696,579

PER SHARE DATA	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
DPS (RMB)	2.48	2.61	2.78	2.92	3.09	3.28
EPS (Reported, RMB)	4.84	7.16	7.68	8.20	8.72	9.44
Consensus EPS (RMB)	n.a	n.a	n.a	8.04	8.57	8.90
No. of shares basic (mn)	18,210	18,210	18,108	18,108	18,108	18,108
PROFITABILITY	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
Return on equity (ROE)	9.7%	13.9%	14.0%	13.4%	12.0%	13.0%
VNB margin (FYP 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%
VALUATION	2023A	2024A	2025A	2026E	2027E	2028E
YE 31 Dec						
P/Embedded value (x)	0.7	0.7	0.6	0.6	0.6	0.5
P/B (x)	1.1	1.1	1.0	0.8	0.8	0.7
Dividend yield (%)	4.6	4.9	5.2	5.4	5.8	6.1

Source: Company data, CMBIGM estimates. Note: The calculation of net cash includes financial assets. | Note: stock price data quoted by market close on April 21, 2026 (Tue).

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