

Fanhua Inc.
NASDAQ: FANH

**First Quarter 2022
Earnings Conference Call
Presentation**

2022/05/26 21:00 EST
2022/05/27 09:00 HKT

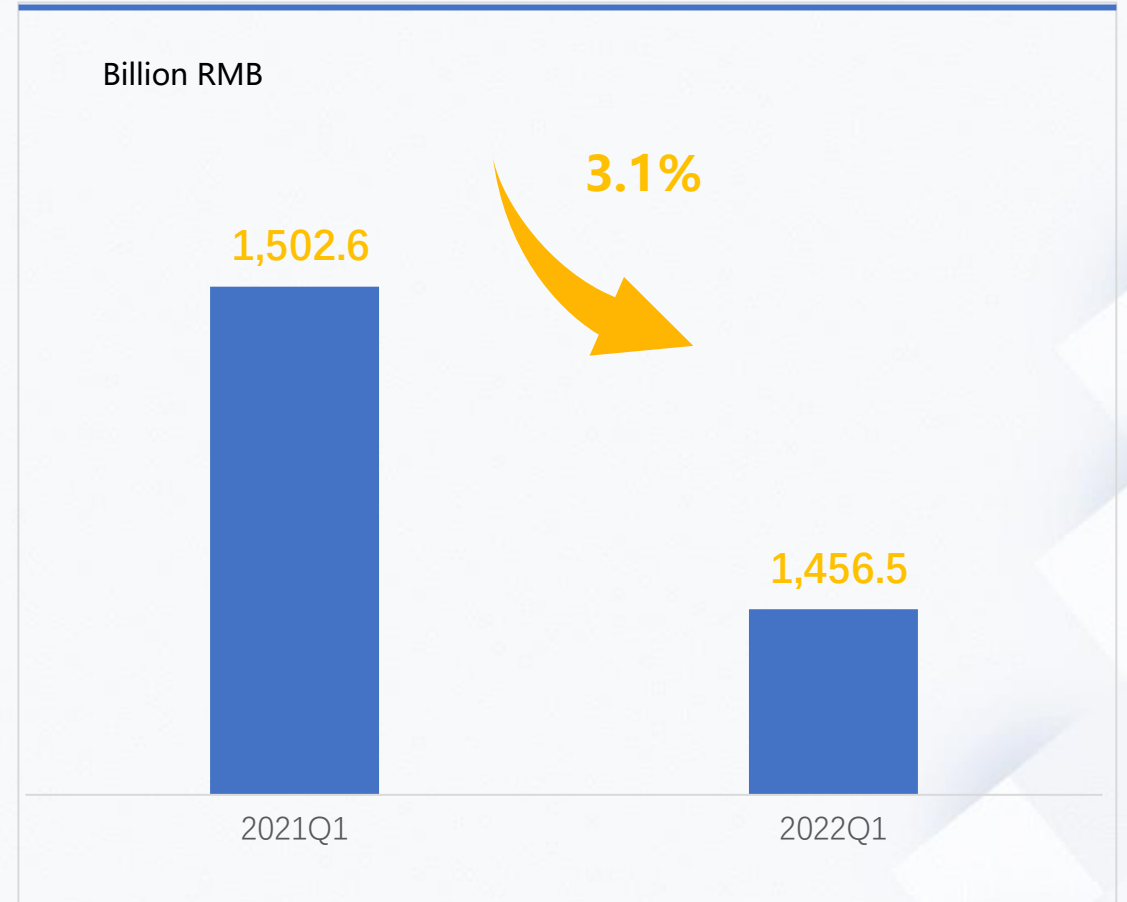
CONTENTS

- 01 **Overview**
Business
- 02 Highlights &
Key Initiatives
- 03 Q2 Outlook
- 04 Dividend Plan

Challenging External Environment

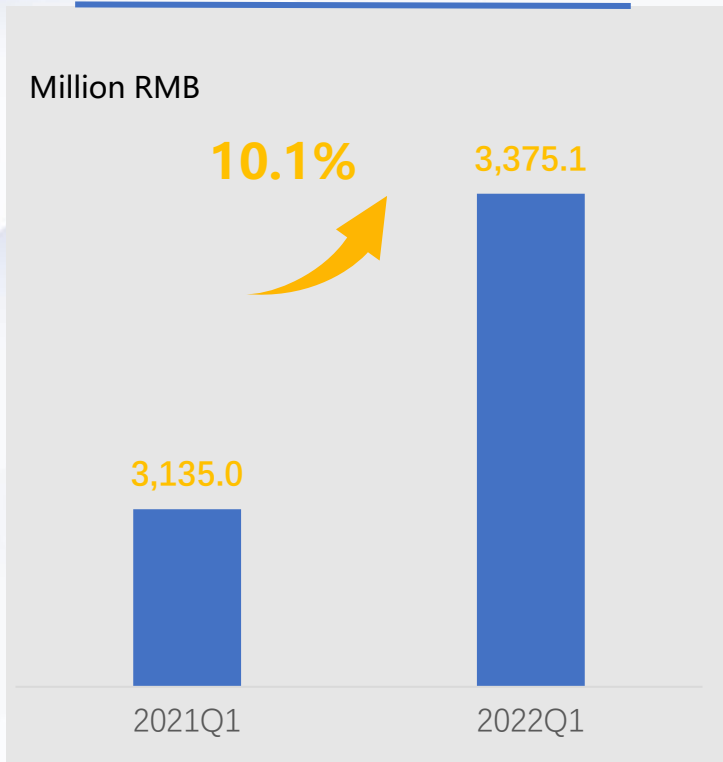
- Offline insurance sales activities and claims adjusting business severely affected by COVID outbreaks
- Release of consumer demand for insurance restrained by COVID resurgences and economic uncertainties

Sustained Negative Growth of Life Insurance Industry

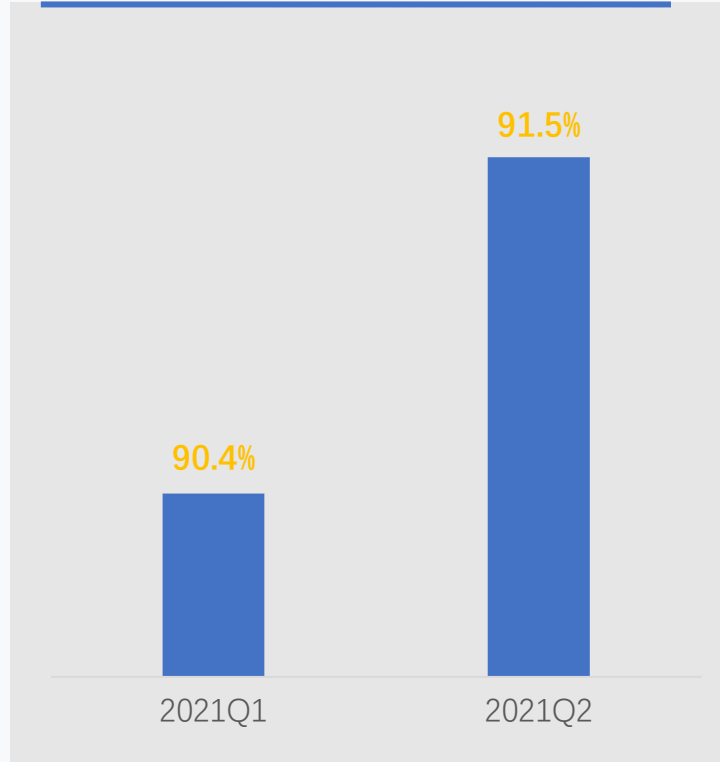


Fanhua Remains Resilient and Meets Expectations

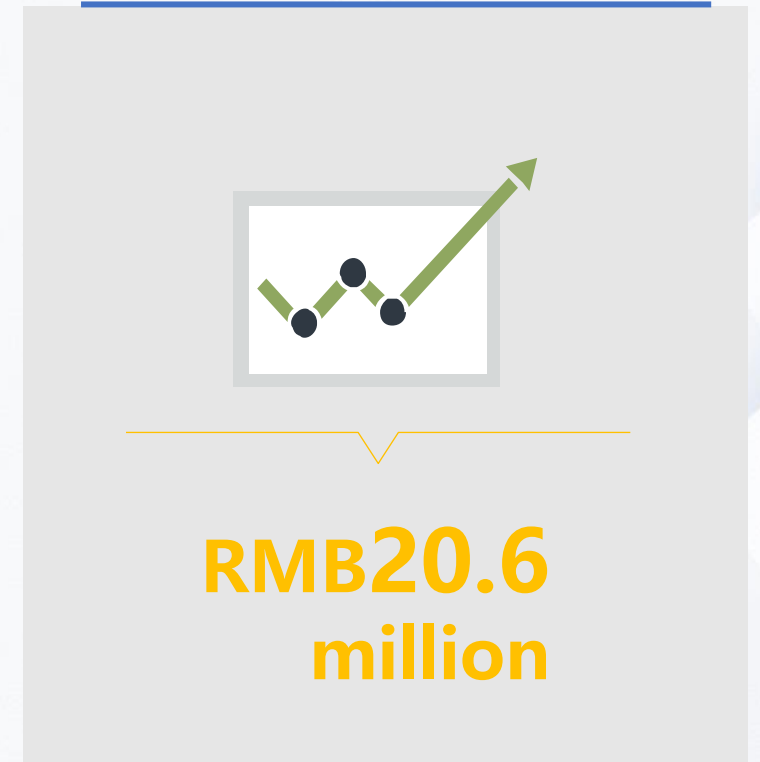
Life Insurance GWP



13-month Persistency Ratio



Operating Income



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2.1 Costs Reductions and Efficiency Improvements

- 1 **Optimizing staffing**
- 2 **Closing low-performing institutions and downsizing inefficient outlets**
- 3 **Improving average efficiency of employees by optimizing the workflow in daily operations**

G&A expenses
(excluding investments
increase in digitalization
and Yuntong initiatives)

-17.2% YoY

2.2

Further enhancing capabilities to offer referral of insurance trust and family trust services to mid-to-high-net worth clients

~10

FOC training sessions

~1500

Trainees of FOC certification programs

~20

Customer engagement activities

- Insurance trust accounts ~ **30**
- Large-ticket insurance policies > **50**
- First-year premiums in aggregate > **RMB30 million**

2.3

Improving Professional Skills of Sales Teams

Three Fanhua Training and Certification Programs for Professional Empowerment

✓ FOC Training and Certification

(insurance trust + family trust)

✓ FRP Training and Certification

(whole-life insurance + annuity products)

✓ FPC Training and Certification

(policy custody + Critical illness & Protection-typed products)

Q1: Certification programs for over 1500 elite agents finished

Q1: FRP course framework and lecturer authorization finished
May-June: Training and certification programs to be rolled out nationwide

Second Half 2022: To be rolled out

Experts on insurance products

Experts on family-based asset allocation

Experts on elderly care and legacy management

2.4 Focus on High-performing Elites Recruitment

Huacai Plan

- Over **500** elites and their teams recruited since 2021
- Contributing approximately **RMB45 million** of first-year premiums in 2022 Q1

Yuntong business units

- Over **410** Yuntong advisors and financial planners
- Contributing approximately **RMB15 million** of first-year premiums
- About **RMB40 thousand** of per capita productivity

2.5 Finalizing Preparation for Launch of Lan Zhanggui APP 3.0 on May 20

Lan Zhanggui APP 3.0

- **Industry-leading Digital Platform for All-scenario Insurance Operations**

01

User Experience Improvement

02

Empowering customer engagement

03

All Scenario Digital

04

Agent Segmentation

05

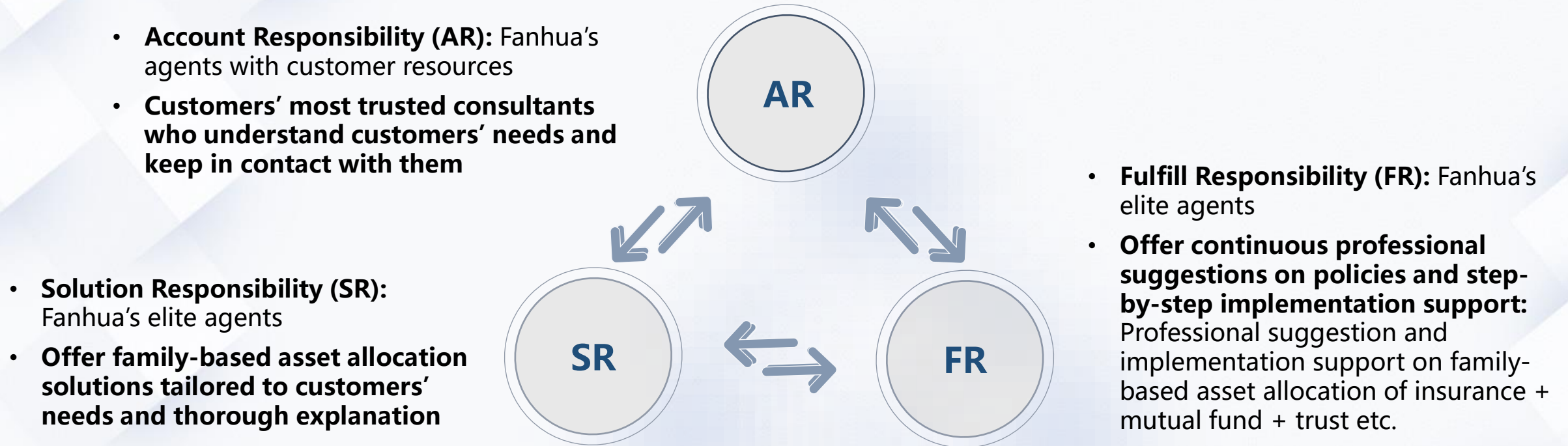
Training Courses

06

Personal brand building

2.6 | 3R Marketing Model Establishment

3R Marketing Model



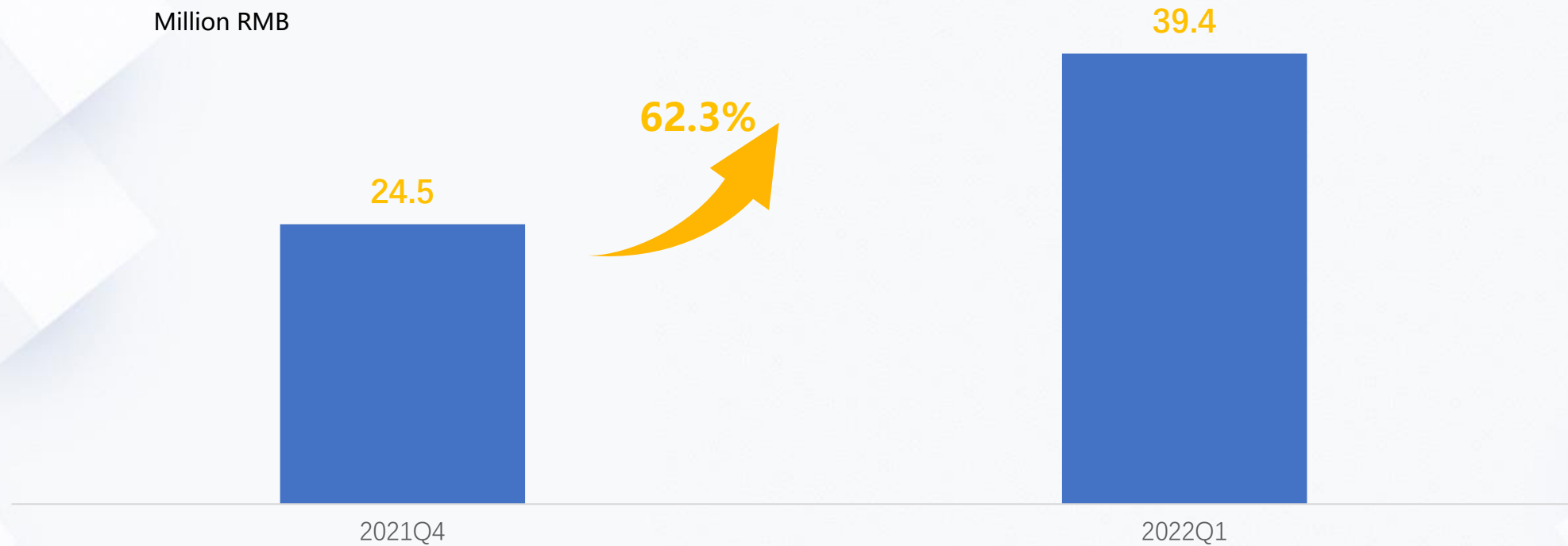
Enable our agents to provide more professional and all-around services to their clients

2.7 Accelerate market development of open platform strategy

Sustained Strong Momentum

FYP facilitated on RONS Open Platform

Million RMB



- **Insurance Intermediary Service Provider of the Year in the Insurance Intermediary List 2022**
- **Innovative Insurance Product of the Year 2021**
- **Jinnuo Award of Outstanding Social Responsibility Projects in the Finance Industry of the Year**
- **Jinnuo Award of Excellent Marketing Cases of Financial Products**
- **Outstanding Social Responsibility Projects in the Finance Industry of the Year**

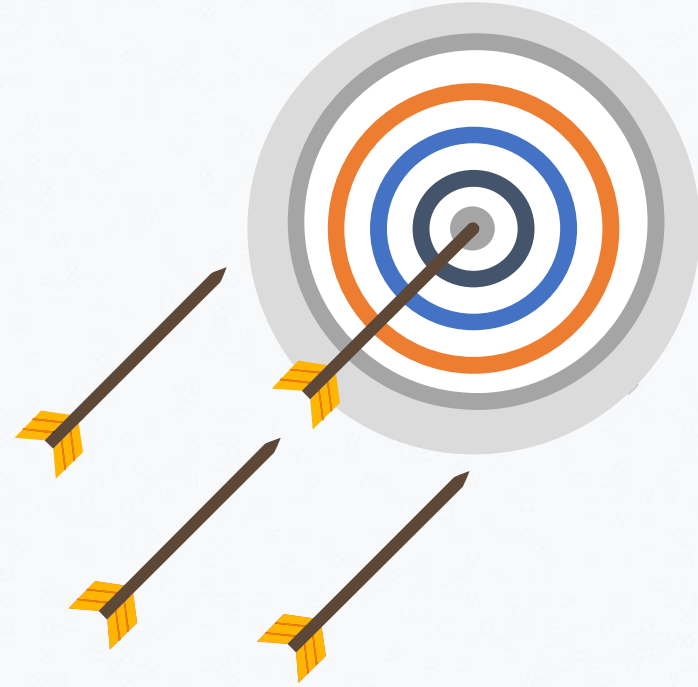
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03 | Q2 Outlook

1 COVID still affecting offline activities of our sales agents

2 Double-recording to be implemented in Hebei and other areas starting from June, expected to temporarily impact the whole industry including Fanhua



**Continued
Operating Profit in
2022Q2**

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04 | Dividend Plan

Distribution of ~US\$31.4 million¹ worth of CNFinance shares, close to the amount of cash dividends paid in 2021



- **Amount: 4.71 CNF shares/20 FANH shares
0.2355 CNF ADS/1 FANH ADS**
- **Record Date: June 9, 2022**
- **Payment Date: June 28, 2022**

THANK YOU