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PING AN

Expertise Creates Value

中国平安保险(集团)股份有限公司

Ping An Insurance (Group) Company of China, Ltd.

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2318)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022

The board of directors (the “**Board**”) of Ping An Insurance (Group) Company of China, Ltd. (“**Ping An**” or the “**Company**”) announces the unaudited results (the “**Third Quarter Results**”) of the Company and its subsidiaries (the “**Group**”) for the nine months ended September 30, 2022 (the “**Reporting Period**”). The Board and its Audit and Risk Management Committee have reviewed the Third Quarter Results.

1. KEY BUSINESS PERFORMANCE

1.1 Business Highlights

- Ping An achieved stable, healthy business results. Ping An delivered a 19.9% annualized operating ROE, with operating profit attributable to shareholders of the parent company rising 3.8% year on year to RMB123,288 million in the first nine months of 2022.
- Customer development continued to yield greater results. Retail customers approached 228 million as of September 30, 2022, and contracts per customer grew 1.7% year to date to 2.96. Written premium of the corporate channel achieved through cross-selling increased 25.0% year on year in the first nine months of 2022.
- Reform of life insurance business is advancing, showing results steadily. Ping An Life further optimized the team structure, raising the proportion of “Talent +” new agents in its agent channel by 10.3 pps year on year in the first nine months of 2022. Team productivity continued to rise as new business value (“**NBV**”) per agent grew more than 22% year on year. The 13-month persistency ratio of insurance policies continued to improve. Operating profit of the life and health insurance business rose 17.4% year on year to RMB86,486 million in the first nine months of 2022.
- Ping An Property and Casualty (“Ping An P&C”) maintained good business quality with steady growth in its written premium. Premium income increased 11.4% year on year to RMB222,024 million in the first nine months of 2022. Combined ratio remained healthy at 97.9% in the first nine months of 2022 due to robust business management and risk screening.

- Ping An Bank maintained stable, healthy business growth and asset quality. Revenue grew 8.7% year on year to RMB138,265 million and net profit rose 25.8% year on year to RMB36,659 million in the first nine months of 2022. Non-performing loan ratio slightly increased by 0.01 pps year to date to 1.03%, and provision coverage ratio was 290.27% as of September 30, 2022, indicating adequate risk provisions.
- Ping An continued to implement its healthcare ecosystem strategy. Ping An empowers its main financial businesses by offering one-stop “worry-free, time-saving, and money-saving” services covering health, chronic disease, disease and eldercare management via its world-leading healthcare ecosystem. Ping An’s healthcare ecosystem partnered with all top 100 hospitals and 3A hospitals, over 50,000 in-house doctors and contracted external doctors, and approximately 211,000 pharmacies in China as of September 30, 2022.
- Ping An continued to strengthen its core technological capabilities. Ping An’s technology patent applications increased by 6,544 year to date to 44,964 as of September 30, 2022, more than most other international financial institutions’. In the first nine months of 2022, sales realized by AI service representatives increased 46% year on year; customer services provided by AI service representatives accounted for 82% of Ping An’s total customer service volume.
- Ping An further advanced its green finance initiative to support the real economy. Ping An cumulatively invested over RMB5.9 trillion to support the real economy as of September 30, 2022. Such investments covered major infrastructure projects including energy, transportation and water conservancy, safeguarding national strategies including the “Belt and Road” and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. Ping An’s green investment and financing, and green banking business totaled approximately RMB319.8 billion and RMB184.2 billion respectively as of September 30, 2022. Premium income of environmentally sustainable insurance products totaled approximately RMB110.5 billion in the first nine months of 2022.

1.2 Key Figures

For the nine months ended September 30	2022	2021	Change (%)
Operating profit attributable to shareholders of the parent company (in RMB million)	123,288	118,737	3.8
Basic operating earnings per share (in RMB)	7.06	6.74	4.7
Net profit attributable to shareholders of the parent company (in RMB million)	76,463	81,638	(6.3)
Life and health insurance business (“Life & Health”) NBV ⁽¹⁾ (in RMB million)	25,848	35,237	(26.6)
Property & Casualty combined ratio (%)	97.9	97.3	0.6 pps
	September 30, 2022	December 31, 2021	Change (%)
Number of retail customers (in million)	227.63	221.91	2.6
Contracts per retail customer (contract)	2.96	2.91	1.7

Note: (1) The computation of Life & Health NBV is based on the 11.0% risk discount rate.

2. PERFORMANCE REVIEW FOR KEY BUSINESSES

2.1 Overview

Global capital markets remained volatile in a complex, challenging international environment in the third quarter of 2022. Domestic economic growth faced three headwinds, namely declining demand, supply chain disruption, and weakening confidence amid sporadic COVID-19 outbreaks. Household consumption recovery still faced many challenges, which continued to have an impact on Ping An's long-term protection insurance business. Facing challenges, Ping An adhered to a "people-centered" development philosophy, went all out to serve the real economy, remained true to its original aspiration in its main financial businesses, and strengthened the protection function of its insurance offerings. Following the technology-driven "integrated finance + healthcare" strategy, Ping An pressed firmly ahead with Ping An Life's quality-oriented reform and transformation, continuously strengthened the advantages of integrated finance, and built the "managed care model." In this way, Ping An vigorously pursued high-quality development by providing customers with "worry-free, time-saving, and money-saving" experience.

The Group's operating profit attributable to shareholders of the parent company rose 3.8% year on year to RMB123,288 million in the first nine months of 2022, affected by the short-term impact of domestic sporadic COVID-19 outbreaks and the volatility of capital markets. Net profit attributable to shareholders of the parent company dropped 6.3% year on year to RMB76,463 million.

Operating profit

Operating profit after tax is based on net profit from financial statements, excluding items that are of short-term, volatile or one-off nature and others. The operating profit after tax which excludes fluctuations of the following non-operating items facilitates the understanding and comparison of the Company's business performance and trend.

- Short-term investment variance, which is the variance between the actual investment return of Life & Health and the embedded value (EV) long-run investment return assumption, net of the associated impact on insurance and investment contract liabilities. The investment return of Life & Health is locked at 5% after excluding the short-term investment variance;
- The impact of discount rate⁽¹⁾ change is the effect on the insurance contract liability of Life & Health due to changes in the discount rate; and
- The impact of one-off material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses. Such impact in the first nine months of 2022 and 2021 comprised the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Group.

Note: (1) Refer to the significant accounting policies in the notes to the Company's 2021 Annual Report for the information about the discount rate.

2022

For the nine months ended September 30 (in RMB million)	Life and health insurance business	Property and casualty insurance business	Banking business	Asset management business	Technology business	Other businesses and elimination	The Group
Net profit attributable to shareholders of the parent company	40,205	10,405	21,247	5,582	3,683	(4,659)	76,463
Net profit attributable to non-controlling interests	794	48	15,412	1,236	710	452	18,652
Net profit (A)	40,999	10,453	36,659	6,818	4,393	(4,207)	95,115
Excluding:							
Short-term investment variance (B)	(34,161)	-	-	-	-	-	(34,161)
Impact of discount rate change (C)	(11,325)	-	-	-	-	-	(11,325)
Impact of one-off material non-operating items and others (D)	-	-	-	-	(1,973)	-	(1,973)
Operating profit (E=A-B-C-D)	86,486	10,453	36,659	6,818	6,366	(4,207)	142,575
Operating profit attributable to shareholders of the parent company	85,056	10,405	21,247	5,582	5,656	(4,659)	123,288
Operating profit attributable to non-controlling interests	1,429	48	15,412	1,236	710	452	19,287

2021

For the nine months ended September 30 (in RMB million)	Life and health insurance business	Property and casualty insurance business	Banking business	Asset management business	Technology business	Other businesses and elimination	The Group
Net profit attributable to shareholders of the parent company	44,394	13,221	16,887	11,869	(1,355)	(3,378)	81,638
Net profit attributable to non-controlling interests	706	62	12,248	1,290	1,227	377	15,910
Net profit (A)	<u>45,100</u>	<u>13,283</u>	<u>29,135</u>	<u>13,159</u>	<u>(128)</u>	<u>(3,001)</u>	<u>97,548</u>
Excluding:							
Short-term investment variance (B)	(18,636)	-	-	-	-	-	(18,636)
Impact of discount rate change (C)	(9,949)	-	-	-	-	-	(9,949)
Impact of one-off material non-operating items and others (D)	-	-	-	-	(8,792)	-	(8,792)
Operating profit (E=A-B-C-D)	<u>73,684</u>	<u>13,283</u>	<u>29,135</u>	<u>13,159</u>	<u>8,664</u>	<u>(3,001)</u>	<u>134,924</u>
Operating profit attributable to shareholders of the parent company	72,701	13,221	16,887	11,869	7,437	(3,378)	118,737
Operating profit attributable to non-controlling interests	<u>983</u>	<u>62</u>	<u>12,248</u>	<u>1,290</u>	<u>1,227</u>	<u>377</u>	<u>16,187</u>

Notes: (1) The life and health insurance business represents the results of three subsidiaries, namely Ping An Life, Ping An Annuity, and Ping An Health Insurance. The property and casualty insurance business represents the results of Ping An P&C. The banking business represents the results of Ping An Bank. The asset management business represents the results of subsidiaries that engage in asset management business including Ping An Securities, Ping An Trust, Ping An Asset Management, Ping An Financial Leasing, and Ping An Overseas Holdings. The technology business represents the results of subsidiaries, associates and joint ventures that engage in technology business including Autohome, Lufax Holding, OneConnect, and Ping An Health. Eliminations include offsets against shareholding among business lines.

(2) Figures may not match the calculation due to rounding.

2.2 Customer Development

Ping An's retail customer base grew steadily. The Group's retail customers⁽¹⁾ increased 2.6% year to date to nearly 228 million as of September 30, 2022. Contracts per customer grew 1.7% year to date to 2.96. As the Group's retail cross-selling continued to deepen, nearly 40% of retail customers held multiple contracts with different subsidiaries. Among the Group's nearly 348 million yearly active users⁽³⁾, over 166 million were the Group's retail customers.

	September 30, 2022	December 31, 2021	Change (%)
Number of retail customers (in million)	227.63	221.91	2.6
Contracts per retail customer (contract)	2.96	2.91	1.7

Notes: (1) Retail customers refer to retail customers holding valid financial products with the Group's core financial companies.

(2) The Company improved the definitions of retail customers and contracts per customer in 2022 by removing unreachable customers but including distributed contracts. Comparable data for 2021 was restated correspondingly.

(3) The number of yearly active users refers to the number of users who were once active in the 12 months ended September 30, 2022.

Corporate customer development yielded good results, with continued growth in business scale. Corporate premiums achieved through cross-selling grew 6.3% year on year to RMB14,727 million, in which written premium of the corporate channel rose 25.0% year on year. New financing scale achieved through corporate business cross-selling reached RMB414,811 million in the first nine months of 2022.

For the nine months ended September 30 (in RMB million)	2022	2021	Change (%)
Corporate premiums achieved through cross-selling ⁽¹⁾	14,727	13,857	6.3
Including: Written premium of the corporate channel ⁽²⁾	5,347	4,277	25.0
New financing scale achieved through corporate business cross-selling ⁽³⁾	414,811	532,492	(22.1)

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

(2) The written premium of the corporate channel refers to the corporate premiums achieved through cross-selling less that achieved by Ping An Life.

(3) The 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. New financing scale achieved through corporate business cross-selling declined year on year in the first nine months of 2022 due to market situations and investment strategies.

2.3 Healthcare as a New Driver of Value Growth

Ping An launched an innovative Chinese version of the “managed care model” by seamlessly combining differentiated healthcare services with its financial businesses in which Ping An acts as a payer. In this way, Ping An empowered its main financial businesses by providing one-stop “worry-free, time-saving, and money-saving” healthcare services for retail and corporate customers. Over 64% of Ping An’s nearly 228 million retail customers used services from the healthcare ecosystem as of September 30, 2022.

Payers: Ping An advanced the research and development of relevant products by effectively integrating insurance and healthcare services. The cumulative number of paying retail users approached 100 million as of September 30, 2022. Moreover, Ping An constantly improved employee health management service programs for corporate customers, covering over 20 million employees of over 47,000 corporate customers in the first nine months of 2022. The Group achieved over RMB110 billion in health insurance premium income in the first nine months of 2022.

Providers:

- **In respect of proprietary flagship offerings:** Online, Ping An Health provides healthcare services through its dedicated family doctors to guide customers through end-to-end services (from consultation, diagnosis, treatment to other services) in Ping An’s “online, in-store, and home-delivered” service network, enabling 24/7 seconds-level management. Currently, Ping An has a team of nearly 4,000 in-house doctors. Offline, Ping An invests in service capabilities through general hospitals, checkup centers, and imaging centers. Hospital beds owned or managed by Ping An can meet customer demands and help optimize the allocation of scarce medical resources, bringing a differentiation advantage. Through participation in the restructuring of Founder Group, Ping An enhanced its presence in the healthcare industry by integrating PKU Healthcare’s excellent resources into Ping An’s existing healthcare ecosystem. These resources include five general hospitals and six specialty medical institutions, among which Peking University International Hospital is a flagship hospital. In addition to hospitals, Ping An also had 14 health management centers as of September 30, 2022.
- **In respect of partner networks:** Ping An integrates excellent resources in China and abroad to provide “online, in-store, and home-delivered” services online and offline, covering five scenarios, namely health, sub-health, disease, chronic disease, and eldercare management. Ping An had over 50,000 in-house doctors and contracted external doctors, and had partnered with over 10,000 hospitals (including all top 100 hospitals and 3A hospitals), over 100,000 healthcare management institutions and approximately 211,000 pharmacies (approximately 36% of all pharmacies) in China as of September 30, 2022. Moreover, Ping An had partnered with over 1,000 overseas medical institutions in 16 countries across the world as of September 30, 2022.

Ping An continuously advances its healthtech research and development. Ping An ranked first globally by the number of digital healthcare patent applications as of September 30, 2022. Ping An has one of the world’s largest healthcare databases, and proactively builds a leading remote consultation and treatment platform. Ping An effectively supports the sustainable development of the healthcare ecosystem by building technological capabilities in a forward-looking manner.

2.4 Life and Health Insurance Business

China's life insurance sector faced many internal and external challenges due to domestic sporadic COVID-19 outbreaks and complex, changing economic situations in the first nine months of 2022. Despite the challenges, Ping An Life continued to advance the "channel + product" reform under the value-oriented philosophy, promoting the high-quality development of multiple channels and developing specialized products and services. NBV of Life & Health fell 26.6% year on year to RMB25,848 million in the first nine months of 2022. If the NBV for the first nine months of 2021 were restated using the assumptions and method employed at the end of 2021, the NBV of Life & Health for the first nine months of 2022 would drop 18.9% year on year. Moreover, team productivity continued to rise as NBV per agent grew more than 22% year on year in the first nine months of 2022. Business quality continued to improve, with 13-month persistency ratio of insurance policies up year on year.

In respect of channels, Ping An Life firmly advanced the quality-oriented transformation of the agent force, deepened cooperation with Ping An Bank, and proactively explored Community Grid and the lower-tier channel.

- **Agent channel.** Ping An Life refined the tiered management of its agent force to optimize the team structure. The proportion of agents with a college education background and above rose by 4.0 pps year on year as of September 30, 2022. In respect of new agents, Ping An Life continued to upgrade its "Talent +" program to gradually improve the team competence, and raise the proportion of high-quality new agents through high-quality existing ones. The proportion of "Talent +" new agents increased by 10.3 pps year on year in the first nine months of 2022. In respect of Diamond Agents, Ping An Life further advanced the Diamond Agent development strategy, stabilized the team size, and optimized the team structure. First year premium per Diamond Agent was 4.8 times the average of all agents in the first nine months of 2022. Ping An Life is steadily advancing the reform of digital business outlets, and will gradually roll out the reform nationwide in late 2022.
- **Bancassurance channel.** Ping An Life deepened its cooperation with Ping An Bank which is developing a team of high-quality Private Wealth Advisers for bancassurance business. More than 1,000 Private Wealth Advisers have been recruited, over 90% of whom have a bachelor's degree. This team is making increasing contributions to the bancassurance channel. Moreover, Ping An Life strengthened partnership with external banks and improved the team's expertise to achieve stable business growth. Ping An Life continued to improve the bancassurance product suite to meet customer demands. Ping An Life launched "Yu Xiang Nian Nian," a whole life insurance product featuring a growing sum assured, in the third quarter of 2022. This product has proved popular with sales channels and customers, showing strong sales momentum.

- **Other channels.** Ping An Life explored the Community Grid model, whereby highly competent grid-based specialists focused on increasing the persistency ratio of “orphan policies⁽¹⁾” under an online-merge-offline, high-quality and sustainable service model. Ping An Life successfully piloted Community Grid in 25 cities and built a team of over 4,000 high-quality specialists as of September 30, 2022. Moreover, Ping An Life effectively optimized the whole process covering online-merge-offline operations, renewal premium collection, and upselling. Ping An Life’s 13-month persistency ratio of “orphan policies” in pilot cities improved by over 17 pps year on year. Ping An Life will continue to upgrade team profiles and online-merge-offline service operation processes, aiming to improve services and further achieve productivity breakthroughs. In addition, Ping An Life continued to explore an innovative model leveraging insurance consumption scenarios in lower-tier markets.

Note: (1) Orphan policies are in-force policies sold by Ping An Life’s former agents before their agency relationship terminated.

In respect of products, Ping An Life increased the supply of competitive products to unlock customer demands under the philosophy of “developing heartwarming insurance.” Moreover, Ping An Life created differentiation advantages with three core services, namely “insurance + health management,” “insurance + home-based elderlycare,” and “insurance + high-end elderlycare,” by leveraging the Group’s healthcare ecosystem.

- **Insurance products.** Ping An Life continuously innovates and upgrades its product suite to meet customers’ changing, diverse demands for insurance products. Ping An Life continues to promote “Sheng Shi Jin Yue,” a whole life insurance product featuring a growing sum assured, amid increasingly NAV-driven bank wealth management products, declining market interest rates, and volatile equity markets. The product meets customer demand for prudent wealth management by enabling long-term capital preservation and appreciation. Moreover, Ping An Life focuses on the critical illness market by adhering to the insurance protection philosophy. Ping An Life further penetrates the children’s critical illness insurance market by promoting “Children Protector 100% Plus,” a children’s critical illness insurance product with upgraded benefits and improved cost-effectiveness.
- **Services.** Ping An Life leveraged the Group’s healthcare ecosystem to offer healthcare management services to its insurance customers. **In respect of “insurance + health management,”** Ping An Life had served approximately 16.44 million customers in the first nine months of 2022, with an overall service satisfaction rate of 99%. Health management services were used by 72% of newly enrolled customers and widely recognized by customers in the first nine months of 2022. Ping An Life had started to develop Ping An Zhen Xiang RUN since 2021, providing healthcare services under health, chronic disease, and medical scenarios. Focused on customer demands for healthcare and based on dedicated doctors and health accounts, Ping An Zhen Xiang RUN offered five attractive services, namely specialty health check-ups, online consultation, outpatient appointment assistance and escort, critical illness management, and blood sugar control. **In respect of “insurance + home-based elderlycare,”** Ping An integrates internal and external service providers to offer one-stop, home-based elderlycare solutions through its AI concierges, life concierges and doctor concierges, making the elderly comfortable and their children worry-free. The solutions cover

scenarios including healthcare, housing, nursing, dining, and entertainment, enabling 24/7 services for customers. Via a robust service supervision system and protection of customers' rights and interests, Ping An helps the elderly to live a dignified life at home, striving to build the No.1 home-based elderlycare brand in China. Ping An's home-based elderlycare services had covered 32 cities across China as of September 30, 2022. **In respect of “insurance + high-end elderlycare,”** Ping An provides solutions under the principle of “prime life, exclusive services, and respectful care” to meet the growing high-quality elderlycare demand in China and develop the high-quality elderlycare market. Ping An held a groundbreaking ceremony to start the construction of its first “Yi Nian Cheng” community in Shekou on July 25, 2022.

Key indicators of Life & Health

For the nine months ended September 30
(in RMB million)

	2022	2021	Change (%)
Operating profit	<u>86,486</u>	<u>73,684</u>	<u>17.4</u>
First-year premium used to calculate NBV	100,001	114,749	(12.9)
NBV ⁽¹⁾	25,848	35,237	(26.6)
NBV margin (%)	<u>25.8</u>	<u>30.7</u>	<u>-4.9 pps</u>

Note: (1) The computation of Life & Health NBV is based on the 11.0% risk discount rate.

	September 30, 2022	December 31, 2021	Change (%)
Ping An Life			
Number of individual life insurance sales agents (person)	<u>488,197</u>	<u>600,345</u>	<u>(18.7)</u>

2.5 Property and Casualty Insurance Business

Ping An P&C maintained good business quality with steady growth in its written premium. Ping An P&C's premium income increased 11.4% year on year to RMB222,024 million in the first nine months of 2022. Overall combined ratio rose by 0.6 pps year on year to 97.9% due to the rising claims of the guarantee insurance business amid the COVID-19 pandemic. That said, overall business quality remained good and risks under control due to enhanced business management and risk screening.

Ping An P&C proactively applies technologies to data-driven online operations and services. “Ping An Auto Owner,” the largest automotive service app in China, had over 166 million registered users as of September 30, 2022, with over 100 million vehicles linked to the app. Monthly active users exceeded 34 million in September 2022. Ping An P&C supports the development of corporate customers by providing them with specialized insurance services through the “Ping An Qi Ye Bao” app and mini-program. The number of registered corporate customers on the platform exceeded 2.38 million as of September 30, 2022. Amid COVID-19, the “Ping An Qi Ye Bao” app helped corporate customers resolve difficulties and supported the real economy by providing epidemic prevention information, distributing anti-epidemic supplies, and offering integrated financial services.

Ping An P&C's leading online claims services offer superior user experience. The pioneering video-based auto insurance claim investigations take only 5 minutes on average. Through various online claims services, 93.2% of auto insurance claim payments were made within one hour in the first nine months of 2022.

For the nine months ended September 30
(in RMB million)

	2022	2021	Change (%)
Operating profit	<u>10,453</u>	<u>13,283</u>	<u>(21.3)</u>
Premium income	222,024	199,343	11.4
Including: Auto insurance	145,692	135,468	7.5
Non-auto insurance	57,217	47,165	21.3
Accident and health insurance	19,115	16,710	14.4
Combined ratio (%)	<u>97.9</u>	<u>97.3</u>	<u>0.6 pps</u>

2.6 Investment Portfolio of Insurance Funds

Overseas, risk aversion grew, interest rates rose rapidly, and equity markets declined amid fluctuations in the first nine months of 2022 due to continued geopolitical conflicts, climbing overseas inflation, economic slowdowns, and hawkish central banks of major economies. Domestic market confidence was weak due to the continued impact of COVID-19 and the spillover effect of overseas factors. Liquidity was generally ample and the interest rate on one-year term deposits declined due to strengthened macroeconomic policies, but major onshore and offshore stock indexes still fell significantly. The CSI 300 Index and the Hang Seng Index dropped 23.0% and 26.4% respectively year to date as of September 30, 2022. Investment income on the Company's investment portfolio of insurance funds was under pressure due to volatile capital markets in the first nine months of 2022. The annualized net investment yield⁽¹⁾ was 4.2%, and the annualized total investment yield⁽¹⁾ was 2.7%.

The Company's insurance fund investment portfolio grew 9.6% year to date to over RMB4.29 trillion as of September 30, 2022. The Company is committed to creating stable investment incomes across macroeconomic cycles and meeting liability needs under a liability-driven approach, taking solvency as a core metric. The Company has put in place a comprehensive and mature investment management system, including cross-cycle strategic asset allocation, disciplined tactical asset allocation, and robust risk management. The Company continued to improve the asset-liability matching of insurance funds. The Company further optimized the asset-liability duration matching of insurance funds by increasing allocation to long-duration assets including central and local government bonds. The Company constantly strengthens its post-investment management capability and upgrades its post-investment management system. The Company has established and improved a three-tier management framework of "a post-investment management committee + a post-investment middle office + project post-investment teams." In line with its top-level strategy, the Company conducts in-depth, meticulous, and strong post-investment management of portfolio companies' operations, promoting cultural integration with portfolio companies based on deep understanding of industry trends and cycles. The Company conducts overall management of post-investment mechanisms on the basis of compliance and full respect for the independent operations of member companies. By doing so, the Company ensures pre-investment participation, post-investment tracking, risk warning, and operational empowerment to enhance its post-investment management capability and maximize the value of its investments.

Note: (1) In the computation of annualized investment yields, only interest revenue from deposits and debt financial assets as well as operating lease income from investment properties were annualized, while interest revenue 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, dividend income, capital gains from investments, and fair value gains or losses were not annualized.

Debt schemes and debt wealth management products accounted for 10.4% of the Company's investment portfolio of insurance funds as of September 30, 2022, down by 1.3 pps year to date. The debt schemes and debt wealth management products held by Ping An in its investment portfolio of insurance funds had high credit ratings, with risks under control. The balance of real estate investments was RMB206,507 million as of September 30, 2022, accounting for 4.8% of the total investment assets, including RMB115,638 million in real properties (measured at cost less depreciation provided on a straight-line basis), RMB47,142 million in equity types of investments, and RMB43,727 million in fixed-income types of investments. The real properties held in the portfolio were primarily commercial and office properties for lease with sustained returns, which is in line with the principle of allocating insurance funds to long-duration assets to match liabilities. Of the equity types of investments held by the Company, approximately 60% was invested in real properties for lease in the form of equity stakes in project companies. The fixed-income types of investments held by the Company mainly included corporate bonds and real estate financial products. Both the equity and fixed-income types of investments aim to earn dividends, interest, and capital gains. Going forward, the Company will improve asset quality and strictly control investment risks by analyzing and predicting internal and external risks carefully and managing real estate investments prudently. The Company will maintain the current risk appetite for its investment portfolio of insurance funds, given the policy environment, economic conditions, and market situations.

2.7 Banking Business

Ping An Bank continuously upgraded operational strategies for retail, corporate and interbank businesses, strengthened comprehensive digital operations, reshaped asset-liability operations, and tackled COVID-19 challenges proactively. By doing so, Ping An Bank maintained stable, healthy business development.

Ping An Bank maintained stable, healthy business growth. Revenue grew 8.7% year on year to RMB138,265 million and net profit rose 25.8% year on year to RMB36,659 million in the first nine months of 2022. Ping An Bank's net interest margin in the first nine months of 2022 was 2.77%, down by 0.04 pps year on year.

- **Ping An Bank further advanced its retail business transformation.** Ping An Bank's retail assets under management ("AUM") rose 11.0% year to date to RMB3,532,560 million as of September 30, 2022. Retail customers increased 5.1% year to date to approximately 124,211,500, among which wealth management customers increased 12.2% year to date to approximately 1,234,100. The balance of retail deposits increased 17.3% year to date to RMB903,924 million. The balance of retail loans grew 4.9% year to date to RMB2,003,882 million.
- **Ping An Bank continued to enhance corporate banking.** The number of corporate customers increased by approximately 82,400 or 16.1% year to date to approximately 592,800 as of September 30, 2022. The balance of corporate deposits grew 6.9% year to date to RMB2,342,249 million and the balance of corporate loans grew 12.5% year to date to RMB1,297,461 million as of September 30, 2022.

- **Ping An Bank served the interbank market with expertise.** Market share by transaction volume of bonds increased by 1.1 pps year on year to 3.2% in the first nine months of 2022. Ping An Bank had 775 active institutional trading customers. “Ping An Hedging” foreign exchange hedging volume grew 83.1% year on year to USD28.6 billion.

Ping An Bank kept asset quality stable. Non-performing loan ratio rose slightly by 0.01 pps year to date to 1.03%, and provision coverage ratio was 290.27% as of September 30, 2022, indicating adequate risk provisions. The deviations of loans more than 60 days overdue was 0.89.

Ping An Bank maintained stable capital adequacy. Ping An Bank’s capital adequacy ratios at all levels satisfied minimum regulatory requirements as of September 30, 2022. Among them, the core tier 1 capital adequacy ratio rose 0.21 pps year to date.

For the nine months ended September 30

(in RMB million)	2022	2021	Change (%)
Net profit	36,659	29,135	25.8
Revenue	138,265	127,190	8.7
Net interest margin (annualized, %)	2.77	2.81	-0.04 pps

(in RMB million)	September 30, 2022	December 31, 2021	Change (%)
Deposits ⁽¹⁾	3,246,173	2,961,819	9.6
Total loans and advances ⁽¹⁾	3,301,343	3,063,448	7.8
Non-performing loan ratio (%)	1.03	1.02	0.01 pps
Provision coverage ratio (%)	290.27	288.42	1.85 pps
Core tier 1 capital adequacy ratio (%) ⁽²⁾	8.81	8.60	0.21 pps

Notes: (1) Deposits as well as total loans and advances are exclusive of interest receivable and payable.

- (2) Ping An Bank and its wholly-owned subsidiary Ping An Wealth Management Co., Ltd. are included in the computation of the above capital adequacy ratios in accordance with the *Administrative Measures for the Capital of Commercial Banks (Trial)* issued by the former China Banking Regulatory Commission on June 7, 2012. The minimum regulatory requirement for the core tier 1 capital adequacy ratio is 7.5%.

2.8 Asset Management Business

Investment income from the asset management business declined year on year in the first nine months of 2022 due to COVID-19 and falling capital markets. Net profit decreased year on year to RMB6,818 million.

Ping An Securities achieved steady growth by leveraging the Group's integrated financial business model and technological strengths. Net profit of Ping An Securities grew 19.2% year on year to RMB3,490 million in the first nine months of 2022. In brokerage business, the market share of Ping An Securities in terms of equity and fund trading volume (excluding seat leasing)⁽¹⁾ was approximately 3.74% in the first nine months of 2022. In the bond business of investment banking, Ping An Securities remained among top players in the industry by bond underwriting scale, ranking 2nd in asset-backed securities⁽²⁾ volume and 7th in bonds⁽²⁾ underwriting respectively in the first nine months of 2022.

Notes: (1) The computation of the market share in terms of equity and fund trading volume (excluding seat leasing) excludes the Northbound Stock Connect market.

(2) Asset-backed securities (ABS) refer to ABS products regulated by the China Securities Regulatory Commission, and the bonds refer to corporate bonds and bonds issued by state-owned enterprises.

Ping An Trust proactively exploits the market trend, and focuses on its core businesses such as private equity, institutional asset management, and trust services. Relying on the advantages of the trust model and giving full play to Ping An's integrated finance advantages, Ping An Trust has created a trust "boutique" model to ensure sustainable, steady development. Assets held in trust increased 27.9% year to date to RMB590,200 million as of September 30, 2022. The proportion of assets under active management continued to grow to 83.7%. Assets held in trust in the investment category increased by RMB155,123 million or 60.4% year to date.

2.9 Technology Business

The Company continues to explore innovative fintech and digital healthcare business models to accelerate the development of its business and ecosystems, committed to strengthening its main financial businesses, empowering industrial upgrade, and serving the real economy. The Company conducts its technology business via subsidiaries, associates and joint ventures including Autohome, Lufax Holding, OneConnect, and Ping An Health.

Ping An continues to focus on developing core technologies and securing proprietary intellectual property rights. Ping An's technology patent applications increased by 6,544 year to date to 44,964 as of September 30, 2022, more than most other international financial institutions'. Of the technology patent applications, nearly 94% were for inventions, and 9,333 were made under the Patent Cooperation Treaty (PCT) and abroad.

Ping An leverages cutting-edge technologies to comprehensively upgrade the end-to-end services of its core financial businesses.

In respect of digital marketing, Ping An Life continued to promote its online-merge-offline sales model through the “AI Customer Visit Assistant.” The model enables agents to conduct online remote interactions with customers and give virtual reality-based immersive interactive explanations. The model also enables offline audio-video and dynamic graph-based explanations. Ping An Life’s “Jin Guan Jia” app provides users with wider access to service benefits. Personalized service benefits were used by over 13.68 million customers nearly 34.58 million times in the first nine months of 2022.

In respect of efficiency improvement, Ping An leverages digital technologies to comprehensively optimize and reengineer financial business processes, boost operational efficiency, and improve customer experience. The amount of services provided by AI service representatives exceeded 1.96 billion times in the first nine months of 2022, representing 82% of Ping An’s total customer service volume. Sales realized by AI service representatives increased 46% year on year to approximately RMB274.7 billion in the first nine months of 2022. Ping An P&C’s optical character recognition (OCR) technology for key documents delivered an average accuracy rate of over 98.3%, and was widely used in policy issuance, claims material collection, and liability/loss assessment, saving approximately 956,000 hours of manual review in the first nine months of 2022, significantly reducing users’ waiting time.

In respect of digital risk management, Ping An Life applies technologies, including smart vision and voice recognition, to audio and video recording for smart insurance application. The function enables end-to-end smart compliance checks on audio and video recording. Over 40 branches of Ping An Life have used the function, completing the smart quality inspections of approximately 711,000 cases in the first nine months of 2022. With the smart claim approval system, pilot branches cumulatively completed automatic claim settlement of over 32,000 complex cases, and the claim settlement efficiency was nearly 26.5% higher than under the traditional model.

Lufax Holding (NYSE: LU) is one of the leading technology-empowered personal financial services platforms in China. Lufax Holding engages in two major businesses, namely retail credit facilitation and wealth management. In retail credit facilitation, Lufax Holding efficiently connects borrowers with financial resources providers including banks, trust companies and insurers on its “Aggregate Model” retail lending platform to provide small and micro-business owners with quick, convenient lending services. In wealth management, Lufax Holding cooperates with financial product providers and builds a technology-powered smart business framework, using AI to match customers with products and providing middle-class and affluent investors with diverse customized offerings.

OneConnect (NYSE: OCFT; SEHK: 06638.HK) is a technology-as-a-service provider for financial institutions. OneConnect provides clients with “full stack” integrated products, including Digital Banking, Digital Insurance, and Gamma Platform which offers fintech infrastructure services. OneConnect facilitates the digital transformation of the financial services ecosystem, and provides governments, regulators and enterprises with technological services relating to trade, supply chains, data security, risk management and so on.

Ping An Health (SEHK: 01833.HK; stock short name: PA GOODDOCTOR) is an integral part of the Group’s “managed care model.” With the abundant healthcare management experience and databases over the years, as well as the advanced management platforms and technologies, Ping An Health mobilizes vast full-scenario high-quality service resources to reach large numbers of retail users and corporate clients. Leveraging family doctor services and O2O service networks, Ping An Health developed an online-merge-offline healthcare service platform catering to the managements of health, sub-health, disease, chronic disease, and elderly care, committed to providing users with specialized, comprehensive, high-quality and one-stop health management services.

Autohome (NYSE: ATHM; SEHK: 02518.HK), China’s leading online auto services platform, is dedicated to developing a smart auto ecosystem centering on data and technology. In the ecosystem, Autohome provides auto consumers with diverse products and services across the entire auto lifecycle. Autohome continuously upgrades its “ecosystem strategy,” and provides comprehensive services for consumers, automakers and various players in the auto ecosystem.

2.10 Prospects of Future Development

Amid the COVID-19 pandemic, domestic and international environments are becoming even more complex, severe and uncertain. Domestic consumption and investment will pick up slowly as sporadic COVID-19 breakouts weigh on domestic economic recovery in the short run, posing challenges to Ping An’s business growth. Moreover, credit risks will increase, asset quality will remain under pressure, and equity markets will become more volatile due to the complex and severe international environment. However, there will be new opportunities for Ping An’s business development in the long run. On the one hand, consumer demands for insurance and health management will be gradually unleashed due to increasing health awareness and demands for medical management and eldercare services, creating huge potential for Ping An’s financial and healthcare businesses. On the other hand, as the demand for digital transformation grows stronger driven by technological advancement and supportive government policies, Ping An will accelerate the innovation of its financial and healthcare business models to empower business growth.

The Chinese economy generally stabilized and recovered in the first nine months of 2022 due to strengthened macroeconomic policies. China’s economic fundamentals will remain positive in the long run, with strong potential and favorable conditions for the development of financial and healthcare industries. Ping An upholds China’s new development philosophy at the new development stage, bearing in mind its mission of giving back to society and serving the country. Remaining “people-centered,” Ping An pursues development by serving the real economy, continuously improving the quality and efficiency of services for the real economy. Under the technology-driven “integrated finance + healthcare” strategy, Ping An continuously explores innovations for financial inclusion, and makes every effort to maintain economic and financial security. By doing so, Ping An vigorously pursues high-quality development and contributes to the great rejuvenation of the Chinese nation.

3. TOTAL NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF TOP TEN SHAREHOLDERS AS OF THE END OF THE REPORTING PERIOD

As of September 30, 2022, the total share capital of the Company was 18,280,241,410 shares, of which 10,832,664,498 were A shares and 7,447,576,912 were H shares.

Total number of shareholders as of the end of the Reporting Period		Total number of shareholders was 1,125,367, of which 1,121,074 were holders of A shares and 4,293 were holders of H shares				
Shareholdings of top ten shareholders						
Name of shareholder	Nature of shareholder ⁽¹⁾	Shareholding percentage (%)	Total number of shares held (shares)	Type of shares	Number of shares subject to selling restrictions (shares)	Number of pledged, marked or frozen shares (shares)
Hong Kong Securities Clearing Company Nominees Limited ⁽²⁾	Overseas legal person	37.01	6,765,002,821 ⁽³⁾	H share	-	Unknown
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	5.27	962,719,102	A share	-	341,740,000 pledged shares
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Others	3.45	629,929,657	A share	-	-
China Securities Finance Corporation Limited	Others	2.99	547,459,258	A share	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	2.57	470,302,252	A share	-	-
Business Fortune Holdings Limited	Overseas legal person	2.43	443,639,264	H share	-	269,768,865 pledged shares
Shum Yip Group Limited	State-owned legal person	1.41	257,728,008	A share	-	-
Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd. ⁽⁵⁾	Others	1.39	254,486,244	A share	-	-
Plenty Ace Investments (SPV) Limited	Overseas legal person	1.20	219,127,694	H share	-	-
Dacheng Fund – Agricultural Bank of China – Dacheng Zhongzheng Financial Asset Management Plan	Others	1.10	201,948,582	A share	-	-

- Notes:* (1) Nature of the holders of A shares represents the nature of accounts held by the holders of A shares registered on the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
- (2) Hong Kong Securities Clearing Company Nominees Limited (“HKSCC Nominees Limited”) is the nominee holder of the shares held by non-registered H shareholders of the Company.
- (3) Business Fortune Holdings Limited and Plenty Ace Investments (SPV) Limited are indirect wholly-owned subsidiaries of CP Group Ltd., and the shares owned by these two companies have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by the above two companies have been deducted from the shares held by HKSCC Nominees Limited.
- (4) The shares held by Hong Kong Securities Clearing Company Limited refer to the shares held by non-registered shareholders of the Northbound Trading of the Shanghai-Hong Kong Stock Connect Program.
- (5) Participants in the Long-term Service Plan of the Company are the employees of the Company and its subsidiaries. Over 110,000 employees have participated in the Long-term Service Plan cumulatively. The source of funding is the remunerations payable to employees.

Explanation of the connected relationship or acting-in-concert relationship among the above shareholders

Business Fortune Holdings Limited and Plenty Ace Investments (SPV) Limited are indirect wholly-owned subsidiaries of CP Group Ltd., and they are presumed to be acting in concert with each other since they are under the common control of CP Group Ltd. CP Group Ltd. indirectly held 1,243,259,627 H shares of the Company, representing approximately 6.80% of the total share capital of the Company as of September 30, 2022, through the above two companies and other subsidiaries.

Save as disclosed above, the Company is not aware of any connected relationship or acting-in-concert relationship among the above-mentioned shareholders.

4. SIGNIFICANT EVENTS

Implementation of Share Purchase Plans of the Company

Key employee share purchase plan

The Company has implemented the Key Employee Share Purchase Plan since 2015 as deliberated at the 16th meeting of the ninth Board of Directors held on October 28, 2014 and approved at the first extraordinary general meeting for 2015 held on February 5, 2015. For the Key Employee Share Purchase Plan of the Company, the participants are key employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The sources of funding are legitimate incomes and performance bonuses of the employees.

Eight phases of the Key Employee Share Purchase Plan were implemented as of the end of the Reporting Period. Among them, all shares under the four phases for 2015-2018 were unlocked, and the four phases for 2019-2022 were implemented as follows:

There were 1,267 participants in the Key Employee Share Purchase Plan for 2019. A total of 8,078,395 A shares of the Company were purchased for a total amount of RMB588,197,823.00 (expenses inclusive), accounting for approximately 0.044% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Key Employee Share Purchase Plan and applicable agreed rules, 980 employees qualified and 97 employees did not qualify for vesting under this phase. For the duration, 581,105 shares were forfeited.

There were 1,522 participants in the Key Employee Share Purchase Plan for 2020. A total of 7,955,730 A shares of the Company were purchased for a total amount of RMB638,032,305.75 (expenses inclusive), accounting for approximately 0.044% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Key Employee Share Purchase Plan and applicable agreed rules, 1,170 employees qualified and 128 employees did not qualify for vesting under this phase. For the duration, 1,176,910 shares were forfeited.

There were 1,754 participants in the Key Employee Share Purchase Plan for 2021. A total of 9,162,837 A shares of the Company were purchased for a total amount of RMB670,258,495.86 (expenses inclusive), accounting for approximately 0.050% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Key Employee Share Purchase Plan and applicable agreed rules, 1,556 employees qualified and 198 employees did not qualify for vesting under this phase. For the duration, 1,468,954 shares were forfeited.

There were 1,703 participants in the Key Employee Share Purchase Plan for 2022. A total of 12,518,547 A shares of the Company were purchased for a total amount of RMB595,602,067.09 (expenses inclusive), accounting for approximately 0.068% of the total share capital of the Company at that time. For details of the share purchase, please refer to the *Announcement Regarding the Completion of Share Purchase under the 2022 Key Employee Share Purchase Plan* published by the Company on the websites of the Hong Kong Exchanges and Clearing Limited (the “HKEX”) and the Shanghai Stock Exchange (the “SSE”) on March 27, 2022 and March 28, 2022 respectively. During the Reporting Period, no change was made in equity under the Key Employee Share Purchase Plan for 2022.

During the Reporting Period, the manager of the Key Employee Share Purchase Plan was not changed.

The key employees held 19,609,457 A shares of the Company in total through the Key Employee Share Purchase Plan as at the end of the Reporting Period, accounting for approximately 0.107% of the total share capital of the Company.

The long-term service plan

The Company has implemented the Long-term Service Plan since 2019 as deliberated at the third meeting of the 11th Board of Directors held on October 29, 2018 and approved at the second extraordinary general meeting for 2018 held on December 14, 2018. For the Long-term Service Plan of the Company, the participants are the employees of the Company and its subsidiaries including directors, employee representative supervisors, and senior management. The source of funding is the remunerations payable to employees.

Four phases of the Long-term Service Plan were implemented as of the end of the Reporting Period:

There were 31,026 participants in the Long-term Service Plan for 2019. A total of 54,294,720 A shares of the Company were purchased for a total amount of RMB4,296,112,202.60 (expenses inclusive), accounting for approximately 0.297% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 8 employees qualified and applied for vesting, and their shares were vested; 1,686 employees were disqualified due to reasons including their resignation; and 3,666,712 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 32,022 participants in the Long-term Service Plan for 2020. A total of 49,759,305 A shares of the Company were purchased for a total amount of RMB3,988,648,517.41 (expenses inclusive), accounting for approximately 0.272% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 7 employees qualified and applied for vesting, and their shares were vested; 1,973 employees were disqualified due to reasons including their resignation; and 3,692,741 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 90,960 participants in the Long-term Service Plan for 2021. A total of 57,368,981 A shares of the Company were purchased for a total amount of RMB4,184,093,674.69 (expenses inclusive), accounting for approximately 0.314% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 6 employees qualified and applied for vesting, and their shares were vested; 8,373 employees were disqualified due to reasons including their resignation; and 6,342,518 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 90,960 participants in the Long-term Service Plan for 2022. A total of 93,314,482 A shares of the Company were purchased for a total amount of RMB4,438,825,366.37 (expenses inclusive), accounting for approximately 0.510% of the total share capital of the Company at that time. For details of the share purchase, please refer to the *Announcement Regarding the Completion of Share Purchase under the 2022 Long-term Service Plan* published by the Company on the websites of the HKEX and the SSE on March 27, 2022 and March 28, 2022 respectively. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 8,212 employees were disqualified due to reasons including their resignation, and 7,051,226 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

During the Reporting Period, the manager of the Long-term Service Plan was not changed.

The Long-term Service Plan held a total of 254,486,244 A shares of the Company as at the end of the Reporting Period, accounting for approximately 1.392% of the total share capital of the Company.

The Company has operated stably and healthily since the implementation of the Key Employee Share Purchase Plan and the Long-term Service Plan. The shareholders, the Company and the employees have shared benefits and risks, providing a strong foundation for further improving the Company's governance structure, establishing and strengthening long-term incentive and restraint mechanisms, and facilitating the long-term, sustainable and healthy development of the Company.

Purchase, Sale or Redemption of the Company's Listed Securities

The *Resolution regarding Share Repurchase* was deliberated and approved at the 4th meeting of the 12th session of the Board of Directors held by the Company on August 26, 2021. The Company had completed the repurchase by August 26, 2022. Under this resolution, a total of 102,592,612 A shares of the Company were repurchased by the Company by means of centralized bidding transaction via the system of the SSE, representing approximately 0.56122% of the total share capital of the Company as of September 30, 2022. The total amount of funds paid was RMB5,000,001,422.40 (exclusive of transaction costs)/RMB5,000,840,424.22 (inclusive of transaction costs). The lowest transaction price was RMB43.72 per share and the highest transaction price was RMB51.96 per share. The repurchased A shares of the Company will be reserved exclusively for the employee stock ownership plans of the Company, including but not limited to the Long-term Service Plan which has been deliberated and approved at the general meeting of the Company. There were a total of 172,599,415 A shares of the Company in the Company's repurchased securities account as of September 30, 2022.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months from January 1, 2022 to September 30, 2022.

5. SOLVENCY MARGIN OF SUBSIDIARIES

Below are the solvency data of the Company's insurance subsidiaries prepared and reported in accordance with the *Regulatory Rules on Solvency of Insurance Companies (II)* promulgated by the China Banking and Insurance Regulatory Commission:

As of September 30, 2022	Ping An Life	Ping An P&C	Ping An Annuity	Ping An Health Insurance
Core capital (in RMB million)	511,171	106,533	8,267	6,778
Actual capital (in RMB million)	906,971	134,636	13,352	8,115
Minimum capital (in RMB million)	362,783	55,710	5,965	2,967
Core solvency margin ratio (%)	140.9	191.2	138.6	228.5
Comprehensive solvency margin ratio (%)	250.0	241.7	223.8	273.6

Notes: (1) Core solvency margin ratio = core capital / minimum capital. Comprehensive solvency margin ratio = actual capital / minimum capital.

(2) The minimum regulatory requirements for the core solvency margin ratio and comprehensive solvency margin ratio in the table above are 50% and 100% respectively.

(3) For details of subsidiaries' solvency margin, please visit the Company's website (www.pingan.cn).

(4) Figures may not match the calculation due to rounding.

6. GUARANTEE

(in RMB million)

External guarantee of the Company and its subsidiaries (excluding the guarantee in favor of its controlled subsidiaries)	
Total external guarantee incurred during the Reporting Period	–
Total external guarantee balance as of the end of the Reporting Period	–
Guarantee of the Company and its subsidiaries in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period ⁽²⁾	(21,881)
Total guarantee balance in favor of its subsidiaries as of the end of the Reporting Period	14,771
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee	14,771
Total guarantee as a percentage of the Company's net assets (%)	1.8
Including: Direct or indirect guarantee for the companies with a total liabilities to total assets ratio over 70% (as of September 30, 2022)	13,606
The amount by which the total guarantee balance of the Company and its subsidiaries exceeded 50% of the Company's net assets	–

Notes: (1) The data set out in the table above does not include those arising from financial guarantee businesses conducted by the Company's controlled subsidiaries including Ping An Bank in strict compliance with the scope of business approved by regulatory authorities.

(2) During the Reporting Period, the total guarantee incurred was the guarantee withdrawal of RMB4,080 million less the guarantee repayment of RMB25,961 million.

7. FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

7.1 Consolidated Income Statement

For the nine-month period ended 30 September 2022

For the nine-month period ended 30 September (in RMB million)	2022 (Unaudited)	2021 (Unaudited)
Gross written premiums	604,655	591,765
Less: Premiums ceded to reinsurers	(17,191)	(24,543)
Net written premiums	587,464	567,222
Change in unearned premium reserves	(3,175)	8,370
Net earned premiums	584,289	575,592
Reinsurance commission revenue	4,982	4,502
Interest revenue from banking operations	170,419	158,627
Interest revenue from non-banking operations	93,396	94,614
Fees and commission revenue from non-insurance operations	34,707	39,555
Investment income	10,428	56,651
Share of profits and losses of associates and joint ventures	8,284	5,685
Other revenues and other gains/(losses)	46,165	49,161
Total revenue	952,670	984,387
Gross claims and policyholders' benefits	(502,788)	(493,335)
Less: Reinsurers' share of claims and policyholders' benefits	11,531	15,087
Claims and policyholders' benefits	(491,257)	(478,248)
Commission expenses on insurance operations	(55,269)	(64,290)
Interest expenses on banking operations	(72,296)	(68,275)
Fees and commission expenses on non-insurance operations	(7,529)	(7,489)
Net impairment losses on financial assets	(60,087)	(65,240)
Net impairment losses on other assets	(2,280)	(11,742)
Foreign exchange gains/(losses)	2,571	820
General and administrative expenses	(123,511)	(126,607)
Interest expenses on non-banking operations	(17,648)	(22,019)
Other expenses	(24,600)	(27,594)
Total expenses	(851,906)	(870,684)

For the nine-month period ended 30 September (in RMB million)	2022 (Unaudited)	2021 (Unaudited)
Profit before tax	100,764	113,703
Income tax	(5,649)	(16,155)
Profit for the period	<u>95,115</u>	<u>97,548</u>
Attributable to:		
– Owners of the parent	76,463	81,638
– Non-controlling interests	18,652	15,910
	<u>95,115</u>	<u>97,548</u>
	RMB	RMB
Earnings per share attributable to ordinary equity holders of the parent:		
– Basic	4.38	4.63
– Diluted	4.32	4.59

7.2 Consolidated Statement of Comprehensive Income

For the nine-month period ended 30 September 2022

For the nine-month period ended 30 September (in RMB million)	2022 (Unaudited)	2021 (Unaudited)
Profit for the period	95,115	97,548
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Changes in the fair value of debt instruments at fair value through other comprehensive income	(241)	1,399
Credit risks provision of debt instruments at fair value through other comprehensive income	266	1,848
Shadow accounting adjustments	(843)	(1,302)
Reserve from cash flow hedging instruments	(284)	(286)
Exchange differences on translation of foreign operations	4,441	(359)
Share of other comprehensive income of associates and joint ventures	(204)	481
Others	–	(171)
Items that will not be reclassified to profit or loss:		
Changes in the fair value of equity instruments at fair value through other comprehensive income	(6,254)	(9,532)
Shadow accounting adjustments	1,884	6,135
Share of other comprehensive income of associates and joint ventures	(534)	(1,244)
Other comprehensive income for the period, net of tax	(1,769)	(3,031)
Total comprehensive income for the period	93,346	94,517
Attributable to:		
– Owners of the parent	74,485	78,344
– Non-controlling interests	18,861	16,173
	93,346	94,517

7.3 Consolidated Statement of Financial Position
As at 30 September 2022

(in RMB million)	30 September, 2022 (Unaudited)	31 December, 2021 (Audited)
ASSETS		
Cash and amounts due from banks and other financial institutions	652,403	584,995
Balances with the Central Bank	304,548	308,348
Financial assets purchased under reverse repurchase agreements	65,219	61,429
Premium receivables	77,870	79,834
Accounts receivable	27,885	26,628
Derivative financial assets	62,495	30,957
Reinsurers' share of insurance liabilities	26,053	26,852
Policy loans	185,666	178,298
Finance lease receivable	191,694	200,701
Loans and advances to customers	3,210,567	2,980,975
Financial assets at fair value through profit or loss	1,513,444	1,426,677
Financial assets at amortized cost	3,003,578	2,768,995
Debt financial assets at fair value through other comprehensive income	406,461	428,530
Equity financial assets at fair value through other comprehensive income	245,760	268,215
Investments in associates and joint ventures	280,081	284,061
Statutory deposits for insurance operations	14,514	12,606
Investment properties	99,046	86,041
Property and equipment	43,660	49,758
Intangible assets	74,235	68,462
Right-of-use assets	12,085	14,185
Deferred tax assets	85,799	65,360
Other assets	154,381	154,117
Policyholder account assets in respect of insurance contracts	20,682	31,847
Policyholder account assets in respect of investment contracts	4,085	4,155
Total assets	<u>10,762,211</u>	<u>10,142,026</u>

(in RMB million)	30 September, 2022 (Unaudited)	31 December, 2021 (Audited)
EQUITY AND LIABILITIES		
Equity		
Share capital	18,280	18,280
Reserves	230,542	234,186
Treasury shares	(10,996)	(9,895)
Retained profits	<u>600,973</u>	<u>569,834</u>
Equity attributable to owners of the parent	838,799	812,405
Non-controlling interests	<u>272,895</u>	<u>265,318</u>
Total equity	<u>1,111,694</u>	<u>1,077,723</u>
Liabilities		
Due to banks and other financial institutions	740,845	797,646
Financial liabilities at fair value through profit or loss	117,731	57,376
Derivative financial liabilities	66,107	35,049
Assets sold under agreements to repurchase	315,082	127,477
Accounts payable	6,953	6,663
Income tax payable	16,725	16,247
Insurance payables	123,828	150,767
Policyholder dividend payable	69,923	67,276
Customer deposits and payables to brokerage customers	3,302,761	3,002,049
Bonds payable	940,780	1,097,523
Insurance contract liabilities	3,504,138	3,261,354
Investment contract liabilities for policyholders	75,151	72,839
Lease liabilities	12,524	14,208
Deferred tax liabilities	13,245	13,605
Other liabilities	<u>344,724</u>	<u>344,224</u>
Total liabilities	<u>9,650,517</u>	<u>9,064,303</u>
Total equity and liabilities	<u>10,762,211</u>	<u>10,142,026</u>

7.4 Consolidated Statement of Cash Flows

For the nine-month period ended 30 September 2022

For the nine-month period ended 30 September (in RMB million)	2022 (Unaudited)	2021 (Unaudited)
Net cash flows from operating activities	345,812	49,730
Cash flows from investing activities		
Purchases of property and equipment, intangibles and other long-term assets	(5,535)	(9,071)
Proceeds from disposal of property and equipment, intangibles and other long-term assets, net	301	558
Proceeds from disposal of investments	1,402,860	1,502,332
Purchases of investments	(1,818,458)	(1,598,657)
Acquisition of subsidiaries, net	–	(236)
Disposal of subsidiaries, net	244	3,925
Interest received	112,358	127,131
Dividends received	51,320	40,949
Rentals received	4,583	3,032
Increase in policy loans, net	(7,069)	(13,208)
Net cash flows (used in)/from investing activities	(259,396)	56,755

For the nine-month period ended 30 September (in RMB million)	2022 (Unaudited)	2021 (Unaudited)
Cash flows from financing activities		
Capital injected into subsidiaries by non-controlling interests	2,371	6,533
Proceeds from bonds issued	600,325	903,627
Increase/(decrease) in assets sold under agreements to repurchase of insurance operations, net	165,673	(118,816)
Proceeds from borrowings	133,274	165,487
Repayment of borrowings	(941,971)	(951,887)
Interest paid	(20,024)	(36,136)
Dividends paid	(31,865)	(29,744)
Increase/(decrease) in insurance placements from banks and other financial institutions, net	1,035	(300)
Payment of acquisition of shares	(1,101)	(2,867)
Payment of shares purchased for Long-term Service Plan	(4,439)	(4,184)
Repayment of lease liabilities	(4,576)	(5,464)
Payment of redemption for other equity instruments by subsidiaries	(7,600)	(1,050)
Others	(7,691)	8,000
Net cash flows used in financing activities	(116,589)	(66,801)
Net (decrease)/increase in cash and cash equivalents	(30,173)	39,684
Net foreign exchange differences	8,068	(2,106)
Cash and cash equivalents at the beginning of the period	403,125	424,748
Cash and cash equivalents at the end of the period	381,020	462,326

8. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of the HKEX (www.hkexnews.hk) and the website of the Company (www.pingan.cn). This results announcement is prepared in accordance with IFRSs. The report of the Third Quarter Results for 2022 prepared in accordance with the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance of the People's Republic of China and other relevant regulations will be published on the Company's website (www.pingan.cn) at the same time as it is published on the website of the SSE (www.sse.com.cn).

By order of the Board
Ma Mingzhe
Chairman

Shenzhen, the PRC, October 26, 2022

As at the date of this announcement, the executive directors of the Company are Ma Mingzhe, Xie Yonglin, Tan Sin Yin, Yao Jason Bo and Cai Fangfang; the non-executive directors of the Company are Soopakij Chearavanont, Yang Xiaoping, He Jianfeng and Cai Xun; the independent non-executive directors of the Company are Ouyang Hui, Ng Sing Yip, Chu Yiyun, Liu Hong, Ng Kong Ping Albert and Jin Li.