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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 (HKD counter) and 82318 (RMB counter)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

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, 2023 (the “**Reporting Period**”). The Board and its Audit and Risk Management Committee have reviewed the Third Quarter Results.

The Company has implemented *IFRS 17 Insurance Contracts* (the “**New Accounting Standards for Insurance Contracts**”) since the accounting year beginning on January 1, 2023, and adjusted financial statements for the same period last year retrospectively.

1. KEY BUSINESS PERFORMANCE

1.1 Business Highlights

- Ping An maintained resilient overall business performance and made outstanding achievements in implementing the integrated finance model despite significant domestic and overseas economic uncertainties. The Group delivered a 16.7% annualized operating ROE, with operating profit attributable to shareholders of the parent company reaching RMB112,482 million in the first nine months of 2023. Three core businesses, namely life and health insurance business (“**Life & Health**” or “**L&H**”), property and casualty insurance business, and banking business, maintained steady operating profit attributable to shareholders of the parent company.
- Ping An continuously develops its integrated finance model. Retail customers approached 230 million and contracts per customer reached 2.99 as of September 30, 2023.
- Ping An Life maintained its steady operating profit and stable solvency position by enhancing the comprehensive strengths of its channels, increasing the productivity of its teams, and improving the quality of insurance policies. Life & Health new business value (“**NBV**”) amounted to RMB33,574 million in the first nine months of 2023, up 40.9% year on year on a like-for-like basis. In the agent channel, productivity climbed sharply with NBV per agent rising 94.4% year on year in the first nine months of 2023.

- Ping An Property and Casualty (“**Ping An P&C**”) boosted insurance revenue steadily and maintained good quality of auto insurance business indicated by a 97.4% auto insurance underwriting combined ratio (“**underwriting COR**”). Insurance revenue grew 6.8% year on year to RMB235,538 million in the first nine months of 2023. In addition, the accumulated registered users of the “Ping An Auto Owner” app exceeded 194 million as of September 30, 2023 as Ping An P&C continued to provide auto owners with excellent services.
- Ping An Bank maintained stable and healthy business performance and solid asset quality. Net profit grew 8.1% year on year to RMB39,635 million in the first nine months of 2023. Non-performing loan ratio declined by 0.01 pps year to date to 1.04% and provision coverage ratio was 282.62% as of September 30, 2023, indicating adequate capital and risk provisions.
- Ping An continuously advanced its healthcare ecosystem development to build differential advantages. Customers entitled to “+ service” benefits accounted for approximately 68% of Ping An Life’s NBV in the first nine months of 2023. By integrating providers, Ping An partnered with 100% of top 100 hospitals and 3A hospitals, and accumulated nearly 4,000 in-house doctors and nearly 50,000 contracted external doctors in China as of September 30, 2023. Ping An partnered with approximately 228,000 pharmacies as of September 30, 2023, up by nearly 4,000 year to date.
- Ping An further advanced green finance initiatives, and fulfilled comprehensive corporate social responsibilities. Green insurance premium income amounted to RMB26,276 million in the first nine months of 2023. Ping An has cumulatively provided RMB103,241 million for rural industrial vitalization since the launch of “Ping An Rural Communities Support” and received the 12th “China Charity Award” in September 2023.

1.2 Key Figures

For the nine months ended September 30	2023	2022	Change (%)
Net profit attributable to shareholders of the parent company (in RMB million)	87,575	92,781	(5.6)
Basic earnings per share (in RMB)	4.94	5.32	(7.1)
Operating profit attributable to shareholders of the parent company (in RMB million)	112,482	124,693	(9.8)
Basic operating earnings per share (in RMB)	6.35	7.14	(11.1)
Life & Health NBV (like-for-like ⁽¹⁾) (in RMB million)	33,574	23,824	40.9
Ping An P&C's underwriting COR ⁽²⁾ (%)	99.3	97.7	1.6 pps
	September 30, 2023	December 31, 2022	Change (%)
Number of retail customers (in million)	229.93	226.64	1.5
Contracts per retail customer (contract)	2.99	2.97	0.7

Notes: (1) All quarterly 2022 NBV numbers were restated on page 65 of the 2022 Annual Report of the Company to reflect the revised end-2022 valuation assumptions and method. Based on pre-restatement quarterly 2022 numbers, NBV for the first nine months of 2023 rose 29.9% year on year. The computation of Life & Health NBV is based on an 11% risk discount rate.

(2) Underwriting COR under IFRS 17 = (insurance service expenses + (allocation of reinsurance premiums paid – amount recovered from reinsurers) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + changes in insurance premium reserves)/ insurance revenue.

2. PERFORMANCE REVIEW FOR KEY BUSINESSES

2.1 Overview

China's economic recovery still faced challenges in the third quarter of 2023. Consumer demand and corporate earnings were still below pre-pandemic levels. Export and private investment maintained negative growth. Financial markets were significantly volatile. China adopted various effective macroeconomic policies to reinvigorate the economy in the first nine months of 2023. However, it takes time for the domestic economy to pick up and improve, and the foundation for recovery needs to be further consolidated. Facing opportunities and challenges, Ping An focused on core financial businesses and strengthened the insurance protection function to serve the real economy. Ping An continued to implement its business policy of "focusing on core businesses, increasing cost-effectiveness, optimizing portfolios, and improving policies and procedures." Following the technology-driven "integrated finance + healthcare" strategy, Ping An continuously consolidated its integrated finance advantages, remained customer needs-oriented, and pursued high-quality development.

The Group's operating profit attributable to shareholders of the parent company declined 9.8% year on year to RMB112,482 million, and net profit attributable to shareholders of the parent company declined 5.6% year on year to RMB87,575 million in the first nine months of 2023. Three core businesses, namely Life & Health business, property and casualty insurance business, and banking business, maintained steady performance. The three businesses delivered RMB117,848 million in operating profit attributable to shareholders of the parent company, down slightly by 0.2% year on year.

Operating profit

Operating profit after tax is based on net profit from financial statements, excluding items that are of a 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 applies to Life & Health business excluding those subject to the variable fee approach⁽¹⁾. This short-term investment variance is the variance between the actual investment return on the aforesaid business and the embedded value long-run investment return assumption. Net of the short-term investment variance, the investment return on the aforesaid Life & Health business is locked at 5%. Debt investments at fair value through other comprehensive income backing such business are measured at cost.
- 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 2023 and the first nine months of 2022 comprised the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company.

Note: (1) Insurance finance income or expenses of liabilities subject to the variable fee approach match the changes in the fair value of the underlying items backing such business. Therefore, no adjustment is made when operating metrics are measured.

2023

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
Operating profit attributable to shareholders of the parent company	84,911	9,965	22,972	(4,344)	2,263	(3,285)	112,482
Operating profit attributable to non-controlling interests	1,848	45	16,663	803	828	523	20,710
Operating profit (A)	86,759	10,010	39,635	(3,541)	3,091	(2,762)	133,191
Plus:							
Short-term investment variance (B)	(25,132)	-	-	-	-	-	(25,132)
Impact of one-off material non-operating items and others (C)	-	-	-	-	51	-	51
Net profit (D=A+B+C)	61,627	10,010	39,635	(3,541)	3,142	(2,762)	108,111
Net profit attributable to shareholders of the parent company	59,953	9,965	22,972	(4,344)	2,314	(3,285)	87,575
Net profit attributable to non-controlling interests	1,674	45	16,663	803	828	523	20,536

2022 (Restated)

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
Operating profit attributable to shareholders of the parent company	86,024	10,831	21,247	5,582	5,656	(4,648)	124,693
Operating profit attributable to non-controlling interests	1,115	50	15,412	1,236	710	452	18,975
Operating profit (A)	<u>87,139</u>	<u>10,881</u>	<u>36,659</u>	<u>6,818</u>	<u>6,366</u>	<u>(4,196)</u>	<u>143,667</u>
Plus:							
Short-term investment variance (B)	(30,169)	-	-	-	-	-	(30,169)
Impact of one-off material non-operating items and others (C)	-	-	-	-	(1,973)	-	(1,973)
Net profit (D=A+B+C)	<u>56,970</u>	<u>10,881</u>	<u>36,659</u>	<u>6,818</u>	<u>4,393</u>	<u>(4,196)</u>	<u>111,525</u>
Net profit attributable to shareholders of the parent company	56,086	10,831	21,247	5,582	3,683	(4,648)	92,781
Net profit attributable to non-controlling interests	<u>884</u>	<u>50</u>	<u>15,412</u>	<u>1,236</u>	<u>710</u>	<u>452</u>	<u>18,744</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 and Ping An Financial Leasing. 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 Integrated Finance

Ping An's integrated finance strategy is focused on the development of retail customers⁽¹⁾ under a customer-centric philosophy to strengthen cross-selling among customer segments. In retail business, Ping An leverages its ecosystems to build a brand of heartwarming financial services by providing “worry-free, time-saving, and money-saving” one-stop integrated finance solutions. Retail customers increased 1.5% year to date to nearly 230 million and contracts per retail customer reached 2.99 as of September 30, 2023. Retail customers and contracts per retail customer have increased 15.9% and 12.0% respectively since December 31, 2019.

	September 30, 2023	December 31, 2022	Change (%)
Number of retail customers (in million)	229.93	226.64	1.5
Contracts per retail customer (contract)	2.99	2.97	0.7

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

2.3 Healthcare as a New Driver of Value Growth

Ping An's healthcare ecosystem creates both standalone direct value and huge indirect value by empowering our core financial businesses through differentiated “Product + Service” offerings. Nearly 64% of Ping An's nearly 230 million retail customers used services from the healthcare ecosystem as of September 30, 2023. They held approximately 3.42 contracts and RMB56,100 in assets under management (“AUM”) per capita, 1.6 times and 3.4 times those held by non-users of these services respectively.

Payers: Ping An made significant progress in both corporate and retail customer development by effectively integrating insurance with healthcare and elderlycare services. The healthcare ecosystem of the Group had over 45,000 paying corporate clients in the first nine months of 2023. Ping An Health had over 44 million paying users over the past 12 months. Ping An achieved over RMB110 billion in health insurance premium income in the first nine months of 2023. Customers entitled to service benefits in the healthcare ecosystem accounted for approximately 68% of Ping An Life's NBV in the first nine months of 2023.

Membership manager: Ping An maintains exclusive health records for customers, and provides membership-based healthcare and elderlycare services via family doctors and elderlycare concierges. Ping An guides members through an end-to-end “online, in-store and home-delivered” service network covering the full process of consultation, diagnosis, treatment and services under AI-enabled 24/7 seconds-level management. Ping An had a team of nearly 4,000 in-house doctors as of September 30, 2023.

Providers:

- **In respect of proprietary flagships:** Ping An invests in service capabilities via business sectors including general hospitals, checkup centers, medical testing 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 differentiated advantages. Ping An enhanced its presence in the healthcare industry by acquiring PKU Healthcare Group and integrating its excellent resources into Ping An's existing healthcare ecosystem. These resources include six 3A/tier-3 hospitals (with 4,000 beds), 13 specialty medical institutions and so on, among which Peking University International Hospital is a flagship hospital. Peking University International Hospital has six prestigious medical centers specializing in obstetrics and gynecology, oncology, neurology, cardiology, orthopedics, and health management respectively. Moreover, it has partnered with the world's top hospitals including Mayo Clinic and UCLA Health in the U.S. and Juntendo University Hospital in Japan. In addition to hospitals, Ping An had 17 health management centers as of September 30, 2023.
- **In respect of partner networks:** Ping An provides services via an “online, in-store, and home-delivered” network by integrating domestic and overseas premium resources including medical services, health services, commodities and medicines. Ping An had nearly 50,000 contracted external doctors in China as of September 30, 2023. Ping An partnered with over 10,000 hospitals (including all top 100 hospitals and 3A hospitals), over 100,000 healthcare management institutions and approximately 228,000 pharmacies (over 36% of all pharmacies nationwide, up by nearly 4,000 year to date) in China as of September 30, 2023. Moreover, Ping An has launched 565 home-based eldercare service categories encompassing ten scenarios including medical care, dining, housing and exercise. Overseas, Ping An has partnered with over 1,000 medical institutions in 16 countries.

Positive results from a proprietary “healthcare ecosystem”

Ping An builds its good reputation by providing excellent, efficient and convenient services through the healthcare ecosystem, enhancing its brand image by word of mouth. For instance, Ping An Health has established an online consultation and treatment platform which covers nine medical specialties including dermatology, pediatrics and traditional Chinese medicine. Patients can see a doctor remotely on a 24/7 basis and get responses within 60 seconds by means of images, texts, speeches, videos and so on, without a need to queue offline. For difficult and complicated diseases, remote consultations can be conducted. Moreover, Ping An Health helps users prevent diseases by maintaining health records for them and carrying out regular clinical follow-ups. There has been no major healthcare incident since the online specialty consultation and treatment platform was established, with five-star monthly reviews from 99% of users.

Ping An integrates proprietary medical resources with commercial insurance to unlock potential value. By integrating unique healthcare service resources of offline proprietary flagship hospitals and high-end health management centers with insurance products, Ping An piloted exclusive VIP checkups in Beijing, Shanghai and Shenzhen in 2022. In this way, Ping An provided “health insurance + service” products and cumulatively served over 200,000 customers. Ping An piloted an “insurance + medical service” model in Beijing in the third quarter of 2023, providing customers with protection benefits combining life insurance, health insurance, and high-end medical services from Peking University International Hospital.

Ping An's healthcare ecosystem empowers its core financial businesses through customer acquisition and retention. Synergies between integrated finance and the healthcare ecosystem give Ping An Health and the new PKU Healthcare Group access to corporate and retail customers of Ping An's financial businesses. Meanwhile, such synergies also give companies including Ping An Life access to service benefits in the Group's healthcare ecosystem. Nearly 64% of Ping An's nearly 230 million retail customers used services from the healthcare ecosystem as of September 30, 2023. They held approximately 3.42 contracts and RMB56,100 in AUM per capita, 1.6 times and 3.4 times those held by non-users of these services respectively.

2.4 Life and Health Insurance Business

China's macroeconomy recovered as market demand picked up gradually in the first nine months of 2023. Ping An Life unswervingly implemented the "4 channels + 3 products" strategy, and achieved steady business development thanks to comprehensive advancement in channels, improved business quality, and diverse products and services launched. Operating profit of Ping An Life amounted to RMB84,911 million. Life & Health NBV amounted to RMB33,574 million in the first nine months of 2023, up 40.9% year on year on a like-for-like basis. The number of individual life insurance sales agents was 360,000 as of September 30, 2023, down 3.7% from June 30, 2023.

In respect of channels, under the value proposition of high-quality development, Ping An Life unswervingly transformed toward more balanced professional sales channels. Innovative channels including bancassurance and Community Grid accounted for 15.8% of Ping An Life's NBV in the first nine months of 2023. Ping An Life gradually improved the team structure and sharply increased the per capita productivity of the agent channel by refining the tiered management of high-productivity agents. NBV per agent climbed 94.4% year on year in the first nine months of 2023. Ping An Life strengthened the coordination and integration of the bancassurance channel with Ping An Bank, and continuously expanded partnership with external banks. In addition, Ping An Life continuously promotes Community Grid and has built a team of over 11,000 highly competent specialists as of September 30, 2023 which is gradually maturing.

In respect of products, Ping An Life rolled out "insurance + service" products to drive sales and business quality improvements amidst the background of an aging population that has significant untapped healthcare, home-based eldercare and high-end eldercare demands. By upgrading its insurance product portfolio and leveraging the Group's healthcare ecosystem, Ping An Life builds differential advantages by enhancing its three core services, namely healthcare, home-based eldercare and high-end eldercare. In respect of healthcare, Ping An Life served over 19 million customers in the first nine months of 2023, up over 10% year on year. Ping An's home-based eldercare services covered 54 cities across China and over 70,000 customers qualified for the home-based eldercare services as of September 30, 2023, of which over 50% activated the services. In respect of high-end eldercare, a "Ping An Zhen Yi Nian" experience center opened in Sanya, Hainan Province in July 2023, and the groundbreaking ceremony of "Guangzhou Yi Nian Cheng" was held in August 2023.

Key indicators of Life & Health

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

	2023	2022	Change (%)
Operating profit ⁽¹⁾	<u>84,911</u>	<u>86,024</u>	<u>(1.3)</u>
First-year premium used to calculate NBV	144,764	100,001	44.8
NBV (like-for-like ⁽²⁾)	33,574	23,824	40.9
NBV margin (like-for-like ⁽²⁾ , %)	<u>23.2</u>	<u>23.8</u>	<u>-0.6 pps</u>

Notes: (1) Operating profit attributable to shareholders of the parent company.

(2) All quarterly 2022 NBV numbers were restated on page 65 of the 2022 Annual Report of the Company to reflect the revised end-2022 valuation assumptions and method. Based on pre-restatement quarterly 2022 numbers, NBV for the first nine months of 2023 rose 29.9% year on year and NBV margin declined by 2.6 pps year on year. The computation of Life & Health NBV is based on an 11% risk discount rate.

2.5 Property and Casualty Insurance Business

Ping An P&C maintained stable business growth, with insurance revenue growing 6.8% year on year to RMB235,538 million in the first nine months of 2023. Overall underwriting COR rose by 1.6 pps year on year to 99.3% in the first nine months of 2023, including an industry-leading 97.4% auto insurance underwriting COR. Auto and non-auto insurance claim cost increased and underwriting COR rose 1.1 pps due to disastrous typhoons and rainstorms. Moreover, auto insurance customers' travel needs recovered, and guarantee insurance business was impacted by changes in the market environment. As a result, overall cost fluctuated.

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

	2023	2022	Change (%)
Operating profit	<u>10,010</u>	<u>10,881</u>	<u>(8.0)</u>
Insurance revenue	<u>235,538</u>	<u>220,464</u>	<u>6.8</u>
Underwriting COR ⁽¹⁾ (%)	<u>99.3</u>	<u>97.7</u>	<u>1.6 pps</u>

Note: (1) Underwriting COR under IFRS 17 = (insurance service expenses + (allocation of reinsurance premiums paid – amount recovered from reinsurers) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + changes in insurance premium reserves)/ insurance revenue.

2.6 Insurance Funds Investment Portfolio

Capital markets continued to fluctuate, small and medium-sized enterprises' credit risk increased, and the real estate sector saw sporadic events of default in the first nine months of 2023. Generally, the economic recovery needs to be consolidated. All this posed challenges to the Group's investment returns. In a complex and fast-changing market environment, Ping An will continue to pursue long-term returns across business cycles via value investing. The Company's insurance funds investment portfolio achieved an annualized comprehensive investment yield of 3.7% and an annualized net investment yield of 4.0% in the first nine months of 2023.

The Company's insurance funds investment portfolio grew 7.1% year to date to nearly RMB4.64 trillion as of September 30, 2023. 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. At the asset allocation level, the Company keeps a prudent risk appetite and continuously optimizes strategic asset allocation. The Company strikes a balance between long-duration interest rate bonds and risk assets as well as between robust equity assets and growth equity assets. Moreover, the Company carries out disciplined tactical asset allocation and accumulates high-quality assets to cope with various market environments.

Debt schemes and debt wealth management products in the Company's insurance funds investment portfolio totaled RMB424,574 million as of September 30, 2023, accounting for 9.2% of the portfolio, down by 1.1 pps year to date.

The balance of real estate investments in the Company's insurance funds investment portfolio was RMB209,482 million as of September 30, 2023, accounting for 4.5% of the portfolio. The real estate investments were mainly in real properties (including developer-owned real properties invested in directly or in the form of equity stakes in project companies) measured at cost, which represented 76.1% of real estate investments. Such investments were primarily rent-collecting properties including commercial and office properties, logistics real estate, industrial parks, and long-term rental apartments, to match the duration of liabilities. Such investments generate relatively stable incomes including rents and dividends as well as capital appreciation. Besides, debt investments and other equity investments accounted for 18.9% and 5.0% of real estate investments respectively.

Notes: (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.

(2) Computation of investment yields excludes changes in fair values of debt investments at fair value through other comprehensive income backing Life & Health business.

2.7 Banking Business

Ping An Bank continuously upgraded its retail, corporate and interbank business strategies, enhanced its capability of serving the real economy, optimized comprehensive risk management, advanced comprehensive digital transformation, and reshaped asset-liability operations. By doing so, Ping An Bank maintained stable and healthy overall business performance.

- **Ping An Bank maintained stable and healthy business performance.** Net profit grew 8.1% year on year to RMB39,635 million in the first nine months of 2023. Ping An Bank continued to increase support for the real economy. Loans to areas including inclusive finance, manufacturing, agriculture, and green finance grew healthily as Ping An Bank improved its business portfolio.
- **Ping An Bank furthered transformation in retail banking.** Ping An Bank's retail AUM rose 11.5% year to date to RMB3,998,848 million as of September 30, 2023. Ping An Bank had approximately 124,823,700 retail customers as of September 30, 2023, including approximately 1,369,300 wealth management customers, up 8.2% year to date. The balance of retail deposits grew 13.7% year to date to RMB1,176,532 million as of September 30, 2023.
- **Ping An Bank continuously enhanced corporate banking.** Ping An Bank's corporate customers increased by approximately 101,700 or 16.5% to approximately 717,600 as of September 30, 2023. The corporate open bank had 85,212 corporate customers as of September 30, 2023, up 67.2% year to date. The balance of corporate loans grew 7.5% year to date to RMB1,377,829 million as of September 30, 2023.
- **Ping An Bank accelerated transformation in interbank business.** Market share measured by bond trading volume was 3.0% in the first nine months of 2023. Spot bonds sold by institutions amounted to RMB2.04 trillion, up 31.1% year on year. The balance of third-party funds distributed under the "ET-Bank" increased 46.7% year to date to RMB163,221 million as of September 30, 2023.
- **Ping An Bank maintained solid overall asset quality.** Non-performing loan ratio declined by 0.01 pps year to date to 1.04% and provision coverage ratio was 282.62% as of September 30, 2023, indicating adequate risk provisions, with the deviation of loans more than 60 days overdue being 0.80.
- **Capital adequacy ratios continued to increase.** Ping An Bank's capital adequacy ratios at all levels met regulatory requirements, and its core tier 1 capital adequacy ratio rose to 9.23% as of September 30, 2023.

For the nine months ended September 30

(in RMB million)	2023	2022	Change (%)
Net profit	39,635	36,659	8.1
Revenue ⁽¹⁾	127,634	138,265	(7.7)
Net interest margin ⁽¹⁾ (annualized, %)	2.47	2.77	-0.30 pps

Note: (1) Ping An Bank's net interest margin and revenue decreased year on year due to ongoing support for the real economy, market volatility, continuous optimization of its asset-liability portfolio, and moderately increased lending to low-risk deals and high-quality customers.

(in RMB million)	September 30, 2023	December 31, 2022	Change (%)
Deposits ⁽¹⁾	3,454,796	3,312,684	4.3
Total loans and advances ⁽¹⁾	3,426,092	3,329,161	2.9
Non-performing loan ratio (%)	1.04	1.05	-0.01 pps
Provision coverage ratio (%)	282.62	290.28	-7.66 pps
Core tier 1 capital adequacy ratio (%) ⁽²⁾	9.23	8.64	0.59 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. According to the *Additional Regulations for Systematically Important Banks (Trial)* and the 2022 List of Systematically Important Banks in China, Ping An Bank is included in the first group on the list, and shall meet conditions including a 0.25% supplementary capital ratio effective from January 1, 2023, namely, the minimum regulatory requirement for the core tier 1 capital adequacy ratio is 7.75%.

2.8 Asset Management Business

The Company primarily conducts its asset management business through companies including Ping An Securities, Ping An Trust, Ping An Financial Leasing, and Ping An Asset Management. Business volumes declined and asset valuations changed due to the impact of the macroeconomic environment in the first nine months of 2023. Moreover, capital markets were volatile and market investment demand was weak. As a result, profit of asset management business declined.

The Company is committed to continuously enhancing its capabilities of making asset allocation and managing multi-asset portfolios so as to provide retail and institutional customers with comprehensive investment management services. Ping An's AUM⁽¹⁾ exceeded RMB6 trillion as of September 30, 2023.

Note: (1) The AUM is the sum of AUMs of Ping An Securities, Ping An Trust, Ping An Financial Leasing, Ping An Asset Management and so on.

2.9 Technology Business

The Company engages in technology business mainly through subsidiaries, associates and joint ventures including Autohome, Ping An Health, OneConnect, and Lufax Holding, providing diverse products and services for ecosystem users, with significant synergies. Net profit of technology business declined year on year as its revenue was under pressure in the first nine months of 2023.

2.10 Technological Empowerment

Ping An continuously invests in research and development to build leading technological capabilities, which have been widely utilized to empower its core financial businesses and accelerate the development of its ecosystems. Ping An promotes technological empowerment in diverse business scenarios. Moreover, Ping An improves the industry ecosystem and technology by sharing leading innovative products and services with external entities.

Ping An focuses on developing core technologies and securing proprietary intellectual property rights. Ping An has a first-class technology team of over 3,200 scientists as of September 30, 2023. The Group's patent applications led most international financial institutions, totaling 50,815. Of the patent applications, nearly 95% were for inventions, and 9,346 were made under the Patent Cooperation Treaty and abroad.

From the perspective of transforming and upgrading Ping An's core businesses, technology benefits are reflected in higher sales, better business efficiency, and stronger risk management. The volume of services provided by Ping An's AI service representatives reached about 1.7 billion times in the first nine months of 2023, representing 82% of Ping An's total customer service volume. Sales realized by AI service representatives accounted for 45% of the total sales volume of all service representatives. AI helped to collect 42% of overdue loans.

2.11 Prospects of Future Development

In a complex and fast-changing market environment, the financial services industry was generally impacted to some extent in the first nine months of 2023. Amidst uncertainties, Ping An will maintain its strategic focus on core financial businesses and continue advancing its technology-driven "integrated finance + healthcare" strategy. Ping An will keep the continuity and stability of its profit distribution policy, and maintain value investing and long-term returns for shareholders. We believe that the positive long-term fundamentals of the industry will remain unchanged. The Company will keep its business resilience, build its strengths, continuously improve operations and management, advance comprehensive digital transformation, and increase cost-effectiveness to promote business recovery and growth.

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

As of September 30, 2023, the total share capital of the Company was 18,210,234,607 shares, of which 10,762,657,695 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 909,538, of which 905,286 were holders of A shares and 4,252 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	38.17	6,950,754,230 ⁽³⁾	H share	–	Unknown
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	5.29	962,719,102	A share	–	341,740,000 pledged shares
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Others	3.38	614,850,435	A share	–	–
China Securities Finance Corporation Limited	Others	3.01	547,459,258	A share	–	–
Business Fortune Holdings Limited	Overseas legal person	2.62	476,946,469	H share	–	315,217,401 pledged shares
Central Huijin Asset Management Ltd.	State-owned legal person	2.58	470,302,252	A share	–	–
Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd. ⁽⁵⁾	Others	1.93	350,975,208	A share	–	–
Shum Yip Group Limited	State-owned legal person	1.42	257,728,008	A share	–	–
Dacheng Fund – Agricultural Bank of China – Dacheng Zhongzheng Financial Asset Management Plan	Others	1.11	201,948,582	A share	–	–
Huaxia Fund – Agricultural Bank of China – Huaxia Zhongzheng Financial Asset Management Plan	Others	1.10	199,511,462	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 is an indirect wholly-owned subsidiary of Charoen Pokphand Group Co., Ltd. (“**CP Group Ltd.**”), and the shares owned by Business Fortune Holdings Limited have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by Business Fortune Holdings Limited 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 140,000 employees have participated in the Long-term Service Plan cumulatively throughout the years. 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 is an indirect wholly-owned subsidiary of CP Group Ltd. CP Group Ltd. indirectly held 1,114,859,403 H shares of the Company, representing approximately 6.12% of the total share capital of the Company as of September 30, 2023, through Business Fortune Holdings Limited 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

To align the interests of shareholders, the Company and employees, improve corporate governance, and establish and improve long-term incentive and restraint mechanisms, the Company has adopted the Key Employee Share Purchase Plan and the Long-term Service Plan. Total shares cumulatively held by the Key Employee Share Purchase Plan and the Long-term Service Plan do not exceed 10% of the Company's total share capital. Total shares corresponding to the equity interest cumulatively vested in a single employee of the Company through the Key Employee Share Purchase Plan and the Long-term Service Plan do not exceed 1% of the Company's total share capital.

Key Employee Share Purchase Plan

The Company has implemented the Key Employee Share Purchase Plan, which has a duration of six years, since 2015 as deliberated at the 16th meeting of the ninth Board held on October 28, 2014 and approved at the first extraordinary general meeting for 2015 held on February 5, 2015. The duration of the Key Employee Share Purchase Plan has been extended by six years to February 4, 2027 as deliberated at the 13th meeting of the 11th Board held on April 23, 2020. 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. The amount that must be paid for each share by the participants of the Key Employee Share Purchase Plan is the market price of such share at the time of purchase by the Company.

Nine phases of the Key Employee Share Purchase Plan were implemented as of the end of the Reporting Period. Shares under each phase are subject to a one-year lock-up period after the purchase. After the lock-up period expires, one third of the shares for each phase are unlocked each year and vested in phases in accordance with the Key Employee Share Purchase Plan. All the shares under the five phases for 2015-2019 were unlocked, and the four phases for 2020-2023 were implemented as follows:

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 in the secondary market at market prices for a total amount of RMB638,032,305.75 (expenses inclusive), accounting for approximately 0.044% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Key Employee Share Purchase Plan and applicable agreed rules, 1,107 employees qualified and 63 employees did not qualify for vesting under this phase. For the duration, 74,422 shares were forfeited. All the shares under this phase have been unlocked.

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 in the secondary market at market prices for a total amount of RMB670,258,495.86 (expenses inclusive), accounting for approximately 0.050% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Key Employee Share Purchase Plan and applicable agreed rules, 1,485 employees qualified and 71 employees did not qualify for vesting under this phase. For the duration, 178,543 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 in the secondary market at market prices for a total amount of RMB595,602,067.09 (expenses inclusive), accounting for approximately 0.068% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Key Employee Share Purchase Plan and applicable agreed rules, 1,601 employees qualified and 102 employees did not qualify for vesting under this phase. For the duration, 764,902 shares were forfeited.

There were 3,095 participants in the Key Employee Share Purchase Plan for 2023. A total of 15,030,180 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB693,562,104.08 (expenses inclusive), accounting for approximately 0.082% of the Company's total share capital at that time. For details of the share purchase, please refer to the *Announcement Regarding the Completion of Share Purchase under the 2023 Key Employee Share Purchase Scheme* 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 24, 2023 and March 25, 2023 respectively. During the Reporting Period, no change was made in equity under the Key Employee Share Purchase Plan for 2023.

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

The Key Employee Share Purchase Plan held a total of 25,391,496 A shares of the Company as at the end of the Reporting Period, accounting for approximately 0.139% of the Company's total share capital.

Long-term Service Plan

The Company has implemented the Long-term Service Plan, which has a duration of ten years, since 2019 as deliberated at the third meeting of the 11th Board 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. The amount that must be paid for each share by the participants of the Long-term Service Plan is the market price of such share at the time of purchase by the Company. Participants in the Long-term Service Plan may apply for vesting only when they are retiring from the Company, and will be awarded the shares after their applications have been approved and relevant taxes have been paid.

Five 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 in the secondary market at market prices 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, 21 employees qualified and applied for vesting, and their shares were vested; 1,214 employees were disqualified due to reasons including their resignation; and 2,916,447 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 in the secondary market at market prices 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, 11 employees qualified and applied for vesting, and their shares were vested; 1,382 employees were disqualified due to reasons including their resignation; and 2,923,361 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 in the secondary market at market prices 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, 7 employees qualified and applied for vesting, and their shares were vested; 6,331 employees were disqualified due to reasons including their resignation; and 4,979,793 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 in the secondary market at market prices 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. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 4 employees qualified and applied for vesting, and their shares were vested; 8,215 employees were disqualified due to reasons including their resignation; and 9,566,595 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 83,651 participants in the Long-term Service Plan for 2023. A total of 96,608,364 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,450,946,615.20 (expenses inclusive), accounting for approximately 0.528% 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 2023 Long-term Service Plan* published by the Company on the websites of the HKEX and the SSE on March 24, 2023 and March 25, 2023 respectively. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 6,388 employees were disqualified due to reasons including their resignation, and 5,704,147 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 350,975,208 A shares of the Company as at the end of the Reporting Period, accounting for approximately 1.927% 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

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, 2023 to September 30, 2023.

5. SUPPLEMENTARY INFORMATION ON PREMIUMS

Life & Health

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

	2023	2022	Change (%)
Written premium ⁽¹⁾	497,538	440,908	12.8
Premium income ⁽²⁾	<u>409,703</u>	<u>382,245</u>	<u>7.2</u>

Property and Casualty Insurance Business

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

	2023	2022	Change (%)
Premium income ⁽²⁾	225,932	222,024	1.8
Including: auto insurance	154,661	145,692	6.2
Non-auto insurance	53,360	57,217	(6.7)
Accident and health insurance	<u>17,911</u>	<u>19,115</u>	<u>(6.3)</u>

Notes: (1) Written premium refers to all premiums received from the policies underwritten by the Company.

(2) Premium income refers to premiums computed based on written premium after the significant insurance risk testing and separation of hybrid contracts in accordance with the *Circular on the Insurance Industry's Implementation of the No.2 Interpretation of Accounting Standards for Business Enterprises* (Bao Jian Fa [2009] No.1) and the *Circular on Issuing the Regulations regarding the Accounting Treatment of Insurance Contracts* (Cai Kuai [2009] No.15).

6. SOLVENCY MARGIN OF SUBSIDIARIES

Below are the solvency data of the Company's insurance subsidiaries prepared and reported in accordance with the National Financial Regulation Administration's *Regulatory Rules on Solvency of Insurance Companies (II)* and *Circular on Optimization of Solvency Supervision Standard for Insurance Companies*:

September 30, 2023	Ping An Life	Ping An P&C	Ping An Annuity	Ping An Health Insurance
Core capital (in RMB million)	484,739	108,039	10,379	7,807
Actual capital (in RMB million)	853,237	132,438	15,448	9,578
Minimum capital (in RMB million)	398,883	59,995	5,912	3,169
Core solvency margin ratio (%)	121.5	180.1	175.6	246.4
Comprehensive solvency margin ratio (%)	213.9	220.7	261.3	302.2

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.

7. 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⁾	(5,337)
Total guarantee balance in favor of its subsidiaries as of the end of the Reporting Period	8,899
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee	8,899
Total guarantee as a percentage of the Company's net assets (%)	1.0
Including: Direct or indirect guarantee for the companies with a total liabilities to total assets ratio over 70% (as of September 30, 2023)	8,133
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 RMB3,339 million less the guarantee repayment of RMB8,676 million.

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

8.1 Consolidated Income Statement

For the nine-month period ended 30 September 2023

For the nine-month period ended 30 September	2023	2022
(in RMB million)	(Unaudited)	Restated (Unaudited)
Insurance revenue	404,483	395,658
Interest revenue from banking operations	172,903	170,419
Interest revenue from non-banking operations	88,864	87,030
Fees and commission revenue from non-insurance operations	34,834	34,707
Investment income	37,804	5,667
Share of profits and losses of associates and joint ventures	2,192	8,284
Other revenues and other gains/(losses)	51,445	46,050
	<hr/>	<hr/>
Total revenue	792,525	747,815
	<hr/>	<hr/>
Insurance service expenses	(327,848)	(311,798)
Allocation of reinsurance premiums paid	(10,539)	(10,776)
Less: Amount recovered from reinsurer	7,640	8,900
Net insurance finance expenses for insurance contracts issued	(98,352)	(74,838)
Less: Net reinsurance finance income for reinsurance contracts held	446	491
Interest expenses on banking operations	(80,794)	(72,296)
Fees and commission expenses on non-insurance operations	(6,558)	(7,529)
Net impairment losses on financial assets	(49,762)	(60,087)
Net impairment losses on other assets	(442)	(843)
Foreign exchange gains/(losses)	198	2,343
General and administrative expenses	(60,221)	(60,437)
Changes in insurance premium reserves	(192)	(176)
Interest expenses on non-banking operations	(18,194)	(17,498)
Other expenses	(28,439)	(20,626)
	<hr/>	<hr/>
Total expenses	(673,057)	(625,170)
	<hr/>	<hr/>

For the nine-month period ended 30 September	2023	2022
(in RMB million)	(Unaudited)	Restated (Unaudited)
Profit before tax	119,468	122,645
Income tax	(11,357)	(11,120)
Profit for the period	<u>108,111</u>	<u>111,525</u>
Attributable to:		
– Owners of the parent	87,575	92,781
– Non-controlling interests	20,536	18,744
	<u>108,111</u>	<u>111,525</u>
	RMB	RMB
Earnings per share attributable to ordinary equity holders of the parent:		
– Basic	4.94	5.32
– Diluted	4.85	5.24

8.2 Consolidated Statement of Comprehensive Income

For the nine-month period ended 30 September 2023

For the nine-month period ended 30 September (in RMB million)	2023 (Unaudited)	2022 Restated (Unaudited)
Profit for the period	108,111	111,525
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	53,263	38,811
Credit risks provision of debt instruments at fair value through other comprehensive income	(385)	268
Insurance finance expenses for insurance contracts issued	(78,038)	(64,164)
Reinsurance finance income for reinsurance contracts held	261	138
Reserve from cash flow hedging instruments	409	(284)
Exchange differences on translation of foreign operations	1,348	4,441
Share of other comprehensive income of associates and joint ventures	(729)	(204)
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	15,599	(6,344)
Insurance finance expenses for insurance contracts issued	(9,110)	4,654
Share of other comprehensive income of associates and joint ventures	298	(534)
Other comprehensive income for the period, net of tax	(17,084)	(23,218)
Total comprehensive income for the period	91,027	88,307
Attributable to:		
– Owners of the parent	70,808	69,462
– Non-controlling interests	20,219	18,845
	91,027	88,307

8.3 Consolidated Statement of Financial Position

As at 30 September 2023

	30 September, 2023	31 December, 2022
(in RMB million)	(Unaudited)	Restated (Unaudited)
ASSETS		
Cash and amounts due from banks and other financial institutions	736,469	774,841
Balances with the Central Bank	346,340	281,115
Financial assets purchased under reverse repurchase agreements	83,854	91,514
Accounts receivable	33,612	36,118
Derivative financial assets	69,710	29,278
Reinsurance contract assets	22,001	20,615
Finance lease receivable	181,526	186,858
Loans and advances to customers	3,335,095	3,238,054
Financial assets at fair value through profit or loss	1,806,827	1,640,519
Financial assets at amortized cost	1,168,862	1,124,035
Debt financial assets at fair value through other comprehensive income	2,622,224	2,500,790
Equity financial assets at fair value through other comprehensive income	264,336	264,771
Investments in associates and joint ventures	268,397	280,793
Statutory deposits for insurance operations	14,738	14,444
Investment properties	122,209	114,763
Property and equipment	50,899	53,657
Intangible assets	98,494	99,411
Right-of-use assets	10,262	12,580
Deferred tax assets	97,366	89,321
Other assets	132,558	156,463
Total assets	11,465,779	11,009,940

(in RMB million)	30 September, 2023	31 December, 2022
	(Unaudited)	Restated (Unaudited)
EQUITY AND LIABILITIES		
Equity		
Share capital	18,210	18,280
Reserves	253,993	268,724
Treasury shares	(5,001)	(10,996)
Retained profits	635,901	593,183
	<hr/>	<hr/>
Equity attributable to owners of the parent	903,103	869,191
Non-controlling interests	328,985	316,805
	<hr/>	<hr/>
Total equity	1,232,088	1,185,996
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Due to banks and other financial institutions	949,004	923,088
Financial liabilities at fair value through profit or loss	88,449	84,659
Derivative financial liabilities	70,789	39,738
Assets sold under agreements to repurchase	213,483	271,737
Accounts payable	9,061	10,349
Income tax payable	6,467	16,076
Insurance contract liabilities	4,063,780	3,671,177
Reinsurance contract liabilities	52	105
Customer deposits and payables to brokerage customers	3,580,558	3,431,999
Bonds payable	852,772	931,098
Lease liabilities	10,740	13,013
Deferred tax liabilities	14,347	14,217
Other liabilities	374,189	416,688
	<hr/>	<hr/>
Total liabilities	10,233,691	9,823,944
	<hr/>	<hr/>
Total equity and liabilities	11,465,779	11,009,940
	<hr/> <hr/>	<hr/> <hr/>

8.4 Consolidated Statement of Cash Flows

For the nine-month period ended 30 September 2023

For the nine-month period ended 30 September	2023	2022
(in RMB million)	(Unaudited)	Restated (Unaudited)
Net cash flows from operating activities	<u>312,648</u>	<u>338,743</u>
Cash flows from investing activities		
Purchases of property and equipment, intangibles and other long-term assets	(5,417)	(5,535)
Proceeds from disposal of property and equipment, intangibles and other long-term assets, net	836	301
Proceeds from disposal of investments	1,405,428	1,437,227
Purchases of investments	(1,591,555)	(1,848,528)
Disposal of subsidiaries, net	72	244
Interest received	98,016	106,478
Dividends received	52,409	51,320
Rentals received	<u>4,898</u>	<u>4,583</u>
Net cash flows used in investing activities	<u>(35,313)</u>	<u>(253,910)</u>

For the nine-month period ended 30 September	2023	2022
(in RMB million)	(Unaudited)	Restated (Unaudited)
Cash flows from financing activities		
Capital injected into subsidiaries by non-controlling interests	2,972	2,371
Proceeds from bonds issued	734,916	600,325
(Decrease)/increase in assets sold under agreements to repurchase of insurance operations, net	(66,759)	166,034
Proceeds from borrowings	86,924	133,274
Repayment of borrowings	(946,979)	(941,971)
Interest paid	(16,707)	(20,031)
Dividends paid	(33,049)	(31,865)
(Decrease)/increase in insurance placements from banks and other financial institutions, net	(6,366)	1,035
Payment of acquisition of shares	–	(1,101)
Payment of shares purchased for Long-term Service Plan	(4,451)	(4,439)
Repayment of lease liabilities	(4,103)	(4,729)
Payment of redemption for other equity instruments by subsidiaries	(4,850)	(7,600)
Others	(18,856)	(7,690)
Net cash flows used in financing activities	(277,308)	(116,387)
Net increase/(decrease) in cash and cash equivalents	27	(31,554)
Net foreign exchange differences	4,414	8,081
Cash and cash equivalents at the beginning of the period	444,202	405,479
Cash and cash equivalents at the end of the period	448,643	382,006

9. 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 2023 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 27, 2023

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