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 AUDITED RESULTS FOR THE YEAR ENDED DECEMBER 31, 2023

The board of directors (the "**Board**") of Ping An Insurance (Group) Company of China, Ltd. ("**Ping An**" or the "**Company**") hereby announces the audited results of the Company and its subsidiaries for the year ended December 31, 2023. This announcement, containing the full text of the 2023 Annual Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to the information to accompany preliminary announcements of annual results.

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

Both the Chinese and English versions of this results announcement are available on the websites of the Company (www.pingan.cn) and the Hong Kong Exchanges and Clearing Limited (the "**HKEX**") (www.hkexnews.hk). This results announcement is prepared in accordance with the International Financial Reporting Standards. The Company's 2023 Annual Report will be sent out to the H shareholders of the Company and available for viewing on the websites of the HKEX (www.hkexnews.hk) and the Company (www.pingan.cn) before late April 2024.

By order of the Board
Ma Mingzhe
Chairman

Shenzhen, the PRC, March 21, 2024

As at the date of this announcement, the executive directors of the Company are Ma Mingzhe, Xie Yonglin and Cai Fangfang; the non-executive directors of the Company are Soopakij Chearavanont, Yang Xiaoping, He Jianfeng, Cai Xun, Yao Jason Bo and Tan Sin Yin; 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.

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Leveraging Expertise to Promote Well-being

Ping An,

A treasured brand, a weighty responsibility

Promoting family well-being and national rejuvenation

Initiating modern insurance, seeking reasons for claims on behalf of customers

Delivering one-stop worry-free, time-saving and money-saving experience via integrated finance

Offering heartwarming financial services with leading digital technologies

Healing the sick, respecting the elderly and caring for the young via healthcare and elderlycare

Ping An, forever entrepreneurial

Supporting hard-working citizens with insurance coverage

Rushing to aid disaster relief and settle claims amid rainstorms and cold waves

Ear-tagging yaks in Xizang to provide insurance

Marketing artemisia selengensis from Funan to bolster the real economy

Ping An, always true to its original aspiration

So many things, so many years

Pioneering and persevering forever

Ping An, leveraging expertise to promote well-being

Five-Year Summary

(in RMB million)	**2023/ December 31, 2023**	2022/ December 31, 2022	2021/ December 31, 2021	2020/ December 31, 2020	2019/ December 31, 2019
THE GROUP					
Operating profit attributable to shareholders of the parent company[1]	**117,989**	146,895	147,961	139,470	132,955
Operating ROE[1] (%)	**13.2**	17.9	18.9	19.5	21.7
Basic operating earnings per share[1] (in RMB)	**6.66**	8.42	8.40	7.89	7.48
Dividend per share (in RMB)	**2.43**	2.42	2.38	2.20	2.05
Net profit attributable to shareholders of the parent company	**85,665**	111,008	101,618	143,099	149,407
Equity attributable to shareholders of the parent company	**899,011**	869,191	812,405	762,560	673,161
Group comprehensive solvency margin ratio (%)	**208.0**	217.6	233.5	236.4	229.8
Total assets	**11,583,417**	11,009,940	10,142,026	9,527,870	8,222,929
Total liabilities	**10,354,453**	9,823,944	9,064,303	8,539,965	7,370,559
LIFE AND HEALTH INSURANCE BUSINESS					
Operating ROE[1] (%)	**32.1**	37.3	32.3	35.0	40.5
Operating profit[1]	**106,083**	109,810	97,075	93,666	88,950
New business value ("NBV")[2]	**31,080**	28,820	37,898	49,575	75,945
Contractual service margin ("CSM")	**768,440**	818,683	N/A	N/A	N/A
Comprehensive solvency margin ratio of Ping An Life (%)	**194.7**	219.7	230.4	241.8	231.6
PROPERTY AND CASUALTY INSURANCE BUSINESS					
Net profit	**8,958**	10,112	16,192	16,159	22,808
Combined ratio (%)	**100.7**	99.6	98.0	99.1	96.4
Auto insurance combined ratio (%)	**97.7**	96.6	98.9	98.2	97.2
Comprehensive solvency margin ratio (%)	**207.8**	220.0	278.4	241.4	259.2
BANKING BUSINESS					
Net profit	**46,455**	45,516	36,336	28,928	28,195
Net interest margin (%)	**2.38**	2.75	2.79	2.88	2.95
Cost-to-income ratio (%)	**27.90**	27.45	28.30	29.11	29.61
Non-performing loan ratio (%)	**1.06**	1.05	1.02	1.18	1.65
Provision coverage ratio (%)	**277.63**	290.28	288.42	201.40	183.12
Core tier 1 capital adequacy ratio (%)	**9.22**	8.64	8.60	8.69	9.11
ASSET MANAGEMENT BUSINESS					
Net profit	**(19,522)**	3,803	13,952	12,292	10,415
TECHNOLOGY BUSINESS					
Operating profit	**2,980**	6,697	9,448	8,221	4,661
INTEGRATED FINANCE, HEALTHCARE AND ELDERLYCARE					
Number of retail customers (in million)	**231.57**	226.64	221.91	213.44	198.31
Number of contracts per customer (contract)	**2.95**	2.97	2.91	2.81	2.67
Number of customers holding ≥4 contracts within the Group (in million)	**58.56**	59.12	55.64	50.69	42.34
Operating profit per customer[1] (in RMB)	**497.64**	579.54	585.81	576.17	619.24
Number of retail customers who used our healthcare and elderlycare ecosystem (in million)	**147.13**	144.82	142.09	N/A	N/A

Notes: (1) The Company lowered the long-run investment return assumption to 4.5% in 2023, and retrospectively adjusted data for 2022 as per the adjusted investment return assumption.

(2) The Company prudently lowered the embedded value ("EV") long-run investment return assumption of the life and health insurance business ("Life & Health" or "L&H") to 4.5% and the risk discount rate to 9.5% in 2023 in view of the macroeconomic environment and the long-run trend of interest rates. NBV for 2022 and earlier periods is computed based on a 5% long-run investment return assumption and an 11% risk discount rate. Based on the end-2022 assumptions and model, NBV for 2023 amounted to RMB39,262 million, up 36.2% on a like-for-like basis.

(3) The Company has implemented *IFRS 17 Insurance Contracts* since the accounting year beginning on January 1, 2023, and retrospectively adjusted financial statements for the comparative period.

Introduction

Ping An strives to become a world-leading integrated financial, healthcare and elderlycare services provider.

Ping An actively responds to China's 14th Five-Year Plan, focuses on core financial businesses under a people-centered approach, and strengthens the insurance protection function to serve the real economy and support national strategies including "Digital China" and "Healthy China." Ping An develops TechFin, green finance, inclusive finance, pension finance, and digital finance. Ping An also develops the "integrated finance + healthcare and elderlycare" service framework to provide professional "financial advisory, family doctor, and elderlycare concierge" services. Ping An advances comprehensive digital transformation to pursue high-quality business development and improve the quality and efficiency of financial businesses. Moreover, Ping An accelerates ecosystem development to "empower financial services with technologies, empower financial services with ecosystems, and advance development with technologies." Remaining customer needs-oriented, Ping An continuously develops its integrated finance model of "one customer, multiple products, and one-stop services" under the people-centered philosophy. Ping An provides diverse products and convenient services to 232 million retail customers under the "worry-free, time-saving, and money-saving" value proposition.

World-leading
Integrated Financial, Healthcare and Elderlycare Services Provider

Integrated Finance	Healthcare and Elderlycare
Financial adviser One customer, multiple products, and one-stop services	Family doctors and elderlycare concierges Industry standards, central procurement, and service supervision

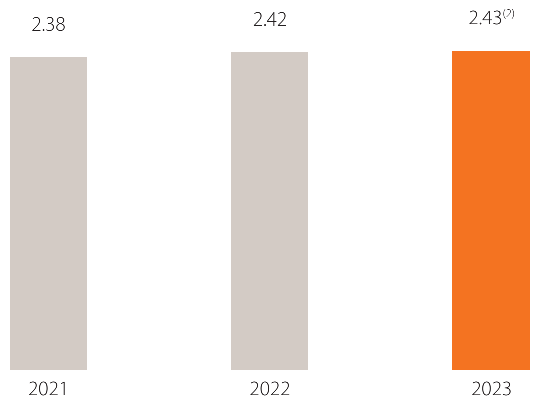
Technological Empowerment

Empowering financial services with technologies, empowering financial services with ecosystems, and advancing development with technologies

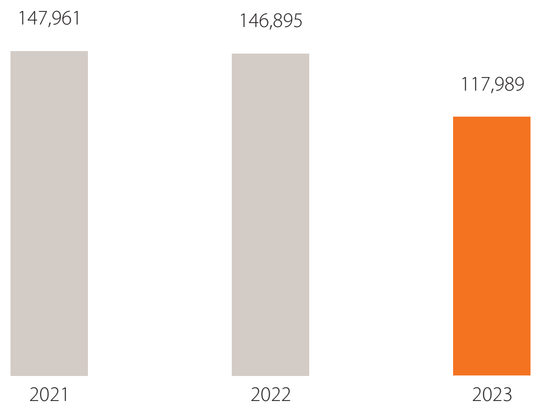
Business Performance at a Glance

Financial Results of the Group

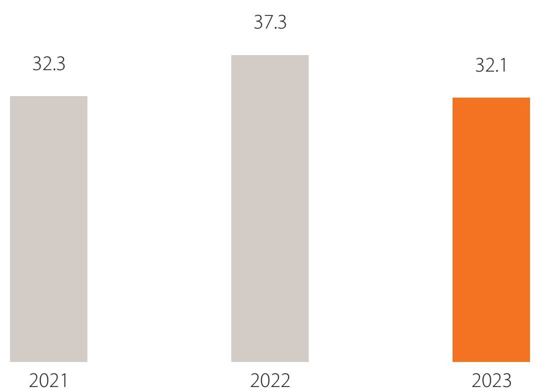
Dividend Per Share [1] *(in RMB)*



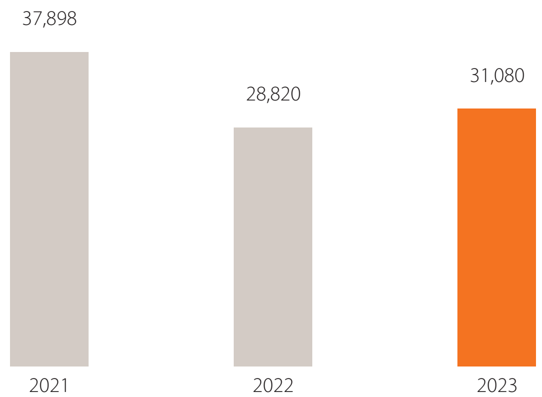
Operating Profit Attributable to Shareholders of the Parent Company[3] *(in RMB million)*



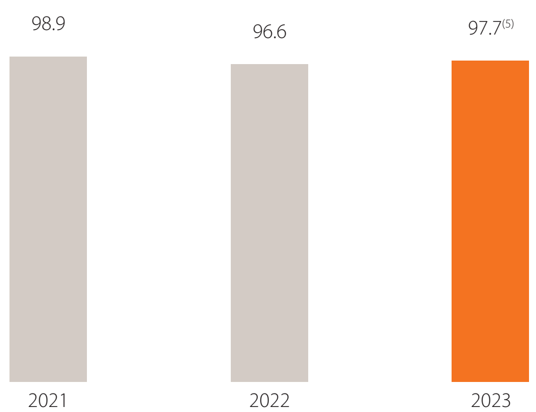
Operating ROE of Life and Health Insurance Business[3] *(%)*



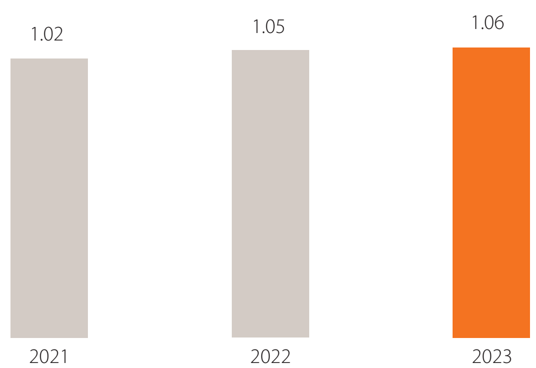
New Business Value of Life and Health Insurance Business[4] *(in RMB million)*



Auto Insurance Combined Ratio *(%)*



Non-performing Loan Ratio of Banking Business *(%)*



(1) Dividend per share refers to the cash dividend per share, including the interim dividend and the final dividend.

(2) This includes a final dividend of RMB1.50 per share pending approval at the 2023 Annual General Meeting.

(3) The Company lowered the long-run investment return assumption to 4.5% in 2023, and retrospectively adjusted data for 2022 as per the adjusted investment return assumption.

(4) The Company prudently lowered the EV long-run investment return assumption of Life & Health to 4.5% and the risk discount rate to 9.5% in 2023 in view of the macroeconomic environment and the long-run trend of interest rates. NBV for 2022 and earlier periods is computed based on a 5% long-run investment return assumption and an 11% risk discount rate. Based on the end-2022 assumptions and model, NBV for 2023 amounted to RMB39,262 million, up 36.2% on a like-for-like basis.

(5) For 2023, auto insurance combined ratio excluding impacts of natural disasters is 96.6%.

Business Highlights

1 **Ping An achieved steady development of core businesses.** The Group's operating profit attributable to shareholders of the parent company reached RMB**117,989** million in 2023. Three core businesses, namely Life & Health, property and casualty insurance, and banking, remained steady, generating RMB**140,913** million in operating profit attributable to shareholders of the parent company, slightly down **2.8%** year on year.

2 **Cash dividend increased for 12 consecutive years.** Attaching importance to shareholder returns, Ping An plans to pay a final dividend of RMB**1.50** per share in cash for 2023. Full-year cash dividend is RMB**2.43** per share, up **0.4%** year on year. Cash dividend payout ratio based on operating profit attributable to shareholders of the parent company is **37.3%**, with total dividend increasing for 12 consecutive years.

3 **Life & Health achieved steady business development, enhanced comprehensive strength in channels, and delivered significant results in high-quality development.** Life & Health NBV grew **36.2%** like for like driven by a **40.3%** rise in agent channel NBV due to an **89.5%** increase in NBV per agent and continued strong momentum in the newly reformed bancassurance channel where NBV climbed **77.7%** in 2023. Based on the latest assumptions including the return on investment and the risk discount rate, NBV of L&H amounted to RMB**31,080** million. The 13-month persistency ratio rose **2.5** pps year on year.

4 **Ping An P&C maintained good business quality with steady revenue growth.** Ping An P&C's insurance revenue rose **6.5%** year on year to RMB**313,458** million in 2023. Overall combined ratio excluding guarantee insurance was **98.4%**. Auto insurance combined ratio was **97.7%,** better than the market average, or **96.6%** excluding the impacts of natural disasters. Moreover, Ping An P&C actively settled disaster insurance claims to fulfill its social responsibilities.

5 **Ping An delivered excellent results in insurance funds investment.** In a complex and volatile market environment, Ping An's insurance funds investment portfolio achieved a comprehensive investment yield of **3.6%** in 2023, up by **0.9** pps year on year. The portfolio achieved a **5.2%** average net investment yield and a **5.4%** average comprehensive investment yield over the past decade, higher than the EV long-run investment return assumption.

6 **Ping An Bank maintained steady business performance and adequate risk provisions.** Net profit increased **2.1%** year on year to RMB**46,455** million in 2023. Non-performing loan ratio was **1.06%** and provision coverage ratio was **277.63%** as of December 31, 2023.

7 **Ping An continued to develop its integrated finance model.** Retail customers increased to **232** million as of December 31, 2023; **25.3%** of them held four or more contracts within the Group, with a retention rate of **97.7%**.

8 **Ping An continued to implement its healthcare and elderlycare ecosystem strategy,** empowering its core businesses with differential advantages. By integrating providers, Ping An partnered with all top 100 hospitals and 3A hospitals, and accumulated about **50,000** in-house doctors and contracted external doctors in China as of December 31, 2023. Ping An partnered with approximately **230,000** pharmacies as of December 31, 2023, up by nearly **6,000** from the beginning of 2023. Customers entitled to service benefits in the healthcare and elderlycare ecosystem accounted for over **73%** of Ping An Life's NBV in 2023.

9 **Ping An actively fulfilled its social responsibilities and supported the real economy.** Ping An cumulatively invested over RMB**8.77** trillion as of December 31, 2023 to bolster the real economy. Green investment of insurance funds and green loan balance totaled RMB**128,568** million and RMB**146,345** million respectively as of December 31, 2023. Green insurance premium income amounted to RMB**37,296** million in 2023. Ping An has provided RMB**117,882** million for poverty alleviation and industrial vitalization since the launch of "Ping An Rural Communities Support." Ping An maintained "A" in MSCI ESG Ratings in 2023, remaining No.1 in the multi-line insurance and brokerage industry in the Asia-Pacific region.

10 **Ping An further increased its brand value.** In 2023, Ping An ranked **33rd** in the *Fortune* Global 500 list (**1st** among global insurers again and **5th** among global financial services companies), **9th** in the *Fortune* China 500 list, **16th** in the *Forbes* Global 2000 list, and **1st** in the Brand Finance Insurance 100 list in relation to global insurance brand value for the 7th consecutive year.

Chairman's Statement

Ping An leverages its expertise to promote the well-being of every family.

As the old saying goes, "Ping An (well-being) is worth tons of gold." In our eyes, promoting well-being is our deep-rooted responsibility. Ping An is not only our name, but also our customers' trust and our weighty responsibility. The Chinese character of Ping (平), with a balanced structure, represents our lofty ideal of peace for all. The Chinese character of An (安), with a "lady" (女) sitting peacefully under a "roof"(宀), undisturbed by external rainstorms or internal disputes, represents our pursuit of peace and security. Since Ping An was founded in 1988, it has been our vision and aspiration to promote the prosperous and contented lives of families, prosperity and vitalization of the nation, and enduring peace and security of the country.

2023 is the first year to comprehensively implement the spirit of the 20th National Congress of the Communist Party of China (the "CPC"), a crucial year to carry out the 14th Five-Year Plan, and a year of post-pandemic recovery. China's economy and consumption growth still faced challenges as capital markets fluctuated significantly, credit risk heightened, and risks in the real estate industry were still being mitigated. Ping An delivered steady, resilient business results despite external market pressures, internal operational challenges, and the persistent impact of a three-year pandemic thanks to employees' and agents' hard work, customers' and shareholders' trust, and society's support. The Group achieved RMB117,989 million in operating profit attributable to shareholders of the parent company, including RMB140,913 million from three core businesses, namely Life & Health, property and casualty insurance, and banking. Life & Health's NBV increased 36.2% on a like-for-like basis. Attaching importance to shareholder returns, Ping An continues to increase cash dividends despite pressure on performance. Full-year cash dividend for 2023 is RMB2.43 per share, up 0.4% year on year. Cash dividend payout ratio based on operating profit attributable to shareholders of the parent company is 37.3%, with total dividend increasing for 12 consecutive years, showing Ping An's strong confidence in its long-term growth prospect.

Ping An provides strong financial support for Baihetan Hydropower Station.

Ping An focused on serving the real economy, national strategies, and people's livelihoods via its core financial businesses throughout 2023. Ping An cumulatively invested over RMB8.77 trillion as of December 31, 2023 to bolster the real economy. The investments cover China's major projects including energy, transportation, and water conservancy. Ping An P&C provided over 1,500 key engineering projects across the country with over RMB3.9 trillion worth of insurance coverage, and supported national strategic initiatives including the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Moreover, Ping An supports agriculture, rural areas and farmers with financial resources by cumulatively investing RMB117,882 million for poverty alleviation and industrial vitalization since the launch of "Ping An Rural Communities Support." We helped market artemisia selengensis from Funan County, Anhui Province, and ear-tagged 200,000 yaks in Biru County, Xizang Autonomous Region.

Ping An made every effort to develop inclusive finance and pension finance under a people-centered approach throughout 2023. Ping An Bank provided about RMB572.1 billion in loans for 1,032.2 thousand small and micro-business owners as of December 31, 2023. Ping An P&C provided 2.29 million small and micro-enterprises with RMB200 trillion worth of insurance coverage in 2023 via "Qi Ye An Xin Bao," a customized employer liability insurance product. Ping An P&C supported delivery riders by providing these hard-working new urban citizens with dedicated insurance coverage about 650 thousand times per day on average, totaling RMB422.5 billion in 43 regions across China in 2023. Ping An has rolled out 580 ten-dimensional home-based elderlycare service benefits in 54 cities across China, with over 80,000 customers entitled to such benefits, making the elderly comfortable and their children worry-free.

Ping An fulfilled its responsibility to protect people's lives and property by giving full play to insurance as a "stabilizer" and responding rapidly to extreme natural disasters throughout 2023. Ping An was on the front line of disaster relief amid rainstorms and floods in Beijing, Tianjin and Hebei, cold waves and blizzards in Northeast China, and earthquakes in Jishishan, Gansu. Ping An paid about RMB2.9 billion in disaster insurance claims in 2023. Moreover, Ping An rushed to support earthquake-hit areas in Gansu and Qinghai by donating RMB10 million and delivering much-needed supplies and "warmth" to the affected people.

Ping An's first rescue team reached a disaster-hit area for rescue and claim settlement at 3:00 a.m. on December 19, 2023 after an earthquake jolted Jishishan, Gansu Province on December 18, 2023.

Only with secure families can there be a prosperous country. The Chinese economy is transitioning from a stage of high-speed growth to a stage of high-quality development. Consumer demands for wealth preservation and growth, health and longevity services, and premium elderlycare are increasing as personal wealth accumulates and population aging accelerates. However, three major industries, i.e. finance, healthcare and elderlycare, are all facing conflicts between growing consumer demands and challenges including supply-demand imbalances, a lack of standards, and uneven service levels. Only by protecting the weak, healing the sick, respecting the elderly and caring for the young can we secure family and community well-being.

Remaining true to its original aspiration, Ping An leverages expertise to promote the well-being of every family. We believe only those companies that can effectively tackle industry challenges, meet market demands, and help people fulfill their aspirations will stand out from fierce competition. After 35 years of development, Ping An is uniquely positioned in industries thanks to its leading competitive advantages. Under a clear "integrated finance + healthcare and elderlycare" strategy, Ping An has established **five major advantages, namely its business models, customer base, sales networks, cutting-edge technologies, and brand reputation**. With these advantages, Ping An is strongly poised to simultaneously seize new growth opportunities in the highly promising financial, healthcare and elderlycare industries within the coming decade.

Chairman’s Statement

Ping An seizes growth opportunities via forward-looking business models. Ping An is committed to becoming a world-leading integrated financial, healthcare and elderlycare services provider. Over the past three decades, Ping An has unswervingly pursued integrated finance, which has become a core driver of the Group’s operating profit.

Ping An continuously advances its integrated finance strategy. Upholding a people-centered approach to financial services, Ping An focused on core integrated financial businesses and optimized business portfolios in 2023. Ping An deepened engagement with retail customers and developed customer groups under a customer needs-oriented business philosophy. Ping An continuously developed its integrated finance model of “one customer, multiple products, and one-stop services.” Ping An leveraged technologies and compliant data analytics to gain precise insights into customer needs. Ping An built a brand of heartwarming financial services by delivering “worry-free, time-saving, and money-saving” customer experience via one-stop, multi-channel integrated finance solutions. Moreover, Ping An matched products with scenarios and empowered business growth through financial integrated accounts by leveraging data, products, benefits and an intelligent marketing services platform.

Life & Health achieved steady business development, enhanced comprehensive strength in channels, and delivered significant results in high-quality development. Life & Health NBV grew 36.2% like for like driven by a 40.3% rise in agent channel NBV due to an 89.5% increase in NBV per agent and continued strong momentum in the newly reformed bancassurance channel where NBV climbed 77.7% in 2023. Based on the latest assumptions including the return on investment and the risk discount rate, Life & Health NBV amounted to RMB31,080 million in 2023. The 13-month persistency ratio rose 2.5 pps year on year.

Ping An P&C maintained good business quality with steady revenue growth. Ping An P&C’s insurance revenue rose 6.5% year on year to RMB313,458 million in 2023. Overall combined ratio excluding guarantee insurance was 98.4%. Auto insurance combined ratio was 97.7%, better than the market average, or 96.6% excluding the impacts of natural disasters. Ping An P&C has been honored as “No.1 Brand” in China’s auto insurance and property and casualty insurance markets by the Ministry of Industry and Information Technology for 13 consecutive years.

Ping An delivered excellent results in insurance funds investment. In a complex and volatile market environment, Ping An’s insurance funds investment portfolio achieved a comprehensive investment yield of 3.6% in 2023, up 0.9 pps year on year. The portfolio achieved a 5.2% average net investment yield and a 5.4% average comprehensive investment yield over the past decade, higher than the EV long-run investment return assumption.

Ping An Bank maintained steady business performance and adequate risk provisions. Net profit increased 2.1% year on year to RMB46,455 million in 2023. Non-performing loan ratio was 1.06% and provision coverage ratio was 277.63% as of December 31, 2023.

Ping An has developed an innovative Chinese "managed care model" by leveraging its over ten years of operational and management experience in insurance and healthcare industries. The model covers multiple business lines, including finance, healthcare, and technology. Ping An builds its service moat by empowering retail financial customers and corporate clients as well as developing an online flagship medical platform. Ping An seamlessly combines differentiated healthcare and elderlycare services with financial businesses in which Ping An acts as a payer. By acting as a payer and integrating providers, Ping An offers the most cost-effective healthcare and elderlycare services under unique business models.

Ping An Life and Ping An Health jointly launched services including five highlights, namely unique checkups, blood sugar control, online consultation, outpatient appointment assistance and accompanying consultation, and critical illness management.

Ping An's healthcare and elderlycare ecosystem not only creates standalone direct value, but also empowers its core financial businesses through differentiated "Product + Service" offerings. Nearly 64% of Ping An's 232 million retail customers used services from the healthcare and elderlycare ecosystem as of December 31, 2023. Customers entitled to service benefits in the healthcare and elderlycare ecosystem accounted for over 73% of Ping An Life's NBV in 2023. Ping An's healthcare ecosystem had over 56,000 paying corporate clients in 2023. Ping An Health had nearly 40 million paying users over the past 12 months. Ping An achieved over RMB140 billion in health insurance premium income in 2023.

Our massive customer base continuously generates value. Ping An's retail customers nearly quadrupled in the past decade to 232 million as of December 31, 2023, including 29.20 million acquired in 2023, thanks to diverse integrated finance offerings and convenient customer outreach channels. As retail cross-selling continued to deepen, 22.42 million customer migrations occurred within the Group in 2023. Continuous customer development leads to declining customer acquisition expenses, obvious economies of scale in terms of service costs, more contracts per customer, and higher customer retention. 25.3% of our customers held four or more contracts within the Group as of December 31, 2023, with a 97.7% retention rate. Middle-class and above customers accounted for more than 77.4% of the Group's total retail customers as of December 31, 2023. High-net-worth individuals ("HNWIs") held 21.16 contracts per customer as of December 31, 2023. With a massive customer base and in a highly promising market, we expect our "managed care model" to generate greater value based on the depth and breadth of our healthcare services in combination with home-based and high-end elderlycare services.

Chairman’s Statement

Ping An has integrated its online and offline professional service networks. Offline, Ping An has over 1.3 million sales service agents for property and casualty insurance, life insurance and other businesses, and over 7,000 outlets for life insurance, property and casualty insurance, banking and other businesses, covering all provinces and cities across China. Online, Ping An provides customers with premium products and convenient services anytime via hundred-million-user apps including Ping An Jin Guan Jia, Ping An Pocket Bank, Ping An Auto Owner, and Ping An Health. We maintain exclusive health records for customers, and provide 24/7 healthcare services and membership-based 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 consultation, diagnosis, treatment and services under AI-enabled 24/7 seconds-level management. Ping An accumulated about 50,000 in-house and external doctors, and partnered with over 36,000 hospitals including all top 100 hospitals and 3A hospitals in China as of December 31, 2023.

Digital finance improves the efficiency of services. Ping An continuously strengthens core technological capabilities by independently developing underlying technologies. Ping An now ranks first globally by the number of patent applications in both fintech and healthcare. Ping An had a first-class technology team of over 20,000 technology developers and over 3,000 scientists as of December 31, 2023. Ping An’s technology patent applications led most international financial institutions, totaling 51,533 as of December 31, 2023. The volume of services provided by AI service representatives reached about 2.22 billion times in 2023. **Ping An continuously advances its healthtech research and development (“R&D”).** Ping An ranked first globally by the number of healthcare patent applications as of December 31, 2023. Ping An has one of the world’s largest healthcare databases, enables precise diagnosis of nearly 5,000 diseases, and proactively builds a leading remote consultation and treatment platform. By building technological capabilities in a forward-looking manner, Ping An effectively supports the sustainable development of its healthcare and elderlycare ecosystem.

We strive to build a national brand that is trusted by the state, treasured by the people, and keeps pace with the times. Brand value lies in our response to people’s yearning for a better life. Ping An provides customers with convenient premium services by following international standards and leveraging its local advantages. Ping An is committed to seamlessly connecting daily life services with financial services in nine scenarios, namely auto, home and insurance purchases, investments, savings, credit cards, health, medical care and elderlycare. Thanks to people’s trust, Ping An has ranked first in the Brand Finance Insurance 100 list in relation to global insurance brand value for seven years in a row. Moreover, Ping An ranked 33rd in the *Fortune* Global 500 list (1st among global insurers) in 2023.

Looking ahead to 2024, we will pursue high-quality development despite challenges and difficulties! We firmly believe that favorable conditions for China's development outweigh unfavorable factors, and the essential long-term uptrend of the Chinese economy has not changed. New blueprints for domestic financial, insurance, healthcare and elderlycare markets are unfolding gradually. The success of the "managed care model" after more than a decade of development around the world has proved the feasibility and potential of the "insurance + healthcare" model. **Focused on our new business drivers for the coming decade,** we will dig deeply into the huge Chinese market to gain insights into people's needs and aspirations for a better life. We are committed to building healthcare and elderlycare service models with Chinese characteristics for our 232 million retail customers, surpassing Western experience in terms of depth and breadth. To this end, we will build efficient service platforms by integrating domestic and overseas premium healthcare and elderlycare resources externally and empowering businesses with advanced healthtech and AI capabilities internally. In this way, we will promote the well-being of every family with the most professional and cost-effective healthcare and elderlycare services!

A family is the smallest unit of a nation while a nation is numerous families put together. We will celebrate the 75th anniversary of the founding of the People's Republic of China in 2024. People's livelihoods are a nation's critical interests, and well-being is people's fundamental need. Ping An will comprehensively implement the spirit of China's Central Financial Work Conference, and work hard with perseverance to race ahead. We will further advance the high-quality development of the "integrated finance + healthcare and elderlycare" service framework by seizing new opportunities from consumer demands for insurance, finance, health management and premium elderlycare. In addition, as the demand for digital transformation grows stronger driven by government policies and technological advancement, we will continuously accelerate the innovation of financial, healthcare and elderlycare models to realize effective improvement and reasonable growth of business.

To develop into a financial powerhouse, China has a long, long way to go. Being people-centered and customer needs-oriented, Ping An will adhere to the business policy of "focusing on core businesses, boosting incomes and cutting costs, optimizing portfolios, and improving quality and efficiency" in 2024. Ping An will continuously strengthen risk management, improve operations, and enhance financial service capabilities and coverages. Moreover, Ping An will comprehensively develop TechFin, green finance, inclusive finance, pension finance, and digital finance. By doing so, Ping An will create robust and sustainable long-term value for customers, employees, shareholders and society, contributing to China's development into a financial powerhouse.

Chairman

Shenzhen, PRC
March 21, 2024

Business Analysis
Performance Overview

- The Group's operating profit attributable to shareholders of the parent company reached RMB117,989 million in 2023. Three core businesses, namely Life & Health, property and casualty insurance, and banking, remained steady, generating RMB140,913 million in operating profit attributable to shareholders of the parent company, slightly down 2.8% year on year.
- Attaching importance to shareholder returns, Ping An plans to pay a final dividend of RMB1.50 per share in cash for 2023. Full-year cash dividend is RMB2.43 per share, up 0.4% year on year. Cash dividend payout ratio based on operating profit attributable to shareholders of the parent company is 37.3%, with total dividend increasing for 12 consecutive years.

CONSOLIDATED RESULTS

Ping An provides a wide range of financial products and services via multiple distribution channels. Ping An engages in financial business through subsidiaries including Ping An Life, Ping An P&C, Ping An Annuity, Ping An Health Insurance, Ping An Bank, Ping An Trust, Ping An Securities, Ping An Asset Management, and Ping An Financial Leasing. Ping An engages in technology business through member companies including Autohome, Lufax Holding, OneConnect, and Ping An Health.

(in RMB million)	**2023**	2022	Change (%)
Operating profit attributable to shareholders of the parent company[(1)]	**117,989**	146,895	(19.7)
Basic operating earnings per share (in RMB)[(1)]	**6.66**	8.42	(20.9)
Operating ROE (%)[(1)]	**13.2**	17.9	-4.7 pps
Dividend per share (in RMB)	**2.43**	2.42	0.4
Net profit attributable to shareholders of the parent company	**85,665**	111,008	(22.8)
ROE (%)	**9.7**	13.2	-3.5 pps

Note: (1) Ping An lowered the long-run investment return assumption to 4.5% in 2023, and retrospectively adjusted data for the comparative period as per the adjusted investment return assumption.

OPERATING PROFIT OF THE GROUP

Operating profit is a meaningful business performance evaluation metric given the long-term nature of the Company's major L&H. Ping An defines operating profit after tax as reported net profit excluding the following items which are of a short-term, volatile or one-off nature:

- Short-term investment variance applies to Life & Health business excluding the part subject to the variable fee approach (the "VFA")[(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 4.5%[(2)]. 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 2023 and 2022 comprised the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company.

Notes: (1) Insurance finance income or expenses of liabilities subject to the VFA match the changes in the fair value of the underlying items backing such business. Therefore, no adjustment is made when operating metrics are measured.
(2) Ping An lowered the investment return assumption to 4.5% in 2023, and retrospectively adjusted data for the comparative period as per the adjusted investment return assumption.

China's economic recovery still faced challenges in 2023. The state adopted multiple pro-growth macroeconomic policies including central government bond issuances, reserve requirement ratio and interest rate cuts, and tax and fee cuts. Moreover, China increased financing support for key sectors to mitigate economic and financial risks in an orderly manner. Determined strategic measures provided strong momentum for maintaining a sound and stable economic environment, and laid a solid foundation for sustainable recovery of the national economy. 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, boosting incomes and cutting costs, optimizing portfolios, and improving quality and efficiency." Following the technology-driven "integrated finance + healthcare and elderlycare" 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 19.7% year on year to RMB117,989 million, and net profit attributable to shareholders of the parent company declined 22.8% year on year to RMB85,665 million in 2023. Basic operating earnings per share declined 20.9% year on year to RMB6.66. Three core businesses, namely Life & Health, property and casualty insurance, and banking, maintained steady performance. The three businesses delivered RMB140,913 million in operating profit attributable to shareholders of the parent company, down slightly by 2.8% year on year.

The reconciliation between operating profit and reported net profit is as follows:

	2023						
(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	**105,070**	**8,918**	**26,925**	**(20,747)**	**1,905**	**(4,083)**	**117,989**
Operating profit attributable to non-controlling interests	**1,013**	**40**	**19,530**	**1,225**	**1,075**	**946**	**23,829**
Operating profit (A)	**106,083**	**8,958**	**46,455**	**(19,522)**	**2,980**	**(3,137)**	**141,818**
Plus:							
Short-term investment variance (B)	**(32,692)**	**-**	**-**	**-**	**-**	**-**	**(32,692)**
Impact of one-off material non-operating items and others (C)	**-**	**-**	**-**	**-**	**149**	**-**	**149**
Net profit (D=A+B+C)	**73,391**	**8,958**	**46,455**	**(19,522)**	**3,129**	**(3,137)**	**109,274**
Net profit attributable to shareholders of the parent company	**72,598**	**8,918**	**26,925**	**(20,747)**	**2,054**	**(4,083)**	**85,665**
Net profit attributable to non-controlling interests	**793**	**40**	**19,530**	**1,225**	**1,075**	**946**	**23,609**

(in RMB million)	2022 (Restated)						
	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	108,544	10,066	26,380	2,292	5,458	(5,845)	146,895
Operating profit attributable to non-controlling interests	1,266	46	19,136	1,511	1,239	873	24,071
Operating profit (A)	109,810	10,112	45,516	3,803	6,697	(4,972)	170,966
Plus:							
Short-term investment variance (B)	(34,305)	–	–	–	–	–	(34,305)
Impact of one-off material non-operating items and others (C)	–	–	–	–	(1,844)	–	(1,844)
Net profit (D=A+B+C)	75,505	10,112	45,516	3,803	4,853	(4,972)	134,817
Net profit attributable to shareholders of the parent company	74,501	10,066	26,380	2,292	3,614	(5,845)	111,008
Net profit attributable to non-controlling interests	1,004	46	19,136	1,511	1,239	873	23,809

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 member companies 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.

OPERATING PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

(in RMB million)	**2023**	2022	Change (%)
Life and health insurance business	**105,070**	108,544	(3.2)
Property and casualty insurance business	**8,918**	10,066	(11.4)
Banking business	**26,925**	26,380	2.1
Asset management business	**(20,747)**	2,292	N/A
Technology business	**1,905**	5,458	(65.1)
Other businesses and elimination	**(4,083)**	(5,845)	(30.1)
The Group	**117,989**	146,895	(19.7)

Note: Figures may not match the calculation due to rounding.

OPERATING ROE

(%)	**2023**	2022	Change (pps)
Life and health insurance business	**32.1**	37.3	(5.2)
Property and casualty insurance business	**7.4**	8.8	(1.4)
Banking business	**11.4**	12.4	(1.0)
Asset management business	**(19.8)**	2.4	N/A
Technology business	**2.0**	5.8	(3.8)
Other businesses and elimination	**N/A**	N/A	N/A
The Group	**13.2**	17.9	(4.7)

OPERATING EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

(in RMB million)	**December 31, 2023**	December 31, 2022	Change (%)
Life and health insurance business [1]	**344,892**	308,946	11.6
Property and casualty insurance business	**124,647**	117,799	5.8
Banking business	**244,777**	222,956	9.8
Asset management business	**92,836**	117,143	(20.7)
Technology business	**97,250**	94,937	2.4
Other businesses and elimination	**13,090**	(1,138)	N/A
The Group[1]	**917,492**	860,643	6.6

Note: (1) Excluding changes in fair value of debt investments measured at fair value through other comprehensive income backing life and health insurance business, as well as accumulated insurance finance expenses for insurance contract liabilities recognized through other comprehensive income that can be reclassified into profit or loss, except for the part subject to the VFA.

Business Analysis
Life and Health Insurance Business

- Reformed Life & Health business gathered momentum. Life & Health NBV grew 36.2% like for like driven by a 40.3% rise in agent channel NBV due to an 89.5% increase in NBV per agent and continued strong momentum in the newly reformed bancassurance channel where NBV climbed 77.7% in 2023. Based on the latest assumptions including the return on investment and the risk discount rate, NBV of L&H amounted to RMB31,080 million.
- "Insurance + service" offerings are gaining traction. Ping An Life provided health management services to over 20 million customers in 2023. Over 80,000 customers have qualified for home-based elderlycare services, which have covered 54 cities across China. Ping An's high-end elderlycare projects have expanded to four cities, following the opening of a "Ping An Zhen Yi Nian" experience center in Sanya, Hainan Province in July 2023.
- Business quality improved steadily. Ping An Life recorded a material improvement in its persistency ratios with the 13-month persistency ratio rising 2.5 pps year on year and 25-month persistency ratio rising 6.8 pps year on year in 2023.

BUSINESS OVERVIEW

The Company conducts its life and health insurance business through Ping An Life, Ping An Annuity, and Ping An Health Insurance.

Ping An Life continued to enhance its channels and improve business quality under the "4 channels + 3 products" strategy in 2023. By rolling out "insurance + service" products, Ping An Life strengthened its presence in healthcare and elderlycare sectors. In this way, Ping An Life provides customers with professional, heart-warming services, empowering high-quality development of the Company. Life & Health NBV grew 36.2% like for like driven by a 40.3% rise in agent channel NBV due to an 89.5% increase in NBV per agent and continued strong momentum in the newly reformed bancassurance channel where NBV climbed 77.7% in 2023. Based on the latest assumptions including the return on investment and the risk discount rate, NBV of L&H amounted to RMB31,080 million.

Key Indicators

(in RMB million)	**2023/ December 31, 2023**	2022/ December 31, 2022	Change (%)
NBV on a like-for-like basis(1)	**39,262**	28,820	36.2
NBV margin (%) on a like-for-like basis(1)	**23.7**	24.1	-0.5 pps
NBV(2)	**31,080**	N/A	N/A
NBV margin(2)(%)	**18.7**	N/A	N/A
First-year premium ("FYP") used to calculate NBV	**165,784**	119,336	38.9
EV on a like-for-like basis(1)	**930,160**	874,786	6.3
EV(2)	**830,974**	N/A	N/A
Operating ROEV(3) (%)	**11.2**	11.0	0.2 pps
New business CSM	**38,951**	35,122	10.9
New business CSM margin (%)	**10.1**	11.1	-1.0 pps
Present value of expected premiums from new business sold	**384,254**	315,274	21.9
Operating profit after tax(4)	**106,083**	109,810	(3.4)
Operating ROE(4) (%)	**32.1**	37.3	-5.2 pps
Net profit	**73,391**	75,505	(2.8)

Notes: (1) NBV and EV for 2023 are based on the end-2022 assumptions and model.
(2) Ping An prudently lowered the L&H EV long-run investment return assumption to 4.5% and the risk discount rate to 9.5% in 2023 in view of the macroeconomic environment and the long-run trend of interest rates.
(3) Expected return on opening EV is based on a 5% long-run investment return assumption and an 11% risk discount rate. L&H operating ROEV is 10.6% for 2023 based on the latest assumptions including the return on investment and the risk discount rate.
(4) The Company lowered the investment return assumption to 4.5% in 2023, and retrospectively adjusted data for the comparative period as per the adjusted investment return assumption.
(5) Figures may not match the calculation due to rounding.

CHANNEL DEVELOPMENT

Under the value proposition of high-quality development, Ping An Life continued to deepen the transformation and build multi-channel professional sales capabilities, significantly improving the development quality. Innovative channels including bancassurance and Community Grid accounted for 16.5% of Ping An Life's NBV in 2023.

- **Agent channel.** Ping An Life advances the high-quality transformation of the agent channel and improves the team structure, aiming to build a team of "high-competence, high-performing, and high-quality" agents. On a like-for-like basis, agent channel NBV grew 40.3%, and income per agent increased 39.2% in 2023. In respect of expanding the high-productivity agent base, Ping An Life empowers agents via skill improvement, training, honors and incentives, and resource support. In this way, Ping An Life effectively improved agent productivity and expanded the high-productivity agent base. NBV per agent increased 89.5% on a like-for-like basis in 2023. In respect of enhancing organizations, Ping An Life upgraded its management framework featuring 5-Star outlets with strong performance, high quality and good behaviors by motivating them to focus on operating results, managing action plans in a scientific manner, and enhancing their operational capabilities to build high-performing teams. In respect of stabilizing the agent force, Ping An Life focused on recruiting high-quality new agents through high-quality existing ones, standardized operations, enhanced the competence of new agents, and stimulated their long-term engagement willingness. Proportion of "Talent +" new agents increased by 25.2 pps year on year in 2023.

(in RMB million)	2023	2022	Change (%)
Agent productivity and income			
Agent channel NBV[(1)]	**32,169**	22,932	40.3
Average number of agents per month (in thousand)	**356**	481	(26.0)
NBV per agent[(1)] (RMB per agent per year)	**90,285**	47,639	89.5
Activity rate of agents[(2)](%)	**53.3**	50.8	2.5 pps
Agent income (RMB per agent per month)	**9,813**	7,051	39.2
Including: Income from Ping An Life's products (RMB per agent per month)	**7,402**	5,390	37.3

Notes: (1) NBV for 2023 is computed based on the end-2022 assumptions and model.
(2) Activity rate of agents = annual total of monthly agents who issued insurance policies / annual total of monthly agents on board.
(3) Figures may not match the calculation due to rounding.

Number of individual life insurance sales agents

Ping An Life	December 31, 2023	December 31, 2022	Change (%)
Number of individual life insurance sales agents (in thousand)	**347**	445	(22.0)

- **Bancassurance channel.** In response to the volatile business environment in 2023, Ping An Life implemented the value-oriented transformation strategy and focused on improving quality and efficiency. On a like-for-like basis, bancassurance channel NBV grew 77.7% in 2023, indicating high-quality, leapfrog growth with a significant increase in the channel's contribution. Ping An Life furthered the exclusive agency model with Ping An Bank, and helped Ping An Bank improve insurance sales skills and customer services. As a result, value contributions from Ping An Bank reached new highs. Moreover, Ping An Life selectively expanded external bancassurance channels and outlets, and boosted per capita productivity of bancassurance teams by standardizing outlets' operations and improving teams' professional skills.

- **Community Grid and other channels.** Ping An Life continued to roll out Community Grid, focusing on "retained customers(1)" and providing them with high-quality, sustainable and heartwarming services. Ping An Life has set up 65 Community Grid outlets in 51 cities, an increase of 30 outlets and 26 cities since the end of 2022, fully covering branches across the country. Ping An Life has built a team of over 15,000 highly competent specialists as of December 31, 2023. Community specialists delivered effective service operations by furthering and upgrading the "Pre-sell, Soft-sell, Cross-sell and Up-sell" business model. As a result, Ping An Life's 13-month policy persistency ratio of "retained customers" in the cities with Community Grid outlets improved by 5.4 pps year on year, higher than the overall 13-month persistency ratio improvement of 2.5 pps. In addition, Ping An Life continuously promoted sales via the lower-tier channel in seven provinces in 2023, further exploring innovative development models.

Note: (1) Retained customers are customers holding in-force insurance policies which were sold by Ping An Life's former agents before their agency relationship terminated.

LIFE INSURANCE PRODUCTS

Ping An Life actively follows national strategies, serving as both an economic shock absorber and a social stabilizer. Ping An Life continues to diversify and upgrade its insurance product portfolio under the customer-centric philosophy to provide more comprehensive products. By leveraging the Group's healthcare and elderlycare ecosystem, Ping An Life rolls out "insurance + service" products in an orderly and determined manner, providing customers with heartwarming services.

- **In respect of insurance products,** Ping An Life continued to focus on three markets, namely wealth management, pension, and insurance protection in 2023. Ping An Life continued to meet diverse customer demands for insurance by optimizing and balancing the product portfolio. **Ping An Life developed wealth management and insurance markets.** Ping An Life followed the regulatory requirement to adjust the assumed rate of return on investment of life insurance products. Ping An Life focused on traditional insurance products and participating insurance products. Ping An Life launched three traditional products, namely "Jin Yue Zun Xiang," "Yu Xiang Jin Yue" and "Yu Xiang Cai Fu 3.0," and two participating products, namely "Jin Yue Zun Xiang Participating Insurance" and "Yu Xiang Jin Yue Participating Insurance." **Ping An Life further developed the pension insurance market.** In response to an aging population, Ping An Life launched "Jin Yue Zhi Zun," an annuity product complemented by "medical +" services to provide comprehensive elderlycare and healthcare solutions. Ping An Life also introduced "Yu Xiang Cai Fu Elderlycare 3.0," an upgraded annuity product meeting customers' demand for premium elderlycare. **Ping An Life continued to consolidate insurance protection business.** Ping An Life has focused on the critical illness insurance market, promoted "Ping An Juvenile Shouhu Quanneng Endowment" with upgraded benefits, and upgraded Shouhu and Sheng Shi Fu critical illness products.

Meanwhile, Ping An launched "Sheng Shi Tong Fu" to proactively develop the critical illness insurance market for substandard groups. In addition, Ping An Life penetrated the non-critical illness insurance market by expanding scenarios and increasing benefit limits of accident insurance products, meeting diverse customer demands for insurance protection.

- **In respect of "insurance + healthcare,"** Ping An Life provided health management services to over 20 million customers in 2023. About 76% of newly enrolled customers used health management services, which were widely welcomed by customers. Since its launch in 2021, Ping An Zhen Xiang RUN Health Services Plan ("Ping An Zhen Xiang RUN") has provided customers with full-lifecycle healthcare services including five highlights, namely unique checkups, blood sugar control, online consultation, outpatient appointment assistance and accompanying consultation, and critical illness management. Ping An Life upgraded Ping An Zhen Xiang RUN in July 2023 by including health management plans, health diagnostics and family doctor services and upgrading chronic disease prevention and control services. In this way, Ping An Life provides customers with full-lifecycle protection by delivering worry-free, time-saving, and money-saving one-stop healthcare experience in three main service scenarios, namely health, medical care and chronic disease.

- **In respect of "insurance + home-based elderlycare,"** Ping An integrates internal and external service providers to offer one-stop, home-based elderlycare solutions through committed AI concierges, life concierges and doctor concierges, making the elderly comfortable and their children worry-free. The solutions cover ten scenarios including medical care, housing, nursing, dining and entertainment, enabling 24/7 online customer services. With a robust service supervision system, Ping An continuously expands its "online, in-store, and home-delivered" service network to optimize customer service experience. Ping An collaborated with parties concerned in introducing the Home-based Rehabilitation Nursing Alliance System and establishing industry standards and ecosystems. In this way, Ping An helps the elderly 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 covered 54 cities across China as of December 31, 2023. Over 80,000 customers have qualified for the home-based elderlycare services, giving positive general feedback.

- **In respect of "insurance + high-end elderlycare,"** Ping An is committed to developing the premium elderlycare market and delivering innovative "one-stop" full-lifecycle elderlycare solutions. Under the core philosophy of "seven-dimensional healthcare[(1)]" and the value proposition of "prime life, exclusive services, and respectful care," Ping An provides customized elderlycare services and high-quality heartwarming elderlycare experience to meet the growing demand for premium elderlycare in China. Ping An has unveiled high-end elderlycare projects in four cities as of December 31, 2023, including "Shanghai Yi Nian Cheng" unveiled in February 2023 and a "Ping An Zhen Yi Nian" experience center opened in Sanya, Hainan Province in July 2023.

Note: (1) Seven-dimensional healthcare refers to seven health dimensions, namely the body, cognition, emotion, spirit, financial status, career and social interaction.

Ping An Life's 13-month persistency ratio of insurance policies improved by 2.5 pps year on year to 92.8%, and 25-month persistency ratio improved by 6.8 pps year on year to 85.8% in 2023, indicating steadily improving business quality. Going forward, Ping An Life will boost persistency ratios and the efficiency of renewal premium collection by continuously enhancing smart, digital ex ante services and precise premium collection regarding policies to be renewed.

	2023	2022	2021
Ping An Life			
13-month persistency ratio (%)	**92.8**	90.3	86.3
25-month persistency ratio (%)	**85.8**	79.0	78.1

INSURANCE PRODUCT INFORMATION

The following table lists the top five insurance products of Ping An Life by premium income in 2023.

(in RMB million)	Sales channel	Premium income	Surrender
Ping An Sheng Shi Jin Yue (Exclusive Version) Whole Life Insurance	Agents, direct selling	32,183	11
Ping An Caifu Jinrui (2021) Annuity Insurance	Agents, bancassurance	15,461	373
Ping An Yuxiang Jinrui Annuity Insurance	Agents, bancassurance	15,285	300
Ping An Jinrui Rensheng (2021) Annuity Insurance	Agents, bancassurance	15,029	587
Ping An Ping An Fu Whole Life Insurance	Agents, bancassurance	11,951	1,949

OPERATING PROFIT SOURCES

Operating profit is a meaningful business performance evaluation and comparison metric given the long-term nature of the Company's major life and health insurance business. Ping An defines operating profit after tax as reported net profit excluding items which are of a short-term, volatile or one-off nature and others:

- Short-term investment variance applies to Life & Health business excluding the part subject to the VFA(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 4.5%(2). 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.

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

(2) The Company lowered the investment return assumption to 4.5% in 2023, and retrospectively adjusted data for the comparative period as per the adjusted investment return assumption.

(in RMB million)	2023	2022	Change (%)
Insurance service result and others	**88,587**	91,710	(3.4)
Release of CSM	**74,787**	80,590	(7.2)
CSM release base	**843,227**	899,273	(6.2)
CSM release rate (%)	**8.9**	9.0	-0.1 pps
Change in risk adjustment for non-financial risk	**6,029**	5,884	2.5
Opening risk adjustment	**142,249**	138,165	3.0
Risk adjustment release rate (%)	**4.2**	4.3	-0.1 pps
Operating variances and others	**7,771**	5,236	48.4
Investment service result[1]	**25,589**	21,785	17.5
Operating profit before tax	**114,176**	113,495	0.6
Income tax	**(8,092)**	(3,685)	119.6
Operating profit	**106,083**	109,810	(3.4)
Short-term investment variance	**(32,692)**	(34,305)	(4.7)
Impact of one-off material non-operating items and others	**-**	-	N/A
Net profit	**73,391**	75,505	(2.8)

Notes: (1) Investment service result is the operating investment income less the required return on reserves.
(2) Figures may not match the calculation due to rounding.

(in RMB million)	2023	2022	Change (%)
Opening CSM	**818,683**	877,135	(6.7)
Contribution from new business ("New Business CSM")	**38,951**	35,122	10.9
Present value of expected premiums from new business sold	**384,254**	315,274	21.9
New business CSM margin (%)	**10.1**	11.1	-1.0 pps
Expected interest growth	**25,332**	27,106	(6.5)
Changes in estimates that adjust CSM[1]	**(46,374)**	(42,160)	10.0
Changes in financial risks of insurance contracts subject to VFA	**6,635**	2,069	220.6
CSM release base	**843,227**	899,273	(6.2)
Release of CSM	**(74,787)**	(80,590)	(7.2)
Closing CSM	**768,440**	818,683	(6.1)

Notes: (1) Excluding changes in financial risks of insurance contracts subject to the VFA.
(2) Figures may not match the calculation due to rounding.

SOLVENCY MARGIN

Solvency margin ratios of Ping An Life, Ping An Annuity, and Ping An Health Insurance were all significantly above the regulatory requirements as of December 31, 2023.

	Ping An Life		Ping An Annuity		Ping An Health Insurance	
(in RMB million)	**December 31, 2023**	December 31, 2022	**December 31, 2023**	December 31, 2022	**December 31, 2023**	December 31, 2022
Core capital	**415,458**	495,845	**9,509**	8,482	**7,829**	6,681
Actual capital	**770,771**	877,807	**14,368**	13,480	**9,631**	8,125
Minimum capital	**395,780**	399,557	**5,436**	6,233	**3,147**	3,056
Core solvency margin ratio (%)	**105.0**	124.1	**174.9**	136.1	**248.8**	218.6
Comprehensive solvency margin ratio (%)	**194.7**	219.7	**264.3**	216.2	**306.1**	265.9

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 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.

INSURANCE REVENUE AND INSURANCE SERVICE EXPENSES

Insurance revenue will be recognized over the coverage period based on the provision of services, exclusive of the investment component (an amount that an insurance contract requires the insurer to repay to a policyholder in all circumstances, regardless of whether an insured event occurs.)

(in RMB million)	2023	2022
Insurance revenue	**223,600**	232,194
Premium allocation approach ("PAA")	**29,764**	31,826
Non-PAA	**193,836**	200,368

Note: PAA insurance products mainly include insurance contracts with a coverage period shorter than one year; non-PAA insurance products mainly include insurance contracts of long-term traditional, participating, universal, and investment-linked insurance.

Insurance service expenses comprise incurred claims and other insurance service costs, exclusive of the investment component.

(in RMB million)	2023	2022
Insurance service expenses	**133,978**	137,256
PAA	**26,430**	27,436
Non-PAA	**107,548**	109,820

INSURANCE CONTRACT LIABILITIES

(in RMB million)	December 31, 2023	December 31, 2022
Insurance contract liabilities	**3,899,625**	3,424,203
PAA	**21,404**	21,075
Non-PAA	**3,878,221**	3,403,128

WRITTEN PREMIUM

Written premium refers to all premium received from insurance policies issued. Life & Health's written premium amounted to RMB601,934 million in 2023.

Life & Health's written premium is analyzed below by policyholder type and channel:

(in RMB million)	2023	2022
Retail business	**582,716**	523,350
New business	**181,973**	119,558
Agent channel	**143,887**	90,503
Including: Regular premium	**89,976**	70,352
Bancassurance channel	**19,699**	10,989
Including: Regular premium	**12,139**	8,864
Community Grid, tele and others	**18,387**	18,066
Including: Regular premium	**4,261**	5,205
Renewed business	**400,743**	403,792
Agent channel	**358,237**	363,629
Bancassurance channel	**20,388**	18,074
Community Grid, tele and others	**22,118**	22,089
Group business	**19,218**	19,664
New business	**18,965**	19,436
Renewed business	**253**	228
Total	**601,934**	543,014

Life & Health's written premium is analyzed below by product type:

(in RMB million)	2023	2022
Participating insurance	**62,723**	69,851
Universal insurance	**115,759**	84,770
Traditional life insurance	**163,480**	121,052
Long-term health insurance	**109,604**	113,733
Accident & short-term health insurance	**39,966**	42,699
Annuity	**110,126**	110,532
Investment-linked insurance	**276**	377
Total	**601,934**	543,014

Life & Health's written premium is analyzed below by major region:

(in RMB million)	2023	2022
Guangdong	**103,049**	94,951
Beijing	**40,479**	35,904
Shandong	**37,621**	33,915
Jiangsu	**36,674**	32,416
Zhejiang	**35,397**	30,113
Subtotal	**253,220**	227,299
Total	**601,934**	543,014

LAPSE RATE

	2023	2022
Lapse rate (%)	**2.06**	2.07

Note: Lapse rate is calculated according to the *Accounting Standards for Enterprises No. 25 – Insurance Contracts* issued by the Ministry of Finance in 2006. Lapse rate = surrender / (opening balance of life insurance reserve + opening balance of long-term health insurance reserve + long-term insurance premium income).

Business Analysis
Property and Casualty Insurance Business

- Ping An P&C grew insurance revenue by 6.5% year on year in 2023, with a 100.7% overall combined ratio ("COR") and a better-than-average 97.7% auto insurance COR. Overall COR excluding guarantee insurance is 98.4%; auto insurance COR excluding impacts of natural disasters is 96.6%.
- Ping An P&C's "Ping An Auto Owner" app ranks as the largest automotive service app in China having accumulated over 200 million registered users as of December 31, 2023, with over 136 million vehicles linked to it. As a core service platform for auto owners, the "Ping An Auto Owner" app enables the Company to precisely acquire potential customers and convert users into insurance customers via digital operations. Monthly active users of the app exceeded 40.49 million in December 2023.
- With leading online claims services, Ping An P&C scored 94.52 in the Auto Insurance Service Quality Index evaluation by CBIT, ranking among top players in the property and casualty insurance industry.

BUSINESS OVERVIEW

The Company conducts property and casualty insurance business mainly through Ping An P&C whose business scope covers all lawful property and casualty insurance business lines including auto, corporate property and casualty, engineering, cargo, liability, guarantee, credit, home contents, and accident & health insurance, as well as international reinsurance business. Ping An P&C has been honored as "No.1 Brand" in China's auto insurance and property and casualty insurance markets by the Ministry of Industry and Information Technology for 13 consecutive years.

Ping An P&C maintained stable business growth and good business quality. Ping An P&C grew insurance revenue by 6.5% year on year to RMB313,458 million in 2023, with a 100.7% overall COR and a better-than-average 97.7% auto insurance COR. Overall COR excluding guarantee insurance is 98.4%; auto insurance COR excluding the impacts of natural disasters is 96.6%.

Ping An P&C applies technologies to data-driven online operations and services. The "Ping An Auto Owner" app is committed to providing one-stop services covering "auto insurance, auto services and auto life," offering 82 service items including refueling, auto washing, designated driver services, emergency assistance and annual inspection by integrating over 260,000 partners in the ecosystem.

The "Ping An Auto Owner" app had over 200 million registered users as of December 31, 2023, with over 136 million vehicles linked to it. As a core service platform for auto owners, the "Ping An Auto Owner" app enables the Company to precisely acquire potential customers and convert users into insurance customers via digital operations. Monthly active users of the app exceeded 40.49 million in December 2023.

Ping An P&C continued to improve online claim settlement to create "worry-free, time-saving, and money-saving" service experience. Ping An P&C enabled worry-free and heartwarming concierge claims experience with its "exclusive claims manager" service, and further improved customers' claims experience through upgraded video-based claims processing, scheduled loss assessment, and other functions. With excellent customer services, Ping An P&C scored 94.52 in the Auto Insurance Service Quality Index evaluation[1] by CBIT, ranking among top players in the property and casualty insurance industry.

Note: (1) From the Auto Insurance Service Quality Index evaluation results released by China Banking and Insurance Information Technology Management Co., Ltd. ("CBIT") in April 2023.

Focusing on serving the real economy and people's livelihoods, Ping An P&C integrates the ESG philosophy into company values and business operations, promoting insurance products in line with national strategies, including green insurance, technology insurance, inclusive insurance and catastrophe insurance. Ping An P&C has provided over RMB3.9 trillion worth of insurance coverage for over 1,500 key engineering projects across China as of December 31, 2023. Moreover, Ping An P&C provided RMB200 trillion worth of insurance coverage for 2.29 million small and micro-enterprises in 2023.

Key Indicators

(in RMB million)	2023	2022	Change (%)
Operating profit	**8,958**	10,112	(11.4)
Operating ROE (%)	**7.4**	8.8	-1.4 pps
COR[1] (%)	**100.7**	99.6	1.1 pps
Including:			
Combined expense ratio[2] (%)	**29.2**	28.3	0.9 pps
Combined loss ratio[3] (%)	**71.5**	71.3	0.2 pps
Insurance revenue	**313,458**	294,222	6.5
Including:			
Auto insurance	**209,538**	197,462	6.1
Non-auto insurance	**82,041**	72,650	12.9
Accident and health insurance	**21,879**	24,110	(9.3)

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

(2) Combined expense ratio = (acquisition cost amortization + maintenance expenses)/insurance revenue.

(3) Combined loss ratio = (settled loss + outstanding loss + profit or loss of loss contracts + (allocation of reinsurance premiums paid – amount recovered from reinsurer) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + changes in insurance premium reserves)/insurance revenue.

Analysis of Profit Sources

(in RMB million)	2023	2022	Change (%)
Insurance revenue	**313,458**	294,222	6.5
Insurance service expenses	**(306,390)**	(284,978)	7.5
Net expense from reinsurance contracts held[1]	**(3,956)**	(3,423)	15.6
Net insurance financial result and others[2]	**(5,195)**	(4,739)	9.6
Underwriting profit	**(2,083)**	1,082	N/A
COR (%)	**100.7**	99.6	1.1 pps
Total investment income[3]	**12,316**	10,014	23.0
Other net revenue and expenses	**(1,415)**	(1,218)	16.2
Profit before tax	**8,818**	9,878	(10.7)
Income tax	**140**	234	(40.2)
Net profit	**8,958**	10,112	(11.4)
Operating profit	**8,958**	10,112	(11.4)

Notes: (1) Net expense from reinsurance contracts held = allocation of reinsurance premiums paid – amount recovered from reinsurer.

(2) Net insurance financial result and others = Net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held + changes in insurance premium reserves.

(3) Total investment income includes interest revenue from non-banking operations, investment income, share of profits and losses of associates and joint ventures, impairment losses on investment assets, and interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions.

OPERATING DATA BY PRODUCT TYPE

Auto Insurance

Ping An P&C actively refines operations and continuously improves its sales and customer service capabilities. Overall operations are steady and healthy in good order. Auto insurance premium income increased 6.2% year on year to RMB213,851 million, and vehicles insured by Ping An P&C increased 6.4% year on year in 2023. Moreover, Ping An P&C continuously improves its auto insurance profitability by actively promoting risk reduction and building an exclusive framework for pricing, services and claims for new energy vehicles. Auto insurance COR reached 97.7%, or 96.6% excluding the impacts of natural disasters in 2023. Going forward, Ping An P&C will strengthen core technologies in new auto insurance segments including autonomous driving and usage-based insurance, and innovate products and services to meet diverse customer demands and drive the high-quality development of auto insurance business.

Liability Insurance

Liability insurance premium income grew 6.6% year on year to RMB23,221 million in 2023. Liability insurance COR rose by 4.6 pps year on year to 106.3% in 2023 and overall business risk was under control. Ping An P&C finished building its risk pricing database, and leveraged the database to develop a pricing model, further enhancing its precise pricing capability. Regarding its underwriting capability, Ping An P&C improved its underwriting services by realizing 100% online middle-office support for liability insurance, centering on end-to-end business processes and requirements of customers and sales teams.

Health Insurance

Ping An P&C thoroughly implements the spirit of the 20th National Congress of the CPC and the "Healthy China" strategy. Answering the state's call to "further improve China's medical insurance system" under the 14th Five-Year Plan, Ping An P&C gives full play to health insurance's role as a complement to China's multi-layered medical security system. Health insurance premium income grew 36.7% year on year to RMB13,250 million in 2023. Health insurance COR remained good at 95.2%. Ping An P&C continuously transforms its customer development approach from "treatment-centered" to "health-centered," developing needs-oriented products and services to address health-related pain points of customer segments from children to the elderly, from individuals to families, and from cities to counties.

Accidental Injury Insurance

Accidental injury insurance premium income fell 27.4% year on year to RMB10,160 million in 2023. Accidental injury insurance COR reached 106.0% mainly due to increased customer travels and product upgrades. Putting customer satisfaction first, Ping An P&C expands insurance coverages and raises sums insured to better meet customers' protection needs. Moreover, Ping An P&C provides users with convenient insurance services through apps including "Ping An Auto Owner" and "Ping An Good Life."

Corporate Property and Casualty Insurance

Ping An P&C's premium income from corporate property and casualty insurance business reached RMB9,423 million in 2023, up 14.8% year on year. COR of corporate property and casualty insurance business remained good at 97.7%, improving by 1.5 pps year on year. Going forward, Ping An P&C will adhere to the principle of serving national development strategies, the real economy, and people's livelihoods. Moreover, Ping An P&C will strengthen the application of insurtech to provide enterprises with risk protection and risk reduction services, facilitating their high-quality development.

Guarantee Insurance

Guarantee insurance premium income dropped 97.0% year on year to RMB665 million in 2023. Guarantee insurance COR rose by 5.5 pps year on year to 131.1% mainly because small and micro-enterprise customers' repayment capacity was still under pressure due to changes in the macroeconomic environment. Historically, guarantee insurance business produced a significant underwriting profit, but in recent years, its COR has been hampered by changes in the market environment. Ping An P&C has continuously reduced the scale of guarantee insurance business in recent years, and suspended financing guarantee insurance business in the fourth quarter of 2023. With the rapid reduction in risk exposure of the guarantee insurance business, its impact on Ping An P&C's overall business quality will decrease significantly.

(in RMB million)	Insured amount	Premium income	Insurance revenue	Insurance service expenses	Underwriting profit	COR	Net insurance contract liabilities
Auto insurance	289,778,369	213,851	209,538	200,840	4,732	97.7%	185,461
Liability insurance	868,698,218	23,221	21,848	21,811	(1,373)	106.3%	23,310
Health insurance	140,735,069	13,250	10,655	9,979	511	95.2%	7,340
Accidental injury insurance	958,588,454	10,160	11,224	11,646	(672)	106.0%	10,521
Corporate property and casualty insurance	21,568,692	9,423	9,090	7,128	213	97.7%	7,659
Guarantee insurance	47,393	665	22,003	28,625	(6,834)	131.1%	9,485

Note: The Company has implemented IFRS 17 since January 1, 2023. Insurance revenue, insurance service expenses, underwriting profit, COR, and net insurance contract liabilities (insurance contract liabilities – insurance contract assets) are all data under IFRS 17. Data for the comparative period has been retrospectively adjusted as per IFRS 17.

Business Analysis
Property and Casualty Insurance Business

SOLVENCY MARGIN

Ping An P&C's core and comprehensive solvency margin ratios were significantly above the regulatory requirements as of December 31, 2023.

(in RMB million)	December 31, 2023	December 31, 2022
Core capital	**102,875**	101,193
Actual capital	**126,230**	125,337
Minimum capital	**60,734**	56,976
Core solvency margin ratio (%)	**169.4**	177.6
Comprehensive solvency margin ratio (%)	**207.8**	220.0

Notes: (1) Core solvency margin ratio = core capital / minimum capital. Comprehensive solvency margin ratio = actual capital / minimum capital.
(2) The regulatory minimum requirements for the core solvency margin ratio and comprehensive solvency margin ratio are 50% and 100% respectively.
(3) For details of Ping An P&C's solvency margin, please refer to the Company's website (www.pingan.cn).

PREMIUM INCOME

Ping An P&C's premium income is analyzed below by channel:

	2023		2022	
(in RMB million)	Amount	Percentage (%)	Amount	Percentage (%)
Agencies	**94,662**	**31.3**	84,107	28.2
Car dealers	**91,061**	**30.1**	81,999	27.5
Direct selling	**50,678**	**16.8**	40,403	13.6
Cross-selling	**38,463**	**12.7**	40,942	13.7
Telemarketing and online channels	**3,746**	**1.2**	24,313	8.2
Others	**23,550**	**7.9**	26,274	8.8
Total	**302,160**	**100.0**	298,038	100.0

Note: Figures may not match the calculation due to rounding.

Ping An P&C's premium income is analyzed below by product type:

	2023		2022	
(in RMB million)	Amount	Percentage (%)	Amount	Percentage (%)
Auto insurance	**213,851**	**70.8**	201,298	67.5
Non-auto insurance	**64,899**	**21.5**	73,056	24.5
Accident and health insurance	**23,410**	**7.7**	23,684	8.0
Total	**302,160**	**100.0**	298,038	100.0

Ping An P&C's premium income is analyzed below by major region:

(in RMB million)	2023	2022
Guangdong	**51,832**	50,072
Jiangsu	**22,401**	23,093
Zhejiang	**21,015**	20,109
Shanghai	**18,288**	16,342
Sichuan	**16,733**	16,022
Subtotal	**130,269**	125,638
Total	**302,160**	298,038

Note: 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).

REINSURANCE ARRANGEMENTS

Ping An P&C adheres to a prudent approach to its reinsurance business to scale up underwriting capabilities, diversify business risks, and ensure healthy business growth and stable operating results. Ping An P&C maintains close long-standing relationships with the world's major reinsurance brokers and reinsurers, actively sharing business experience and empowering reinsurance with technologies. Currently, Ping An P&C conducts reinsurance business with nearly 100 reinsurers and reinsurance brokers worldwide, including China Property & Casualty Re, Swiss Re, SCOR, and Munich Re.

(in RMB million)	**2023**	2022
Premiums ceded to reinsurers	**16,973**	17,725
Auto insurance	**5,563**	5,821
Non-auto insurance	**11,301**	11,778
Accident and health insurance	**109**	126
Inward reinsurance premium	**258**	36
Auto insurance	**144**	–
Non-auto insurance	**114**	36

Note: Premiums ceded to reinsurers and inward reinsurance premium are premium data from the measurement of reinsurance arrangements 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).

INSURANCE CONTRACT LIABILITIES

(in RMB million)	**December 31, 2023**	December 31, 2022
Insurance contract liabilities	**261,153**	247,871
PAA	**244,892**	227,885
Non-PAA	**16,261**	19,986

Business Analysis
Insurance Funds Investment Portfolio

- The Company's insurance funds investment portfolio grew 9.0% from the beginning of 2023 to over RMB4.72 trillion as of December 31, 2023.
- In a complex and volatile market environment, the Company upheld a balanced and prudent approach to its insurance funds investment portfolio under the guidance of long-term strategic asset allocation in 2023. Via active and disciplined tactical operations, the portfolio achieved a comprehensive investment yield of 3.6% in 2023, up by 0.9 pps year on year. The portfolio achieved a 5.2% average net investment yield and a 5.4% average comprehensive investment yield over the past decade, higher than the EV long-run investment return assumption.

INVESTMENT PORTFOLIO OVERVIEW

The Company's insurance funds investment portfolio is comprised of investable funds from Life & Health and property and casualty insurance businesses. The Company's insurance funds investment portfolio grew 9.0% from the beginning of 2023 to over RMB4.72 trillion as of December 31, 2023.

China's economy recovered and met macroeconomic growth expectations in 2023. At the stage of economic recovery, China will continue to use proactive fiscal policies and prudent monetary policies to mitigate risks related to the real estate sector, local government debts, and small and medium-sized financial institutions and further restore consumption and market confidence. In a complex and volatile market environment, the Company is committed to creating stable investment incomes across macroeconomic cycles via value investing. The Company's insurance funds investment portfolio achieved a comprehensive investment yield of 3.6%, up by 0.9 pps year on year, and a net investment yield of 4.2%, down by 0.5 pps year on year in 2023.

ASSET-LIABILITY MANAGEMENT

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 its 10-year strategic asset allocation across macroeconomic cycles. The Company strikes a two-dimensional 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, diversifies investment risks, and selects excellent managers and high-quality assets to cope with various market environments.

In fixed income investment, the Company proactively responds to the risk of falling interest rates. The Company lengthened asset durations and locked in long-term returns by proactively increasing allocation to long-duration low-risk bonds, including central and local government bonds and policy bank bonds, at a faster pace. The duration gap between assets and liabilities narrowed continuously.

In equity investment, the Company actively serves the real economy and maintains long-term allocation to value-based equity assets under the portfolio management principles of balanced allocation and risk diversification. Moreover, the Company manages an extensive and diversified portfolio of growth equity assets via market-based channels, identifying excellent managers and responding to market changes in a balanced manner. In this way, the Company seeks to outperform the market with robust long-term investment returns.

In addition, the Company diversifies the sources of assets and incomes by proactively investing in high-quality alternative assets and optimizing allocation to high-quality overseas assets.

The Company continuously strengthens its investment research, product innovation and post-investment management. The Company's investment management covers the whole process of "fundraising, investing, management and exit" to facilitate rapid identification, reporting, mitigation and disposal of investment risks and maximize the value of its investments.

INVESTMENT PORTFOLIO (BY CATEGORY)

(in RMB million)	December 31, 2023 Carrying value	December 31, 2023 Percentage (%)	December 31, 2022 Carrying value	December 31, 2022 Percentage (%)
Cash and cash equivalents	**121,613**	**2.6**	144,508	3.3
Term deposits	**206,076**	**4.4**	234,142	5.4
Debt financial assets				
Bond investments	**2,743,086**	**58.1**	2,364,493	54.6
Bond funds	**107,169**	**2.3**	108,960	2.5
Preferred stocks	**113,991**	**2.4**	116,749	2.7
Perpetual bonds	**50,388**	**1.1**	37,675	0.9
Debt schemes	**189,349**	**4.0**	182,571	4.2
Wealth management products[1]	**227,461**	**4.8**	265,107	6.1
Equity financial assets				
Stocks	**292,109**	**6.2**	228,796	5.3
Equity funds	**144,340**	**3.1**	146,988	3.4
Wealth management products[1]	**68,399**	**1.4**	50,847	1.2
Unlisted equities	**106,840**	**2.3**	109,797	2.5
Long-term equity stakes	**205,281**	**4.3**	205,286	4.7
Investment properties	**128,059**	**2.7**	117,985	2.7
Other investments[2]	**18,067**	**0.3**	19,014	0.5
Total investments	**4,722,228**	**100.0**	4,332,918	100.0

Notes: (1) Wealth management products include trust plans from trust companies, products from insurance asset management companies, and wealth management products from commercial banks.
(2) Other investments mainly include statutory deposits for insurance operations, three-month or longer-term financial assets purchased under reverse repurchase agreements, and derivative financial assets.
(3) Total investments exclude assets of investment-linked insurance.
(4) Ping An has implemented IFRS 17 since January 1, 2023, and retrospectively adjusted data for the comparative period as per IFRS 17.
(5) Figures may not match the calculation due to rounding.

INVESTMENT PORTFOLIO (BY ACCOUNTING MEASUREMENT)

(in RMB million)	December 31, 2023 Carrying value	December 31, 2023 Percentage (%)	December 31, 2022 Carrying value	December 31, 2022 Percentage (%)
Financial assets measured at fair value through profit or loss	**1,114,074**	**23.6**	933,156	21.5
Fixed income	676,958	14.3	567,739	13.1
Stocks	117,012	2.5	57,334	1.3
Equity funds	144,340	3.1	146,988	3.4
Other equity financial assets	175,764	3.7	161,095	3.7
Financial assets measured at fair value through other comprehensive income	**2,645,104**	**56.0**	2,452,325	56.6
Fixed income	2,469,121	52.3	2,279,989	52.6
Stocks	175,097	3.7	171,462	4.0
Other equity financial assets	886	–	874	–
Financial assets measured at amortized cost	**629,160**	**13.3**	623,576	14.4
Others[1]	**333,890**	**7.1**	323,861	7.5
Total investments	**4,722,228**	**100.0**	4,332,918	100.0

Notes: (1) Others include long-term equity stakes, investment properties, and derivative financial assets.
(2) Total investments exclude assets of investment-linked insurance.
(3) Ping An has implemented IFRS 17 since January 1, 2023, and retrospectively adjusted data for the comparative period as per IFRS 17.
(4) Figures may not match the calculation due to rounding.

Business Analysis
Insurance Funds Investment Portfolio

INVESTMENT INCOME

The Company's insurance funds investment portfolio achieved a comprehensive investment yield of 3.6% in 2023, up by 0.9 pps year on year mainly due to a balanced asset allocation strategy and a year-on-year improvement in the performance of equity assets. Net investment yield declined by 0.5 pps year on year to 4.2% mainly because existing assets matured partially and yields on new additions to the investment portfolio were lower.

(in RMB million)	2023	2022	Change (%)
Net investment income[(1)]	**176,424**	180,319	(2.2)
Net realized and unrealized gains[(2)]	**(51,239)**	(86,459)	(40.7)
Impairment losses on investment assets	**(1,286)**	(551)	133.4
Total investment income	**123,899**	93,309	32.8
Comprehensive investment income[(3)]	**147,907**	100,220	47.6
Net investment yield[(4)] (%)	**4.2**	4.7	-0.5 pps
Total investment yield[(4)] (%)	**3.0**	2.4	0.6 pps
Comprehensive investment yield[(4)] (%)	**3.6**	2.7	0.9 pps

Life & Health's and property and casualty insurance business's investment yields in 2023 are as below:

	2023	2022	Change (%)
Life & Health			
Net investment yield[(4)] (%)	**4.2**	4.7	-0.5 pps
Total investment yield[(4)] (%)	**3.0**	2.4	0.6 pps
Comprehensive investment yield[(4)] (%)	**3.6**	2.7	0.9 pps
Ping An P&C			
Net investment yield[(4)] (%)	**4.3**	4.9	-0.6 pps
Total investment yield[(4)] (%)	**3.2**	2.8	0.4 pps
Comprehensive investment yield[(4)] (%)	**3.6**	2.6	1.0 pps

Notes: (1) Net investment income includes interest income from deposits and debt financial assets, dividend income from equity financial assets, operating lease income from investment properties, and the share of profits and losses of associates and joint ventures.
(2) Net realized and unrealized gains include capital gains from securities investments and fair value gains or losses.
(3) Comprehensive investment income excludes a fair value change of RMB120,605 million in debt investments at fair value through other comprehensive income backing Life & Health business.
(4) Average investment assets used as the denominator are computed in line with principles of the Modified Dietz method. Computation of investment yields excludes changes in fair values of debt investments at fair value through other comprehensive income backing Life & Health business.

The average investment yields on the Company's insurance funds investment portfolio for the past 10 years are higher than the EV long-run investment return assumption (4.5%).

	2014-2023
Average net investment yield (%)	**5.2**
Average total investment yield (%)	**5.0**
Average comprehensive investment yield (%)	**5.4**

MANAGEMENT DISCUSSION AND ANALYSIS

CORPORATE BONDS

The Company held RMB81,913 million worth of corporate bonds in its insurance funds investment portfolio as of December 31, 2023, which accounted for 1.7% of the total investment assets, down 0.4 pps and 0.5 pps from the beginning of 2023 and the beginning of 2022 respectively. Corporate bond portfolio enjoys high credit ratings with about 99.3% rated AA or higher externally and about 61.5% having AAA or higher external ratings. In terms of credit loss risk, corporate bonds in the portfolio are secure as their risks are under control. For risk management of corporate bonds, the Company ensures end-to-end assessment and management of investment risks through asset allocation, admittance management, and dynamic review. The Company established an internal credit rating team in 2003. Since then, the team has conducted admittance management of corporate bond investments in strict accordance with internal credit ratings, and enhanced the review and adjustment of ratings to ensure they reasonably reflect bond issuers' credit standings. Moreover, the Company carries out ex ante monitoring of potential risks in corporate bonds on the basis of a bond issuer list, and has put in place a rapid response mechanism that deals with public sentiment warnings. The Company effectively manages the review and reporting of corporate bonds to enhance the efficiency of risk warning and management.

DEBT SCHEMES AND DEBT WEALTH MANAGEMENT PRODUCTS

Debt schemes and debt wealth management products include debt investment schemes undertaken by insurance asset management companies, debt trust plans issued by trust companies, and debt wealth management products issued by commercial banks. Debt schemes and debt wealth management products in the Company's insurance funds investment portfolio totaled RMB416,810 million as of December 31, 2023, accounting for 8.8% of the portfolio, down 1.5 pps from the beginning of 2023.

The Company manages risks in debt schemes and debt wealth management product investments at three levels. The first level is asset allocation. The Company has developed a set of rational, effective asset allocation models. While keeping overall risks within the risk appetite, the Company formulates a strategic asset allocation plan for each account, and sets upper and lower limits on the proportions of asset allocation. In tactical asset allocation, the Company gives opinions on capital allocation to debt schemes and debt wealth management products according to the funding level in each account, the required return and liquidity, and similar assets' relative attractiveness. The second level is internal credit risk management. The Company has established a comprehensive credit analysis methodology, an excellent internal credit analysis team, and a robust investment admittance management process. All investment instruments must meet the conditions for admittance specified by the Company's internal credit rating team, and must be approved by a relevant committee. The third level is post-investment management. The Company ensures adequate assessment and dynamic management of risks in investment assets by closely monitoring investments and strictly conducting rapid risk identification, reporting, mitigation and disposal.

Structure and Yield Distribution of Debt Schemes and Debt Wealth Management Products

Industry	Investment proportion (%)	Nominal yield (%)	Remaining maturity (year)
Infrastructure	**56.1**	**4.71**	**4.27**
Expressway	10.7	4.92	2.55
Electric power	6.6	4.67	5.13
Infrastructure and development zones	15.8	4.68	5.60
Others (water supply, environmental protection, railway, and so on)	23.0	4.63	3.93
Non-banking financial services(2)	**16.7**	**5.30**	**2.03**
Real estate industry(3)	**12.5**	**4.80**	**2.85**
Others	**14.7**	**4.58**	**3.05**
Total	**100.0**	**4.80**	**3.29**

Notes: (1) Debt schemes and debt wealth management products were classified by industry in line with Shenyin Wanguo's industry classification.
(2) Non-banking financial services refer to financial institutions other than banks, including insurers, asset management companies, and financial leasing companies.
(3) The real estate industry is broadly defined as comprising: real estate financial products with funds directly invested in real estate projects; and trust schemes, infrastructure investment schemes, project funding schemes, and so on with funds used indirectly in connection with real estate enterprises.
(4) Some industries have been grouped into "others" as they account for small proportions.
(5) Figures may not match the calculation due to rounding.

The Company pays close attention to credit risk in the market, ensuring the overall risks of debt schemes and debt wealth management products held by Ping An in its insurance funds investment portfolio are under control. Debt schemes and debt wealth management products in the Company's insurance funds investment portfolio have good credit ratings. Over 96.4% of the debt schemes and trust plans held by Ping An have AAA external ratings, and about 1.0% of them have AA+ external ratings. Aside from some high-credit entities which do not need credit enhancement for financing, most of the assets held by the Company have guarantees or collateral. In terms of industry and geographic distribution, Ping An proactively avoids high-risk industries and regions. Ping An's target assets are diversified, mainly in the non-banking financial services industry, the expressway industry and so on in economically developed and coastal areas including Beijing, Shanghai, and Guangdong.

EQUITY WEALTH MANAGEMENT PRODUCTS

Equity wealth management products in the Company's insurance funds investment portfolio totaled RMB68,399 million as of December 31, 2023, accounting for 1.4% of the portfolio. Most equity wealth management products held by Ping An are from insurance asset managers. These products' underlying assets are mainly tradable shares of domestic and foreign high-quality companies in the secondary market, indicating no significant liquidity risk. Private equity funds account for a small proportion, and their underlying assets are mainly equities in central or local governments' partnerships, with risks under control.

REAL ESTATE INVESTMENTS

The balance of real estate investments in the Company's insurance funds investment portfolio was RMB203,987 million as of December 31, 2023, accounting for 4.3% 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 78.4% of real estate investments. Such investments were made primarily in rent-collecting properties including premium commercial and office properties, logistics real estate, industrial parks, and long-term rental apartments, to match the duration of liabilities, with solid track records. Besides, debt investments and other equity investments accounted for 17.3% and 4.3% of real estate investments respectively.

INVESTMENT RISK MANAGEMENT

The Company attaches great importance to risk management in matching costs and returns, and has established a risk appetite framework in which the matching of costs and returns is a key quantitative indicator. The Company conducts regular reviews and strict stress tests which are embedded in the asset allocation process with ex ante risk management. In the event of increased market volatility, the Company will carry out intensified and more frequent stress tests to ensure the soundness of the portfolio even under extreme market impacts.

The Company has further strengthened investment rules and processes. To continuously optimize end-to-end risk management, the Company has standardized its business processes, improved its investment risk management framework, and enhanced key processes including risk admittance strategies, credit rating, counterparty and issuer credit facility management, concentration management, risk monitoring, and emergency management. Moreover, the Company employs technologies to empower the management of key post-investment matters and constantly optimizes its risk warning platform. Based on consolidated statements of investment portfolios, the Company monitors comprehensive risk signals covering market fluctuations, public sentiment, financial changes and so on, and closely watches forward-looking indicators automatically generated by systems. By using smart analytics models, the Company conducts rapid risk identification, reporting, mitigation and disposal.

The Company further strengthens substantive risk management in addition to meeting regulatory requirements concerning investment concentration. The Company improves its policies and procedures for the management of investment concentration in a prudent, comprehensive, dynamic, and independent manner. The Company optimizes the Group's and its member companies' investment concentration limits. Moreover, the Company enhances the setting, using, warning, and adjustment mechanisms of credit limits for major clients and the monitoring and management of key sectors and risk areas. In this way, the Company prevents the risk of investment overconcentration in certain counterparty(ies), sector(s), region(s) and asset class(es) to avoid potential indirect threats to the Company's solvency, liquidity, profitability or reputation.

The Company keeps a close eye on the market credit conditions, and strengthens research and forward-looking analysis on credit risk. The Company constantly upgrades its risk monitoring framework and risk management information system, and improves its risk management databases. In this way, the Company ensures systematic management of risks in asset-liability matching and investment portfolios.

Banking Business

- Ping An Bank maintained steady business performance. Net profit grew by 2.1% year on year to RMB46,455 million in 2023. Core tier 1 capital adequacy ratio increased by 0.58 pps from the beginning of 2023 to 9.22% as of December 31, 2023.
- Ping An Bank continuously strengthened risk management and maintained adequate risk provisions. Non-performing loan ratio was 1.06% and provision coverage ratio was 277.63% as of December 31, 2023.
- Ping An Bank promoted the high-quality sustainable development of its retail business. Retail assets under management ("AUM") rose 12.4% from the beginning of 2023 to RMB4,031,177 million, and retail deposit balance grew by 16.7% from the beginning of 2023 to RMB1,207,618 million as of December 31, 2023.

BUSINESS OVERVIEW

Ping An Bank adheres to its mission to be "China's most outstanding, world-leading smart retail bank" under the strategy of "strong retail banking, selective corporate banking, and specialized interbank business." Ping An Bank continuously upgrades its retail, corporate and interbank business strategies, enhances its ability to serve the real economy, strengthens risk management, comprehensively advances digital transformation, and maintains steady overall business performance.

Ping An Bank (excluding Ping An Wealth Management) had 109 branches and 1,201 business outlets as of December 31, 2023.

KEY INDICATORS

Ping An Bank's revenue totaled RMB164,699 million in 2023, down 8.4% year on year mainly due to ongoing support for the real economy, the adjusted asset portfolio, and market volatilities. Ping An Bank improved operational cost-effectiveness via digital transformation, strengthened asset quality control and management, and enhanced non-performing asset recovery and disposal. Net profit grew by 2.1% year on year to RMB46,455 million in 2023.

(in RMB million)	2023	2022	Change (%)
Operating results			
Revenue	**164,699**	179,895	(8.4)
Net profit	**46,455**	45,516	2.1
Cost-to-income ratio (%)	**27.90**	27.45	0.45 pps
Average return on total assets (%)	**0.85**	0.89	-0.04 pps
Weighted average ROE (%)	**11.38**	12.36	-0.98 pps
Net interest margin (%)	**2.38**	2.75	-0.37 pps

(in RMB million)	December 31, 2023	December 31, 2022	Change
Deposits and loans[(1)]			
Deposits	**3,407,295**	3,312,684	2.9%
Including: Retail deposits	**1,207,618**	1,034,970	16.7%
Corporate deposits	**2,199,677**	2,277,714	(3.4%)
Total loans and advances	**3,407,509**	3,329,161	2.4%
Including: Retail loans	**1,977,719**	2,047,390	(3.4%)
Corporate loans	**1,429,790**	1,281,771	11.5%
Asset quality			
Non-performing loan ratio (%)	**1.06**	1.05	0.01 pps
Provision coverage ratio (%)	**277.63**	290.28	-12.65 pps
Deviation of loans more than 60 days overdue[(2)]	**0.74**	0.83	-0.09
Capital adequacy ratio			
Core tier 1 capital adequacy ratio[(3)] (%)	**9.22**	8.64	0.58 pps

Notes: (1) Deposits, total loans and advances, and their components are exclusive of interest receivable and payable.
(2) Deviation of loans more than 60 days overdue = balance of loans more than 60 days overdue / balance of non-performing loans.
(3) The minimum regulatory requirement for the core tier 1 capital adequacy ratio is 7.75%.

Analysis of Profit Sources

(in RMB million)	2023	2022	Change (%)
Net interest revenue	**117,991**	130,130	(9.3)
Average balance of interest-earning assets	**4,966,063**	4,738,938	4.8
Net interest margin[(1)] (%)	**2.38**	2.75	-0.37 pps
Net non-interest revenue	**46,708**	49,765	(6.1)
Including:			
Net fee and commission revenue	**29,430**	30,208	(2.6)
Other net non-interest revenue[(2)]	**17,278**	19,557	(11.7)
Revenue	**164,699**	179,895	(8.4)
General and administrative expenses	**(45,959)**	(49,387)	(6.9)
Cost-to-income ratio[(3)] (%)	**27.90**	27.45	0.45 pps
Tax and surcharges	**(1,718)**	(1,727)	(0.5)
Operating profit before impairment losses on assets	**117,022**	128,781	(9.1)
Impairment losses on credit and other assets	**(59,094)**	(71,306)	(17.1)
Including:			
Loan impairment loss	**(62,833)**	(64,168)	(2.1)
Average balance of loans and advances	**3,387,714**	3,190,601	6.2
Credit cost[(4)] (%)	**1.85**	2.01	-0.16 pps
Other expenses	**(210)**	(222)	(5.4)
Profit before tax	**57,718**	57,253	0.8
Income tax	**(11,263)**	(11,737)	(4.0)
Net profit	**46,455**	45,516	2.1

Notes: (1) Net interest margin = net interest revenue / average balance of interest-earning assets.
(2) Other net non-interest revenue includes investment income, foreign exchange gains or losses, other revenues and other gains or losses less non-operating gains under the segmented income statement.
(3) Cost-to-income ratio = general and administrative expenses / revenue.
(4) Credit cost = loan impairment losses / average balance of loans and advances.

Business Analysis
Banking Business

Ping An Bank's net interest margin narrowed by 0.37 pps year on year to 2.38% for 2023. The margin narrowed as the bank continued to support the real economy and adjusted the asset portfolio amid the repricing of loans and the fluctuation in market interest rates.

Ping An Bank's net non-interest revenue amounted to RMB46,708 million in 2023, down 6.1% year on year mainly due to decreases in net non-interest revenues from credit card and foreign exchange businesses driven by factors including the macroeconomic environment. Meanwhile, Ping An Bank seized market opportunities and achieved growth in net non-interest revenues from bancassurance and bond investment businesses.

RETAIL BUSINESS

Ping An Bank actively carries out its original mission of serving the real economy and supporting people's livelihoods with financial services, adhering to its retail business strategy. In response to changes in the external environment, Ping An Bank increases the proportion of high-quality customers, optimizes the portfolio of asset business, consolidates the foundation of liability business, and enhances asset allocation services. By doing so, Ping An Bank promotes the high-quality sustainable development of its retail business.

(in RMB million)	2023	2022	Change (%)
Retail business operating results			
Revenue from retail business	**96,161**	103,007	(6.6)
Proportion of revenue from retail business (%)	**58.4**	57.3	1.1 pps
Operating profit from retail business before impairment losses on assets	**66,047**	70,741	(6.6)
Proportion of operating profit from retail business before impairment losses on assets (%)	**56.4**	54.9	1.5 pps
Net profit from retail business	**5,525**	19,828	(72.1)
Proportion of net profit from retail business (%)	**11.9**	43.6	-31.7 pps

Note: Ping An Bank continued to implement its retail transformation strategy, maintaining steady revenue and operating profit from retail business before impairment losses on assets. However, as China's economy was still gradually recovering and stabilizing, some retail customers' debt repayment capacity remained under pressure. Therefore, Ping An Bank increased retail asset write-offs and provisioning, resulting in a year-on-year decline in net profit from retail business.

- In liability business, Ping An Bank drives fast growth in retail deposits through its payroll business, payment and settlement services, and diversified operations. Retail deposit balance grew by 16.7% from the beginning of 2023 to RMB1,207,618 million as of December 31, 2023.

- In asset business, Ping An Bank expanded medium- and low-risk customer groups, and increased home mortgage loans, collateral mortgage loans, and new energy vehicle loans in response to changes in the external business environment. Retail loan balance declined 3.4% from the beginning of 2023 to RMB1,977,719 million as of December 31, 2023, including a secured loan balance of RMB1,162,316 million, up 4.8% from the beginning of 2023.

- In private banking and wealth management business, Ping An provides customers with "worry-free, time-saving and money-saving" service experience by continuously upgrading products, services, teams and branding capabilities, and strengthening wealth management and asset allocation services. Retail AUM rose 12.4% from the beginning of 2023 to RMB4,031,177 million as of December 31, 2023, including RMB1,915,515 million in AUM of private banking customers, up 18.2% from the beginning of 2023. Moreover, Ping An Bank has built a new wealth management team who understands insurance well. Revenue from bancassurance reached RMB2,989 million in 2023, up 50.7% year on year.

	December 31, 2023	December 31, 2022	Change (%)
Number of retail customers[1] (in thousand)	**125,432.0**	123,080.0	1.9
Including:			
Wealth management customers (in thousand)	**1,377.5**	1,265.2	8.9
Including:			
Private banking customers[2] (in thousand)	**90.2**	80.5	12.0
Retail AUM (in RMB million)	**4,031,177**	3,587,274	12.4

Notes: (1) Retail customers include debit and credit cardholders, with duplicates removed.
(2) A qualified private banking customer refers to a customer who has over RMB6 million in average daily assets for any one of the past three months.

CORPORATE BUSINESS

In corporate business, Ping An Bank closely followed national strategies, and continued to increase financing support for key areas including the manufacturing sector, specialized and sophisticated enterprises that produce new and unique products, non-state-owned enterprises, micro-, small and medium-sized enterprises ("MSMEs"), rural vitalization, green finance, and infrastructure. Ping An Bank developed and strengthened strategic customer groups to serve the real economy. Corporate loan balance grew by 11.5% from the beginning of 2023 to RMB1,429,790 million as of December 31, 2023. Corporate deposit balance declined 3.4% from the beginning of 2023 to RMB2,199,677 million as Ping An Bank responded to rising foreign currency interest rates by appropriately decreasing corporate deposits held in foreign currencies, controlling the cost of deposits, and improving the deposit portfolio.

- Selected sectors: Building sector-specific differential advantages, Ping An Bank focuses on new energy, next-generation infrastructure, and new manufacturing to develop new momentum for selected sectors. Investments in new energy, next-generation infrastructure, and new manufacturing totaled RMB204,552 million in 2023, up 32.5% year on year.

- Selected customers: Ping An Bank has established a tiered development framework for customers from strategic ones to small and micro-enterprises to build "long-term" operational capabilities. Ping An Bank had 754 thousand corporate customers as of December 31, 2023, up by 138.1 thousand or 22.4% from the beginning of 2023.

- Selected products: Focusing on core customer groups, Ping An Bank enhances its sector-specific, differentiated and comprehensive product portfolio, and develops innovate business models with its "finance + technology" strength to offer comprehensive services. Ping An Bank's supply chain financing amounted to RMB1,333,185 million in 2023, up 14.1% year on year.

INTERBANK BUSINESS

Leveraging professional investment trading and customer service capabilities, Ping An Bank expands the bond market making business, diversifies customer business offerings, and promotes financial markets' high-quality development.

- In respect of investment trading, Ping An Bank maintains prudent investment by continuously strengthening macroeconomic analysis and appropriately allocating investment portfolios while ensuring the liquidity and security of assets. Moreover, Ping An Bank leverages its professional financial market trading capabilities to expand the market making business. Ping An Bank boosts market liquidity and trading efficiency by enhancing two-way market-making quotes in key sectors including green bonds, small and micro-enterprise bonds, and rural vitalization bonds. Ping An Bank's market share measured by bond trading volume was 3.2% in 2023, with RMB2.67 trillion of cash bonds sold by institutions, up 21.4% year on year.

- In respect of customer business, Ping An Bank fulfills its responsibilities for serving financial markets and the real economy by leveraging its strengths in comprehensive customer services, focusing on the fund ecosystem, asset custody, bond underwriting, corporate hedging and so on. The balance of third-party funds distributed under the "ET-Bank" increased 66.8% from the beginning of 2023 to RMB185,620 million as of December 31, 2023. Net assets under custody increased 5.8% from the beginning of 2023 to RMB8.70 trillion as of December 31, 2023. Bonds sold via the interbank channel increased 49.8% year on year to RMB207,908 million in 2023. The number of customers that conducted spot and derivative foreign exchange hedging at Ping An Bank increased 11.8% year on year to 12,859 in 2023.

ASSET QUALITY

China's macroeconomy stabilized and resumed an upward trend in 2023. However, business entities still needed to be invigorated, and repayment capacity of retail customers and small and medium-sized enterprises remained under pressure. In line with national strategies, Ping An Bank actively served the real economy, supported non-state-owned enterprises and MSMEs, enhanced non-performing asset disposal, and kept overall asset quality stable.

(in RMB million)	**December 31, 2023**	December 31, 2022	Change (%)
Loan quality			
Pass	**3,311,741**	3,233,708	2.4
Special mention	**59,732**	60,592	(1.4)
Non-performing loans	**36,036**	34,861	3.4
Total loans and advances	**3,407,509**	3,329,161	2.4
Non-performing loan ratio (%)	**1.06**	1.05	0.01 pps
Percentage of special mention loans (%)	**1.75**	1.82	-0.07 pps
Provision coverage ratio (%)	**277.63**	290.28	-12.65 pps
Provision to loan ratio (%)	**2.94**	3.04	-0.10 pps
Percentage of loans more than 60 days overdue (%)	**0.78**	0.87	-0.09 pps

(%)	**December 31, 2023**	December 31, 2022	Change
Non-performing loan ratios			
Retail loans	**1.37**	1.32	0.05 pps
Corporate loans	**0.63**	0.61	0.02 pps

In respect of retail asset quality, Ping An Bank's retail non-performing loan ratio rose by 0.05 pps from the beginning of 2023 to 1.37% as of December 31, 2023. Ping An Bank constantly increased reviews of its pre-lending policies, strictly controlled customer admittance, improved risk prevention and management, proactively expanded loan collection channels, and enhanced efforts to dispose of non-performing loans. Moreover, Ping An Bank steadily restructured its retail lending business portfolio by gradually increasing the proportion of secured loans. Ping An Bank improved customer risk identification with industry-leading technologies and risk models, and enhanced its ability to withstand risks by implementing differentiated risk management policies.

In respect of corporate asset quality, Ping An Bank's corporate non-performing loan ratio was 0.63% as of December 31, 2023, up by 0.02 pps from the beginning of 2023. Ping An Bank focused on key industries, regions and customers, selected industries with low cyclicality, stable growth and good asset quality, and reduced exposure to high-risk customers. As a result, corporate credit metrics remained good.

CAPITAL ADEQUACY

Benefiting from net profit growth and refined capital management, Ping An Bank's core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio rose by 0.58 pps, 0.50 pps and 0.42 pps from the beginning of 2023 respectively as of December 31, 2023.

(%)	**December 31, 2023**	December 31, 2022	Change
Capital adequacy ratio			
Core tier 1 capital adequacy ratio	**9.22**	8.64	0.58 pps
Tier 1 capital adequacy ratio	**10.90**	10.40	0.50 pps
Capital adequacy ratio	**13.43**	13.01	0.42 pps

Note: Ping An Bank and its wholly-owned subsidiary Ping An Wealth Management Co., Ltd. ("Ping An Wealth Management") 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, which means the minimum regulatory requirements for the core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio, and capital adequacy ratio are 7.75%, 8.75%, and 10.75% respectively.

OVERVIEW OF PING AN WEALTH MANAGEMENT

Ping An Wealth Management, a wholly-owned subsidiary of Ping An Bank, continuously develops channels, strengthens its investment research framework, adheres to prudent investment strategies, diversifies its product portfolio, and strengthens risk management. The balance of wealth management products managed by Ping An Wealth Management increased by 14.2% from the beginning of 2023 to RMB1,013,060 million as of December 31, 2023.

Business Analysis
Asset Management Business

- Ping An's AUM increased steadily to approximately RMB7 trillion as of December 31, 2023.
- The Company continuously enhances its capabilities of making asset allocation, achieving stable long-term returns, and managing multi-asset portfolios to deliver robust and sustainable returns to customers.

BUSINESS OVERVIEW

The Company conducts asset management business primarily through companies including Ping An Securities, Ping An Trust, Ping An Financial Leasing, and Ping An Asset Management. Ping An's AUM[(1)] increased steadily to approximately RMB7 trillion as of December 31, 2023.

Affected by the macroeconomic environment, some assets came under pressure due to rising credit risks and volatile capital markets in 2023. The Company managed risks actively, made provisions proactively and prudently, and revaluated some investments. As a result, the profit of asset management business declined.

The Company continuously enhances its capabilities of making asset allocation, achieving stable long-term returns, and managing multi-asset portfolios to deliver robust and sustainable returns to customers. Staying customer-centric, the Company will continuously strengthen risk management, optimize asset-liability management, pursue high-quality development, and proactively help improve the real economy's quality and efficiency. Moreover, the Company will continuously increase support for major national strategies and projects in key areas.

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.

SECURITIES BUSINESS

The Company provides securities brokerage, futures brokerage, investment banking, asset management, and financial advisory services through Ping An Securities and its subsidiaries.

Ping An Securities adheres to its strategy of building a smart securities services platform under Ping An's integrated financial services strategy. Ping An Securities focuses on boosting ROE as well as optimizing existing business and achieving breakthrough growth by promoting integrated finance, professional quality and technological empowerment. Ping An Securities implemented five measures, namely customer insight and resource integration, process reengineering, data support, internal control enhancement, and organizational guarantee. As a result, business performance remains steady.

- Ping An Securities furthered its strategic transformation for brokerage business. Ping An Securities advanced the strategy of innovative customer acquisition, customer development, and institutional brokerage. Being customer-centric, Ping An Securities built a complete digital investment advisory service system and a leading smart brokerage platform by leveraging contents and digital tools. Ping An Securities ranked 1st in the industry by the number of retail customers (over 23 million) and among the top three by the activeness of app users as of December 31, 2023. The market share of Ping An Securities in terms of equity and fund trading volume (excluding seat leasing)(1) reached 3.62% in 2023.

- Ping An Securities adhered to its business strategy of selective investment banking. In investment bank business, Ping An Securities continued to enhance its industry focus, and stepped up efforts in the key areas and industries under a customer-centric approach. Moreover, Ping An Securities actively participated in product innovations and responded to the government's call to serve the real economy. Ping An Securities remained among top players in the industry by bond underwriting scale, ranking 1st in asset-backed securities(2) volume and 6th in bond(2) underwriting respectively in 2023.

- Ping An Securities enhanced its expertise and service quality in trading and asset management businesses. In the trading business, Ping An Securities strengthened the integration and innovation of trading and technology enabled by the comprehensive trading system of "proprietary trading + customer business." Yield of bond trading significantly outperformed the market, and size of the customer business grew strongly. In the asset management business, Ping An Securities continuously enhanced its core capabilities of "fixed-income +" to meet the investment demands of internal and external insurance and bank wealth management customer segments. Ping An Securities ranked among the industry's top 10 by average monthly AUM(3) in the fourth quarter of 2023.

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 CSRC, and bonds refer to corporate bonds and bonds issued by state-owned enterprises.
(3) The ranking in the asset management industry is from the Asset Management Association of China, exclusive of ABSs.

TRUST BUSINESS

Positioned as a capital-light service provider, Ping An Trust focuses on its core businesses including trust services and private equity. Ping An Trust prudentially controlled risks and adjusted its business portfolio in 2023.

In controlling risks, Ping An Trust upgraded its enterprise risk management by improving risk governance structure, strictly controlling asset quality, strengthening post-investment closed-loop management, promoting risk review and mitigation, and upgrading the smart risk management platform. Moreover, Ping An Trust strictly adhered to the bottom line of risk management and compliance, conducted accountability enhancement programs, established and improved whole-process management mechanisms covering fundraising, investment, management and exit, and ensured full-lifecycle management of products to fulfill its responsibilities as a manager. As a result, Ping An Trust has continuously enhanced its ability to withstand risks. Ping An Trust had RMB19,609 million in net capital as of December 31, 2023. The ratio of net capital to total risk capital was 322.7% and the ratio of net capital to net assets was 75.3% as of December 31, 2023, both meeting regulatory requirements (i.e. not less than 100% and 40% respectively).

In adjusting its business portfolio, Ping An Trust focused on its core trust business by actively exploring and developing family trust, insurance trust and family service trust businesses in accordance with the new regulation on trust classification. As a result, Ping An Trust has significantly improved its business portfolio. Total assets held in trust amounted to RMB662,503 million as of December 31, 2023.

PING AN FINANCIAL LEASING

Ping An Financial Leasing is committed to becoming a world-leading innovative financial leasing expert focusing on industries and serving the real economy. Ping An Financial Leasing has built presence in various areas including engineering and construction, manufacturing and processing, next-generation infrastructure, urban development, city operations, auto finance, commercial vehicles, small and micro finance, structured financing, and Ping An factoring. In the future, Ping An Financial Leasing will accelerate its presence in new energy, next-generation infrastructure and new lifestyles, and actively explore operation-oriented, management-oriented and service-oriented business models.

Ping An Financial Leasing maintains steady overall operations by continuously strengthening risk management and refining management before, during and after leasing deals. Non-performing asset ratio was kept stable and controllable despite a slight increase from the beginning of 2023 to 1.22% as of December 31, 2023. Sufficient provisions have been set aside, indicating an ample risk buffer. Moreover, Ping An Financial Leasing keeps overall risks under control by tightening customer admittance management, enhancing risk assessment, business operations and asset monitoring, dynamically adjusting differentiated asset management strategies for existing customers, and continuously strengthening risk asset disposal.

(in RMB million)	**December 31, 2023**	December 31, 2022	Change (%)
Total assets	**240,024**	258,385	(7.1)
Non-performing asset ratio (%)	**1.22**	1.17	0.05 pps

PING AN ASSET MANAGEMENT

Ping An Asset Management, entrusted with the Company's insurance funds, is responsible for the domestic investment management business of the Company. Moreover, Ping An Asset Management also provides comprehensive third-party asset management services and diverse, one-stop investment management solutions to domestic and overseas customers.

Ping An Asset Management adheres to the philosophies of value investing and long-term investing. Ping An Asset Management is widely recognized in the market for its customer-centric approach and commitment to doing the right things in the long term. As one of the largest and most influential institutional investors in China, Ping An Asset Management has profound experience in asset management. AUM amounted to RMB5.03 trillion as of December 31, 2023, including stocks, bonds, funds, debts, and equity stakes on open and non-open capital markets as well as money markets. Moreover, Ping An Asset Management possesses capabilities of cross-market asset allocation and full-spectrum asset investment.

(in RMB million)	**December 31, 2023**	December 31, 2022	Change (%)
AUM	**5,033,945**	4,371,172	15.2
Including: Third-party AUM	**528,427**	514,933	2.6

- Ping An remains focused on technological empowerment to build leading technological capabilities and empower its ecosystems. The Group ranks first globally by the number of patent applications in both fintech and healthcare.
- The Company engages in technology business through member companies including Lufax Holding, OneConnect, Ping An Health and Autohome, providing diverse products and services for ecosystem users, with significant synergies.

TECHNOLOGICAL EMPOWERMENT

Ping An continuously invests in R&D 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 remains focused on developing core technologies and securing proprietary intellectual property rights. Ping An had a first-class technology team of over 20,000 technology developers and over 3,000 scientists as of December 31, 2023. The Group's patent applications led most international financial institutions, totaling 51,533. Of the patent applications, nearly 95% were for inventions, and 9,346 were made under the Patent Cooperation Treaty (PCT) and abroad. The Group ranks first globally by the number of patent applications in both fintech and healthcare[(1)].

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. Renewal premiums collected via self-service under smart guidance reached RMB300.3 billion in 2023, up 13% year on year. The volume of services provided by AI service representatives[(2)] reached about 2.22 billion times. Claims loss reduction via smart risk identification reached RMB10.82 billion, up 16.0% year on year.

Notes: (1) Rankings by patent applications in fintech and healthcare are from the *2023 Fintech Patent Analysis White Paper* and the *2023 Healthcare Patent Analysis White Paper* released by Intellectual Property Publishing House respectively. The Group ranks second globally in health monitoring and first globally in other areas.
(2) The volume of services provided by AI service representatives refers to the total times of inbound and outbound call services provided by speech robots and text robots for credit card and insurance business lines.

The Company engages in technology business mainly through member companies including Lufax Holding, OneConnect, Ping An Health and Autohome, providing diverse products and services for ecosystem users, with significant synergies.

LUFAX HOLDING

Lufax Holding (NYSE: LU; SEHK: 06623.HK) is a leading financial services enabler for small business owners ("SBOs") in China. Lufax Holding is committed to providing SBOs with comprehensive, convenient financial products and services as well as enabling financial institutions to reach and serve SBOs efficiently. Lufax Holding furthered its strategic transformation to adapt to changes in the market environment, achieving RMB34,255 million in total income in 2023. Loan scale was under pressure and asset quality declined mainly due to the impact of macro conditions, while credit impairment costs were high because of Lufax Holding's increased risk sharing. As a result, net profit declined to RMB887 million.

Lufax Holding integrates high-quality resources in the financial services ecosystem as a leading financial services enabler for SBOs in China. With proprietary data accumulated over 18 years and AI-driven dynamic risk modeling, Lufax Holding has provided 20.94 million SBOs and retail customers with offline-to-online credit enablement services from offline consultation to online application. In addition, Lufax Holding has promoted the application of technologies, and enhanced its borrower risk identification capabilities via its increased application of AI in areas including borrower acquisition, customer risk identification, and loan management.

Financial Data

(in RMB million)	2023	2022	Change (%)
Total income	**34,255**	58,116	(41.1)
Net profit[(1)]	**887**	8,699	(89.8)

Note: (1) Net profit refers to net profit attributable to Lufax Holding's shareholders of the parent company.

Operational Data

	December 31, 2023	December 31, 2022	Change (%)
Cumulative number of borrowers (in million)	**20.94**	19.02	10.1
Outstanding balance of loans enabled (in RMB million)	**315,395**	576,539	(45.3)

OneConnect

OneConnect (NYSE: OCFT; SEHK: 06638.HK) is a technology-as-a-service provider for the financial services industry. OneConnect provides "full-stack" integrated technology solutions to financial institutional customers, including digital banking solutions and digital insurance solutions. OneConnect also provides digital infrastructure for financial institutions through Gamma Platform. Under the "business + technology" model, OneConnect's solutions enable its customers' digital transformations, which help them improve efficiency, enhance service quality, and reduce costs and risks.

OneConnect continued to improve its operations, significantly reduced losses, and remained well-funded in 2023. OneConnect's revenue reached RMB3,668 million and net loss narrowed by 58.4% year on year to RMB363 million in 2023. Free cash[(1)] amounted to RMB2,072 million as of December 31, 2023.

Note: (1) The free cash is exclusive of Ping An OneConnect Bank (Hong Kong) Limited.

OneConnect continued to deepen engagement with its customers, further integrate and upgrade products, and expand its financial service ecosystem and overseas markets. In digital banking, OneConnect provides financial institutions in the banking industry with products and solutions covering digital retail banking, digital credit management, and digital operation solutions. Such products and solutions enable financial institutions to improve sales team productivity, carry out precision marketing, optimize end-to-end credit risk control, and anticipate trends, make timely decisions and take action ahead of others in business management. In digital insurance, OneConnect gradually builds an end-to-end auto insurance solution which is comprised of underwriting, claim settlement, and ecosystem-based services. OneConnect's solution scope has extended from auto insurance to the non-auto insurance field. Moreover, OneConnect continuously enhances its partnership with world-renowned insurance companies, and helps them improve their channels' efficiency through the digital "Omnichannel Agent Solution." In terms of Gamma Platform, OneConnect's intelligent voice services can standardize AI financial scenarios, processes and training methodologies and enable financial institutions to promote AI remote services more quickly and improve AI application more effectively while reducing operating costs.

OneConnect focuses on digital banking solutions tailored for Southeast Asian financial institutions and partners with multiple banks to seize growth opportunities arising from overseas financial institutions' digital transformation needs. Taking intelligent lending platforms and core systems as flagship products, OneConnect helps banks improve service efficiency and quality as well as reduce risks and costs.

Financial Data

(in RMB million)	2023	2022	Change (%)
Revenue	**3,668**	4,464	(17.8)
Gross profit[(1)]	**1,478**	1,791	(17.5)
Net loss[(2)]	**(363)**	(872)	(58.4)

Notes: (1) Gross profit is non-IFRS adjusted gross profit.
(2) Net loss refers to net loss attributable to OneConnect's shareholders of the parent company.

Operational Data

	2023	2022	Change (%)
Premium-plus customers[(1)]	**208**	221	(5.9)

Note: (1) The number of premium-plus customers is the number of institutional customers contributing at least RMB1 million to OneConnect's annual revenue, excluding Ping An Group and its subsidiaries.

Ping An Health

Ping An Health (SEHK: 01833.HK; stock short name: PA GOODDOCTOR), centering on family doctor membership and leveraging a diversified, premium online-to-offline ("O2O") service network, has developed a specialized, comprehensive, high-quality and one-stop "healthcare and elderlycare" services platform to provide users with "worry-free, time-saving, and money-saving" healthcare and elderlycare services. Ping An Health achieved RMB4,674 million in revenue for 2023, and its net loss decreased 49.3% year on year to RMB323 million. The number of cumulative paying users approached 40 million for the twelve months ended December 31, 2023.

- In respect of ecosystem development, as an integral part of the Group's "managed care model" and a flagship in the healthcare and elderlycare ecosystem, Ping An Health facilitates the Group's "heartwarming financial services" by acting as a payer, integrating providers and unlocking synergies in "integrated finance + healthcare and elderlycare." Via the improving O2O network, Ping An Health provides large numbers of retail financial users, corporate clients, and retail consumers with full-scenario, high-quality healthcare and elderlycare services in five scenarios, namely health, sub-health, disease, chronic disease and elderlycare management. Moreover, Ping An Health has developed healthcare and elderlycare service capabilities for years to offer effective solutions to the industry's pain points, namely unbalanced supply and demand, insufficient high-quality services, underutilization of resources, and fragmented market supply. Ping An Health has established a preliminary "Enterprise EZHealth" health management product suite for enterprises and their employees by innovating product and service models, integrating its business units and capabilities, and leveraging the Group's abundant payment service resources. The product suite includes two core products ("Health Checkup +" and "Health Management +") and four customized products.

- In respect of medical service capabilities, Ping An Health positions family doctors as doctors, customer managers and navigators. While helping Ping An Health integrate supply-side healthcare and elderlycare resources and improve O2O closed-loop services, family doctors also help users address breakpoints in online and offline services to meet full-lifecycle, pan-healthcare user needs with professional, efficient and heartwarming services.

- In respect of customer acquisition capabilities, Ping An Health seeks customers from payers by maintaining in-depth collaboration with the Group's core financial businesses and leveraging Ping An Health's own channels. Regarding integrated finance channels, Ping An Health maintains in-depth collaboration with the Group's core financial businesses through "product integration, central procurement of benefits, and value-added services." Moreover, Ping An Health works to acquire large and medium-sized corporate clients. In this way, Ping An Health provides full-lifecycle healthcare and elderlycare services for retail financial users and corporate clients' employees. Ping An Health cumulatively served over 1,500 enterprises as of December 31, 2023.

(in RMB million)	2023	2022	Change (%)
Revenue	**4,674**	6,205	(24.7)
Gross profit	**1,509**	1,671	(9.7)
Net loss[1]	**(323)**	(636)	(49.3)

Notes: (1) Net loss refers to net loss attributable to Ping An Health's shareholders of the parent company.
(2) Ping An Health changed the measurement of "health membership program" contracts in accordance with applicable accounting standards in 2023, and retrospectively adjusted relevant data for 2022.

Autohome

Autohome (NYSE: ATHM; SEHK: 02518.HK), the leading online destination for automobile consumers in China, is committed to developing a smart auto ecosystem centered on data and technology. Within this ecosystem, Autohome provides auto consumers with diverse products and services across the full auto lifecycle. Autohome's mobile daily active users[1] increased 25.4% year on year to 68.19 million in December 2023. In addition, Autohome continuously upgrades its "ecosystem strategy," providing comprehensive services for consumers, automakers, and various players in the auto ecosystem. Autohome's revenue and net profit reached RMB7,184 million and RMB2,160 million respectively in 2023.

Autohome continuously makes breakthroughs in digitization and new energy vehicle ("NEV") marketing to seize development opportunities in the auto industry. In respect of digitization, Autohome enables the digital transformation of automakers and dealers in comprehensive marketing by upgrading the data product matrix and diversifying application scenarios for AI and large language models. In this way, Autohome maintained double-digit growth in data product revenue in 2023.

In a complex and volatile market environment, China's passenger car sales resumed growth driven by NEV sales in 2023, showing huge development potential and market space. Autohome not only provides NEV makers with traditional services including media and leads generation, but integrates different business models to upgrade NEV marketing practices, providing partners with new retail services through Autohome Energy Space. The expansion of Autohome Energy Space, which now has a presence in 20 cities across the country to help partners boost sales, helps Autohome build brand awareness among users. Autohome's NEV business revenue continued to grow faster than broader industry sales in 2023.

(in RMB million)	2023	2022	Change (%)
Revenue	**7,184**	6,941	3.5
Net profit[2]	**2,160**	2,168	(0.4)

Notes: (1) The number of mobile daily active users is from Quest Mobile.
(2) Net profit refers to non-GAAP adjusted net income attributable to Autohome Inc.

Integrated Finance

- Integrated finance brings higher operational efficiency to Ping An, reflected especially by lower customer acquisition cost, lower management and service costs, and higher customer retention rates.
- The Group's retail customers increased 2.2% from the beginning of 2023 to 232 million as of December 31, 2023; 25.3% of them held four or more contracts within the Group, with a retention rate of 97.7%.
- Contracts per retail customer reached 2.95. Over 88.01 million retail customers held multiple contracts with different subsidiaries.

THE INTEGRATED FINANCE STRATEGY

Ping An's integrated finance strategy is focused on deepening engagement with retail customers(1) and developing customer groups under a customer-centric business philosophy. 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.

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

Ping An's Unique Integrated Finance Advantages

Ping An has unique advantages in implementing the retail integrated finance model:

- An integrated financial services group with a full suite of financial business licenses, extensive presence and strong synergies: Ping An is an integrated financial services group with a full suite of financial business licenses and a robust shareholding structure. The Group has multiple core member companies in sectors including insurance, banking, and asset management. Ping An has developed into a leading company that can provide customers with comprehensive financial services in China.

- An industry leader focusing on Chinese markets and core financial businesses: Ping An focuses on the Chinese mainland in retail integrated financial business. Ping An Life is the second largest life insurer in China by premium income. Ping An P&C is the second largest property and casualty insurer in China by premium income. Ping An Asset Management is the second largest insurance asset manager in China by AUM. Ping An Bank ranks firmly among top joint-stock commercial banks in China by a combination of assets, net profit and so on.

- Strong online-merge-offline channel networks: Offline, Ping An has over 1.3 million sales service agents for property & casualty insurance, life insurance and other businesses, and over 7,000 outlets for life insurance, property & casualty insurance, banking and other businesses, covering all provinces and cities across China. Online, Ping An has developed apps including Ping An Jin Guan Jia, Ping An Pocket Bank, Ping An Auto Owner, and Ping An Health to provide customers with convenient services and premium products.

- Robust ecosystem-based service capabilities: The coupling of Ping An's breadth of business with its powerful online ecosystems enables the Group to provide diverse products and services in a full range of healthcare and elderlycare scenarios. 31.5% of the Group's new retail customers were acquired from its healthcare and elderlycare ecosystem in 2023. Retail customers who used services from the Group's healthcare and elderlycare ecosystem held approximately 3.37 contracts and RMB55,900 in AUM per capita, 1.6 times and 3.5 times those held by non-users of these services respectively as of December 31, 2023.

- Strong technology platform capabilities: Ping An advances comprehensive digital transformation, and employs technologies to improve the quality, efficiency, and risk management of its financial businesses. Premiums from self-service insurance renewal enabled by smart guidance increased by 13% year on year to RMB300.3 billion in 2023. Ping An has a world-leading integrated operations center which is the largest in Asia. AI service representatives recorded a customer service volume of approximately 2.22 billion times. Claims savings from smart risk identification increased by 16.0% year on year to RMB10.82 billion in 2023. Leveraging the technological strength of integrated finance, Ping An continuously enhances the capability and efficiency of cross-selling to meet customer needs for migration within the Group.

- Highly synergistic organizational culture: The "One Ping An" culture centering on value maximization allows member companies to cooperate closely in various businesses under the common goal of boosting customer value and the philosophy of "one customer, multiple products, and one-stop services." Ping An unifies and coordinates its management culture in customer development, risk management, investment operations, back-office centralization and operations, consumer rights protection, brand management, and the value system. This enables close cooperation and resource saving among businesses, driving growth in the Group's customer base, contracts per customer and profit per customer as well as value enhancement.

Integrated Finance Brings Benefits to Customers and Shareholders

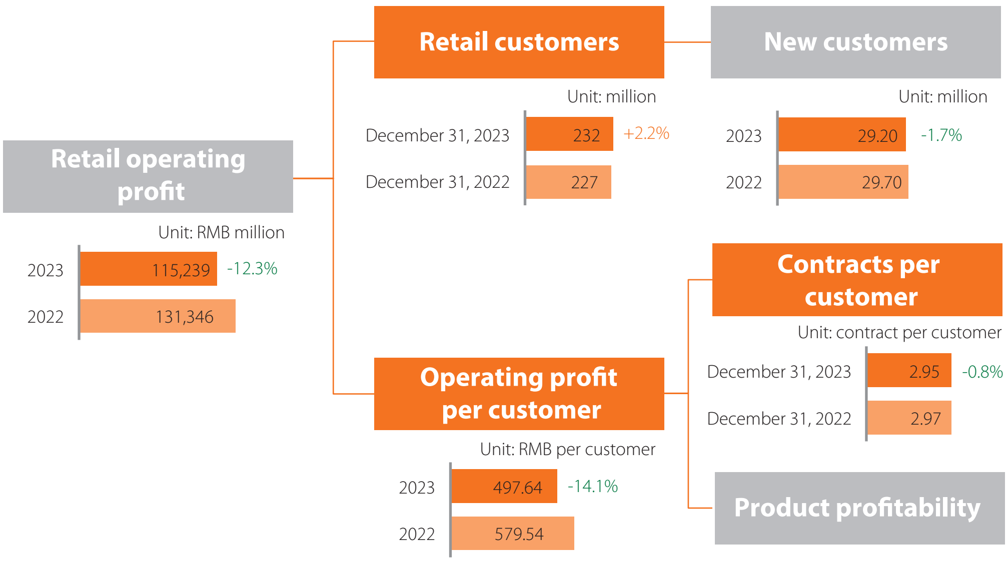
Benefits to customers. Being customer needs-oriented, Ping An adheres to the "worry-free, time-saving, and money-saving" value proposition, providing comprehensive asset allocation and one-stop services. Ping An provides worry-free services for customers through professional advisers, who simplify complex concerns, popularize professional matters, and facilitate tedious issues. Ping An helps customers save time with one-stop services-based integrated accounts, which combine information from multiple accounts of a customer, enabling one-stop allocation to multiple products and one-click access to multiple services. Ping An helps customers save money by customizing superior protection and allocation, achieving asset preservation and appreciation via professional services, realizing flexible redemption via connection of loyalty points and benefits, avoiding unnecessary expenditures, and meeting more potential needs of customers.

Benefits to shareholders. Integrated finance improves operational efficiency. This is shown by three metrics: 1) lower customer acquisition cost of integrated finance channels than that of external channels due to shorter customer acquisition paths and lower friction cost; 2) lower management and service costs as Ping An has a world-leading integrated operations center which is the largest in Asia, has built an integrated intelligent services system via back-office integration, rule management and tool empowerment, and improves quality and efficiency continuously; and 3) stronger customer retention as the retention rate of customers holding four or more contracts within the Group is as high as 97.7%.

Integrated Finance

Group Operating Profit Growth Drivers

Ping An's retail operating profit is driven by the number of retail customers, contracts per customer, and profit per customer. The number of retail customers stood at 232 million as of December 31, 2023, with 2.95 contracts per customer. Operating profit per customer amounted to RMB497.64 in 2023. The three numbers were under pressure in 2023 due to macroeconomic challenges, declining consumer willingness to consume and investment, and heightening credit risk. However, markets are expected to recover further as macroeconomic control intensifies. Ping An has full confidence in the future, firmly optimistic about the positive long-term fundamentals of China's economy and the huge potential of domestic markets. Ping An will continue to advance its integrated finance strategy to meet customer needs, unlock value from existing customers, and create value steadily.



Notes: (1) The above operating profits are operating profits attributable to shareholders of the parent company.
(2) Figures may not match the calculation due to rounding.

RETAIL INTEGRATED FINANCE

Retail Integrated Finance Strategy

In retail business, Ping An adopts the model of "one customer, multiple products, and one-stop services," leveraging technology and compliant data analytics to gain precise insights into customer needs. Ping An builds a brand of heartwarming financial services by meeting customer needs and delivering "worry-free, time-saving, and money-saving" ultimate customer experience via one-stop, multi-channel integrated finance solutions. Moreover, Ping An matches products with scenarios, and empowers business growth through financial integrated accounts by leveraging data, products, benefits and an intelligent marketing services platform.

- Accounts. Remaining customer-centric, Ping An combines information of customer demands for different businesses within the Group in integrated accounts to provide efficient, suitable one-stop financial services and deliver the best "worry-free, time-saving, and money-saving" experience. Integrated accounts, as a universal login system for customers to log in to Ping An's online platforms, facilitate consistent brand perception and improve our capabilities of acquiring customers and retaining customers, funds and assets. Moreover, the integrated account system, covering group-wide loyalty points and benefits, can provide customers with a wider choice of benefits and further boost customer retention.

- Data. Ping An further strengthened personal information protection and consumer rights protection under a customer-centric philosophy. Moreover, Ping An enhanced comprehensive digital development in a strictly compliant manner. By continuously improving customer profiling and precisely understanding customer needs, Ping An provides customers with the most suitable products and services according to product and channel profiles. In this way, Ping An continuously enhances demand-driven financial products and services to optimize customer experience.

- Products. Ping An has established an evaluation system which drives member companies to upgrade their flagship products and services to deliver "worry-free, time-saving, and money-saving" experience. Ping An Group joined hands with external authoritative consulting agencies to release the first *Evaluation Report on Ping An Group's Capabilities of "Worry-free, Time-saving, and Money-saving" Services* in 2023. The report offers a panorama of cutting-edge trends in integrated finance, healthcare and elderlycare based on benchmarking and research, facilitating product upgrades. For instance, Ping An launched innovative products including "insurance trust + elderlycare" to meet personalized customer needs, effectively boosting AUM and empowering agents. New insurance trusts grew 22.3% year on year to RMB50,684 million in 2023, contributing RMB4,897 million and RMB1,466 million to Ping An Life's FYP and NBV respectively.

- Benefits. Ping An accelerates the development of its healthcare and elderlycare ecosystems, and enhances its capabilities of "worry-free, time-saving, and money-saving" services. Ping An empowers business development with various healthcare and elderlycare benefits, effectively boosting Ping An Bank's AUM and intermediary business revenue and Ping An Life's policy conversion. For instance, Ping An Bank worked with Ping An Health and Ping An Healthcare Diagnostics Center to invite wealth management customers to high-end checkups, successfully developing family-based pension asset allocation and one-stop services. In close collaboration with Ping An Health, Ping An Life launched services including five highlights, namely unique checkups, blood sugar control, online consultation, outpatient appointment assistance and accompanying consultation, and critical illness management. In this way, Ping An provides customers with "worry-free, time-saving, and money-saving" one-stop value-added healthcare and elderlycare benefits, with an overall satisfaction degree of 99%. Ping An Life provided health management services to over 20 million customers in 2023.

- An intelligent marketing services platform. The Group's member companies coordinate the themes and launches of seasonal marketing campaigns based on the pace of business development to drive customer migration and product sales. Events including "Ping An January 8 Marketing Campaign," "Ping An 35th Anniversary Customer Appreciation Campaign," "August Pet Festival" and "September 9 Health Festival" brought RMB3.8 trillion in total transaction volume in 2023, effectively empowering member companies to drive business growth.

Profit Drivers of Retail Integrated Finance

The continuously expanding retail customer base, steadily increasing contracts per customer, and robust product profitability have become drivers of Ping An's sustained retail business growth.

1. Number of retail customers

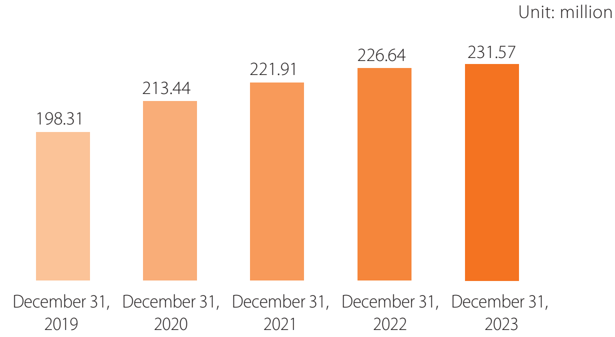
Ping An's retail customers reached approximately 232 million as of December 31, 2023, up 2.2% from the beginning of 2023. The Group's diverse integrated finance products and channels continued to support the expansion of its customer base. The number of new customers totaled 29.20 million in 2023.

Retail customer mix by product line

(in million)	**December 31, 2023**	December 31, 2022	Change (%)
Life insurance[1]	**59.28**	62.01	(4.4)
Auto insurance[1]	**62.71**	59.88	4.7
Retail banking[2]	**125.43**	123.08	1.9
Securities, funds and trusts	**49.20**	50.72	(3.0)
Others[3]	**82.40**	78.22	5.3
The Group	**231.57**	226.64	2.2

Notes: (1) The numbers of insurance companies' customers are based on holders of in-force policies rather than policy beneficiaries.
(2) Retail banking includes debit and credit cardholders, with duplicates removed.
(3) Others include other investments, other loans, and other insurance products.
(4) Retail customers of separate product lines do not add up to the total due to the removal of duplicates.

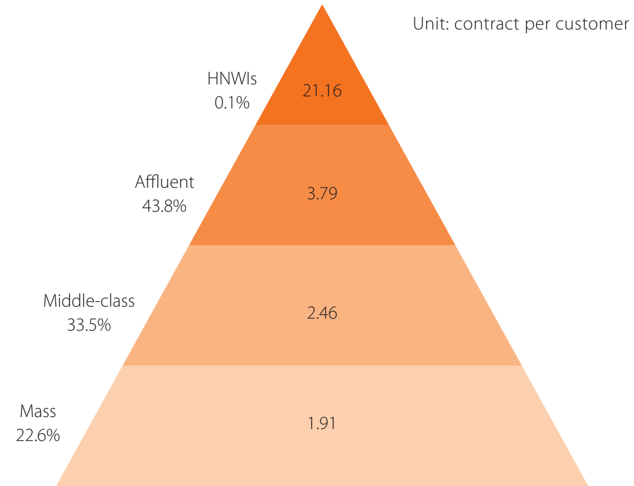
Retail customers increase steadily year by year



Ping An's retail customer structure

Ping An deepens its understanding of customers through long-term customer development. The wealthier the customers are, the more contracts they hold. Middle-class and above customers accounted for more than 77.4% of the Group's total retail customers as of December 31, 2023. HNWIs held 21.16 contracts per customer as of December 31, 2023, far more than affluent customers.

Retail customer structure and contracts per customer



Notes: (1) Mass customers are those with annual income below RMB100,000, middle-class customers between RMB100,000 and RMB240,000, and affluent customers above RMB240,000. HNWIs have personal assets of RMB10 million or more.

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

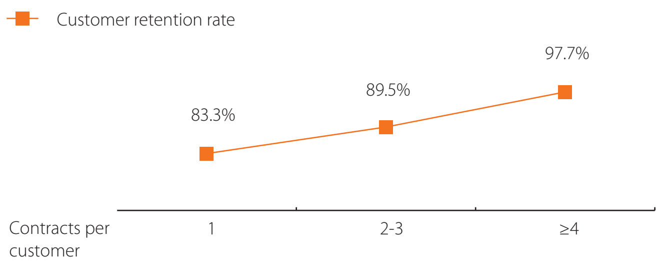
2. Contracts per customer

As Ping An advances its integrated finance strategy, retail cross-selling continues to deepen. Approximately 22.42 million customer migrations occurred within the Group in 2023. Over 88.01 million retail customers held multiple contracts with different subsidiaries of the Group as of December 31, 2023. Contracts per retail customer reached 2.95 as of December 31, 2023. Retail customers and contracts per retail customer increased 16.8% and 10.5% respectively from December 31, 2019 to December 31, 2023. The new customers are mainly auto, accident and health insurance policyholders, credit cardholders, and bank depositors.

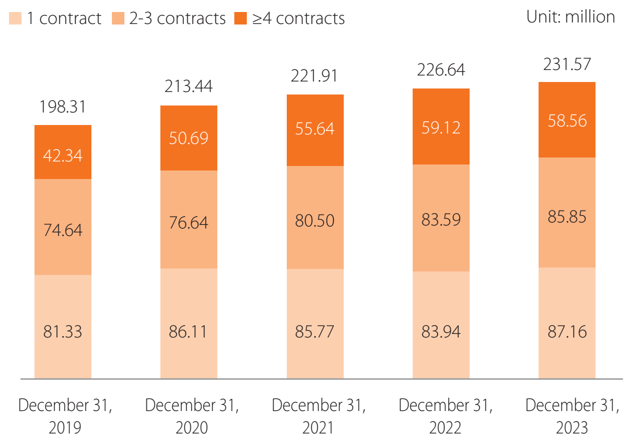
The higher the number of contracts per customer, the higher the customer retention rate

Increasing the number of contracts per customer is key to raising profit per customer and improving customer churn. Continuous customer development leads to more contracts per customer and higher customer retention. 25.3% of our customers held four or more contracts within the Group as of December 31, 2023, and their retention rate was as high as 97.7%, 14.4 pps higher than that of those holding only one contract.

For the twelve months ended December 31, 2023



Number of retail customers by the number of contracts per customer



Note: Figures may not match the calculation due to rounding.

Proportion of customers by years with Ping An

Over 159 million or 68.9% of our customers have been with the Group for five or more years as of December 31, 2023, showing high customer retention.

December 31, 2023	Number of customers (in million)	Proportion (%)
5 or more years	159.47	68.9
2-5 years	45.02	19.4
Less than 2 years	27.07	11.7
The Group	**231.57**	**100.0**

Note: Figures may not match the calculation due to rounding.

3. Profit per customer

Integrated finance continued to make contributions to the Company's insurance businesses and Ping An Bank's retail business in 2023.

Cross-selling between the Company's insurance businesses steadily deepened. Ping An Health Insurance's premium income from cross-selling by Ping An Life's agents rose 13.2% year on year in 2023.

Premium income from cross-selling by Ping An Life's agents

	Channel contribution in 2023	
(in RMB million)	Amount	Percentage (%)
Ping An P&C	38,463	12.7
Ping An Annuity's short-term insurance	7,567	45.9
Ping An Health Insurance	9,972	68.0

Note: Premium income refers to original premium income.

Integrated finance's contributions to Ping An Bank's retail business

	Integrated finance's contribution percentage in 2023 (%)
Newly acquired customers	36.9
Net increase in retail AUM	58.3
Value of auto loans granted	21.2
New credit cards issued	21.6

Ping An's customers increase continuously; in particular, the growth in middle-class and above customers is faster than the Group average, and will boost customer value continuously. Leveraging unique integrated finance advantages, Ping An will offer diverse products and services to meet the demands of different customer segments.

Going forward, Ping An will remain customer-centric and strengthen technological capabilities to drive product innovation and service enhancement, improve customer experience, and create value for retail customers continuously.

Healthcare and Elderlycare as a New Driver of Value Growth

- Ping An has launched an innovative Chinese "managed care model" by seamlessly combining its online/offline healthcare and elderlycare ecosystem with financial businesses in which Ping An acts as a payer, leveraging its over ten years of operational and management experience in insurance and healthcare industries.
- Over the past decade, Ping An has been building a healthcare and elderlycare ecosystem in China with increasingly significant differential advantages including online, in-store and home-delivery service capabilities, wide coverage of hundreds of healthcare and elderlycare service resources, and access to high-quality proprietary resources. This is very important for quality assurance purposes. Ping An had about 50,000 in-house doctors and contracted external doctors as of December 31, 2023. Moreover, Ping An partnered with over 36,000 hospitals (including all top 100 hospitals and 3A hospitals in China), over 100,000 healthcare management institutions and approximately 230,000 pharmacies as of December 31, 2023.
- Ping An's healthcare and elderlycare ecosystem is creating both standalone direct value and also significant indirect value by empowering our core financial businesses through differentiated "Product + Service" offerings. Nearly 64% of Ping An's 232 million retail customers used services from the healthcare and elderlycare ecosystem as of December 31, 2023. They held approximately 3.37 contracts and RMB55,900 in AUM per capita, 1.6 times and 3.5 times those held by non-users of these services respectively.

"HEALTHCARE AND ELDERLYCARE ECOSYSTEM" STRATEGY

Ping An has developed its healthcare and elderlycare ecosystem for over ten years, covering business lines including insurance, healthcare, investment and technology. Ping An implements the healthcare and elderlycare ecosystem strategy through coordinated operations of companies including Ping An Life, Ping An P&C, Ping An Annuity, Ping An Health Insurance, and Ping An Health (stock short name: PA GOODDOCTOR).

China's per capita health expenditure(1) is over RMB5,000 (versus Japan's approximately RMB30,000 and Singapore's approximately RMB24,000), indicating huge room for growth. In addition, China's elderly population(2) exceeded 200 million in 2022 (and is forecast to be over 300 million by 2035), larger than Japan's approximately 37 million and Singapore's approximately 0.85 million, indicating significant room for the development of China's medical resources supply. Ping An's healthcare and elderlycare ecosystem builds its service moat on the following three fronts, developing the Chinese "managed care model" by seamlessly combining differentiated healthcare and elderlycare services with financial businesses in which Ping An acts as a payer to create unique business models:

- Firstly, Ping An's healthcare and elderlycare ecosystem generates revenue as the Group's internal service provider by empowering retail financial customers of the Group's member companies including Ping An Life and Ping An Bank;
- Secondly, Ping An's healthcare and elderlycare ecosystem generates revenue by offering employee health management programs to corporate clients via integration with employee benefit products of Ping An P&C, Ping An Annuity, and Ping An Health Insurance; and

- Thirdly, Ping An's healthcare and elderlycare ecosystem generates long-term revenue by developing an online flagship medical platform and proprietary healthcare institutions to meet domestic mid-market and high-end customers' healthcare and elderlycare needs.

Notes: (1) Per capita health expenditure for 2020. Data on China is derived from computation on the basis of "the total national health expenditure" in the database of the National Bureau of Statistics of China. Data on Japan and Singapore is from the World Bank's database and estimated in RMB.
(2) Elderly population data on China is from the database of the National Bureau of Statistics of China and the *Research Report on Aging in China 2022*. Elderly population data on Japan and Singapore is from the World Bank's database.

As an online flagship platform of the Group's healthcare and elderlycare ecosystem and a bridge between payers and providers in the healthcare and elderlycare industry chain, Ping An Health helps the Group's retail and corporate customers seamlessly navigate online and offline service resources in our healthcare and elderlycare ecosystem. In addition, after acquiring PKU Healthcare Group, Ping An will further optimize its strategies, strengthen its offline medical resources, and build its proprietary flagship brand.

"HEALTHCARE AND ELDERLYCARE ECOSYSTEM" PROGRESS

Payers:

Ping An made significant progress in both retail and corporate customer development by effectively integrating insurance with healthcare and elderlycare services. Ping An's healthcare ecosystem had over 56,000 paying corporate clients in 2023. Ping An Health had nearly 40 million paying users over the past 12 months. Ping An achieved over RMB140 billion in health insurance premium income and customers entitled to service benefits in the healthcare and elderlycare ecosystem accounted for over 73% of Ping An Life's NBV in 2023.

"Finance + healthcare":

- **For mid-market and high-end retail customers,** Ping An provides "heartwarming services" by focusing on "insurance + health" products and exploring "insurance + healthcare" products. Since its launch in 2021, Ping An Zhen Xiang RUN has been upgraded on the basis of interactive health management via the introduction of 18 service items including five highlights, namely unique checkups, blood sugar control, online consultation, outpatient appointment assistance and accompanying consultation, and critical illness management. Over 20 million customers of Ping An Life used services from the healthcare and elderlycare ecosystem in 2023. Notably, about 76% of Ping An Life's newly-enrolled customers used health management services in 2023. The chronic disease prevention and control function has served approximately 1.50 million users as of December 31, 2023, with a quarterly outcome within-range rate of 80% and a service satisfaction degree of 99%.

- **For large and medium-sized corporate clients,** Ping An provides employee health management programs featuring comprehensive benefits, premium services and high cost-effectiveness via "commercial insurance + healthcare fund + healthcare service" products. Over 56,000 corporate clients and their nearly 26 million employees were served in 2023.

"Finance + elderlycare services":

- Ping An prioritizes the development of "insurance + home-based elderlycare" and "insurance + high-end elderlycare" products, providing convenient, premium elderlycare services up to international standards for middle- and high-income and ultra-high-net-worth customers. Customers entitled to home-based elderlycare services increased by 60,000 from the beginning of 2023 to over 80,000 as of December 31, 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 consultation, diagnosis, treatment and services under AI-enabled 24/7 seconds-level management.

Healthcare and Elderlycare as a New Driver of Value Growth

Providers:

- **In respect of proprietary flagships:** PKU Healthcare Group's revenue has continued to grow, driven by its robust operations and faster development since its takeover by Ping An in 2021. PKU Healthcare Group's revenue reached approximately RMB5 billion in 2023. Peking University International Hospital continuously strengthened discipline development, streamlined operations management, and comprehensively improved patient services. Peking University International Hospital's revenue exceeded RMB2.1 billion in 2023, up significantly from its pre-takeover revenue of RMB1.3 billion in 2020. Annual outpatient visits exceeded 1.18 million, and the number of available beds reached 1,200 for the first time in 2023. Ping An had five general hospitals, one rehabilitation hospital, one cardiovascular and cerebrovascular hospital, 17 health management centers and 10 children's rehabilitation centers as of December 31, 2023.

  In the future, Ping An will comprehensively develop its presence in healthcare and elderlycare industries, further integrate PKU Healthcare Group with Ping An's existing healthcare ecosystem, and further unlock synergies between healthcare and insurance. PKU Healthcare Group will strive to become a leading medical group in China by promoting synergistic development of its four business lines, namely medical, health management, rehabilitation and digital services. As the flagship hospital of PKU Healthcare Group, Peking University International Hospital develops prestigious national/regional medical centers, high-end medical centers and a global medical service integration platform. Moreover, Peking University International Hospital has partnered with the world's top hospitals including Mayo Clinic, Cleveland Clinic and UCLA Health.

  In accordance with the CPC Central Committee's decisions on the Healthy China initiative, Ping An will explore and establish a unique, high-quality and efficient healthcare service system to provide people with comprehensive, full-cycle health services.

- **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 about 50,000 in-house doctors and contracted external doctors in China as of December 31, 2023. Ping An partnered with over 36,000 hospitals (including all top 100 hospitals and 3A hospitals), over 100,000 healthcare management institutions and approximately 230,000 pharmacies (over 37% of all pharmacies, up by nearly 6,000 from the beginning of 2023) in China as of December 31, 2023. Moreover, Ping An launched 580 ten-dimensional home-based elderlycare service items as of December 31, 2023. Overseas, Ping An partnered with over 1,300 healthcare institutions in 33 countries across the world as of December 31, 2023, including seven of global top 10 and 56 of global top 100[1].

Note: (1) According to *Newsweek*'s World's Best Hospitals List.

In addition, Ping An continuously advances healthtech R&D. Ping An ranked first globally by the number of healthcare patent applications as of December 31, 2023. Ping An has one of the world's largest healthcare databases, enables precise diagnosis of nearly 5,000 diseases, and proactively builds a leading remote consultation and treatment platform. In this way, Ping An effectively supports sustainable development of the healthcare and elderlycare ecosystem by building technological capabilities in a forward-looking manner.

POSITIVE RESULTS FROM A PROPRIETARY "HEALTHCARE AND ELDERLYCARE ECOSYSTEM"

Ping An's proprietary healthcare and elderlycare ecosystem provides customers with excellent, efficient service experience. Ping An has built up a strong reputation by providing excellent, efficient and convenient services through the healthcare and elderlycare ecosystem, enhancing its brand image by word of mouth. For instance, Ping An Heath 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 reviews from over 98% of users.

Ping An's healthcare and elderlycare ecosystem empowers its core financial businesses through customer acquisition and retention. Synergies between integrated finance and the healthcare and elderlycare ecosystem give Ping An Health and PKU Healthcare Group access to corporate and retail customers of Ping An's financial businesses. Meanwhile, they also give companies including Ping An Life access to service benefits in the Group's healthcare and elderlycare ecosystem. Nearly 64% of Ping An's 232 million retail customers used services from the healthcare and elderlycare ecosystem as of December 31, 2023. They held approximately 3.37 contracts and RMB55,900 in AUM per capita, 1.6 times and 3.5 times those held by non-users of these services respectively.

Under "insurance + service" and other models, Ping An Health works with Ping An Life to participate in policyholders' health management by integrating different healthcare and elderlycare service benefits into life insurance policies. The "insurance + service" model gives Ping An's insurance customers access to "online, in-store, and home-delivered" services in the healthcare and elderlycare ecosystem. Moreover, Ping An Health tracks and improves policyholders' health through in-house family doctors, providing policyholders with a health account as well as a financial account. In this way, Ping An Health continuously empowers the Group's core financial businesses, strengthens differential advantages of insurance business, and boosts customer acquisition, customer retention and customer value.

Ping An Health provides Ping An Life's policyholders with access to diverse healthcare and elderlycare services under the carefully built service brand of "Ping An Family Doctor." Leveraging such scenarios, Ping An Health continuously creates policyholder touchpoints, maintains health records for policyholders, and tracks and manages policyholders' health in real time. For instance, through Ping An Zhen Xiang RUN, Ping An Health provides Ping An Life's policyholders with services including five highlights, namely unique checkups, blood sugar control, online consultation, outpatient appointment assistance and accompanying consultation, and critical illness management. By doing so, Ping An Health delivers one-stop "worry-free, time-saving, and money-saving" healthcare and elderlycare services.

In the long run, Ping An Health will continuously promote its services' penetration of the Group's retail financial customer base by unlocking synergies with the core insurance business. Centering on family doctors, Ping An Health will boost business by enhancing user retention and conversion (into paying users) in Ping An's healthcare and elderlycare ecosystem via active user development. Moreover, Ping An Health will continuously integrate premium healthcare and elderlycare resources to develop its "online, in-store and home-delivered" service network, increasing cost-effectiveness via the economies of scale. In this way, Ping An Health will become a long-term profit center while empowering the Group's core financial businesses.

Analysis of Embedded Value

- Life and health insurance business EV amounted to RMB830,974 million as of December 31, 2023.
- On a like-for-like basis, L&H NBV grew 36.2% in 2023. Based on the latest assumptions including the return on investment and the risk discount rate, NBV of L&H amounted to RMB31,080 million.

INDEPENDENT ACTUARIES REVIEW OPINION REPORT ON THE ANALYSIS OF EMBEDDED VALUE AND OPERATING PROFIT DISCLOSURES

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

We have reviewed the Analysis of Embedded Value and Operating Profit of Ping An Insurance (Group) Company of China, Ltd. (the "Company") as of December 31, 2023. The EV and Operating Profit results include embedded value, new business value after cost of capital ("NBV"), valuation methodology and assumptions, first year premium of new business, profit margin of new business, embedded value movement, sensitivity analysis, operating profit, sources of earnings and contractual service margin related data as at December 31, 2023.

The Company prepared the embedded value and NBV results in accordance with the *Standards for Actuarial Practice: Valuation Standard for Embedded Value of Life Insurance* (the "Standards") which was promulgated by the China Association of Actuaries in November 2016. Our responsibility, as independent actuaries, is to perform certain review procedures set out in our letter of engagement and, based on these procedures, conclude whether the embedded value methodology and assumptions are consistent with the Standards and available market information.

We have reviewed the methodology and assumptions used in preparing the EV and Operating Profit results, including:

- Review the embedded value and NBV of the Company as of December 31, 2023;
- Review the embedded value movement analysis;
- Review the sensitivity analysis of the embedded value and NBV; and
- Review the operating profit of the Company, source of earnings and contractual service margin related data of L&H.

Our review procedures included, but were not limited to, considering whether the methodology and assumptions of the EV results are consistent with the Standards and available market information, considering whether the methodology of the operating profit results is consistent with the disclosed methodology in the Annual Report 2023, validating actuarial models on the basis of sample testing, and inspecting related documentation. In forming our conclusion, we have relied on the accuracy and completeness of the audited and unaudited data and information provided by the Company.

The preparation of the EV results requires assumptions and projections about future economic and financial situations, many of which are outside the control of the Company. Therefore, actual experience may differ from these assumptions and projections.

OPINION:

Based on our review procedures, we have concluded that:

- The methodology and assumptions used in preparing the EV results are in compliance with the Standards and consistent with available market information;

- The EV and Operating Profit results, in all material aspects, are consistent with the methodology and assumptions stated in the Analysis of Embedded Value chapter in the Annual Report 2023.

We also confirm that the EV and Operating Profit results disclosed in the Analysis of Embedded Value chapter in the Annual Report 2023 are consistent with the results we reviewed.

This report has been prepared for and only for the Board of Directors of the Company in accordance with our letter of engagement and for no other purpose. We do not accept or assume responsibility for any other purpose or to any other person whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing.

Liang Yong Hua, Actuary

Ernst & Young (China) Advisory Limited

March 21, 2024

KEY INDICATORS

(in RMB million)	**2023/ December 31, 2023**	2022/ December 31, 2022	Change (%)
L&H EV on a like-for-like basis [1]	**930,160**	874,786	6.3
L&H value of one year's new business after cost of capital (NBV) on a like-for-like basis[1]	**39,262**	28,820	36.2
L&H EV[2]	**830,974**	N/A	N/A
L&H value of one year's new business after cost of capital (NBV) [2]	**31,080**	N/A	N/A
L&H operating ROEV[3] (%)	**11.2**	11.0	0.2 pps
Long-run investment return assumption (%)	**4.5**	5.0	-0.5 pps
Risk discount rate (%)	**9.5**	11.0	-1.5 pps

Notes: (1) L&H EV and NBV for 2023 are based on the end-2022 assumptions and model.
(2) Ping An prudently lowered the L&H EV long-run investment return assumption to 4.5% and the risk discount rate to 9.5% in 2023 in view of the macroeconomic environment and the long-run trend of interest rates.
(3) Expected return on opening EV is based on a 5% long-run investment return assumption and an 11% risk discount rate. L&H operating ROEV is 10.6% for 2023 based on the latest assumptions including the return on investment and the risk discount rate.

Analysis of Embedded Value

ANALYSIS OF EMBEDDED VALUE

The Company has disclosed information regarding EV in this section in order to provide investors with an additional tool to understand our economic value and business results. The embedded value represents the shareholders' adjusted net asset value ("ANA") plus the value of the Company's in-force life and health insurance business adjusted for the cost of holding the required capital. The embedded value excludes the value of future new business.

In accordance with the related provisions of the *Rules for the Compilation of Information Disclosures by the Companies Offering Securities to the Public (No. 4) – Special Provisions on Information Disclosures by Insurance Companies*, the Company has engaged Ernst & Young (China) Advisory Limited to review the reasonableness of the methodology, assumptions and calculation results of the Company's analysis of embedded value as of December 31, 2023.

The calculation of the analysis of embedded value relies on a number of assumptions with respect to future experience. Future experience may vary from that assumed in the calculation, and these variations may be material. The market value of the Company is measured by the value of the Company's shares on any particular date. In valuing the Company's shares, investors take into account a variety of information available to them and their own investment criteria. Therefore, these calculated values should not be construed as a direct reflection of the actual market value.

The *Standards for Actuarial Practice: Valuation Standard for Embedded Value of Life Insurance* (the "Standards") issued by the China Association of Actuaries became effective in November 2016. The Company has disclosed the embedded value for 2023 in accordance with the Standards and China Risk Oriented Solvency System ("C-ROSS").

Components of Economic Value

(in RMB million)	**December 31, 2023**	December 31, 2022
L&H adjusted net asset value (ANA)	**384,510**	374,080
Value of in-force insurance business before cost of capital	**550,593**	568,379
Cost of capital	**(104,128)**	(67,673)
L&H EV[1]	**830,974**	874,786
Other business ANA	**559,152**	548,977
Group EV	**1,390,126**	1,423,763

Notes: (1) L&H EV as of December 31, 2023 was RMB930,160 million based on the end-2022 assumptions and model.
(2) Figures may not match the calculation due to rounding.

(in RMB million)	**2023**	2022
Value of one year's new business	**37,614**	34,486
Cost of capital	**(6,534)**	(5,666)
Value of one year's new business after cost of capital[1]	**31,080**	28,820

Notes: (1) Value of one year's new business after cost of capital for 2023 was RMB39,262 million based on the end-2022 assumptions and model.
(2) Figures may not match the calculation due to rounding.

The adjusted net asset value of the life and health insurance business is based on the shareholders' net asset value of the relevant life and health insurance business of the Company as measured in compliance with the Standards. This shareholders' net asset value is calculated based on the shareholders' net asset value as measured in accordance with China Accounting Standards (CAS) and adjusted for relevant differences including reserves. The adjusted net asset value of other business is based on the shareholders' net asset value of the relevant business of the Company in accordance with CAS. The relevant life and health insurance business includes business conducted through Ping An Life, Ping An Annuity and Ping An Health Insurance. The values placed on certain assets have been adjusted to the market values.

Key Assumptions

The assumptions used in the embedded value calculation as at December 31, 2023 have been made on a "going concern" basis, assuming continuation of the economic and legal environment currently prevailing in China. The calculation is in line with the Standards and capital requirement under C-ROSS. Certain portfolio assumptions are based on the Company's own recent experience as well as considering the more general China market and other life insurance markets' experience. The principal bases and assumptions used in the calculation are described below:

1. **Risk discount rate**
   The discount rate for calculating the value of in-force and the value of new business of the life and health insurance business is assumed to be 9.5%.

2. **Investment return**
   For non-investment-linked insurance funds, the future annual investment return is assumed to be 4.5%. For investment-linked funds, future investment returns have been assumed to be slightly higher than the above non-investment-linked fund investment returns assumption. These returns have been derived by consideration of the current capital market conditions, the Company's current and expected future asset allocations and associated investment returns for a range of major asset classes.

3. **Taxation**
   A 25% average income tax rate has been assumed. The percentage of investment returns that can be exempted from income tax has been assumed to be 20%.

4. **Mortality**
   The experience mortality rates have been based on the *China Life Insurance Mortality Table (2010-2013)* and the Company's most recent experience studies. They are tailored to be product specific and future mortality improvement has been taken into consideration for annuity products.

5. **Other incident rates**
   Morbidity rate and accident rate assumptions have been based on the industry table or the Company's own pricing table. The trend of long-term morbidity deterioration has been taken into consideration. The loss ratios have been assumed to be within the range of 15% to 100% for short-term accident and health insurance businesses.

6. **Discontinuance**
   Policy discontinuance rates have been based on the Company's recent experience studies. The discontinuance rates are pricing interest rate and product type specific.

7. **Expense**
   Expense assumptions have been based on the Company's most recent expenses investigation. Expense assumptions mainly consist of acquisition expense and maintenance expenses assumptions. The unit maintenance expense was assumed to increase by 2% per annum.

8. **Policyholder dividend**
   Policyholder dividends have been based on 75% of the interest and mortality surplus for individual participating business. For group participating business, dividends have been based on 80% of interest surplus only.

Analysis of Embedded Value

New Business Value

The new business volumes based on the end-2022 assumptions and model measured by first year premium and its new business value by segment are as follows:

(in RMB million)	FYP used to calculate New Business Value 2023	2022	Change (%)	New Business Value 2023	2022	Change (%)
Retail business	**133,662**	88,913	50.3	**38,900**	28,439	36.8
Agency	**100,513**	63,100	59.3	**32,169**	22,932	40.3
Bancassurance	**18,091**	10,696	69.1	**3,643**	2,050	77.7
Community Grid, tele and others	**15,058**	15,116	(0.4)	**3,087**	3,457	(10.7)
Group business	**32,122**	30,423	5.6	**362**	380	(4.7)
Total	**165,784**	119,336	38.9	**39,262**	28,820	36.2

Notes: (1) Community Grid, tele and others include Community Grid, telemarketing and Ping An Health Insurance's retail business.
(2) The differences between FYP used to calculate NBV and FYP disclosed in Management Discussion and Analysis ("MD&A") are explained in the appendix.
(3) Figures may not match the calculation due to rounding.

The NBV margin based on the end-2022 assumptions and model by segment is as follows:

	By FYP (%) 2023	2022	By ANP (%) 2023	2022
Retail business	**29.1**	32.0	**39.6**	38.5
Agency	**32.0**	36.3	**45.3**	45.9
Bancassurance	**20.1**	19.2	**28.6**	22.7
Community Grid, tele and others	**20.5**	22.9	**20.6**	23.0
Group business	**1.1**	1.2	**1.7**	1.7
Total	**23.7**	24.1	**32.9**	30.1

Notes: (1) ANP (annualized new premium) is calculated as the sum of 100 percent of annualized first year premiums and 10 percent of single premiums.
(2) Figures may not match the calculation due to rounding.

Quarterly NBV based on the end-2023 assumptions and model is as follows:

(in RMB million)	NBV	FYP used to calculate NBV	NBV margin (%)
First quarter of 2023	10,682	65,514	16.3
Second quarter of 2023	9,430	48,387	19.5
Third quarter of 2023	6,105	30,863	19.8
Fourth quarter of 2023	4,863	21,020	23.1
Year of 2023	31,080	165,784	18.7

Note: Figures may not match the calculation due to rounding.

Embedded Value Movement

The table below shows how the Company's embedded value changed from the opening balance of RMB1,423,763 million as of December 31, 2022 to the closing balance of RMB1,390,126 million as of December 31, 2023.

(in RMB million)		2023	Note
L&H Opening EV	[1]	**874,786**	
Expected return on opening EV	[2]	68,218	
Including: Unwinding of in-force value		54,216	In-force unwind at the 11% risk discount rate
ANA return		14,002	
NBV post-risk diversification benefits	[3]	35,605	
Including: NBV pre-risk diversified		31,080	Reported NBV based on a cost of capital calculated at policy level
Diversification effects within new business		2,767	Diversification within new business lowers cost of capital
Diversification effects with in-force		1,758	Diversification between new business and in-force lowers cost of capital
Operating assumptions and model changes	[4]	(10,049)	Mainly due to adjustments of fund of insurance guarantee assumptions and lapse rate based on experience
Operating variances and others	[5]	4,442	
L&H EV operating profit	[6]=[2+...+5]	**98,216**	
Economic assumptions changes	[7]	(76,604)	Adjustments of EV investment return assumption, risk discount rate, etc.
Market value adjustment	[8]	7,875	Change in market value adjustment of free surplus during the Reporting Period
Investment return variance	[9]	(29,060)	Lower than assumed investment return
Non-operating one-off item and others	[10]	–	
L&H EV profit	[11]=[6+...+10]	**426**	
Shareholder dividends		(42,717)	Dividends upstreamed from Ping An Life to the Company
Employee stock ownership plan		(1,521)	L&H's Long-term Service Plan and Key Employee Share Purchase Plan, as well as the offset effect for the amortization during the Reporting Period
L&H Closing EV		**830,974**	
Other business opening ANA		**548,977**	
Operating profit of other business		12,919	
Non-operating profit of other business		149	Revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company
Market value adjustment and other variance		878	
Other business closing ANA before capital changes		**562,923**	

Analysis of Embedded Value

(in RMB million)	2023	Note
Dividends received	42,717	Dividends upstreamed from Ping An Life to the Company
Dividends paid	(44,002)	Dividends paid by the Company to shareholders
Employee stock ownership plan	(2,486)	Long-term Service Plan and Key Employee Share Purchase Plan, as well as the offset effect for the amortization during the Reporting Period
Other business closing ANA	**559,152**	
Closing group EV	**1,390,126**	
Closing group EV per share (in RMB)	**76.34**	

Note: Figures may not match the calculation due to rounding.

EV operating profit of L&H in 2023 was RMB98,216 million, mainly comprised of the NBV and expected return on opening EV.

(in RMB million)		2023	2022
L&H EV operating profit	[6]	**98,216**	96,074
L&H operating ROEV (%)	[12]=[6]/[1]	**11.2**	11.0

Note: Figures may not match the calculation due to rounding.

SENSITIVITY ANALYSIS

The Company has investigated the effect, on the embedded value of the Group, embedded value of the life and health insurance business and the value of one year's new business, of certain independently varying assumptions regarding future experience. Specifically, the following changes in assumptions have been considered:

- Assumptions and model used in 2022
- A 50 bps increase or decrease in investment return
- A 50 bps increase or decrease in risk discount rate
- A 10% increase in mortality, morbidity and accident rates
- A 10% increase in policy discontinuance rates
- A 10% increase in maintenance expenses
- A 5% increase in the policyholders' dividend payout ratio
- A 10% decrease in the fair value of equity assets

Sensitivity to key assumptions

(in RMB million)	Group EV	L&H EV	NBV
Base case	1,390,126	830,974	31,080
Assumptions and model used in 2022	1,489,313	930,160	39,262
Investment return increased by 50 bps per annum	1,495,855	936,703	38,600
Risk discount rate increased by 50 bps per annum	1,368,819	809,667	29,652
Investment return decreased by 50 bps per annum	1,284,494	725,341	23,574
Risk discount rate decreased by 50 bps per annum	1,413,383	854,231	32,633
10% increase in mortality, morbidity and accident rates	1,362,822	803,670	28,453
10% increase in policy discontinuance rates	1,387,860	828,707	30,803
10% increase in maintenance expenses	1,386,312	827,160	30,863
5% increase in the policyholders' dividend payout ratio	1,381,397	822,245	31,018
10% decrease in the fair value of equity assets	1,362,293	810,293	N/A

ANALYSIS OF OPERATING PROFIT

This section contains the Group Operating Profit and Operating ROE, and Source of Earning and Contractual Service Margin Analysis of L&H. The Company has engaged Ernst & Young (China) Advisory Limited to review the reasonableness of the methodology and the calculation results of the Analysis of Operating Profit for 2023.

The discount rate used for the measurement of insurance contract liabilities in life and health insurance business is determined based on observable current market interest rates that reflect the characteristics of insurance contracts. In order to optimize the match between assets and liabilities, the Company chooses to classify some debt investments backing the business as debt investments measured at fair value through other comprehensive income. When measuring operating metrics, we exclude the fair value changes of debt investments backing life and health insurance business measured at fair value through other comprehensive income, as well as the financial changes of insurance contract liabilities recognized in other comprehensive income that may be reclassified subsequently into profit or loss, to reflect the essence of the Company's asset liability management, except for the relevant part of the business subject to the VFA. The financial changes in insurance contract liabilities subject to the VFA are matched with the fair value changes of the underlying assets backing this type of business, so no adjustments are made when measuring operating metrics.

Analysis of Embedded Value

Operating Profit of the Group

Operating profit is a meaningful business performance evaluation and comparison metric given the long-term nature of the Company's major life and health insurance business. Ping An defines operating profit after tax as reported net profit excluding items which are of a short-term, volatile or one-off nature and others:

- Short-term investment variance applies to Life & Health business excluding the part subject to the VFA(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 4.5%(2). 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 2023 and 2022 comprised the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company.

Notes: (1) Insurance finance income or expenses of liabilities subject to the VFA match the changes in the fair value of the underlying items backing such business. Therefore, no adjustment is made when operating metrics are measured.
(2) The Company lowered the investment return assumption to 4.5% in 2023, and retrospectively adjusted data for the comparative period as per the adjusted investment return assumption.

The Group's operating profit after tax attributable to shareholders of the parent company in 2023 was RMB117,989 million, down 19.7% year on year, with an operation ROE of 13.2%. L&H operating profit after tax attributable to shareholders of the parent company was RMB105,070 million, down 3.2% year on year, with an operation ROE of 32.1%.

Operating profit after tax attributable to shareholders of the parent company

The reconciliation between operating profit and reported net profit is as follows:

(in RMB million)		The Group 2023	The Group 2022	L&H 2023	L&H 2022
Operating profit attributable to shareholders of the parent company		**117,989**	146,895	**105,070**	108,544
Operating profit attributable to non-controlling interests(1)		**23,829**	24,071	**1,013**	1,266
Operating profit	[1]	**141,818**	170,966	**106,083**	109,810
Plus:					
Short-term investment variance of L&H(2)	[2]	**(32,692)**	(34,305)	**(32,692)**	(34,305)
Impact of one-off material non-operating items and others (2)	[3]	**149**	(1,844)	**-**	-
Net profit	[4]=[1+2+3]	**109,274**	134,817	**73,391**	75,505
Net profit attributable to shareholders of the parent company		**85,665**	111,008	**72,598**	74,501
Net profit attributable to non-controlling interests		**23,609**	23,809	**793**	1,004

Notes: (1) Operating profit attributable to non-controlling interests = net profit attributable to non-controlling interests in the consolidated financial statements – (1 – proportion of shares held by the Company) * the above adjusted items.
(2) The short-term investment variance is based on a long-run investment return assumption of 4.5%, and data for the comparative period has been retrospectively adjusted as per the adjusted investment return assumption. The short-term investment variance and impact of one-off material non-operating items and others set out above are net of tax.
(3) Figures may not match the calculation due to rounding.

(in RMB million)	2023	2022	Change (%)
Life and health insurance business	**105,070**	108,544	(3.2)
Property and casualty insurance business	**8,918**	10,066	(11.4)
Banking business	**26,925**	26,380	2.1
Asset management business	**(20,747)**	2,292	N/A
Technology business	**1,905**	5,458	(65.1)
Other businesses and elimination	**(4,083)**	(5,845)	(30.1)
The Group	**117,989**	146,895	(19.7)

Note: Figures may not match the calculation due to rounding.

Operating ROE

(%)	2023	2022	Change (pps)
Life and health insurance business	**32.1**	37.3	(5.2)
Property and casualty insurance business	**7.4**	8.8	(1.4)
Banking business	**11.4**	12.4	(1.0)
Asset management business	**(19.8)**	2.4	N/A
Technology business	**2.0**	5.8	(3.8)
Other businesses and elimination	**N/A**	N/A	N/A
The Group	**13.2**	17.9	(4.7)

Operating equity attributable to shareholders of the parent company

(in RMB million)	December 31, 2023	December 31, 2022	Change (%)
Life and health insurance business(1)	**344,892**	308,946	11.6
Property and casualty insurance business	**124,647**	117,799	5.8
Banking business	**244,777**	222,956	9.8
Asset management business	**92,836**	117,143	(20.7)
Technology business	**97,250**	94,937	2.4
Other businesses and elimination	**13,090**	(1,138)	N/A
The Group(1)	**917,492**	860,643	6.6

Note: (1) Excluding changes in fair value of debt investments measured at fair value through other comprehensive income backing life and health insurance business, as well as accumulated insurance finance expenses for insurance contract liabilities recognized through other comprehensive income that can be reclassified into profit or loss, except for the part subject to the VFA.

Analysis of Embedded Value

Quarterly OPAT based on the embedded value long-run investment return assumption of 4.5% is as follows:

(in RMB million)	OPAT attributable to shareholders of the parent company Group	L&H
First quarter of 2023	39,920	26,696
Second quarter of 2023	39,030	27,592
Third quarter of 2023	28,931	26,023
Fourth quarter of 2023	10,108	24,760

Note: Figures may not match the calculation due to rounding.

Source of Earnings and Contractual Service Margin Analysis of L&H

The breakdown by source of earnings of L&H operating profit is presented below:

(in RMB million)		2023	2022	Note
Insurance service result and others	[1]=[2]+[5]+[8]	**88,587**	91,710	
Release of CSM	[2]	**74,787**	80,590	
CSM release base	[3]	**843,227**	899,273	
CSM release rate (%)	[4]=[2]/[3]	**8.9**	9.0	
Change in risk adjustment for non-financial risk	[5]	**6,029**	5,884	
Opening risk adjustment	[6]	**142,249**	138,165	
Risk adjustment release rate (%)	[7]=[5]/[6]	**4.2**	4.3	
Operating variances and others	[8]	**7,771**	5,236	Mainly affected by the growth of operating variances such as claim deviation
Investment service result[1]	[9]	**25,589**	21,785	
Operating profit before tax	[10]=[1]+[9]	**114,176**	113,495	
Income tax	[11]	**(8,092)**	(3,685)	Mainly due to differences in tax adjustments compared to the comparative period
Operating profit after tax	[12]=[10]+[11]	**106,083**	109,810	

Notes: (1) Investment service result is the part of operating investment income that exceeds the required return on reserves.
(2) Figures may not match the calculation due to rounding.

As of December 31, 2023, the contractual service margin of life and health insurance business was RMB768,440 million. The movement of L&H contractual service margin in 2023 is presented below:

(in RMB million)		2023	2022	Note
Opening CSM	[1]	**818,683**	877,135	
Contribution from new business ("New Business CSM")	[2]	**38,951**	35,122	
Present value of expected premiums from new business sold	[3]	**384,254**	315,274	
New business CSM margin (%)	[4]=[2]/[3]	**10.1**	11.1	Mainly affected by changes in business structure and downward market interest rate
Expected interest growth	[5]	**25,332**	27,106	
Changes in estimates that adjust CSM(1)	[6]	**(46,374)**	(42,160)	Mainly affected by policy withdrawal differences and prudent adjustments to noneconomic assumptions
Changes in financial risks of insurance contracts subject to the VFA	[7]	**6,635**	2,069	Mainly affected by fluctuations in capital markets
CSM release base	[8]=[1]+[2]+[5]+[6]+[7]	**843,227**	899,273	
Release of CSM	[9]=X%*[8]	**(74,787)**	(80,590)	
Closing CSM	[10]=[8]+[9]	**768,440**	818,683	

Notes: (1) Excluding changes in the financial risks under the insurance contracts subject to the VFA.
(2) Figures may not match the calculation due to rounding.

Appendix

The differences between FYP used to calculate NBV and FYP disclosed in MD&A are explained below.

For the twelve months ended December 31, 2023 (in RMB million)	FYP used to calculate NBV	FYP disclosed in MD&A	Difference	Reasons
Retail business	**133,662**	**181,973**	(48,311)	Guaranteed renewal and other short-term products' renewal premiums are included in FYP disclosed in MD&A but not included in FYP used to calculate value of new business
Group business	**32,122**	**18,965**	13,157	In compliance with current accounting standards, group investment contracts are not included in FYP disclosed in MD&A, but included in FYP used to calculate value of new business due to their contribution to value of new business
Total of L&H	**165,784**	**200,938**	(35,154)	

Note: Figures may not match the calculation due to rounding.

Liquidity and Capital Resources

- Ping An's comprehensive solvency margin ratio and core solvency margin ratio under the C-ROSS Phase II were 208.0% and 160.3% respectively as of December 31, 2023, both well above regulatory requirements.
- Free cash of the parent company remained reasonable at RMB37,407 million as of December 31, 2023.
- Ping An plans to pay a final dividend of RMB1.50 per share in cash for 2023. The full-year cash dividend will be RMB2.43 per share, up 0.4% year on year. The cash dividend payout ratio based on operating profit attributable to shareholders of the parent company is 37.3%, with total dividend increasing for 12 consecutive years.

OVERVIEW

The aim of the Group's liquidity management is to maximize shareholder returns by strictly enforcing liquidity risk limits, improving the efficiency of fund utilization, reducing funding costs, and optimizing the allocation of financial resources and the capital structure on the premise of security.

The Company coordinates and manages its liquidity and capital resources at the Group level. The Strategy and Budget Management Committee, and the Risk Management Executive Committee under the Group's Executive Committee oversee these essentials at the Group level. The Treasury Department of the Group is the execution unit for liquidity and capital resources management.

The Group has put in place a robust capital management and decision-making mechanism. The Group's subsidiaries put forward their capital demands based on their own business development needs. The parent company then submits its recommendations on the overall capital plan for the Group, based on the overall situation of the subsidiaries' business development. The Board of Directors of the Group then determines a final capital plan based on the strategic plan of the Group before allocating capital accordingly.

(in RMB million)	**December 31, 2023**	December 31, 2022	Change (%)
Total assets	**11,583,417**	11,009,940	5.2
Total liabilities	**10,354,453**	9,823,944	5.4
Total liabilities to total assets ratio (%)	**89.4**	89.2	0.2 pps

Note: Total liabilities to total assets ratio = total liabilities / total assets.

CAPITAL STRUCTURE

In accordance with its capital plan, the Group ensures capital adequacy by issuing capital market instruments including equity securities, capital supplementary bonds, tier 2 capital bonds, undated capital bonds, perpetual subordinated bonds, and subordinated corporate bonds to raise capital. Adjustments are made to surplus capital through dividend distribution or otherwise.

The following table shows the balances of capital bonds issued by the Group and main subsidiaries as of December 31, 2023:

Issuer	Type	Par value (in RMB million)	Coupon rate	Issuance year	Maturity
Ping An Life	Capital supplementary bonds	20,000	First 5 years: 3.58% Next 5 years: 4.58% (If not redeemed)	2020	10 years
Ping An P&C	Capital supplementary bonds	10,000	First 5 years: 4.64% Next 5 years: 5.64% (If not redeemed)	2019	10 years
Ping An Bank	Tier 2 capital bonds	30,000	Fixed rate of 4.55%	2019	10 years
Ping An Bank	Undated capital bonds	20,000	First 5 years: 4.10% Adjusted every 5 years	2019	Undated
Ping An Bank	Undated capital bonds	30,000	First 5 years: 3.85% Adjusted every 5 years	2020	Undated
Ping An Bank	Tier 2 capital bonds	30,000	Fixed rate of 3.69%	2021	10 years
Ping An Securities	Perpetual subordinated bonds	5,000	First 5 years: 3.86% Adjusted every 5 years	2021	Undated
Ping An Securities	Subordinated corporate bonds	1,900	3.10%	2022	3 years
Ping An Securities	Subordinated corporate bonds	1,100	3.56%	2022	5 years
Founder Securities	Subordinated corporate bonds	1,200	4.10%	2023	3 years
Founder Securities	Subordinated corporate bonds	1,500	3.68%	2023	2 years
Founder Securities	Subordinated corporate bonds	500	3.80%	2023	3 years

FREE CASH OF THE PARENT COMPANY

Free cash of the parent company includes bonds, bank deposits and cash equivalents that the parent company holds. Free cash of the parent company is mainly invested in subsidiaries or used for daily operations or dividend distribution. Free cash of the parent company remained reasonable at RMB37,407 million as of December 31, 2023.

(in RMB million)	2023
Opening balance of free cash	**42,958**
Dividends from subsidiaries	**62,820**
Dividends paid out to shareholders	**(44,002)**
Others	**(24,369)**
Closing balance of free cash	**37,407**

Liquidity and Capital Resources

The major free cash outflows were the dividends of RMB44,002 million to shareholders.

The major free cash inflows were the dividends of RMB62,820 million from subsidiaries as detailed below:

(in RMB million)	2023
Ping An Life	**53,672**
Ping An Bank	**2,741**
Ping An P&C	**2,090**
Ping An Asset Management	**1,480**
Ping An Financial Leasing	**1,389**
Ping An Trust	**834**
Ping An Securities	**614**
Total	**62,820**

DIVIDEND DISTRIBUTION

According to Article 216 of the *Articles of Association*, the Company shall attach importance to reasonable investment returns for investors in terms of profit distribution. The profit distribution policy of the Company shall maintain its continuity and stability. The accumulated profit to be distributed in cash for the past three years shall not be less than 30% of the average yearly distributable profit realized in the past three years, provided that the annual distributable profit of the Company (namely the profit after tax of the Company after covering losses and making contributions to the revenue reserve) is positive in value and such distributions are in compliance with the prevailing laws and regulations and the requirements of regulatory authorities for solvency margin ratios. In determining the specific cash dividend payout ratio, the Company shall consider its profitability, cash flows, solvency position, and operational and business development needs. The Board of Directors of the Company is responsible for formulating and implementing a profit distribution proposal in accordance with the *Articles of Association*. The Board of Directors will ensure the continuity and stability of the profit distribution policy so that the Group can seize opportunities for future growth while maintaining financial flexibility. The Board of Directors proposed to pay a final dividend of RMB1.50 per share (tax inclusive) in cash for 2023. As the Company already paid an interim cash dividend of RMB0.93 per share (tax inclusive), the full-year cash dividend for 2023 is RMB2.43 per share (tax inclusive), up 0.4% year on year.

Dividend payouts of the parent company are decided by taking account of the Group's operating profit attributable to shareholders of the parent company. The Company's cash dividends and cash dividend payout ratios computed on the basis of operating profit attributable to shareholders of the parent company for the past five years are shown in the table below. Ping An has grown its full-year cash dividend amount at a 7.0% compound annual growth rate over the past five years.

	Cash dividend per share (in RMB)	Growth of cash dividend per share (%)	Cash dividend amount (in RMB million)	Cash dividend payout ratio based on operating profit attributable to shareholders of the parent company (%)	Share repurchase amount (in RMB million)	Cash dividend payout ratio based on net profit attributable to shareholders of the parent company (inclusive of share repurchases, %)
2023	2.43	0.4	44,002	37.3	–	51.4
2022	2.42	1.7	43,820	29.5	1,101	53.6
2021	2.38	8.2	43,136	29.2	3,900	46.3
2020	2.20	7.3	40,063	28.7	994	28.7
2019	2.05	19.2	37,340	28.1	5,001	28.3

Notes: (1) For 2022, the cash dividend payout ratio based on restated operating profit attributable to shareholders of the parent company was 29.8%, and the cash dividend payout ratio based on restated net profit attributable to shareholders of the parent company (inclusive of share repurchases) was 40.5%.
(2) Cash dividend per share includes the interim dividend and final dividend for the year. Pursuant to the *Shanghai Stock Exchange's Guidelines for Self-regulation of Listed Companies No.7 - Repurchase of Shares* promulgated by the SSE, the Company's A shares in the Company's repurchased securities account are not entitled to dividend distribution.
(3) Except for the 2023 final dividend pending approval at the 2023 Annual General Meeting, profit distributions for other years were completed in relevant years.

CAPITAL ALLOCATION

When investing in subsidiaries, the Company strictly abides by laws, regulations, regulatory requirements and its internal decision-making procedures. In respect of capital allocation, the Company prioritizes supporting strategic development, ensuring steady growth in core financial businesses, and boosting capital efficiency. The Company invests its capital prudentially, encourages capital-light operations, and constantly optimizes returns on invested capital and asset-liability structures.

GROUP SOLVENCY MARGIN

Ping An Group's solvency margin ratios were significantly above the regulatory requirements as of December 31, 2023. Stable solvency margin ratios ensure that the Company meets capital requirements specified by external institutions including regulators and rating agencies, and support the Company in developing business and continuously creating value for shareholders.

(in RMB million)	**December 31, 2023**	December 31, 2022
Core capital	**1,320,654**	1,363,413
Actual capital	**1,714,110**	1,783,772
Minimum capital	**823,985**	819,568
Core solvency margin ratio (%)	**160.3**	166.4
Comprehensive solvency margin ratio (%)	**208.0**	217.6

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 are 50% and 100% respectively.

Liquidity and Capital Resources

Test results showing the impacts of declines in interest rates and equity assets on solvency margin ratios of Ping An Group, Ping An Life, and Ping An P&C as at December 31, 2023 are disclosed below:

	Core solvency margin ratio			Comprehensive solvency margin ratio		
December 31, 2023	Ping An Group	Ping An Life	Ping An P&C	Ping An Group	Ping An Life	Ping An P&C
Base case	160.3%	105.0%	169.4%	208.0%	194.7%	207.8%
50 bps decline in current interest rates	156.8%	95.2%	171.1%	203.3%	182.0%	209.5%
10% decrease in fair value of equity assets	155.0%	94.9%	167.3%	203.9%	187.7%	205.9%

LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the risk of the Company being unable to obtain sufficient cash in time, or being unable to obtain sufficient cash in time at a reasonable cost, to repay debts that have become due or fulfill other payment obligations.

In accordance with international and domestic regulatory requirements, the Group has established a liquidity risk management framework and guiding principles covering risk appetites and tolerance, risk limits, risk monitoring, stress testing, and emergency management. Member companies have developed their own management procedures and liquidity risk appetites, risk tolerance, and risk limits in line with the applicable regulations, industry practices, and features of their business activities. The Group organizes its member companies to regularly evaluate liquid assets and maturing debts, and use tools including stress testing of cash flows to identify risks in advance. The Group and its member companies hold sufficient liquid assets and maintain stable, convenient and diverse sources of financing to ensure that we have adequate liquidity resources to tackle possible impacts from adverse situations. Moreover, we have developed comprehensive emergency liquidity plans for effectively handling any significant liquidity risk events. In addition, the Group effectively prevents the intra-group contagion of liquidity risk with internal firewalls.

CASH FLOW ANALYSIS

(in RMB million)	**2023**	2022	Change (%)
Net cash flows from operating activities	**360,403**	476,776	(24.4)
Net cash flows from investing activities	**(104,001)**	(215,760)	(51.8)
Net cash flows from financing activities	**(222,056)**	(230,873)	(3.8)

Net cash inflows from operating activities decreased year on year mainly due to a decrease in cash inflows from Ping An Bank's deposits.

Net cash outflows from investing activities decreased year on year mainly due to a decrease in net cash outflows from Ping An Life's investing activities.

Net cash outflows from financing activities decreased year on year mainly due to increased cash inflows from negotiable certificates of deposit issued by Ping An Bank.

CASH AND CASH EQUIVALENTS

(in RMB million)	**December 31, 2023**	December 31, 2022	Change (%)
Cash	**317,130**	354,238	(10.5)
Bonds of original maturities within 3 months	**3,995**	5,225	(23.5)
Financial assets purchased under reverse repurchase agreements of original maturities within 3 months	**159,347**	84,739	88.0
Total	**480,472**	444,202	8.2

The Company believes that the liquid assets currently held, together with net cash generated from future operations and the short-term borrowings available, will be sufficient to meet the foreseeable liquidity requirements of the Group.

Risk Management

Ping An strives to become a "world-leading integrated financial, healthcare and elderlycare services provider." To achieve this goal, the Group continuously optimizes the risk management system and strengthens the management of various risks. By identifying, evaluating, and mitigating risks, Ping An achieves a balance between risks and returns, which ultimately contributes to healthy business growth.

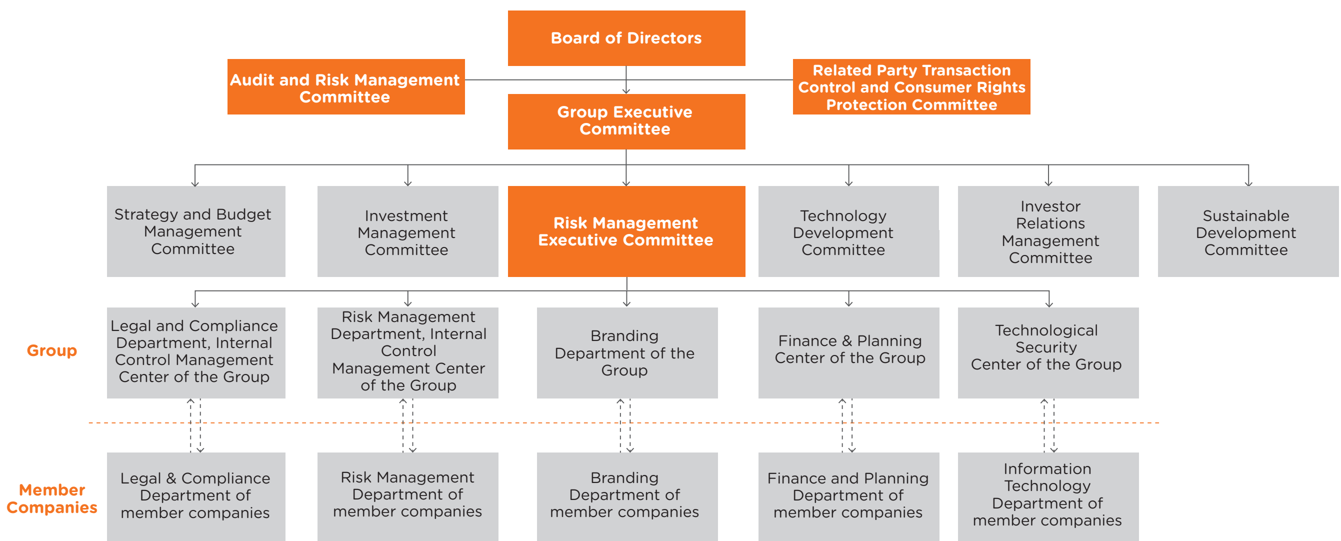
RISK MANAGEMENT OBJECTIVES

For over 30 years since its establishment, Ping An has regarded risk management as an integral part of its operations and business activities. Ping An takes steady steps to build an enterprise risk management system aligned with its strategies and the nature of its business. Ping An continuously optimizes the risk management framework, standardizes risk management procedures, and adopts qualitative and quantitative risk management methodologies to identify, measure, evaluate, monitor, report, control and mitigate risks. Keeping risks under control, Ping An promotes sustainable, healthy business growth in order to become a "world-leading integrated financial, healthcare and elderlycare services provider."

The Group continuously improves its compliance and internal control management mechanisms in response to changing domestic and global economic conditions, evolving laws, regulations and regulatory policies, and diversifying businesses of the Group. The Group builds a rational, robust enterprise risk management framework in line with international standards centering on capital management, based on risk governance, oriented by risk appetites, and capitalizing on risk quantification tools and risk performance appraisals. The Group strikes a balance between risk management and business development by constantly enhancing its risk management and techniques as well as dynamically managing its single and accumulated risks to support sustainable, healthy business development.

RISK MANAGEMENT ORGANIZATIONAL STRUCTURE

The Group proactively complies with risk governance requirements under the *Company Law of the People's Republic of China* and other applicable laws and regulations as well as the *Articles of Association* and other applicable company policies and procedures. Ping An has put in place a comprehensive risk management organizational framework which holds the Board of Directors ultimately accountable and is directly upheld by the management. Supported closely by various committees and relevant functions, the framework covers risk management across all of the Group's member companies and business lines.



The Board of Directors is the highest decision-making authority for the Company's risk management and takes responsibility for the effectiveness of the enterprise risk management function.

The Audit and Risk Management Committee under the Board of Directors is responsible for having a thorough understanding of the Company's major risk exposures and management situations, monitoring effectiveness of the risk management framework, deliberating the following matters and making recommendations to the Board of Directors:

- Overall objectives of risk management, risk appetites and tolerance, and risk management policies and procedures;
- The organizational structure and responsibilities of risk management;
- Risk assessments for major decisions and solutions to significant risks; and
- Annual risk assessment reports.

The Company has set up the Related Party Transaction Control and Consumer Rights Protection Committee under the Board of Directors. The Related Party Transaction Control and Consumer Rights Protection Committee coordinates related party transactions management of the Company, ensures the compliance and fairness of the Company's related party transactions, and prevents risks from related party transactions. The Committee performs its duties as follows:

- To determine the overall targets, basic policies, and procedures for the management of related party transactions;
- To review material related party transactions, including but not limited to providing opinions on related party transactions and matters deliberated by the Company's Board of Directors according to regulatory requirements, submitting them to the Company's Board of Directors for review and approval, and giving opinions in writing on the compliance, fairness, and necessity of material related party transactions, and whether the interests of the Company and insurance consumers would be affected;
- To review annual reports on related party transactions;
- To regularly review the related party list under the *Measures for the Administration of Related Party Transactions of Banking and Insurance Institutions*; and
- Other duties that shall be undertaken according to regulations and other tasks stipulated by the *Charter of the Related Party Transaction Control and Consumer Rights Protection Committee* and authorized by the Board of Directors.

The Group Executive Committee leads all the aspects of the Group's risk management, comprising committees including the Risk Management Executive Committee (RMEC), the Investment Management Committee, the Strategy and Budget Management Committee, the Investor Relations Management Committee, the Technology Development Committee, and the Sustainable Development Committee. The RMEC, as a specialized committee, directly reports and is responsible to the Group Executive Committee and holds the supreme risk management power under the Group Executive Committee. The RMEC is responsible for the decision-making and execution of the Group's risk management, and performing management functions, including comprehensive risk management strategies, policies and rules, implementation and handing out awards and punishments. In addition, the RMEC develops an integrated risk management framework for the Group and its member companies to ensure full coverage of risk management. An executive at the Group level in charge of risk management acts as the RMEC's chairman. Members of the RMEC are the executives in charge of different risk categories, each of whom has clearly-defined responsibilities for managing various risks.

In 2023, the Group continuously improved its enterprise risk management framework, and further consolidated the basis for enterprise risk management in line with the latest regulatory requirements and internal management needs. In respect of risk management coverage, the Company's enterprise risk management framework covers all kinds of general risks and insurance group-specific risks. In respect of risk management responsibilities, the Company clarified the management responsibilities and implemented a risk management structure of "dual management" by the Group and its member companies. In respect of risk limit management, the Group defined limits for various risks at the Group level by setting risk appetites, established an enterprise risk management indicator system, and continuously monitors its implementation. In respect of risk management standards, the Group reviews and standardizes the risk management procedures and requirements, and incorporates them into management policies. The Group requires member companies to implement the management requirements at the Group level. In this way, the Group adheres to the risk limits through effective risk management. Moreover, the Group further improved its risk appetite system, optimized the enterprise risk indicator system, and enhanced the risk monitoring, alerting and reporting mechanisms. The Group also applied artificial intelligence to risk management to ensure that all risks are effectively identified and managed on a timely basis. In addition, the Group continued to conduct risk reviews of business development and optimized capital utilization to maintain a balance between business development and risk management. The Group fully implemented regulatory requirements to support the Company's sustainable, healthy strategic and business development. The Group established and continuously enhanced risk appraisal and evaluation mechanisms to strengthen risk control and raise the awareness of risk management.

The Group fulfills domestic and international regulatory requirements related to systemic risk management in accordance with high standards, and continuously conducts assessment and analysis of systemic risk. According to a comprehensive review and assessment, Ping An's systemic impact on financial markets is limited and under control. Moreover, the Group continuously builds and improves the early warning system and the recovery and resolution management mechanism in response to external market situations and the Group's business development, develops a multi-level crisis control mechanism that covers the Group and its member companies, and organizes emergency drills, supporting steady, healthy business development of the Group.

RISK MANAGEMENT CULTURE

Based on a continuously upgraded and improved risk governance framework, a risk culture has permeated the Group's ranks, from the Board of Directors to senior management and from specialized committees to employees. This culture has facilitated the establishment of an effective and efficient approach that combines top-down management and bottom-up communication, which lays a solid foundation for the effective integration of risk management into the Group's daily operations. This in turn helps to protect shareholder equity, improves capital efficiency, supports management decisions, and ultimately creates value for the Group.

RISK APPETITE SYSTEM

A risk appetite system is central to Ping An's overall strategy and enterprise risk management. Considering the Group's overall strategy and its member companies' development needs, the Group continued to improve the risk appetite system that matches its business strategies, and combined risk appetites with management decisions and business development to promote healthy growth of the Group and its member companies.

The Group's risk appetite system consists of three parts, namely the risk appetite statement, risk tolerance, and risk limits. The risk appetite statement describes the amount of risk that the Group is willing to take to achieve its business objectives. The risk tolerance defines each risk category in the risk appetite statement in detail, covering all the major risk categories in the Group's enterprise risk management. Risk limits further quantify the risk tolerance. On the basis of the risk tolerance, the Group sets corresponding risk limits for risk categories that can be monitored with quantitative indicators, and applies the risk limits to routine risk monitoring and alerting, so as to support business decision-making and strike a balance between risk management and business development.

The Company's business development and risk management came under pressure due to internal and external environments in 2023. The Group maintained a prudent risk appetite, operated in strict compliance with laws and regulations, took reasonable and appropriate risks, effectively controlled credit, market and other risks, prevented operational, compliance, IT and brand reputation risk events, and strengthened strategic risk management. Moreover, the Group ensured that its solvency position was always in line with regulatory requirements, and kept overall risk under control.

RISK MANAGEMENT METHODOLOGY

The Group continuously strengthens its comprehensive risk management system, improves its organizational structure, formulates risk management policies and guidelines, standardizes risk management procedures, and fulfills risk management responsibilities. The Group adopts qualitative and quantitative risk management approaches to identify, measure, evaluate, monitor, report, control and mitigate risks, so as to effectively prevent systemic risks associated with integrated finance and enhance risk management under an integrated development model of various businesses.

- The Group improves its risk governance framework and risk management reporting mechanism, includes risk indicators in its performance appraisal system, and integrates its risk management culture into its corporate culture. In this way, the Group has laid the foundation for healthy, sustainable and stable business development;
- The Group improves the risk appetite framework in line with its business development strategy. The Group also optimizes risk management policies and standardizes risk management requirements for its member companies;
- The Group strengthens consolidated risk monitoring, conducts holistic management of its member companies' risks, carries out comprehensive risk review and assessment, and improves the system of risk monitoring indicators;
- The Group continuously improves the management framework for general risks including credit risk and group-level risks including concentration risk. The Group has strengthened its ability to manage various risks via rule formulation, risk limit management, system development, and risk reporting, so as to comprehensively improve the Group's risk management for its integrated finance business;
- The Group utilizes tools and methods including scenario analysis, stress tests and risk limits to continuously develop and optimize quantitative techniques and models of risk management, analyze risk exposures and evaluate their quantitative and qualitative impacts on the risk limits. Such measures enable the Group to plan ahead and take necessary precautions in a timely manner to prevent and mitigate risks;
- The Group has improved its risk warning mechanism, providing timely and effective alerts on industry developments, regulatory information and risk events, and effectively guarding against potential risks. The Group has also enhanced its risk emergency management mechanism; and
- Member companies are encouraged to employ smart system platforms in risk management and effectively apply IT capabilities to the entire risk management cycle to enhance risk management capabilities and execute the Company's strategies.

RISK ANALYSIS

The Group has categorized all risks to ensure they are well identified and systematically managed. Below are major risks faced by the Group and their definitions as per the C-ROSS Phase II and other regulatory requirements:

1. General Risks	2. Group-level Risks
1.1 Insurance Risk	2.1 Risk Contagion
1.2 Market Risk	2.2 Organizational Structure Non-transparency Risk
1.3 Credit Risk	2.3 Concentration Risk
1.4 Operational Risk	2.4 Non-insurance Risk
1.5 Strategic Risk	
1.6 Reputation Risk	
1.7 Liquidity Risk	

Risk Management

1. General Risks

Proactively complying with the requirements of internal management and external regulation, the Group has strengthened the management of insurance risk, market risk, credit risk, operational risk, strategic risk, reputation risk, and liquidity risk at the Group level. The Group instructs and coordinates risk management at member companies, and actively promotes the implementation of the Group's management requirements by member companies.

1.1 Insurance Risk

Insurance risk refers to the risk of adverse deviation of the actual mortality rate, morbidity rate, loss ratio, expense, and lapse rate from expectations, which may cause losses to the Group.

The Group assesses and monitors insurance risks involved in insurance business through sensitivity analysis, stress testing and so on. The Group mainly evaluates the pre-tax impacts of actuarial assumptions, including the morbidity rate, lapse rate and expense, on its profit, equity and so on in different scenarios.

Sensitivity analysis of assumptions for the Group's long-term life insurance contracts

December 31, 2023 (in RMB million)	Change in an assumption	Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
		Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Mortality, morbidity, accident rates, etc.[1]	+10%	(8,017)	(7,487)	(15,369)	(14,486)
Policy lapse rates	+/-10%	(1,794)	(1,775)	(3,611)	(3,562)
Maintenance expense rates	+5%	(477)	(474)	(706)	(702)

Note: (1) Change in mortality, morbidity, and accident rates refers to a 10% increase in the morbidity rate, mortality rate, accident rate, and other rates for life insurance policies (and a 10% increase before the payment period and a 10% decrease in the payment period in the mortality rate for annuity policies).

Sensitivity analysis of assumptions for the Group's property and casualty insurance and short-term life insurance contracts

December 31, 2023 (in RMB million)	Change in average claim costs	Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
		Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Property and casualty insurance	+5%	(6,551)	(5,759)	(6,551)	(5,759)
Short-term life insurance	+5%	(618)	(543)	(618)	(543)

The mechanisms and procedures adopted by the Group to manage insurance risks are as follows:

- Develop insurance risk management policies and a scientific and consistent insurance risk management framework within the Group;
- Develop a set of key insurance risk indicators, monitor them on a regular basis, analyze abnormal changes, and take management measures;
- Establish model management policies, standardize actuarial models of the Group, and strictly control model risks;
- Implement effective product development policies to develop products with proper insurance coverage and fair pricing, and control product pricing risks;
- Implement prudent underwriting policies, establish guidelines for policy contracting and underwriting, and effectively prevent and reduce adverse selection risks;
- Maintain strict claim investigation and settlement procedures, identify and prevent questionable or fraudulent claims;
- Maintain effective product management procedures, analyze the experience and trends based on the latest, accurate and reliable data, and carefully manage the product portfolio to control insurance risks;
- Evaluate the liability for remaining coverage and the liability for incurred claims using effective insurance contract liability assessment procedures and methods, and assess the insurance contract liability adequacy on a regular basis; and

- Maintain effective reinsurance management procedures, properly set retained risk limits, and use reinsurance as an effective risk transfer tool to transfer the excess risks to reinsurers with a high level of security to control insurance risks.

1.2 Market Risk

Market risks refer to the risks that cause unexpected losses to the Group due to unfavorable changes in interest rates, equity prices, foreign exchange rates, and real estate prices.

The Group continuously improves its market risk management framework, and enhances the abilities to identify, measure, evaluate, monitor, report, control and mitigate market risks. The Group improves the risk management reporting mechanism, and consolidates risk monitoring and management. The Group optimizes stress testing to realize its decisional role in adherence to risk limits. The Group improves its risk limit framework to monitor risks across the Group, member companies, and business lines. The Group enhances the risk warning mechanism to ensure more targeted, forward-looking and thorough risk management. The main market risks to which the Group is exposed are interest rate risk, equity risk, foreign exchange risk, and real estate price risk.

Market Risk – Interest Rate Risk

Fixed maturity investments held by the Group are exposed to the interest rate risk. These investments are substantially represented by debt investments booked at fair value on the balance sheet. The Group uses various methods including sensitivity analysis and stress tests to evaluate the interest rate risk faced by such investments.

Interest rate sensitivity of insurance businesses is assessed by assuming a 10 basis-point parallel shift of the government bond yield curve, the impacts of which are illustrated in the table below:

December 31, 2023 (in RMB million)	Change in interest rate	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity before tax
Debt investments classified as financial assets measured at fair value through profit or loss and measured at fair value through other comprehensive income	+10 bps	(2,349)	(35,669)

Market Risk – Equity Risk

Listed equity investments held by the Group are exposed to market price risks. These investments are primarily listed equities and securities investment funds. The Group uses various methods including sensitivity analysis and stress tests to evaluate the equity risk faced by such investments.

The sensitivity to equity risk is assessed by assuming a 10% decrease in the prices of equity investments, the impact of which is illustrated in the table below:

December 31, 2023 (in RMB million)	Increase/ (decrease) in equity before tax
Listed equities and securities investment funds classified as financial assets measured at fair value through profit or loss and measured at fair value through other comprehensive income	(48,436)

Market Risk – Foreign Exchange Risk

Foreign currency-denominated assets held by the Group are exposed to foreign exchange risks. These assets include monetary assets such as deposits and bonds held in foreign currencies and non-monetary assets measured at fair value including stocks and funds held in foreign currencies. The Group's foreign currency-denominated liabilities are also exposed to risks as a result of fluctuations in exchange rates. These liabilities include monetary liabilities such as borrowings, customers' deposits and liabilities for incurred claims denominated in foreign currencies, as well as non-monetary liabilities measured at fair value.

The Group formulates its allocation strategies for assets including foreign exchange assets based on the Company's risk appetite, risk profiles of the asset class, and stress test results. Through measures including limits management and hedging, the Group keeps foreign exchange risk under control by continuing to optimize the aggregate foreign currency assets and liabilities as well as the structures, enhances overseas asset management, and regularly analyzes the sensitivity to foreign exchange risk.

Risk Management

The sensitivity to foreign exchange risk is calculated by assuming a simultaneous and uniform depreciation of 5% against the Renminbi of all foreign currency-denominated monetary assets and liabilities, as well as non-monetary assets and liabilities measured at fair value as illustrated in the table below:

December 31, 2023 (in RMB million)	Increase/ (decrease) in equity before tax
Net exposure to fluctuations in exchange rates assuming a simultaneous and uniform depreciation of 5% of all foreign currency-denominated monetary assets and liabilities and non-monetary assets and liabilities measured at fair value against the Renminbi	(5,334)

If the above currencies appreciate by the same proportion, the appreciation will have an inverse effect of the same amount on equity before tax in the table.

Market Risk – Real Estate Price Risk

The Group is exposed to real estate price risk associated with its holding of investment properties. The Group tracks its exposure to property investment, monitors the movement of real estate prices in relevant regions, analyzes the impact of macro policies and regional economic development on real estate prices, has engaged independent valuers for the fair value assessment, and conducts stress tests on a regular basis.

The fair value of the Group's holding of buildings under investment properties stood at RMB162,654 million as of December 31, 2023.

1.3 Credit Risk

Credit risk refers to the risk of unexpected losses caused by the default of any debtors or counterparties or by the adverse changes in their credit conditions. The Group is exposed to credit risks primarily associated with its deposit arrangements with commercial banks, loans and advances to customers, bond investments, investments in debt schemes and debt financial products, reinsurance arrangements with reinsurers, policy loans, margin financing, financial guarantees, loan commitments, and so on.

The Group manages credit risk through various control measures, including:

- Continuously improving the credit risk management mechanism with risk rating as its core methodology;
- Optimizing standardized policies, rules and procedures for credit risk management;
- Setting and continuously monitoring credit risk limits in multiple dimensions including customers and portfolios to effectively prevent and control large risk exposures;
- Continuously strengthening the risk management system to standardize the Group's consolidated credit risk management; and
- Strengthening the risk warning and monitoring, and enhancing post-investment management.

The Group is in strict compliance with the credit risk management guidelines issued by regulators. Under the guidance of the Board of Directors and the senior management, the Group carries out consolidated analysis, monitoring and management of the credit risk exposures of lending and investment businesses at the Group level. On this basis, the Group establishes and refines credit risk limits for different companies and business lines to manage credit risk of large risk exposures in the Group's consolidated financial statements. The Group also provides forward-looking insights into and analysis of potential credit risks and their impacts on the Group.

The Group carries out targeted measures to control credit risk in light of the different characteristics and risk profiles of businesses including insurance, banking and investment. For reinsurance credit risk associated with insurance business, namely, credit risk which occurs when a reinsurance company is unable to fulfill its obligations, the Group evaluates the credit of the reinsurers before entering into a reinsurance contract, and cooperates with selected reinsurance companies that have a high credit standing for mitigating credit risks. For credit risk associated with the banking business, the Group continuously improved the whole-process management of credit risks and effectively enhanced the management of bank credit risks in line with changes in the financial and economic situation and macro-control policies as well as the requirements of regulatory authorities. The Group implemented the strategy of "strong retail banking, selective corporate banking, and specialized interbank business" to continuously optimize the asset portfolio. The Group strengthened the early warning management to establish and continuously improve the automatic early warning system based on big data, strictly implemented post-lending management policies, and regularly reviewed customers' risk profiles and overall asset quality. Risk management was strengthened in key areas to prevent the accumulation of credit risk from large exposures. The disposal of non-performing assets was enhanced by leveraging the Group's specialized strengths. For credit risk associated with the investment business of insurance funds and so on, the Group assesses the credit status of potential investment assets and counterparties in line with internal risk policies and procedures, strictly reviews the quality of counterparties through means including credit rating, name lists and admittance management, chooses counterparties that have a relatively high credit standing, and adopts a multi-dimensional approach for setting risk limits on investment portfolios to manage credit risks. Moreover, the Company established investment and financing risk alerting mechanisms, optimized risk warning and monitoring, screened public opinion for alert signals, and minimized potential losses from risk events.

In addition, the Group continuously enhances credit risk management for key sectors including real estate in light of macroeconomic situations and sectoral risk trends. While meeting financing needs of enterprises in various sectors in line with national macroeconomic policies, the Group strengthens new business admittance and asset portfolio management for key areas. By doing so, the Group continuously optimizes its asset portfolio and reduces overall portfolio risks.

December 31, 2023	As a percentage of carrying value
Low-risk financial assets measured at amortized cost held by the Group	91.5%

1.4 Operational Risk

Operational risk refers to the risk of direct or indirect losses resulting from inadequate or flawed internal procedures, employees, information technology systems, and external events.

The Group strictly follows applicable regulations and its operational risk management strategies. The Group uses the existing compliance management and internal control framework as the basis to integrate domestic and foreign regulators' advanced standards, methods, and tools for operational risk management. The Group optimizes the structure and policies for operational risk management, and strengthens collaboration and cooperation between departments. The Group has established daily monitoring and reporting mechanisms to provide regular reports to the management on the overall operational risk situation. Moreover, the Group develops rules and standards for operational risk management and strengthens system development to constantly improve the effectiveness and level of operational risk management.

The Group manages operational risks primarily through the following mechanisms and measures:

- Establishing and improving a comprehensive management approach covering the whole Group to identify, evaluate, monitor, report, control and mitigate operational risks;
- Constantly optimizing the operational risk policies, frameworks, workflows, systems, and tools to enhance overall operational risk management;
- Stepping up the use of operational risk management tools among member companies, including the Risk and Control Self-Assessment (RCSA), Key Risk Indicator (KRI), and Loss Data Collection (LDC);
- Pushing forward the operational risk capital measurement according to regulatory requirements and management requirements; and
- Promoting a culture of operational risk management through targeted training.

1.5 Strategic Risk

Strategic risks refer to the risks of a mismatch between strategies and the market environment as well as the Company's capabilities due to ineffective processes of developing or implementing strategies or changes in the business environment.

With a robust strategic risk management framework and relevant procedures, the Group studies macroeconomic conditions in China and abroad, impacts of the regulatory landscape, and market competition dynamics to conduct thorough evaluation and research of the Group's general strategies and development plans. The Group coordinates and regularly formulates its general strategies and annual business plans, sets out strategic priorities for the Group and its member companies, and ensures not only the consistency between member companies' and the Group's strategic goals, but also the coordination between member companies' strategic goals. Furthermore, the Group oversees and evaluates member companies' implementation of strategic plans and annual plans to ensure effective implementation of the Group's general strategic plans. The Group strengthened the management of its product strategy, investment strategy, brand strategy and overseas development strategy, and effectively implemented relevant plans in accordance with the strategic risk management rules in 2023.

1.6 Reputation Risk

Reputation risk is the risk of the Company's brand being tarnished or operations of the Group and its member companies being affected due to negative comments of stakeholders, the public and media on the Company arising from behaviors of the Group and its member companies, behaviors of employees and agents, and external events.

The Group has set up a group-level reputation risk management system to identify and prevent the reputation risk across the Group, and cope with negative impacts of reputation events in accordance with applicable laws, regulations and regulatory requirements. Measures include establishing and improving an ex ante evaluation mechanism for reputation risk, nipping reputation risk triggers in the bud, developing emergency plans on the basis of evaluation results, improving the in-the-process procedures for reputation risk management, carrying out hierarchical response and whole-process disposal, conducting ex post reviews and summarization, and carrying out appraisal and supervision on the basis of results. The Group adheres to a reputation risk management philosophy centering on prevention, and conducts multi-level and differentiated reputation risk management, taking risk prevention and control, effective risk disposal, and image repair as the ultimate standards for reputation risk management. The Group has put in place rational, reasonable, timely and efficient risk prevention, response and disposal mechanisms to rapidly respond to and efficiently handle reputation risk events in a coordinated manner so that its reputation and social image, if damaged, can be repaired in time.

1.7 Liquidity Risk

For details of the Company's liquidity risk management, please refer to the section headed "Liquidity and Capital Resources."

2. Group-level Risks

The Group proactively strengthens risk management of its member companies, implements applicable regulatory requirements, and constantly enhances management of group-level risks including risk contagion, organizational structure non-transparency risk, concentration risk, and non-insurance risk.

2.1 Risk Contagion

Risk contagion refers to a situation where the risk created by a member company of the Group spreads to another member company of the Group by means of related party transactions or other activities, causing unexpected losses to such other member company or the Group.

As the Group unlocks synergies in integrated finance, in order to prevent intra-group risk contagion, the Group has strengthened management and coordination across the Group by building firewalls, managing related party transactions, outsourcing and integrated financial services, and centralizing branding, communications and information disclosure. The management of risk contagion within the Group has been fully improved.

The Group has built strict firewalls, including legal-entity firewalls, finance firewalls, treasury firewalls, information firewalls, and personnel management firewalls, between the Group and its member companies and among its member companies to prevent material risk contagion.

Firstly, legal-entity firewalls. The Group and its member companies have robust governance structures. The Group itself engages in no specific business activity. The Group manages its member companies through shareholding, but neither participates in nor intervenes in the member companies' routine business. The member companies carry out business activities independently, and are supervised by their corresponding regulators.

Secondly, finance firewalls. The Company has built robust finance firewalls and incorporated the requirements of finance firewalls in financial frameworks and management policies, including personnel independence, policy independence, account independence, accounting independence, and system authority independence. The Group and its member companies have respective independent finance functions, financial management rules and processes, have separate accounts, perform independent financial accounting, and implement strict management segregation of data in financial systems. Moreover, the Group and its member companies are separately audited by external auditors who issue independent auditor's reports to ensure the authenticity of financial data.

Thirdly, treasury firewalls. The Company has built robust treasury firewalls, implementing relevant requirements for treasury frameworks and management policies. The Group and its member companies have respectively established independent departments, rules and processes for treasury management. The Group and its member companies have strictly followed the requirements of creating accounts based on legal entities, and built hierarchical authorization and approval processes for transactions. Ping An exercises strict control over arbitrary capital movements and fund transfers devoid of business backgrounds to ensure the security of funds and prohibit unauthorized fund borrowings and transfers.

Fourthly, information firewalls. The Group has established an information security governance structure with three lines of defense. Member companies have appointed owners of and functions for cybersecurity, data security and personal information protection, and strictly implement the Group's information security policies for effective control over information access and effective information segregation. Attaching great importance to customer information security, the security of its products, and the cybersecurity of its businesses, the Group strictly complies with laws and regulations including the *Cybersecurity Law of the People's Republic of China*, the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*, and has set up and effectively implemented the comprehensive mechanism for ex ante control, in-the-process monitoring and ex post audits. Ping An supervises the information technology security of the Group and its member companies to protect the security, integrity and availability of customer information and data.

Fifthly, personnel management firewalls. The Company has established rational, effective personnel management firewalls. The Group and its member companies have established mutually independent organizational structures, personnel management rules and processes. Moreover, the Company ensures effective personnel segregation through an employee conflict of interest management framework by taking measures including: strictly restricting the double-jobbing of senior management among the Group and its member companies in accordance with applicable laws and regulations; ensuring that no employee performs incompatible roles with potential conflict of interests at the same post and time through appropriate duty segregation; and establishing rules for the avoidance of relatives and strengthening relevant day-to-day management.

The Group has constantly improved the management of related party transactions. The Group and its member companies constantly enhance the management of related party transactions in strict accordance with applicable laws, regulations and regulatory requirements and the management principles of good faith, fairness and equity, penetration verification and clear structures. The Group constantly optimizes the management systems, structures and mechanisms, improves the management procedures, and enhances related party transaction identification, review and fair value-based pricing to ensure the compliance and fairness of related party transactions. The Group continuously increases transparency by disclosing and reporting related party transactions in strict accordance with industries' regulatory rules. Furthermore, the Group has developed a culture of strong compliance awareness for related party transactions through constant training and education emphasizing every employee's responsibility for the management of related party transactions. The Group has enhanced system-based management and related party transaction governance by continuously promoting the informatization and intelligentization of related party management and related party transaction management. The Group's related party transaction management systems and mechanisms have been strengthened and operating effectively.

The Group has improved its approach to outsourcing management. The Group complies with applicable laws, regulations and regulatory documents to carry out outsourcing management, and outsources its business in accordance with its own operation and management requirements. The core business of insurance companies may not be outsourced. It is not allowed to outsource IT management responsibilities, network security responsibilities or functions related to IT core competitiveness including IT strategy management, IT risk management, and IT internal audit. Member companies follow the principles of independent transactions and fair pricing for outsourcing, and perform corresponding approval procedures and sign agreements in accordance with applicable regulations and management rules for related party transactions. The transactions are reported and disclosed in accordance with applicable regulatory requirements. Moreover, the Group strengthens outsourcing risk management, improves IT outsourcing risk management rules, and monitors IT outsourcing risks in all aspects. In this way, the Group strengthens risk monitoring of outsourced activities, and reviews the performance of outsourced services and functions on a regular basis. The Group has established communication and service evaluation mechanisms for outsourcing. Service providers solicit feedback on satisfaction from beneficiaries on a regular basis, and conduct internal appraisals on the basis of such feedback to ensure constant service improvement.

The Group has enhanced the management of integrated financial services. The Group's retail integrated financial service business mainly involves distribution of insurance products by concurrent agents. Such agents distribute products in an orderly manner under concurrent agency agreements in accordance with laws and regulations. If customers have demands for products beyond agents' offerings, customers may visit platforms of other member companies for information and purchase the products through online apps. The Group's corporate integrated financial business consists of the insurance business agency mechanism and the other business referral mechanism. The insurance business agency mechanism is managed in strict compliance with the agency rules and regulations. The business referral mechanism only involves facilitation of both parties' intentions to cooperate. Cooperation is conducted in strict accordance with market practices. All businesses are reviewed independently by each member company's risk management function in line with the firewall policies.

The Group continuously strengthens the centralized management or coordination of branding, communication, and information disclosure of its member companies to effectively prevent the spread and amplification of relevant risks within the Group. The Group has developed robust policies, rules and procedures for brand asset management and information disclosure, and strictly implemented them to ensure centralized and consistent brand management. In terms of brand asset management, the Group constantly improves its reputation risk management framework in accordance with applicable laws and regulations and regulatory requirements. The Group adheres to a reputation risk management philosophy centering on prevention, and conducts multi-level differentiated reputation risk management. The Group takes risk prevention and control, effective disposal, and image restoration as the ultimate standards for reputation risk management. In this way, the Group ensures rapid, coordinated responses to and efficient handling of reputation risk events, and promptly repairs its reputation and image. In terms of information disclosure, the Group subjects itself to public oversight, and has developed centralized interview and information release mechanisms to ensure timely and accurate information disclosure and prevent reputation risk arising from misreading or misunderstanding.

2.2 Organizational Structure Non-transparency Risk

Organizational structure non-transparency risk refers to the risk of losses in the Group caused by the complexity or opaqueness of the Group's shareholding structure, management structure, operational processes, and business types.

The Group has established a complete corporate governance structure in accordance with laws and regulations including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, with international corporate governance norms and the Group's situations taken into account. The General Meetings of Shareholders, the Board of Directors, the

Supervisory Committee, and the senior management exercise their rights and perform their obligations in accordance with the *Articles of Association*. The Group engages in no specific business activity, while its member companies engage in various businesses including insurance, banking, asset management and technology. The Group manages its member companies through shareholding, but neither participates in nor intervenes in the member companies' routine business. The Group and its member companies have clearly defined roles and responsibilities of their respective functions, and each performs its own duties and responsibilities. There is no overlap, lack, or overconcentration of powers and responsibilities. The Group has a robust governance structure and a transparent management structure. The Group bans cross-shareholding and illegal subscription for capital instruments.

2.3 Concentration Risk

The Group's concentration risk refers to the risk that member companies' single or combined risks, when aggregated at the Group level, may directly or indirectly threaten the Group's solvency position. The Group manages concentration risks from the perspectives of counterparties, investment assets, industries, regions, customers, and businesses.

To manage the concentration risk from the perspectives of counterparties, the Group has followed the principle of reasonably controlling the concentration risk of counterparties. The Group has specified a set of risk limits for counterparties after considering the risk profiles of counterparties and the appetite and tolerance of the Group. The Group's set of risk limits cover counterparties in its investment and financing businesses. For a group of corporations and public institutions or interbank customers with control relationships among them, the Group includes them in the same group, and implements unified and combined concentration limit management. Moreover, by adopting advanced technology, the Group has been improving the breadth and depth of the concentration risk management, increasing its monitoring frequency effectively, and warning against counterparties with higher concentration risks promptly.

To manage the concentration risk in investment assets, the Group has followed the principle of reasonably controlling the concentration risk in investment assets. The Group has set concentration risk limits for different asset classes and formed a concentration risk limit system for investment assets based on reasonable classification of investment assets. Moreover, the Group has regularly reviewed the concentration risk posed by investment assets at the member company level to prevent any solvency risk and liquidity risk arising from overconcentration of investments in certain asset classes after consolidation.

To manage the concentration risk in industries, the Group has established industry-specific concentration risk limits based on the principle of reasonably controlling the concentration risk in industries. Moreover, the Group develops the high-risk industry management plans based on its macroeconomic and industry analysis every year to exercise total controls over high-risk industries and optimize the portfolio.

To manage the concentration risk in regions, the insurance member companies have set upper limits for the proportions of overseas investments and emerging market investments with insurance funds in accordance with the CBIRC's requirements for the management of regional concentration risk.

To manage the concentration risk in customers, the Group evaluates, analyzes, monitors and reports the overall customer concentration in accordance with the CBIRC's requirements for the management of customer concentration risk. In this way, the Group prevents risks caused by the overconcentration of the Group's revenue from a single customer or the same group of customers, to avoid impact on the stability and quality of the Group's business.

To manage the concentration risk in businesses, the Group evaluates, analyzes, monitors and reports the concentration of its businesses in accordance with the CBIRC's requirements for the management of concentration risk in the group's insurance and non-insurance businesses. Regarding the concentration of insurance business, the Group has enhanced the concentration management of the insurance business, the framework of concentration risk limits for reinsurance counterparties, and the framework for risk monitoring, analysis, reporting and warning. Regarding the concentration of non-insurance businesses, the Group has analyzed the structures and risk profiles of non-insurance businesses, specified the concentration risk indicators to be monitored, and included such indicators in the routine risk management framework. The Group has effectively prevented the concentration risk through regular evaluation, monitoring, and warning of the concentration risk in insurance and non-insurance businesses.

Risk Management

2.4 Non-insurance Risk

Non-insurance risk refers to the impact of the business activities of non-insurance member companies on the solvency of the Company and its insurance member companies.

The Group is an integrated financial service group authorized by the State Council to engage in separate operations under a listed holding group subject to separate regulation. While focusing on core financial businesses, the Group improves its overall specialized capabilities and market competitiveness through its diversified business presence in non-insurance sectors to effectively promote its core financial businesses. The Group strictly manages its non-insurance member companies' strategic planning processes, and regularly evaluates and adjusts its diversification strategy.

For equity investments in non-insurance sectors, the Group conducts overall management and has developed uniform investment rules, standards and limits, established investment decision-making and risk management processes as well as investment review, evaluation and reporting processes, and set up mechanisms for management before, during and after investment deals. Moreover, the Group tracks and analyzes its investments to evaluate investment targets and the risk-return profiles of various businesses on a regular basis.

All the non-insurance member companies of the Group engage in specialized operations independently, and are supervised by their corresponding regulators. Through corporate governance and internal mechanisms, the Group ensures that all the non-insurance member companies are segregated from the insurance member companies in terms of assets and liquidity.

SOLVENCY MANAGEMENT

The CBIRC released the C-ROSS Phase II at the end of December 2021, aiming to prompt insurers to focus on insurance protection and core financial businesses, better serve the real economy, prevent and mitigate risks in the insurance industry, and accelerate opening-up of the financial sector. The C-ROSS Phase II will make solvency regulation more rational, effective, and comprehensive. Insurers have implemented the C-ROSS Phase II since 2022. Insurers more exposed to the C-ROSS Phase II are allowed to implement some of the regulatory rules in stages and implement all of them by 2025.

Being risk-oriented, the C-ROSS Phase II is intended to strengthen insurers' asset quality, optimize insurers' asset-liability management, and comprehensively calibrate risk factors to reflect insurers' risk dynamics in time. The Group's and its insurance subsidiaries' core and comprehensive solvency margin ratios have declined to some extent due to implementation of the C-ROSS Phase II, but are still above regulatory requirements.

Solvency risk measurement is more prudential and rational under the C-ROSS Phase II, with a positive impact on the Group's overall solvency margin assessment and management. Moreover, the C-ROSS Phase II has tightened management requirements for insurance group-specific risks, which means higher requirements for the Group's solvency risk management.

In accordance with qualitative regulatory requirements, namely the second pillar of C-ROSS, the CBIRC conducts a Solvency Aligned Risk Management Requirements and Assessment ("SARMRA") of an insurer's solvency risk management capability, and links the SARMRA result with the insurer's minimum capital for risk control to adjust the minimum capital requirement based on the first pillar.

The CBIRC conducted the first SARMRA of Ping An Group in 2022 and released the SARMRA score in April 2023. The Group's SARMRA score was 81.53, allowing its minimum capital requirement to decrease by RMB12,590 million as of December 31, 2023.

The CBIRC conducted a SARMRA of Ping An Life in 2022. Ping An Life's SARMRA score was 84.03, allowing its minimum capital requirement to decrease by RMB4,544 million as of December 31, 2023.

Ping An P&C's SARMRA score was 85.06 for 2021 and the result still applies because Ping An P&C was not required by regulators to take a SARMRA in 2022 and 2023, allowing its minimum capital requirement to decrease by RMB1,290 million as of December 31, 2023.

The Group manages its solvency through the following mechanisms and processes:

- The impacts on solvency must be evaluated when the Group develops key initiatives including strategies, business plans, investment decisions, and dividend distribution plans;
- The solvency target is a key indicator for the Company's risk management, and an emergency reporting and response mechanism is in place for significant changes in the solvency level to ensure the solvency is maintained at an appropriate level;
- The Group enhances risk appraisal and evaluation mechanisms by including solvency indicators in performance appraisal to strengthen risk control;
- The Group adopts a prudent asset and liability management policy, constantly enhances asset quality and business operations, strengthens capital management, and focuses on capital requirements arising from rapid business growth;
- The Group conducts solvency assessments and dynamic solvency tests on a regular basis, and closely monitors changes in solvency; and
- The Group conducts sensitivity and scenario stress testing to issue warnings about potential changes in solvency.

The Group's solvency margin ratios met the regulatory requirements as of December 31, 2023. Below are the details:

(in RMB million)	**December 31, 2023**	December 31, 2022
Core capital	**1,320,654**	1,363,413
Actual capital	**1,714,110**	1,783,772
Minimum capital	**823,985**	819,568
Core solvency margin ratio (%)	**160.3**	166.4
Comprehensive solvency margin ratio (%)	**208.0**	217.6

Notes: (1) Core solvency margin ratio = core capital / minimum capital. Comprehensive solvency margin ratio = actual capital / minimum capital.
(2) The regulatory minimum requirements for the core solvency margin ratio and comprehensive solvency margin ratio are 50% and 100% respectively.

Test results showing the impacts of declines in interest rates and equity assets on solvency margin ratios of Ping An Group, Ping An Life, and Ping An P&C as at December 31, 2023 are disclosed below:

	Core solvency margin ratio			**Comprehensive solvency margin ratio**		
December 31, 2023	**Ping An Group**	**Ping An Life**	**Ping An P&C**	**Ping An Group**	**Ping An Life**	**Ping An P&C**
Base case	160.3%	105.0%	169.4%	208.0%	194.7%	207.8%
50 bps decline in current interest rates	156.8%	95.2%	171.1%	203.3%	182.0%	209.5%
10% decrease in fair value of equity assets	155.0%	94.9%	167.3%	203.9%	187.7%	205.9%

Sustainability

- Ping An focuses on serving the real economy, and continuously improves the quality and efficiency of services for the real economy. Ping An cumulatively invested over RMB8.77 trillion as of December 31, 2023 to bolster the real economy.
- Ping An actively contributes to China's carbon peak and neutrality goals by upgrading its green finance initiative. Ping An supports China's transformation toward a green economy and upgrade of industry chains by leveraging the Group's integrated finance advantages and green finance. Ping An's green investment of insurance funds totaled RMB128,568 million, and green loan balance reached RMB146,345 million as of December 31, 2023. Green insurance premium income totaled RMB37,296 million in 2023.
- Ping An promotes rural vitalization and supports industries, healthcare, and education through "Ping An Rural Communities Support." Ping An has provided RMB117,882 million for poverty alleviation and industrial vitalization since 2018.

PHILOSOPHY AND MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Sustainability Philosophy

Ping An's sustainable development goals are to meet people's aspiration for a better life, support the economic and social transformation toward sustainability, and achieve balanced, high-quality and sustainable long-term development of the Company. Through full communication and cooperation with stakeholders, the Company aims to accommodate interests and maximize value for all stakeholders. Specifically, the Company creates value for: (1) customers by practicing the philosophy of "service first and integrity guaranteed"; (2) employees by providing them with career plans for prosperous and contented lives; (3) shareholders by delivering stable returns and asset appreciation; and (4) society by giving back to society and developing the country.

Ping An integrates the sustainability philosophy into business operations and high-quality development, and leverages its integrated finance capabilities to safeguard people's lives through practical actions. Ping An acts as a main force for serving the real economy and ballast for maintaining financial stability, giving full play to insurance as both an economic shock absorber and a social stabilizer. Ping An supports nation development and rejuvenation through high-quality development of the finance industry by continuously promoting TechFin, green finance, inclusive finance, pension finance and digital finance.

Ping An pays close attention to the current situation and trend of sustainable development, and maintains communication with stakeholders through multiple channels. In combination with its objectives and business, Ping An dynamically analyzes and identifies key initiatives for sustainable development, formulates action plans accordingly, and actively implements them. Ping An discloses information and communicates with stakeholders in an efficient and high-quality manner to form a closed loop of "communication, analysis, action and disclosure."

Ping An has formulated and implemented its sustainability plan for 2023 to 2027, which specifies 13 key initiatives and their five-year goals, to continuously create value for the Group and stakeholders. The 13 key initiatives include sustainable insurance, responsible banking, responsible investment, responsible products, consumer protection and experience, corporate governance, climate change and carbon neutrality, rural vitalization and community impact.

In respect of management and governance, Ping An continuously adopts the world's best corporate governance practices, aiming to set an example in corporate governance and provide stable returns to shareholders. Ping An continuously improves its corporate governance structure which combines local advantages with international standards. The Company's General Meeting of Shareholders, Board of Directors, Supervisory Committee, and management exercise their respective rights and perform their respective obligations in accordance with the *Articles of Association*.

In respect of social value, Ping An pursues high-quality development by serving the real economy, continuously improving the quality and efficiency of services for the real economy, and maintaining economic and financial security under the technology-driven "integrated finance + healthcare and elderlycare" strategy. Ping An enables customer interest protection, employee development, and win-win partnerships through a robust management framework. Ping An helps to close the gap between urban and rural areas by continuously implementing its rural industrial vitalization and support measures. Moreover, Ping An continuously explores innovations in financial inclusion to empower MSMEs. Using digital technology to build "ballast" for sustainable development, Ping An drives high-quality development via comprehensive digitization in strategies, organization, management, operations, talent, and services.

In respect of environmental value, Ping An seizes opportunities from low-carbon development and transformation to contribute to China's carbon peak and neutrality goals while realizing its own green development. Committed to building an environment-friendly business ecosystem, Ping An leverages its integrated finance advantages to develop green finance, employs leading technologies to enable environmental protection and governance, and attaches importance to biodiversity.

Sustainability

United Nations Sustainable Development Goals and Outcomes

Ping An aligns and integrates the key areas of its business development with the United Nations Sustainable Development Goals ("SDGs"), and actively pursues the global SDGs.

SDGs	Ping An's key contributions
No Poverty	• In active response to the national call for rural vitalization, Ping An consolidates and expands the achievements of poverty alleviation, and continuously advances "Ping An Rural Communities Support." • Ping An develops inclusive insurance products for small and micro-enterprises, agricultural workers, and groups with special needs. • Ping An provides a series of products and fast-track services dedicated to new urban citizens, including insurance, wealth management, financing and elderlycare. • Ping An has launched Rural Vitalization Carbon Neutrality Service Alliance, working with various parties to provide financial services as new momentum for rural vitalization.
Zero Hunger	• Ping An provides agricultural risk protection and financial support through innovative products and services including agricultural insurance and agricultural loans to facilitate sustainable agricultural development. • Ping An diversifies agricultural insurance offerings, innovates farmland protection approaches, and explores marine ranching protection to help safeguard food security, support rural vitalization, and build China into an agricultural powerhouse.
Good Health and Well-being	• Ping An focuses on corporate wellness, and provides society with high-quality healthcare services. • Ping An continuously advances healthtech R&D and has built a proprietary AI-assisted consultation and treatment system to enhance management efficiency and satisfy people's healthcare needs. • Ping An advances "insurance + healthcare" and upgrades Ping An Zhen Xiang RUN to provide services including family doctors, health management plans, health monitoring, and chronic disease prevention and control.
Quality Education	• Through its long-term commitment to charitable education programs, Ping An conducts five charitable education projects and bridges the gap between urban and rural education resources to create a fair education environment. • Ping An has carried out the "Ping An Inspiration Program" for 20 consecutive years to sponsor college students in conducting social research projects and developing hands-on skills.
Gender Equality	• Ping An fully respects and protects employees' rights and interests. • Ping An opposes gender discrimination and builds a diverse, equitable and inclusive workplace. • Ping An continues the "Mom's Needlework" public welfare program to help rural women start businesses and increase income.
Clean Water and Sanitation	• Ping An has conducted the campaign of "bringing healthcare to rural areas" in 24 provinces (municipalities and regions) across China, providing over 3,000 people with first-aid training on how to use an automated external defibrillator ("AED"), donating over 2,000 sets of common medical equipment, and providing free checkups for over 2,300 villagers.
Affordable and Clean Energy	• Ping An actively invests in energy infrastructure and clean energy technology industries to support clean energy industries. • Ping An provides preferential risk protection services for green enterprises or green projects to support their stable and healthy operations. • Ping An develops carbon-linked transition financing products to help high-emission industries and companies pursue low-carbon transitions.
Decent Work and Economic Growth	• Ping An supports the real economy with financial services, and has cumulatively invested over RMB8.77 trillion to bolster the real economy. • Ping An uses digital means to develop inclusive finance, improving the accessibility of financial services to MSMEs.

SDGs	Ping An's key contributions
Industry, Innovation and Infrastructure	• Ping An digitizes natural disaster risk management to identify risks and give alerts for disaster prevention and loss reduction. • Ping An supports the development of high-quality, reliable, sustainable and disaster-resilient infrastructure through responsible investment. • Ping An meets the financing needs of photovoltaic and other emerging industries by innovating financial service models through Ping An Bank's "Nebula Plan." • Ping An supports the construction of large hydropower stations and other infrastructure through various financial instruments including insurance, credit and debt investment.
Reduced Inequalities	• Ping An continuously implements "Ping An Rural Communities Support" and consolidates and expands achievements in poverty eradication to promote rural vitalization. • Ping An continues to expand the primary service network, brings finance and insurance to rural areas, and improves the availability of financial services in rural areas. • Ping An protects the legitimate rights and interests of all its employees, and opposes gender, regional and age discrimination to create an inclusive and equitable workplace.
Sustainable Cities and Communities	• Ping An provides disaster alert, risk screening, catastrophe risk management and other risk reduction services via Digital Risk System Version 2.0. • Ping An continuously improves its catastrophe insurance products for risk protection and financial compensation to reduce losses caused by natural disasters in cities. • Ping An carries out the "Ping An Guardian" first-aid training program on how to perform cardiopulmonary resuscitation and how to use an AED.
Responsible Consumption and Production	• Ping An promotes sustainable lifestyles by launching personal carbon accounts and raising customers' and employees' awareness about low-carbon consumption. • Ping An integrates sustainability requirements into its procurement processes to build sustainable value chains with suppliers.
Climate Action	• Ping An continuously advances its green finance initiative and explores innovative practices in green insurance, green investment, and green loans to support China's transformation toward a green economy and upgrade of industry chains. • Ping An upgraded its "1 + N" carbon account system, and launched a carbon account platform accessible to all employees. • The Group's per capita operational carbon emissions amounted to 1.35 tons of carbon dioxide equivalent in 2023.
Life below Water	• Ping An helps fishery enterprises and fishermen to better cope with natural disasters and ecological accidents by actively exploring ocean carbon sink insurance and providing risk protection for ocean carbon sink resources in industries including seagrass beds and algae/shellfish farming. • Ping An plans to support mariculture carbon sink trading to increase fishermen's "blue income" and support the sustainable development of the fishing industry.
Life on Land	• Ping An preserves biodiversity by actively carrying out charitable activities to protect endangered animals. • Ping An channels funds into eco-friendly projects by incorporating biodiversity-related risks into investment and financing processes. • Ping An helps Shenzhen build the world's first "International Mangrove Center" and provides financial services for comprehensive mangrove protection.
Peace, Justice and Strong Institutions	• Ping An ensures transparent and compliant business operations by improving policies and procedures. • Ping An promotes the discipline of "dare not, cannot, and do not want to commit corruption" in discipline inspection and supervision by implementing robust internal controls and developing an incorruptibility culture. • All of Ping An's employees received incorruptibility and anti-corruption education.
Partnerships for the Goals	• Ping An actively participates in sustainability-related initiatives and organizations, including the United Nations Environment Programme Finance Initiative (the "UNEP FI"), the Principles for Sustainable Insurance (the "PSI"), the Green Investment Principles (the "GIP") for the Belt and Road, and the Principles for Responsible Investment (the "PRI"), to promote cooperation in sustainability. • Ping An is deeply involved in the formulation of industry sustainability standards such as the *Guidelines for Environmental, Social and Governance Information Disclosure of Insurance Institutions* and the *Green Insurance Classification Guidelines*.

Sustainability

Sustainable Development Management

Sustainability-related Strategic Planning

Sustainable development is Ping An's development strategy as well as the basis for maximizing the Company's long-term value. Based on sustainability-related planning, Ping An carried out related work around 13 key initiatives in an orderly manner, and completed the work review for 2023.

Sustainability Governance Structure

Having integrated sustainability into its development strategy, Ping An builds and practices a rational, professional corporate sustainability management framework and a clear, transparent ESG governance structure. In this way, Ping An continuously instructs all the functional centers and member companies of the Group to systematically enhance corporate governance and business sustainability. Ping An Group's sustainability governance structure comprises the following four levels:

Strategy: The Board of Directors and its Strategy and Investment Committee oversee all ESG issues, in charge of the Company's sustainability-related strategic planning, risk management, policy making, performance review and so on.

Management: The Sustainable Development Committee under the Group Executive Committee supervises the practice management of green finance, rural vitalization and other key ESG initiatives, external communications for the Company's sustainability issues and so on.

Execution: The Group ESG Office and the Group's various functional centers act as execution task forces to coordinate sustainability work within and outside the Group.

Practice: A matrix consisting of the Group's various functional units and member companies is responsible for ESG practices.

Sustainability Governance Structure

ESG Risk Management

Ping An deeply integrates the core theories and standards of ESG into the Group's risk management, and supplements the comprehensive risk management with ESG risk management requirements to ensure sustainable long-term business development.

Moreover, Ping An includes climate change-related risks in its risk management, focusing on the impact of climate change on the Company's business. As suggested by the Task Force on Climate-related Financial Disclosures (the "TCFD")(1), Ping An has developed a risk identification framework for climate change-related risks, and uses risk identification results as the basis for insurance and investment screening to reduce risks associated with climate change.

Note: (1) The TCFD was established in 2015 by the Financial Stability Board at the request of the Group of 20. The TCFD is dedicated to providing investors, lenders and insurers with the information they need to properly assess and price climate-related risks and opportunities.

Sustainable Development Recognition and Industry Exchange

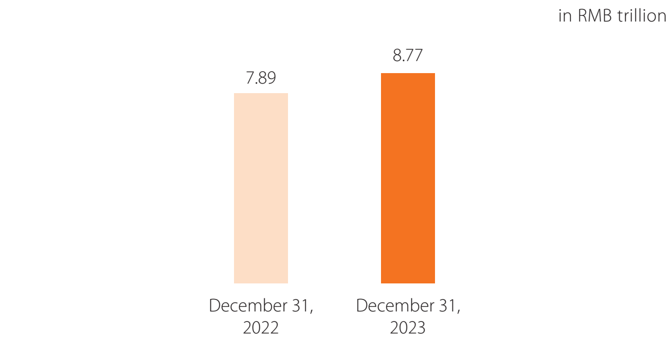
Ping An actively engages in industry exchange in the field of sustainable development, cooperates extensively with domestic and international sustainable development initiative organizations, and continues to leverage its influence in the industry. Ping An is the first company in China to sign the UNPRI, the Climate Action 100+, and the GIP for the Belt and Road as an asset owner. Moreover, Ping An is the first company in the Chinese mainland to sign the PSI established by the UNEP FI. Ping An is also a member of the Asian Corporate Governance Association, a director member of the Green Finance Committee of the China Society for Finance and Banking, and a director member of the ESG Committee of the China Association for Public Companies.

KEY INITIATIVES FOR SUSTAINABLE DEVELOPMENT

Support for Real Economy

Ping An adheres to the philosophy of providing people-centered financial services. By leveraging its "integrated finance + healthcare and elderlycare" capabilities, Ping An continuously provides the real economy with high-quality financial services. Ping An cumulatively invested over RMB8.77 trillion as of December 31, 2023 to bolster the real economy. The investments cover major infrastructure projects including energy, transportation, and water conservancy, supporting national strategic initiatives including the Belt and Road Initiative and the development of the Guangdong-Hong Kong-Macao Greater Bay Area. Ping An P&C provided over RMB3.9 trillion worth of insurance coverage for over 1,500 key engineering projects across China, and over RMB1.4 trillion worth of insurance coverage for public facilities in 111 countries and regions under the Belt and Road Initiative as of December 31, 2023. Ping An Asset Management cumulatively invested over RMB1.40 trillion as of December 31, 2023 to directly bolster the real economy through debt investment plans, asset funding plans, insurance private equity funds and so on, including over RMB70 billion invested in 2023. In the field of modern industries, Ping An Asset Management invested over RMB6 billion in multiple mega-projects including a power battery project and a semiconductor memory project. In the field of clean energy, Ping An Asset Management invested a total of RMB10.6 billion in SPIC Jiangxi Electric Power Co., Ltd., Shandong Hi-Speed New Energy Group Limited and so on. In the field of green infrastructure, infrastructure (green) debt investment plans implemented by Ping An Asset Management amounted to RMB1.4 billion.

Cumulative investments supporting real economy



Ping An continues to engage deeply in inclusive finance, committed to channeling funds into the real economy by providing convenient financial services to small and micro-enterprises and new urban citizens. Ping An Bank provided inclusive loans to over 1.03 million small and micro-enterprises, with a loan balance of about RMB572.1 billion as of December 31, 2023. Lufax Holding cumulatively served about 20.94 million customers, with a facilitated loan balance of about RMB315.4 billion, and provided unsecured loan services to 151 thousand small and micro-enterprises as of December 31, 2023. Ping An P&C created a series of exclusive insurance products for small and micro-enterprises such as "An Xin Bao for Enterprises," providing RMB200 trillion worth of insurance coverage for 2.29 million small and micro-enterprises in 2023. Moreover, Ping An P&C supported delivery riders by providing these hard-working new urban citizens with dedicated insurance coverage about 650 thousand times per day on average, totaling RMB422.5 billion in 2023.

Sustainability

Sustainable Insurance

Proactively playing its role as both an economic shock absorber and a social stabilizer, Ping An is committed to supporting economic development, social progress and environmental improvement with comprehensive and professional risk protection, integrating the sustainability philosophy into insurance business. Ping An has formulated *Ping An Group's Policy Statement on Sustainable Insurance*, clarifying the commitment to the four Principles for Sustainable Insurance.

Ping An actively led the development of ESG-related standards in the insurance industry in 2023. As the leading member of a research group, Ping An supported the Insurance Association of China in formulating the *Guidelines for Environment, Social and Governance Information Disclosure of Insurance Institutions*. Moreover, Ping An was deeply involved in the formulation of the *Green Insurance Classification Guidelines* to promote the standardized development of green insurance.

Sustainable Insurance Product Portfolio

Ping An continues to improve and diversify its sustainable insurance product portfolio by integrating ESG factors into product development, design and evaluation, and integrates sustainable development related factors including climate changes into pricing of insurance products.

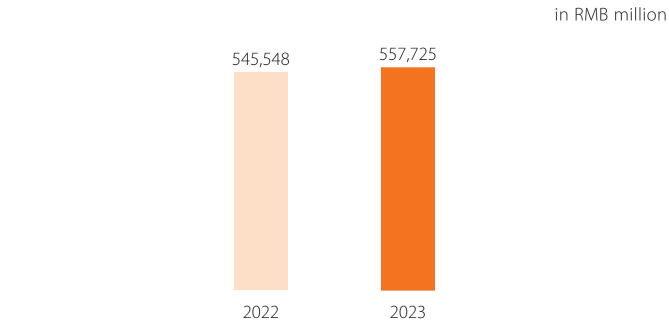
In respect of green insurance, Ping An further developed related insurance products and services including mangrove carbon sink insurance and sustainable insurance. Ping An launched preferential insurance policies for green enterprises or insurance customers with green projects including renewable energy, energy-saving reconstruction, and green buildings.

In respect of social insurance, Ping An closely monitors health trends in China and changes in insurance demands brought about by enhanced insurance awareness, promotes society and livelihood-related products including engineering insurance for large projects, food safety insurance and medical malpractice insurance, and helps the government improve the disaster relief system.

In respect of inclusive insurance, Ping An constantly innovates insurance products and upgrades services to develop inclusive insurance products for small and micro-enterprises, agricultural workers, "new urban citizens" and groups with special needs, providing risk protection for their business development, production and operations, employment and livelihoods.

Ping An had 9,835 sustainable insurance products as of December 31, 2023. Sustainable insurance premium income reached RMB557,725 million, with a total insured amount of over RMB709.67 trillion in 2023.

Premium income of sustainable insurance



The Group's sustainable insurance products in 2023 are detailed below:

(in RMB million)	Green Insurance(1)	Social Insurance(2)	Inclusive Insurance(3)
Premium income	37,296	506,336	14,093
Insured amount	48,888,259	487,019,482	173,761,736

Notes: (1) The definition of green insurance is consistent with the statistical and reporting standards stipulated in the *Statistical Rules on Green Insurance Business*. Green insurance mainly includes insurance services that address ESG risks, protect green industries, and safeguard green living, such as climate risk insurance and new energy vehicle insurance.

(2) Social insurance includes liability insurance (such as food safety insurance), medical insurance, and critical illness insurance.

(3) Inclusive insurance includes agricultural insurance, insurance for rural areas, insurance for farmers, insurance for vulnerable groups, and insurance for small and micro-enterprise operations.

Responsible Banking

Ping An promotes economic development, social progress and environmental improvement in line with the Principles for Responsible Banking, and embeds the sustainability philosophy and the ESG risk management philosophy in banking business development and operations.

Ping An advances the green finance industry under the philosophy of "providing people-centered financial services." Ping An develops personalized financing solutions for green industries and projects, focusing on key areas including clean energy, energy conservation, environmental protection, clean production, ecological environments, green infrastructure upgrades, and green services. Ping An provides innovative green financing products and services, including green loans, green bonds, green equities and green retail business, to meet diverse green financing needs of businesses and facilitate green, high-quality development of the real economy.

Ping An actively supports various economic activities with environmental and social benefits, and continuously optimizes its ESG risk management framework. Ping An Bank formulated and published *Ping An Bank's Environmental, Social and Governance Risk Management Procedure for Corporate Credit Customers (Trial)*, strengthening ESG risk management of corporate credit customers before, during and after lending. Ping An Bank integrates ESG risk management into business processes including due diligence, credit approval, contract management, fund disbursement and post-lending management, and applies the classification results of ESG risk assessment to credit ratings of and credit approval for corporate customers. In addition, Ping An Bank formulates differentiated rules on ecological and environmental impact risks that should be assessed when policies are formulated for specific industries including energy use, mining, oil and gas. For certain industries with significant impact risks, different indicators are set at the time of admittance to improve risk management.

Ping An deeply engages in inclusive finance as per the State's call to increase financial support for small and micro-enterprises during the 14th Five-Year Plan period. Ping An implements various preferential policies for inclusive finance, striving to provide convenient financial services for small and micro-enterprises and people's livelihoods. Leveraging financial and technological advantages, Ping An continuously optimizes its inclusive finance business portfolio and provides customers, the elderly and the disabled with heartwarming financial products and services, making financial services more inclusive and accessible.

The scale of Ping An's responsible banking business was approximately RMB1.21 trillion as of December 31, 2023, including RMB189,726 million in green banking business(1), RMB718,680 million in inclusive banking business(2), and RMB303,061 million in social banking business(3).

Notes: (1) Green banking business includes green credit, green bonds, green trust, green leasing, green asset securitization and so on.
(2) Inclusive banking business includes insurance for supporting small and micro-enterprises, agricultural insurance, insurance for rural areas, and insurance for farmers and so on.
(3) Social banking business includes loans for infrastructure construction, medicine and healthcare, education and culture, rural vitalization and so on.

Responsible Investment

Adhering to long-term advantage of insurance funds, Ping An implements the sustainability philosophy throughout its investment decision-making processes. Ping An integrates and develops the responsible investment philosophy and business by establishing the robust organizational structure and policies for responsible investment as well as continuously innovating responsible investment tools and practices. Ping An has formulated *Ping An Group's Policy Statement on Responsible Investment*, and has defined five principles for responsible investment, namely ESG Integration, Active Ownership, Thematic Investing, Prudence, and Information Transparency. The Group ESG Office and relevant functions of the Group supervise relevant member companies' incorporation of ESG requirements into their investment and financing processes in accordance with the *Guidelines for Green Finance in Banking and Insurance Sectors*. Ping An Asset Management joined the PRI as an asset manager to advance responsible investment in 2023.

Sustainability

Ping An Group and its member companies, including Ping An Life, Ping An P&C, Ping An Annuity, Ping An Health Insurance and Ping An Asset Management, have established comprehensive ESG risk-related management rules and processes in accordance with the *Guidelines for Green Finance in Banking and Insurance Sectors* and other regulatory requirements, incorporating ESG requirements into their management processes and enterprise risk management framework. In respect of investment process management, Ping An Group and its member companies have incorporated ESG factors into investment due diligence, compliance review, investment approval management, contract terms formulation, investment fund disbursement management and post-investment management. The entire insurance funds investment portfolio has been put under the management requirement of integrating ESG into investment as of December 31, 2023.

Ping An's responsible investment with insurance funds[(1)] amounted to RMB725,256 million as of December 31, 2023, including RMB128,568 million in green investment[(2)], RMB573,795 million in social investment[(3)], and RMB22,893 million in inclusive investment[(4)].

Notes: (1) Responsible investment with insurance funds refers to the sum of responsible investments with insurance funds of Ping An Life, Ping An P&C, Ping An Annuity, and Ping An Health Insurance.
(2) Green investment includes green financing, green publicly-offered funds, green buildings and green assets. For details, please refer to the types of projects encouraged by the *Guidelines for Green Finance* issued by the Asset Management Association of China.
(3) Social investment includes infrastructure construction, elderlycare and healthcare, education and culture.
(4) Inclusive investment includes investment for supporting small and micro-enterprises, agriculture, rural areas, farmers, rural vitalization, and shantytown renovation.

Responsible Products

Ping An focuses on localizing "managed care," and makes continuous contributions to the "Healthy China" initiative. Being people-centered and customer needs-oriented, Ping An actively innovates "integrated finance + healthcare and elderlycare services" models, and advances the Chinese "managed care model." Giving full play to its business advantages, Ping An continuously diversifies offerings under the "worry-free, time-saving, and money-saving" value proposition to meet customers' emerging healthcare and elderlycare needs. In this way, Ping An participates in the construction of an elderly-friendly society at multiple levels, enabling more people to benefit from healthcare/elderlycare innovation and pension finance development. For more details, please refer to the section headed "Healthcare and Elderlycare as a New Driver of Value Growth."

Consumer Protection and Experience

Ping An adheres to its original aspiration and mission of providing people-centered financial services under the philosophy of serving the real economy, people, and society. Ping An incorporates consumer rights protection in corporate governance. Led by the Related Party Transaction Control and Consumer Rights Protection Committee under the Board of Directors, Ping An continuously optimizes consumer rights protection and management mechanisms, actively implements consumer rights protection requirements, and conducts and enhances comprehensive assessment of consumer rights protection. Ping An maintains a regular, standardized internal audit framework for consumer rights protection, formulates audit plans for consumer rights protection, and incorporates consumer rights protection in its annual audit. Ping An adopts a daily reporting mechanism for consumer rights protection, holds management seminars on a regular basis, and conducts training on consumer rights protection and group-wide top-performer appraisals for consumer rights protection personnel to develop an internal culture of fair and honest consumer rights protection. The training on consumer rights protection covered 98.5% of Ping An's employees as of December 31, 2023.

In response to the call of the NFRA, the PBC, the CSRC and the Cyberspace Administration of China to launch "Financial Consumer Rights Protection Education and Publicity Month," Ping An carried out over 10,000 publicity sessions in September 2023, covering a total of approximately 650 million consumers. By popularizing financial knowledge in an all-around, multi-angle and wide-coverage manner, Ping An fulfills its social responsibility of protecting financial consumers' legitimate rights and interests.

Ping An enhances complaint management through coordination and supervision. For key companies and key issues, Ping An strengthens consumer rights protection before, during and after service cycles by building a full-fledged accountability system and strengthening front-line supervision and examination. Ping An provides clear customer complaint channels and processes on official websites and WeChat accounts. Ping An maintains a dedicated service hotline 95511 to provide 24/7 professional services through specialized customer service staff. On the basis of the service hotline and online customer service representatives, Ping An develops new approaches including video– and livestreaming-based customer services, dedicated advisers on WeCom, and home-based elderlycare concierges. Via the service hotline, Ping An provides all customers with one-stop service experience. There were 775 million inbound calls in 2023, with an average of about 2.12 million inquiries per day and a connection rate of 98.0%. In this way, Ping An swiftly responds to and handles customer inquiries and complaints, providing professional, appropriate solutions.

Remaining customer needs-oriented, Ping An gives full play to its unique integrated finance advantages, and constantly upgrades, optimizes and innovates its services to meet consumers' diverse financial needs. Ping An released its first *Report on Value of Worry-free, Time-saving, and Money-saving Capabilities* in 2023. The report provides a panoramic view of market trends in the fields of finance, insurance, healthcare and elderlycare, centering on the elderlycare ecosystem, auto ecosystem, investment and wealth management, credit products, insurance products and integrated services. Moreover, the report summarises consumers' demand for worry-free, time-saving, and money-saving financial products as well as the competitiveness of Ping An's products in providing worry-free, time-saving, and money-saving services. On the basis of this report, Ping An will further focus on customer perception and experience, provide more professional and convenient integrated financial solutions, and continuously improve the coverage and accessibility of its "integrated finance + healthcare and elderlycare" services to boost customer satisfaction.

Ping An attaches great importance to privacy protection. Adhering to the principles of "people-centered, secure, fair and transparent," Ping An has built a robust personal information protection system, strictly controls the collection, storage and use of relevant private information, and prohibits the rental, sale or provision of personal data. Ping An collects user information in accordance with the minimum necessary standard, and promises not to actively share or transfer personal information with/to third parties without authorization. Ping An implements scenario-based authorization management for personal information processing, and protects personal privacy in all business activities to ensure personal information security.

Corporate Governance

Ping An is committed to setting a good example in corporate governance and delivering stable returns to shareholders. On the basis of local advantages, Ping An has established a corporate governance structure in line with international standards, and continuously implements the world's best corporate governance practices. For more details, please refer to the section headed "Corporate Governance."

Sustainability

Climate Change and Carbon Neutrality

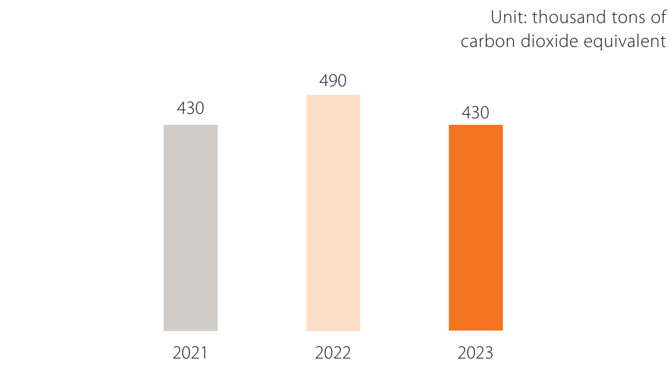
Ping An proactively embraces challenges and opportunities from climate change by leveraging its integrated finance advantages. Ping An gives full play to green finance, advances green operations, and takes strong measures to support green development, contributing to China's carbon peak and neutrality goals.

Ping An attaches importance to climate risk governance. Climate-related governance mechanisms, together with clear objectives and responsibilities, have been set up at all levels of the sustainability governance structure. Via climate change risk assessment, Ping An identifies possible impacts of climate change on its business segments over different timescales.

Adhering to insurance protection, Ping An helps customers cope with extreme weather and other climate change-related risks. In response to disastrous rains and floods brought by Typhoon Doksuri in multiple areas in August 2023, Ping An's four insurance subsidiaries jointly released warnings and took precautionary measures before disasters, and rapidly implemented contingency plans and established emergency response teams to identify affected customers and provide emergency assistance after disasters.

Ping An actively responds to China's carbon peak and neutrality goals, with a promise to achieve operational carbon neutrality by 2030. Ping An's operational carbon emissions amounted to about 430 thousand tons of carbon dioxide equivalent in 2023, averaging 1.35 tons per capita.

Operational carbon emissions in the workplace



In reducing operational carbon emissions, Ping An launched the industry's first carbon account system covering all employees in May 2023, incorporating employees' low-carbon behavior and carbon emission data into general operations. Moreover, Ping An held "Low-carbon Month" campaigns and also organized carbon account check-in campaigns including the "Clean Plate" and "Low-carbon Cycling" initiatives to practice the green philosophy. Ping An had approximately 113,200 employees covered by the carbon account who cumulatively reduced carbon dioxide emissions approximately 494,500 times by 18 thousand tons as of December 31, 2023. In addition, to help customers reduce carbon emissions, Ping An P&C piloted the enterprise carbon account system to record entities' carbon footprint in operations by measuring entities' carbon emissions based on the average carbon emissions generated by customers' online low-carbon behaviors. In this way, Ping An encourages enterprises to reduce carbon emissions, and helps them achieve green growth and sustainable brand development. During the pilot period, over 10,000 enterprises participated in the carbon account initiative.

Rural Vitalization and Community Impact

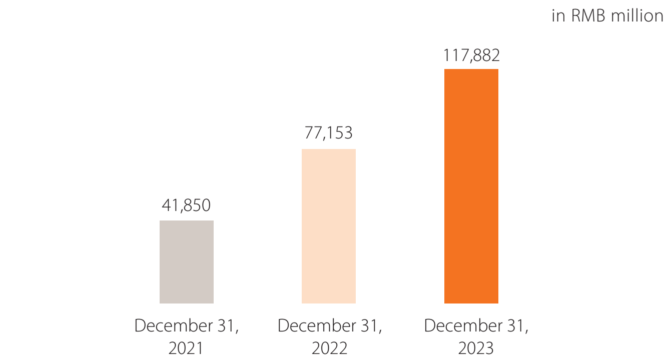
Support for Rural Vitalization

Ping An proactively supports China's rural vitalization strategy by promoting industries, healthcare, and education via "Ping An Rural Communities Support." Ping An leverages its own advantages in "integrated finance + healthcare and elderlycare" to deliver insurance, finance and healthcare to rural areas.

Ping An has provided RMB117,882 million for poverty alleviation and industrial vitalization since "Ping An Rural Communities Support" was launched in 2018.

Under the "Village Industry Program" which promotes industrial vitalization, Ping An makes full use of financial resources to support rural industrial upgrade and promote rural assistance initiatives. Ping An also helps expand marketing channels through targeted consumption assistance to facilitate the sustainable development of rural industries. In delivering insurance to rural areas, Ping An continuously upgrades the "revitalization insurance" model and leverages "insurance +" to support the development of industries, help rural households increase incomes, and create momentum for rural economic growth. Since the program was launched in 2021, Ping An has helped approximately 775,000 farmers increase incomes by RMB9.3 billion as of December 31, 2023. In delivering financial services to rural areas, Ping An customizes financial services to benefit farmers, and provides online financial services by leveraging its "finance + technology" strengths.

Funds cumulatively provided for poverty alleviation and industrial vitalization



Under the "Village Doctor Program" which promotes healthcare, Ping An integrates premium medical resources to offer mobile health checkups and complimentary medical consultations in rural areas, and facilitates the development of primary healthcare in rural areas. In delivering healthcare services to rural areas, Ping An has launched the campaign of "bringing healthcare services to 100 villages," inviting professional medical workers to provide first-aid training and raise the awareness about "Golden Four Minutes in First Aid." In this way, Ping An consolidates the "healthcare front" for rural vitalization.

Under the "Village Teacher Program" which promotes education, Ping An remains committed to education public welfare, aiming to provide rural children with equal access to high-quality education. Ping An gradually upgrades its education public welfare actions through five programs, namely hardware maintenance, volunteer teaching, remote training, summer camps, and scholarships and fellowships. Ping An Primary School in Funan County, Anhui Province, to which Ping An had donated RMB40 million, was inaugurated in May 2023. Ping An recruited 1,167 teaching volunteers, built 206 volunteer teams, and gave 4,052 classes in 2023, taking 900 teenagers out of the countryside to experience the charm of science and technology.

Ping An contributed to the construction of 119 Hope Primary Schools across China, recruited approximately 11,721 teaching volunteers, and provided over 438,000 hours of teaching services cumulatively as of December 31, 2023. Ping An continued to implement the "Juvenile Science and Technology Literacy Enhancement" program, conducting 37 Technology-driven Enterprise Open Day events, supporting 1,039 Smart Primary Schools, training over 20,000 rural teachers, and benefiting over 310,000 rural students.

Public Welfare Activities

Ping An takes proactive action to fulfill its social responsibilities, giving back to society and supporting people's livelihoods. Ping An received the China Charity Award, the highest government award in the field of public welfare and charity in China, for the fourth time in September 2023, for its contributions to charitable donations, volunteer activities, and rural vitalization.

After a 6.2-magnitude earthquake struck Jishishan County in Linxia Hui Autonomous Prefecture in Gansu, Ping An swiftly initiated an emergency response and immediately donated RMB10 million to affected areas in Gansu and Qinghai. Ping An strives to create a diversified high-quality education platform for the youth by continuously carrying out the "Ping An Inspiration Program." Ping An encouraged college students to conduct social researches on three topics, namely finance and insurance, healthcare and elderlycare, and low-carbon and environmental protection in 2023, pooling the youth's wisdom to solve community issues. Research funding and prize money provided by Ping An under the "Inspiration Program" exceeded RMB1 million in 2023.

Ping An continued to upgrade the "Mother's Needlework" program, establishing "Orange Workshops" in multiple counties. Ping An empowered local women to start businesses and increase income, and helped their handicrafts go global by providing them with financial support, product design, technique training and marketing support.

Ping An pays close attention to biodiversity. Ping An leveraged its integrated finance advantages to help Shenzhen build the "International Mangrove Center," launch China's first mangrove carbon sink index insurance, and establish China's first mangrove ecological conservation charitable trust with a scale up to RMB10 million in 2023.

Sustainability

Volunteer Services

Ping An continues to build the "Ping An Guardian Initiative" brand, developing a precise, normalized and convenient volunteer service system covering "online + offline" and "urban + rural" areas.

Under the "Ping An Guardian" initiative, Ping An held 30,000 normalized volunteer events in 2023. Volunteers from Ping An quickly responded to major disasters and actively went to affected areas. Ping An launched voluntary blood donation campaigns in 28 cities, with nearly 3,000 participants and over 710,000 milliliters of blood donated. Ping An continued to carry out the first-aid training program on how to perform cardiopulmonary resuscitation. In addition, Ping An organized over 5,300 free first-aid training sessions, reaching 100,000 citizens. Ping An conducted over 20,000 financial consumer protection education sessions in 2023, reaching over 200 million consumers in nearly 80 cities across China. The Ping An Volunteers Association has set up 20 member company branches and 31 regional branches since it was established in 2018. Moreover, the association has conducted multiple public welfare initiatives on the "San Cun Hui" public welfare platform. Ping An sponsored a total of 1,702 "Beside You" public welfare initiatives in 2023. The "San Cun Hui" public welfare platform had 3.49 million registered users, including over 500,000 employees and agents of Ping An as of December 31, 2023.

Business Code of Conduct

Ping An cherishes moral values and adheres to the "Regulations + 1" compliance philosophy. The Board of Directors and its Audit and Risk Management Committee and the senior management are jointly responsible for supervising the implementation of the business code of conduct and anti-corruption management rules and work plans. Ping An formulated and strictly implements the *Business Code of Conduct of Ping An Group*, the *Employee Code of Conduct of Ping An Group*, and the *Policy Statement on Responsible Product Management*, made commitments to the corporate business ethics, employee code of conduct, and product responsibility, and constantly improves management practices. The Internal Control Departments of the Group and its member companies conduct annual internal audits covering all core businesses regarding the implementation of management requirements under the *Business Code of Conduct of Ping An Group* and the *Employee Code of Conduct of Ping An Group*.

Corporate Business Ethics

Ping An has put an independent, vertical internal audit and supervision framework in place to prevent and control risks related to business ethics. Ping An's internal control assessments cover corporate governance, social responsibility and ESG management, sales management, fund utilization management, investment and financing management, anti-money laundering management, financial management, asset management and so on. In strict accordance with all applicable laws and regulations, Ping An has formulated procedures applicable to all of its member companies, suppliers and partners, and pledged the following:

- In respect of tax policies, Ping An always upholds the principles and philosophy of "integrity, law-abiding and Regulations + 1." Ping An strictly complies with all applicable laws and regulations, proactively conforms with tax policies, discloses tax information as required by law, declares and pays taxes on time, and prevents illegal tax dodging and evasion.

- In respect of anti-monopoly and fair trade, Ping An complies with anti-monopoly laws and regulations, strictly scrutinizes all merger and acquisition deals, and declares concentrations of undertakings as required by law.

- In respect of anti-money laundering and anti-terrorist financing, Ping An resolutely responds to the State's call to combat financial crimes and maintain financial security and stability, focusing on money-laundering activities that infringe on customers' interests, affect people's livelihoods, and endanger financial security and national security. Ping An provided clues about money-laundering cases to regulators and judicial departments, winning their recognition. Ping An strengthened the identification and prevention of cross-market and cross-industry money-laundering risks, and effectively protected customers' funds and assets. Paying high attention to education about anti-money laundering and sanctions compliance, Ping An launched campaigns including "Publicity Month," publicized relevant information on WeChat accounts, and provided its employees, directors, supervisors and management with various training courses given by experts and through Zhi Niao to popularize anti-money laundering knowledge and enhance application skills. Ping An continued to improve anti-money laundering, anti-terrorist financing and sanctions compliance management, and developed an integrated platform to enable digital and intelligent transformation of anti-money laundering, enhance internal control procedures and risk prevention capabilities, and support high-quality development of China's financial industry.

- In respect of fairness and the protection of employees' rights and interests, Ping An protects its employees' legitimate rights and interests, and prohibits any act of discrimination in terms of hiring, onboarding, training, promotion and awards. The Company conducts various activities to promote a diverse, open, equal and friendly work environment without harassment. Any individual or team that infringes on employees' rights and interests or discriminates against others will be punished accordingly. The Company protects employees' basic work rights, prohibits forced labor and child labor, and strives to build a harmonious and friendly working environment. Moreover, Ping An has developed the *Central Procurement Supplier Management Procedure* and included relevant clauses in supplier contracts, requiring suppliers to protect their employees' rights and interests.

- In respect of petitioning and reporting management, Ping An has formulated the *Whistle-blowing Management Procedure* and set up a dedicated petitioning and reporting hotline (0755-22625145) and an email box (lzxfjb@pingan.com.cn) to receive non-consumer service complaints against the Company, its employees or agents from internal and external complainants (including but not limited to the Company's employees, customers, suppliers, government and regulatory authorities). All parties concerned have been fully notified of the hotline and the email box through various open channels. The Company's petitioning unit deals with letters and calls in a lawful, objective, fair, and timely manner, and coordinates the joint investigation and handling by relevant units, to promote the effective and proper handling of petitions. Moreover, Ping An requires special protection and confidentiality of the petitioners and complaints to protect the petitioners' legitimate interests and prevent retaliation.

- In respect of intellectual property protection, Ping An attaches great importance to the protection and management of intellectual property rights, and ensures the effective and efficient commercialization of technological innovation outcomes. While protecting its own intellectual property rights, Ping An fully respects the intellectual property rights of others, and prohibits its employees from participating in infringements of intellectual property rights. By doing so, Ping An effectively protects its intangible assets and maintains orderly operations in business development.

Employee Code of Conduct

Ping An attaches great importance to employee business ethics. Ping An has developed systematic management rules and procedures covering full-time and part-time employees, including the *Employee Interest Conflict Management Policy* and the *Anti-fraud Procedure*. Moreover, Ping An has laid out an employee code of conduct comprising "Five Standards" and "Prohibitive Rules," emphasizing the "bottom line of compliance" and "limitations on employee behaviors" to prevent violations of laws, regulations and discipline, mainly covering the following aspects:

- In respect of information management and social media management, employees are required to strictly follow the requirements for customer information security management and are prohibited from leaking customer information. Employees may not divulge trade secrets or spread illegal information through official or employee accounts on social media.

- In respect of conflicts of interests, tunneling, and confidential information management, employees are required to understand and strictly comply with the Company's rules and procedures on conflicts of interest. Ping An prevents and punishes tunneling in line with the principles of "risk coverage, self-declaration, conflict avoidance, and zero tolerance." Employees are responsible for maintaining the confidentiality of inside information and may not divulge it.

- In respect of anti-bribery, corruption, and fraud, employees or partners may not engage in any illegal or improper activities in exchange for personal benefits or damage the Company's legitimate economic interests and reputation. Once a fraudulent action is confirmed, the employees involved will be subject to penalties and punishments.

Ping An continuously strengthens the management of employees' business conduct, proactively cracking down on those in violation of laws, regulations and discipline. Moreover, Ping An provides training regarding the employee code of conduct on a half-yearly basis to maintain a culture of integrity and self-discipline. All of Ping An's employees received anti-corruption education in 2023.

Product Responsibilities

As a financial services conglomerate, Ping An offers a wide range of products and services covering insurance, banking, asset management, healthcare and elderlycare, and technology. During the lifecycles of all products and services, Ping An undertakes to uphold the basic principles of compliance, fairness, inclusiveness and environmental protection. Ping An will not get involved in infringement of legitimate rights and interests, violation of the freedom of speech, or political repression. Ping An will not get involved in high emissions, high pollution, ecological destruction, or animal rights violations. Ping An will not engage in monopoly, unfair competition, pyramid sales, or terrorism. Moreover, Ping An will make every effort to put an end to violations of laws, regulations, and codes of ethics.

Ping An has built a robust management framework for responsible products, formulated principles applicable to responsible products, established and gradually improved a system of policies governing all products and services, and laid down rules including the *Product Sales Management Measures* and the *Product Development and Design Standards*. Moreover, Ping An strengthens the full-lifecycle risk management of products and services covering product development, sales and promotion, after-sales services, and emergency response to establish a closed loop for effective management and develop responsible financial, healthcare and elderlycare products.

Development and Welfare of Employees and Agents

Development and Welfare of Employees

Ping An helps employees maximize their personal value by providing them with career plans for prosperous and contented lives.

Ping An upholds the training philosophy of "Knowledge creates value." Taking employees and the Company into consideration, Ping An identifies learning needs for different scenarios, diversifies high-quality courses, and continuously optimizes the smart learning platform to support employees at all levels in constant efficient learning and development. Ping An's employees received 44.9 hours of training on average in 2023.

For resource development, Ping An has developed a multi-dimensional curriculum focusing on the contents, capabilities and development stages, and upgraded the "training system for key stages of talent development" to meet multi-tiered, comprehensive talent development needs. For mechanism and platform development, Ping An continuously optimizes the learning platform to cover all learning scenarios. Ping An explores a "learning passport" model under which employees' learning activities and outcomes are completely recorded and linked to learning points to enhance the planned learning of all employees. By associating learning outcomes with career development, Ping An effectively motivates all employees, promotes a learning atmosphere, and builds itself as a learning organization. Ping An provides employees at different career development stages with tailor-made courses on management capabilities and leadership development, with themes covering corporate strategies, management decisions, and career development.

Ping An upholds a principle of fair, equitable and transparent remuneration. Ping An continuously rationalizes and optimizes performance-based remuneration management on the principle of fair and equitable distribution according to work, and provides competitive remuneration to motivate employees. To retain key employees and strengthen internal cohesiveness, Ping An has put in place long-term incentive and restraint mechanisms, and implemented the Key Employee Share Purchase Plan and the Long-term Service Plan.

Regarding talent as the primary driver of business development, Ping An attaches great importance to team development. Adhering to the strategy of developing a strong workforce in the new era, Ping An has developed its talent system centering on the "integrated finance + healthcare and elderlycare" ecosystem, continuously attracting top talent in related industries to strengthen Ping An's talent competitiveness. Ping An established a series of procedures to improve talent management standards and systems in 2023. Ping An leverages scientific and standardized performance management combined with the three-dimensional talent map and the "8Q + TEL" model to assess employees' comprehensive abilities on a yearly basis via regular appraisal and talent assessment for key positions, focusing on actual performance, skill sets and development potential to ensure fair and efficient talent selection. Moreover, Ping An continues to improve position sequences and talent development system, aiming to build broader career development channels, develop high-quality talent pipelines, and enable employees to grow to their fullest potential.

Ping An respects and safeguards employees' basic rights and interests. Ping An provides employees with commercial insurance, high-end health insurance and regular health checkups, and pools various resources to provide employees with discounted goods and heartwarming services. Ping An maintains a health management platform where employees can directly consult a doctor online and make an appointment in a hospital. Ping An invites health experts to give health lectures from time to time. Ping An maintains the Ping An Employee Assistance Program to protect the physical and mental health of employees. Ping An continuously optimizes HR-X, a smart human resources mobile app, to provide employees with a series of convenient services including one-click leave application and self-service certificate application. Ping An respects and cares for female employees, and provides mother-and-baby rooms and facilities in the workplace for lactating employees. Ping An strictly abides by national laws and regulations and local government requirements, and implements policies on parental leave, breastfeeding breaks and pregnant employees' rest breaks. Moreover, Ping An has its own employee leaves in addition to those specified by laws, regulations and government policies. For instance, Ping An fulfills its social responsibilities and encourages employees to participate in public welfare by granting them blood donation leave and volunteer service leave. Ping An provides examination leave for special positions to encourage employees to develop specialized skills through continuous learning. Ping An also has a birthday leave policy that allows flexible working hours. Ping An has open, safe and diverse channels in place for all employees to file complaints and give feedback. Ping An properly protects each employee's legitimate rights and interests, and maintains a just, equitable, harmonious and healthy workplace by keeping employees duly informed through communication, training and so on.

Sustainability

Ping An conducted a satisfaction survey of all its employees through an external third-party professional organization. The overall employee satisfaction was 87 points in 2023, higher than the 85 points in 2022.

The Group's member companies have established their trade unions under laws and regulations to protect employees' legitimate rights and interests and promote high-quality business development. Both the unionization rate and the membership rate are 100%. Meanwhile, the Group encourages its member companies to establish "Employee Representative Assemblies." Issues and policies related to the interests of employees as well as the election and debriefing of employee directors and supervisors are all deliberated and approved at "Employee Representative Assemblies." In addition, Ping An takes care of employees' health and well-being by providing regular assistance for employees in difficulties, annual employee health checkups, and mental health guidance. To meet the Company's business needs and employees' career development needs, Ping An provides various training courses by integrating resources such as Ping An (Shenzhen) Financial Education and Training Center, lecturers, and the "Zhi Niao" app. In this way, Ping An continues to improve employees' innovation capabilities, expertise, and business skills.

Development and Welfare of Agents

To pursue high-quality development, Ping An continuously optimizes channel development, builds teams for innovative channels, and improves the agent force's comprehensive strengths. For more details, please refer to the section headed "Life and Health Insurance Business."

Information Security and AI Governance

Adhering to the principle of being people-centered, secure, fair and transparent, Ping An strictly implements information security management norms in line with the highest standards to reinforce the Company's information business. Moreover, Ping An pays high attention to improving its AI governance system to ensure security and control, with an AI Ethics Committee at the Group level overseeing the development and application of AI in a comprehensive and rational manner.

Ping An strictly abides by laws and regulations, regulatory policies and requirements, and constantly improves its information security management system in line with technological innovations and best practices, aiming to ensure the confidentiality, integrity and availability of information. Ping An has formulated rules including *Ping An Group's Policy Statement on Information Security Management*, and established a data security governance model centering on customer data protection. Ping An performs end-to-end security management around personnel, data, systems, businesses, and third parties, and conducts annual training on security for all the employees of the Group and third-party personnel. In addition, Ping An regularly conducts internal and external audits of its information security management and data privacy protection. Ping An has passed the ISO27001 information security management system certification for consecutive years, ensuring the effective and stable operations of the information security system. Regarding security protection, Ping An takes both active and passive defense measures to ensure information security of the system, formulates emergency plans for cybersecurity incidents, and organizes emergency drills at least once a year. Ninety-three percent of the Group's member companies have passed the ISO/IEC 27001 and other information security or privacy protection certifications as of December 31, 2023, and no major information leak or other cybersecurity incident occurred in 2023.

Ping An formulated the *Ping An Group's Policy Statement on AI Ethics Governance* in line with the five ethical principles of "human-oriented, human autonomous, secure and controllable, fair and just, and open and transparent." Ping An undertakes to oversee the development and application of AI in a scientific manner, and is committed to keeping technology and financial services under ethical review. Ping An has clear ethical goals for data use, algorithm R&D, and industry application, and constantly improves its AI governance framework. Internally, Ping An has established the AI Ethics Management Committee, which is responsible for steering the general directions of Ping An's AI ethics policy. The committee ensures fairness and justice in product R&D, oversees information security and privacy protection in product and service provision, and explores ways to optimize management regarding AI-related ethical issues in project implementation. Externally, Ping An actively participates in global AI governance and promotes exchanges with peers and academia, contributing to the industry's standardization of AI governance.

Technology-powered Sustainable Development

Ping An pursues high-quality development driven by comprehensive digitization, focusing on the transformation and upgrade of its core businesses. Ping An uses technologies to help financial businesses boost sales, improve efficiency, control risks, and accelerate the building of ecosystems. In this way, Ping An empowers financial services with technologies, empowers financial services with ecosystems, and advances development with technologies. For more details on digital technology-driven transformation, please refer to the section headed "Technology Business."

Sustainable Supply Chain

As a responsible purchaser, Ping An is committed to achieving win-win cooperation and value maximization with partner suppliers. Ping An has established the *Sustainable Supply Chain Policy of Ping An Group*, integrating sustainable development requirements into supply chain management that covers sourcing and introduction, registration and verification, bidding and procurement processes, contract signing, and fulfillment management. Moreover, Ping An conducts regular inspections or annual onsite inspections of suppliers as per project requirements, focusing on suppliers' ESG performance. The Company has also included sustainable development requirements in existing supplier contracts, setting out articles on anti-bribery, information security and privacy protection, low-carbon and green technological transformation and development, labor rights protection, and employee development, and requiring suppliers to actively undertake and fulfill corporate social responsibilities and obligations. Ping An provided all its partnered suppliers with ESG training in 2023.

Moreover, Ping An provides partners with training on procurement system operation, procurement management rules, compliance and so on to improve suppliers' sustainability performance. If a supplier violates the Group's business code of conduct or fails the Group's appraisal, Ping An will help it formulate a rectification plan until it passes the appraisal. If a supplier violates the procurement rules, it will be disqualified and penalized.

Prospects of Future Development

MAJOR INDUSTRY TRENDS, MARKET LANDSCAPE, AND RISKS

2023 is the first year to comprehensively implement the spirit of the 20th National Congress of the CPC, and a crucial year to carry out the 14th Five-Year Plan. During the year, China's economic recovery faced difficulties and challenges while geopolitical risks significantly heightened outside China. Despite the challenges, China steadily improved the quality of economic development, comprehensively advanced reform and opening-up, and maintained overall economic and social stability under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at its core.

In 2024, amid profound changes in domestic and foreign economic environments, China's economy and consumption growth will still face challenges in the short term. However, there will be new business opportunities for the Company in the long term. Consumer demands for insurance and health management will increase due to people's growing awareness of healthcare and elderlycare, creating huge room for the development of our "integrated finance + healthcare and elderlycare" service framework. In addition, as demand for digital transformation grows stronger driven by government policies and technological advancement, Ping An is accelerating the innovation of its financial and healthcare business models to empower business growth.

- For insurance business, the ongoing "Healthy China" initiative has raised people's awareness of healthcare and elderlycare, benefiting the insurance industry in the long term. There is a huge potential market for the life insurance industry due to the ongoing healthcare reform, new government policies on people's livelihoods, welfare and security, and people's growing awareness of insurance. For the property and casualty insurance industry, business operations will become more specialized, refined and intensive, and the role of insurance as both an economic shock absorber and a social stabilizer will become increasingly prominent with the comprehensive reform of auto insurance, promotion of operational compliance, and increasing government policy-driven contributions from non-auto insurance.

- For banking business, the banking industry is committed to strengthening the CPC's leadership, serving the real economy, and preventing and controlling financial risks. The Company will adhere to the people-centered development philosophy, and stay alert to macroeconomic developments, market changes and customer demands to improve its ability to serve the real economy. In addition, the Company will strengthen comprehensive financial risk prevention and management, promote comprehensive digital transformation, and actively support high-quality development.

- For asset management business, as the financial regulatory system continuously improves and financial risks are effectively prevented and mitigated, the asset management industry has entered a new stage of high-quality development, which presents new development opportunities. The Company will strictly follow government policies, strengthen its resilience against risks, adhere to the bottom line of steady operations, seek steady, high-quality development, improve the efficiency of financial services, and continuously increase support for major national strategies and industrial upgrades.

- For technology application, Ping An will advance the digital transformation of financial services in response to the state's call to develop TechFin, green finance, inclusive finance, pension finance and digital finance. In addition, Ping An will develop its core technologies and leverage technologies to boost sales, increase cost-effectiveness, and control risks. By doing so, Ping An will improve financial service capabilities and coverage to meet multi-level, diverse customer needs for financial services and insurance protection, providing high-quality financial services for society.

- For healthcare and elderlycare business, China is comprehensively promoting the high-quality development of healthcare, aiming to meet overall goals under the Healthy China initiative by 2035. China is actively developing a comprehensive chronic disease prevention and treatment system centered on health management, improving the healthcare service system for the elderly, and enhancing the monitoring and management of occupational disease hazards. Moreover, the popularization and development of AI, digital, internet and other technologies in healthcare will continue to reduce the costs of diagnosis and treatment as well as improve the accuracy and efficiency of diagnosis and treatment. Drawing on deep insights into users' healthcare and elderlycare needs, the Company will leverage premium healthcare and elderlycare management services to actively tackle population aging and help implement the Healthy China initiative.

In response to the call of the CPC and the state, the Company will continue to support the real economy with financial services and strengthen financial risk management, contributing to the effective upgrade and appropriate expansion of China's economic output.

DEVELOPMENT STRATEGY AND BUSINESS PLAN

Facing multiple challenges in internal and external business environments, the Company took multiple measures to implement the philosophy of "Expertise creates value" by leveraging its resources and advantages in finance, healthcare, elderlycare and technology in a forward-looking manner in 2023. The Company actively pursued high-quality development, focused on core financial businesses, and continuously optimized business portfolios. In addition, the Company fulfilled its insurance mission and corporate social responsibilities to support the real economy and China's "domestic circulation" strategy. Ping An continuously delivered on its brand promise of "Expertise makes life simple." Ping An achieved its business goals for 2023 by strengthening risk management, optimizing rules, and furthering digital transformation. The Company focused on the development of its core financial businesses, advanced technological innovations in finance, healthcare and elderlycare, and developed the "integrated finance + healthcare and elderlycare" service framework. By doing so, the Company maintained the healthy, sustainable development of its core businesses.

In 2024, the Company will continue striving to become a world-leading integrated financial, healthcare and elderlycare services provider under the business policy of "focusing on core businesses, boosting incomes and cutting costs, optimizing portfolios, and improving quality and efficiency."

Prospects of Future Development

- Being customer-centric, Ping An will gain precise insights into customer demands by leveraging its technologies and compliant data analytics under the "one customer, multiple products, and one-stop services" model. Ping An will build a heartwarming financial services brand and meet customer demands with one-stop, multi-channel integrated financial service solutions, delivering ultimate "worry-free, time-saving, and money-saving" customer experience. Moreover, Ping An will boost the value of retail customers through the sustainable development of integrated finance.

- For insurance business, Life & Health will further implement the "channel + product" strategy and firmly promote the specialization of channels to pursue high-quality development. Life & Health will realize sustainable long-term growth by continuously upgrading insurance products, offering "heartwarming insurance," and improving business quality. Ping An P&C will continue to serve China's overall development, actively assume social responsibilities, and provide risk reduction services. Ping An P&C will pursue comprehensive digital transformation and optimize business portfolios to provide customers with refined premium services and realize high-quality development.

- For banking business, the Company will strengthen and uphold the CPC's leadership, and actively implement the spirit of the 20th National Congress of the CPC, China's Central Financial Work Conference and Central Economic Work Conference. The Company will adhere to the people-centered philosophy of development, continuously advance strategic transformation, and actively develop TechFin, green finance, inclusive finance, pension finance, and digital finance. Moreover, the Company will continuously enhance its ability to serve the real economy, strengthen financial risk prevention and management, promote comprehensive digital operations, and actively pursue high-quality financial business development.

- For asset management business, by enhancing investment management, risk management and product innovation and maintaining prudent operations, the Company will promote high-quality development of the financial industry, channel funds into the real economy, and help capital markets to function as financial hubs. Regarding insurance funds investment, the Company will take risk prevention as the first priority, improve its asset-liability management capabilities, adhere to the philosophy of long-term investing, and promote economic transformation and upgrade.

- For technology business, the Company will comprehensively improve its "integrated finance + healthcare and elderlycare" service framework, employing cutting-edge technologies developed through years of continuous R&D to support its core businesses. By doing so, the Company will provide customers with premium products to meet their comprehensive needs for diverse integrated financial offerings. Moreover, the Company will continuously upgrade its healthcare and elderlycare ecosystem strategy by improving the "managed care model" and integrating customer bases and resources to develop the healthcare and elderlycare ecosystem.

- For healthcare and elderlycare business, the Company will continuously advance the "integrated finance + healthcare and elderlycare" strategy. Ping An will leverage the capabilities and advantages of its healthcare and elderlycare ecosystem to unlock synergies between healthcare and elderlycare services and integrated financial services, centering on family doctor membership. Acting as a payer and integrating providers, Ping An will constantly integrate "online, in-store and home-delivered" healthcare and elderlycare service resources to provide corporate and retail customers with "worry-free, time-saving and money-saving" healthcare and elderlycare service experience. Ping An will further pursue competitive differentiation by developing unique "finance + service" and "insurance + service" managed care business models. In this way, Ping An will strive to create more stable and sustainable value for its shareholders.

Amid the ever-changing economic situations and market environment, the Company will earnestly study and implement the spirit of the 20th National Congress of the CPC and China's Central Financial Work Conference, strictly abide by laws and regulations, continuously strengthen risk management, constantly improve operations, and optimize resource allocation. In this way, the Company will improve the quality and efficiency of services for the real economy and help realize the goal of building China into a financial powerhouse. Ping An will advance its technology-driven "integrated finance + healthcare and elderlycare" strategy and pursue high-quality development with Chinese characteristics under a people-centered and customer needs-oriented approach, creating long-term, steady and sustainable value for customers, employees, shareholders and society.

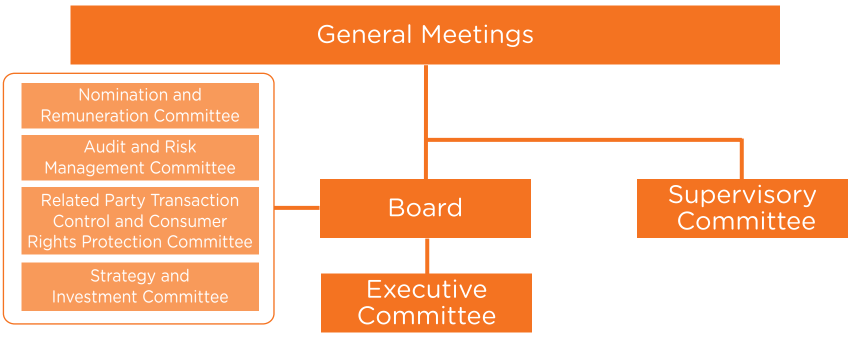
Corporate Governance Report

Ping An continuously adopts global best practices in corporate governance and improves its corporate governance structure built on both local advantages and international standards. The Company's board of directors (the "Board" or "Board of Directors") hereby reports to the shareholders on the Company's corporate governance for the year ended December 31, 2023 (the "Reporting Period").

GENERAL APPRAISAL OF CORPORATE GOVERNANCE

During the Reporting Period, the Company implemented corporate governance measures taking into account practical concerns and in strict accordance with the applicable laws, including the *Company Law of the People's Republic of China* and the *Securities Law of the People's Republic of China*, the applicable regulations issued by regulators, and the principles set out in the *Corporate Governance Code*. The Company's general meetings of shareholders ("General Meetings"), Board of Directors, supervisory committee ("Supervisory Committee") and executive committee ("Executive Committee") exercised their rights and performed their obligations conferred by the *Articles of Association* respectively, collaborating efficiently with effective checks and balances.

Corporate Governance Structure of Ping An



GENERAL MEETINGS AND SHAREHOLDERS

General Meetings

The general meeting established and expanded effective channels for communication between the Company and the shareholders, and ensured shareholders' information rights, participation rights and voting rights on the Company's significant events through listening to their opinions and advice. During the Reporting Period, the notices, convocation and procedures for convening and voting at the general meeting were in accordance with the requirements of the *Company Law of the People's Republic of China* and the *Articles of Association*.

The Company held the Annual General Meeting for 2022 in Shenzhen on May 12, 2023, and all the 15 then Directors of the Company attended the meeting. At the meeting, the attendees deliberated and approved nine proposals including the *Report of the Board of Directors of the Company for 2022*, the *Report of the Supervisory Committee of the Company for 2022*, the Annual Report of the Company for 2022 and Its Summary, the *Report on Final Accounts of the Company for 2022*, the *Profit Distribution Plan of the Company for 2022* and the *Reappointment of Auditors of the Company for 2023*. The resolutions of the above general meeting have been published on the websites of SSE (www.sse.com.cn) and HKEX (www.hkexnews.hk).

Shareholders' Rights

As one of the measures to safeguard shareholders' interests and rights, separate resolutions are deliberated at the general meetings on each material issue, including the election of individual directors, for shareholders' consideration and voting. All resolutions put forward at the general meetings are voted on by poll and the poll results are posted on the websites of SSE, HKEX and the Company after the relevant general meetings.

Extraordinary general meetings may be convened on the written request of shareholder(s) individually or collectively holding 10% or more of the Company's shares pursuant to Article 72(3) of the *Articles of Association*. Such request shall state clearly the matters to be deliberated at the general meetings and shall be signed by the requester(s) and submitted to the Board in writing. Shareholders shall follow the requirements and procedures as set out in the *Articles of Association* for convening an extraordinary general meeting.

In addition, shareholder(s) individually or collectively holding 3% or more of the Company's shares may submit an interim proposal in writing to the convener 10 days before the date of the general meeting pursuant to Article 75 of the *Articles of Association*.

Shareholders may put forward any inquiries about information set out in Article 58(5) of the *Articles of Association* in accordance with applicable laws and regulations, and send their inquiries or requests in exercise of such rights by mail to the Company's Investor Relations ("IR") Team or by email to IR@pingan.com.cn. Shareholders who put forward such inquiries shall provide the Company with written identification documents pursuant to laws, regulations, and the *Articles of Association*. The Company shall provide the information after verification.

Information Disclosure and Investor Relations

During the Reporting Period, the Company disclosed all material information in a truthful, accurate, complete, timely and impartial manner in accordance with the applicable laws and regulations and the *Articles of Association*, making sure that information was disseminated to every shareholder equally, and there was no breach of information disclosure regulations.

The Company adheres to the principles of compliance, objectiveness, consistency, timeliness, interactivity and fairness in providing services proactively, passionately and efficiently to institutional and individual investors in China and abroad, facilitating the understanding between the Company and its investors, enhancing corporate governance and realizing the Company's fair corporate value.

The "Investor Relations" section on the Company's website (www.pingan.cn) serves as a platform for communication with investors on the Company's updates including but not limited to business development and operations, financial information and corporate governance practices. Investors may also write directly to the Company's IR Team or by email to IR@pingan.com.cn for further inquiries, which will be appropriately dealt with by the Company.

The Company proactively communicates with the market through various means and channels, including but not limited to public presentations, roadshows, videos, conference calls and investor days, to improve communication effectiveness and facilitate value recognition. All these efforts have helped to deepen the capital market's understanding of the Company. Besides maintaining good communication with institutional investors, the Company has also established diverse channels for communication with minority investors to provide better investor services and protect their interests, including but not limited to corporate websites, email and hotlines. Moreover, the Company is committed to strengthening the analysis and reporting of capital market situations and the collection of shareholders' information, paying high attention to addressing investors' concerns and advice in order to further enhance the Company's operations, management and corporate governance. We constantly improve internal workflows and system construction to provide investors with more convenient services precisely and efficiently.

The Board has reviewed the shareholder communications policy on a regular basis (including in 2023) and ensured its effectiveness, and believes the shareholder communications policy is effective and adequate.

The Company's Independence from the Controlling Shareholders on Assets, Staff, Finance, Organization, and Business

The Company's shareholding structure is scattered and there are neither controlling shareholders nor de facto controlling parties. As an integrated financial group, the Company maintains full independence in terms of assets, staff, finance, organization and business under the supervision of the NFRA. The Company is an independent corporation responsible for its own profits and losses, runs independent and complete business, and is capable of independent business operations. During the Reporting Period, no controlling shareholder or other related party misappropriated the Company's funds, as confirmed by Ernst & Young Hua Ming LLP in its specific report in this respect.

BOARD AND DIRECTORS

Corporate Governance Functions of the Board

The Board is responsible for the management of the Company and accountable to the shareholders for their entrusted assets and resources. The Board represents and owes a duty to act in the interests of the shareholders as a whole. The Board recognizes its responsibility to prepare the Company's financial statements. The principal responsibilities of the Board and the types of decisions that can be made by the Board include:

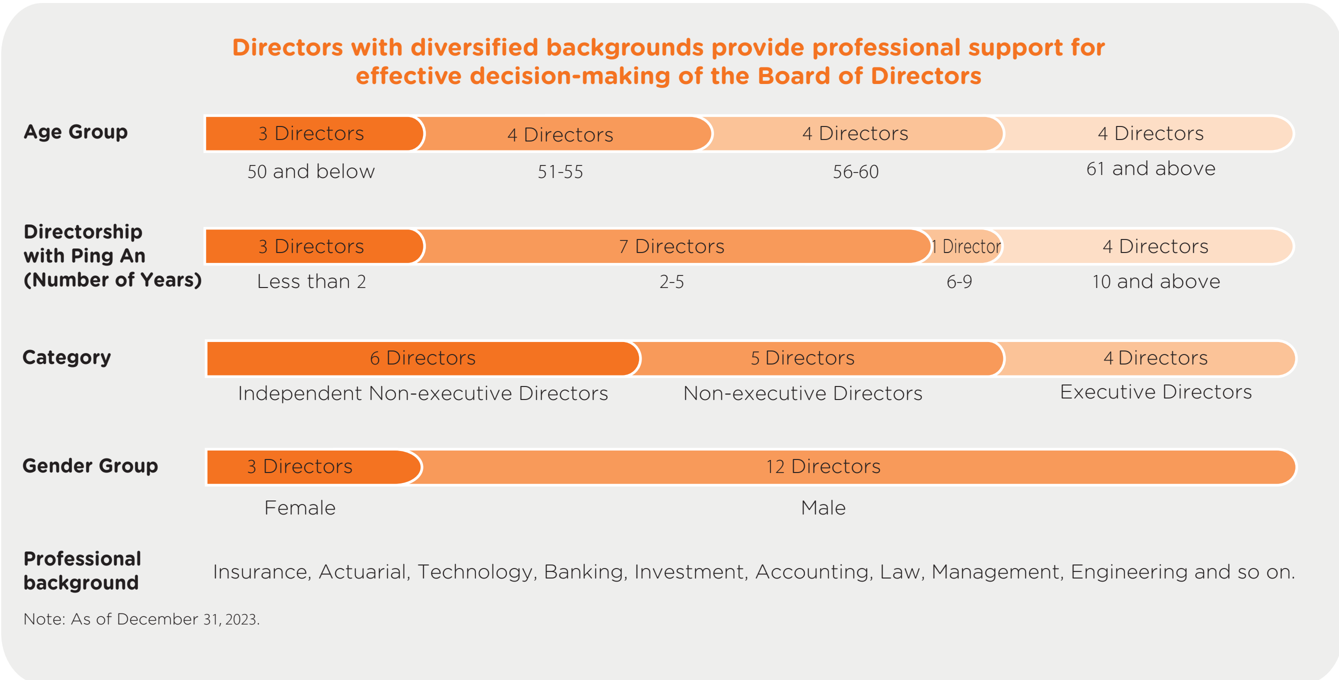
- formulating the Group's overall direction, objectives and strategies, business plans and investment proposals as well as monitoring and supervising the management's performance;
- formulating the Company's annual budgets and financial statements and monitoring the Company's performance;
- formulating the Company's profit distribution and loss recovery plans;
- formulating plans for mergers or disposals and deciding on major investments, asset collateralization and other forms of guarantee in accordance with the mandate granted by the General Meetings;
- formulating plans for any change in the Company's registered capital, issuance plans of corporate bonds or other securities, and listing plans;
- appointing or dismissing the Company's senior management, and determining their remuneration, reward and punishment; and
- performing the corporate governance function, monitoring, evaluating and ensuring the effectiveness of the Company's internal control systems and compliance with applicable laws and regulations.

In addition, the responsibilities, functions and types of decisions delegated to the management include:

- implementation of the Company's overall direction, objectives and strategies, business plans and investment proposals as determined by the Board from time to time; and
- day-to-day management of the Company's business.

Board Diversity

As of December 31, 2023, the Board consisted of 15 members, namely four Executive Directors, five Non-executive Directors and six Independent Non-executive Directors. The profile of each Director is set out in the section headed "Directors, Supervisors, Senior Management and Employees" of this Report. As far as is known to the Company, there is no relationship between the Board members and between Chairman of the Board and Co-CEOs in terms of finance, business, family members, or other major related aspects. The number of Directors and the composition of the Board follow all the applicable laws and regulations. As provided in the *Articles of Association*, Directors shall be elected by the General Meetings with a term of three years, and are eligible for re-election upon expiry of such term. However, Independent Non-executive Directors shall not hold office cumulatively for more than six years. The term of office of the 12th Board is from March 2021 to the date of the 2023 Annual General Meeting.



Convening of Board of Directors Meetings

Session of the Board Meeting	Date	Resolutions of the Board Meeting
The 13th meeting of the 12th session of the Board	March 15, 2023	The Board Meeting deliberated and approved proposals including the *Proposal on Reviewing the Annual Report of the Company for 2022 and Its Summary*, the *Report on Final Accounts of the Company for 2022*, the *Profit Distribution Plan of the Company for 2022* and the *Report of the Board of Directors for 2022*.
The 14th meeting of the 12th session of the Board	April 17, 2023	The Board Meeting deliberated and approved proposals including the *Proposal on Reviewing Framework Agreement for Material Related Party Transactions of the Company's Subsidiaries* and the *Proposal on Appointment of the Person-in-charge of Auditing of the Company.*
The 15th meeting of the 12th session of the Board	April 26, 2023	The Board Meeting deliberated and approved proposals including the *2023 First Quarter Report and the Unaudited Results for the Three Months Ended March 31, 2023 of the Company.*
The 16th meeting of the 12th session of the Board	July 7, 2023	The Board Meeting deliberated and approved proposals including the *Proposal on Appointment of Fu Xin as Senior Vice President of the Company* and the *Proposal on Reviewing the Compensation of Executives of the Company.*
The 17th meeting of the 12th session of the Board	August 29, 2023	The Board Meeting deliberated and approved proposals including the *Proposal on Reviewing the 2023 Interim Results Report of the Company and Its Summary*, the *Proposal on Distributing Interim Dividend for 2023*, and the *Proposal on Reviewing the Report on the Consumer Rights Protection of Ping An Group for the First Half of 2023.*
The 18th meeting of the 12th session of the Board	September 27, 2023	The Board Meeting deliberated and approved the *Proposal on Appointment of Senior Management of the Company.*
The 19th meeting of the 12th session of the Board	October 27, 2023	The Board Meeting deliberated and approved proposals including the *2023 Third Quarter Report and the Unaudited Results for the Nine Months Ended September 30, 2023 of the Company.*
The 20th meeting of the 12th session of the Board	December 22, 2023	The Board Meeting deliberated and approved proposals including the *Proposal on Revising the Guidelines for Independent Directors of the Company* and the *Proposal to Deliberate the Off-office Audit Report on Mr. Hu Jianfeng as the Person-in-charge of Auditing of the Company.*

Performance of Duties by Directors

Attendance Record of Directors

During the Reporting Period, the Directors attended the General Meetings and the meetings of the Board and specialized committees under the Board in person, and made prudent decisions based on their in-depth knowledge of relevant circumstances. All the Directors strictly fulfilled their duties, and are committed to protecting the interests of the Company and its shareholders as a whole. The attendance records of each Director at the meetings are as follows:

		Meetings attended in person/Meetings required to attend					
Members	Date of appointment as Directors	General Meetings	Board	Nomination and Remuneration Committee	Audit and Risk Management Committee	Related Party Transaction Control and Consumer Rights Protection Committee	Strategy and Investment Committee
Executive Directors							
Ma Mingzhe (Chairman)	March 21, 1988	1/1	8/8	-	-	-	3/3
Xie Yonglin	April 3, 2020	1/1	8/8	-	-	-	-
Cai Fangfang	July 2, 2014	1/1	8/8	-	-	-	-
Tan Sin Yin(1)	April 3, 2020	1/1	8/8	-	-	4/4	-
Non-executive Directors							
Soopakij Chearavanont	June 17, 2013	1/1	8/8	-	-	-	-
Yang Xiaoping	June 17, 2013	1/1	8/8	-	6/6	-	3/3
He Jianfeng	July 1, 2022	1/1	8/8	-	-	-	3/3
Cai Xun	July 1, 2022	1/1	8/8	-	-	-	-
Yao Jason Bo(1)	June 9, 2009	1/1	8/8	-	-	4/4	-
Independent Non-executive Directors							
Ng Sing Yip	July 17, 2019	1/1	8/8	7/7	6/6	4/4	-
Chu Yiyun	July 17, 2019	1/1	8/8	7/7	6/6	-	-
Liu Hong	July 17, 2019	1/1	8/8	7/7	-	-	3/3
Ng Kong Ping Albert	August 20, 2021	1/1	8/8	-	6/6	4/4	-
Jin Li	August 20, 2021	1/1	8/8	7/7	-	4/4	1/1
Wang Guangqian (Newly-appointed)(1)	July 20, 2023	-	4/4	4/4	3/3	-	-
Ouyang Hui (Retired)(1)	August 6, 2017	1/1	4/4	3/3	3/3	-	2/2

Note: (1) Details of re-designations, new appointments and departures of the Company's Directors during the Reporting Period are set out in the section headed "Directors, Supervisors, Senior Management and Employees" of this Report.

Objections of Directors on Relevant Matters of the Company

During the Reporting Period, none of the Directors objected to the resolutions at the Board meetings and other matters that were not submitted to the Company's Board meetings.

Adoption of Directors' Suggestions on the Company

During the Reporting Period, Directors put forward constructive opinions and suggestions in respect of the shareholders and the Company as a whole on matters including but not limited to corporate governance, reform and development, business operations, risk management, internal controls and consumer rights protection. In decision-making processes, Independent Non-executive Directors paid particular attention to minority shareholders' legitimate rights and interests. All the opinions and suggestions were adopted by the Company.

Continuous Professional Development of the Directors

All the Directors of the Company have received a comprehensive Service Manual for the Performance of Duties upon their first appointment, to ensure their understanding of the Company's business and operations as well as their responsibilities and obligations under the listing rules and applicable regulatory requirements. The Service Manual for the Performance of Duties is updated regularly.

The Company also continually provides information including updates on statutory and regulatory requirements as well as business and market changes to all the Directors to facilitate the performance of their responsibilities and obligations under the listing rules and applicable statutory requirements.

During the Reporting Period, all the Directors of the Company actively participated in continuous professional training by attending external training or seminars and in-house training or reading materials on various topics, to develop and refresh their knowledge and skills, ensuring that they have comprehensive and required information to make contributions to the Board. All the Directors have provided their records of training to the Company.

In 2023, all the Directors of the Company attended professional training on corporate governance, regulatory rules, director/supervisor/senior management's abilities to perform their duties and the Company's business, as well as training organized by the Insurance Association of China on macroeconomics, industry development and so on. Mr. Xie Yonglin, an Executive Director of the Company, took special training on improving the quality of listed companies organized by the Shenzhen Office of the CSRC. Mr. Wang Guangqian, an Independent Non-executive Director of the Company, attended the SSE's pre-appointment training session for listed companies' independent directors. In addition, Mr. Jin Li, Mr. Chu Yiyun, Mr. Liu Hong and Mr. Wang Guangqian, Independent Non-executive Directors of the Company, attended the SSE's follow-up training session for listed companies' independent directors.

The Company Secretary of the Company received more than 15 hours of professional training in the Reporting Period.

Performance of Duties by Independent Non-Executive Directors

The 12th Board currently includes six Independent Non-executive Directors, exceeding one-third of the total number of the members of the Board, which complies with the applicable regulatory rules of the Company's listing jurisdictions. The Company's Independent Non-executive Directors are professionals with extensive experience in their respective fields, including finance, accounting, law and technology, crucial to the Company's smooth development. All the Independent Non-executive Directors meet specific independence guidelines set out in the applicable regulatory rules of the Company's listing jurisdictions, and have presented to the Company their annual independence confirmations. Therefore, the Company continues to believe that they are independent. Independent Non-executive Directors owe fiduciary duties to the Company and its shareholders, and are especially responsible for protecting the interests of minority shareholders. As a key part of the Company's corporate governance, Independent Non-executive Directors play a significant check-and-balance role in the Board's decision-making by ensuring the Board's access to independent views and opinions.

During the Reporting Period, the Company's Independent Non-executive Directors conscientiously exercised their powers conferred by the *Articles of Association*, promptly learned the key operational information of the Company, paid comprehensive attention to the Company's development, and actively attended the Board meetings. The Company's Independent Non-executive Directors conscientiously reviewed and supervised matters including profit distribution, remuneration of the Company's senior management, recommendation of candidates for directorship, appointment of the Company's senior management and major related party transactions, which were deliberated by the Board during the Reporting Period.

SPECIALIZED COMMITTEES UNDER THE BOARD

The Board has established four specialized committees, namely the Nomination and Remuneration Committee, the Audit and Risk Management Committee, the Related Party Transaction Control and Consumer Rights Protection Committee, and the Strategy and Investment Committee. The role, function and composition of each specialized committee are detailed below.

Nomination and Remuneration Committee

The primary duties of the Nomination and Remuneration Committee are to: provide recommendations on the size and composition of the Board of Directors (including skills, knowledge and experience); study the selection criteria and procedures for Directors and senior management, select qualified candidates and make recommendations to the Board; study and review the remuneration policies, programs and structures for all the Directors and senior management of the Company, and advise the Board in relation to establishing a formal and transparent procedure for developing remuneration policies; review and approve senior management's remuneration proposals in line with the corporate policies and objectives set by the Board; make recommendations to the Board regarding the performance evaluation of senior management; study the criteria for appraisal of Directors and senior management, conduct appraisals and make recommendations to the Board; and review and/or approve matters relating to share schemes specified in Chapter 17 of the *SEHK Listing Rules*.

Members

Independent Non-executive Directors

Jin Li (Chairman),
Ng Sing Yip,
Chu Yiyun,
Liu Hong,
Wang Guangqian

Having regard to the Company's business activities, assets and managed portfolios, the Nomination and Remuneration Committee selects qualified candidates for positions of Directors and senior management with reference to business acumen and undertakings, academic and professional achievements and qualifications, experience and independence, makes recommendations to the Board, and implements relevant decisions of the Board in relation to appointments.

The Nomination and Remuneration Committee developed and always follows the *Board Diversity Policy* to ensure a balance of Board members in terms of skills, experience and diversified perspectives, and thus to promote the effective operations of the Board and maintain a high level of corporate governance. When selecting Board members, the Company's Nomination and Remuneration Committee takes full account of the need for a diverse Board, and evaluates and selects candidates in multiple aspects, including but not limited to gender, age, cultural and educational backgrounds, professional experience, skills and knowledge. Moreover, the Nomination and Remuneration Committee suggests that the Board should always include female members to maintain gender diversity, in order to continuously improve corporate governance, follow global best practices for corporate governance, and further enhance the rationality and effectiveness of the Board's decision-making. Currently, the Board's level of gender diversity is in line with this goal.

In 2023, the Nomination and Remuneration Committee held a total of seven meetings, all convened in accordance with the *Articles of Association* and the *Charter of the Nomination and Remuneration Committee of the Board*. All of the members' opinions and suggestions were adopted by the Company. During the Reporting Period, the Nomination and Remuneration Committee implemented the remuneration policies for Directors strictly. The attendance records of each member of the Nomination and Remuneration Committee are set out in the part headed "Attendance Record of Directors" of this section.

Date	Contents of the Meeting
March 15, 2023	The meeting deliberated and approved proposals including the *Proposal on Review of the Performance Evaluation Results of the Company's Senior Management for 2022* and the *Proposal on Review of Participation in the 2023 Key Employee Share Purchase Plan.*
April 17, 2023	The meeting deliberated and approved the *Proposal on Recommending the Person-in-charge of Auditing of the Company.*
July 7, 2023	The meeting deliberated and approved proposals including the *Proposal on Recommending Fu Xin as Senior Vice President of the Company.*
August 29, 2023	The meeting deliberated and approved the *Proposal on Appointment of Mr. Michael Guo as the Chief Human Resources Officer of the Company.*
September 27, 2023	The meeting deliberated and approved proposals including the *Proposal on Recommending Senior Management of the Company.*
October 27, 2023	The meeting deliberated and approved proposals including the *Proposal on Recommending the Chief Risk Officer of the Company.*
December 22, 2023	The meeting deliberated and approved the *Proposal on Recommending the Assistant President of the Company.*

Audit and Risk Management Committee

The primary duties of the Audit and Risk Management Committee are to review and supervise the Company's financial reporting process and conduct risk management. The Audit and Risk Management Committee is also responsible for reviewing any matters relating to the appointment, removal and remuneration of external auditors. In addition, the Audit and Risk Management Committee examines the effectiveness of the Company's internal controls through regular reviews of internal controls over various corporate structures and business processes, while taking into account respective potential risks and levels of urgency to ensure the effectiveness of the Company's business operations and the realization of its corporate objectives and strategies. Such examinations and reviews cover finance, operations, compliance and risk management. The Audit and Risk Management Committee also reviews the Company's internal audit plans and submits relevant reports and recommendations to the Board regularly.

Members

Independent Non-executive Directors
Ng Kong Ping Albert (Chairman),
Ng Sing Yip,
Chu Yiyun,
Wang Guangqian

Non-executive Director
Yang Xiaoping

In 2023, the Audit and Risk Management Committee held a total of six meetings, all convened in accordance with the *Articles of Association* and the *Charter of the Audit and Risk Management Committee of the Board*. All of the members' opinions and suggestions were adopted by the Company. Furthermore, the Audit and Risk Management Committee convened a meeting to review the unaudited financial report for 2023 and agreed to deliver it to auditors for auditing. The Audit and Risk Management Committee also reviewed the audited financial report for the year ended December 31, 2023 at the first meeting in 2024, was satisfied with the basis of preparation of the financial report, including the appropriateness of the assumptions, accounting policies and standards adopted, and made recommendations to the Board for consideration. The attendance records of each member of the Audit and Risk Management Committee are set out in the part headed "Attendance Record of Directors" of this section.

Date	Contents of the Meeting
March 14, 2023	The meeting deliberated and approved proposals including the *Proposal on Reviewing the Annual Report of the Company for 2022 and Its Summary*, the *Ernst & Young's Report on Audit of the Annual Financial Report of the Company for 2022*, the *Report on Final Accounts of the Company for 2022*, the *Proposal on Reviewing the Annual Compliance Work Report of the Company for 2022*, and the *Proposal on Reviewing the Internal Control Assessment and Evaluation Report of Ping An for 2022*.
April 17, 2023	The meeting deliberated and approved proposals including the *Proposal on Recommending the Person-in-charge of Auditing of the Company*.
April 26, 2023	The meeting deliberated and approved proposals including the *2023 First Quarter Report and the Unaudited Results for the Three Months Ended March 31, 2023 of the Company* and the *Proposal on Reviewing the 2023 First Quarter Internal Audit Report of the Company*.
August 28, 2023	The meeting deliberated and approved proposals including the *Proposal on Reviewing the Interim Report of the Company for 2023 and Its Summary* and the *Brief Report on the Company's Compliance with Governance Standards*.
October 27, 2023	The meeting deliberated and approved proposals including the *2023 Third Quarter Report and the Unaudited Results for the Nine Months Ended September 30, 2023 of the Company* and the *Proposal on Reviewing the 2023 Third Quarter Internal Audit Report of the Company*.
December 22, 2023	The meeting deliberated and approved proposals including the *Proposal to Deliberate the Report on Off-office Audit of Mr. Hu Jianfeng as the Person-in-charge of Auditing of the Company* and the *Proposal to Deliberate the Report on Off-office Audit of Ms. Fu Xin as Chief Operating Officer of the Company and In-office Audit of Ms. Fu Xin as Senior Vice President of the Company*.

Further, the Audit and Risk Management Committee met with the Company's external auditors separately twice during the year to help committee members better evaluate the Company's financial reporting rules and internal control procedures.

The Audit and Risk Management Committee also reviewed and was satisfied with the performance, independence and objectiveness of the Company's auditors.

According to the resolution of the Company's 2022 Annual General Meeting, the Company reappointed Ernst & Young Hua Ming LLP and Ernst & Young (collectively "EY") as auditors of the Company's financial statements under CAS and IFRS respectively for 2023, which was the third year for EY to act as auditors of the Company. Remuneration payable to EY for the Reporting Period is set out as follows:

(in RMB million)	Fees payable
Audit services for financial statements – audits, reviews and agreed-upon procedures	101
Audit services for internal controls	7
Other assurance services	10
Non-assurance services	22
Total	140

Related Party Transaction Control and Consumer Rights Protection Committee

The primary duties of the Related Party Transaction Control and Consumer Rights Protection Committee are to coordinate the management of the Company's related party transactions and the protection of consumer rights, including determining the overall objectives, basic policies and rules in respect of related party transaction management, reviewing material related party transactions, ensuring compliance and fairness of the Company's related party transactions, guarding against risks arising from related party transactions, studying major topics and policies on consumer rights protection, and guiding and supervising the establishment and improvement of management rules for consumer rights protection.

In 2023, the Related Party Transaction Control and Consumer Rights Protection Committee held a total of four meetings, all convened in accordance with the *Articles of Association* and the *Charter of the Related Party Transaction Control and Consumer Rights Protection Committee of the Board*. All of the members' opinions and suggestions were adopted by the Company. The attendance records of each member of the Related Party Transaction Control and Consumer Rights Protection Committee are set out in the part headed "Attendance Record of Directors" of this section.

Members

Independent Non-executive Directors
Ng Sing Yip (Chairman),
Ng Kong Ping Albert,
Jin Li

Non-executive Director
Yao Jason Bo

Executive Director
Tan Sin Yin

Date	Contents of the Meeting
March 14, 2023	The meeting deliberated and approved the *Proposal on Reviewing the Report on Related Party Transactions of the Company for 2022*, the *Proposal on Reviewing the Report on Consumer Rights Protection of Ping An Group for 2022*, and the *Proposal on Reviewing Material Related Party Transactions between the Company and Its Subsidiaries*.
April 17, 2023	The meeting deliberated and approved the *Proposal on Reviewing Framework Agreement for Material Related Party Transactions of the Company's Subsidiaries*.
August 28, 2023	The meeting deliberated and approved the *Proposal on Reviewing the Report on Consumer Rights Protection of Ping An Group for the First Half of 2023*.
October 27, 2023	The meeting reviewed the *Report on the List of Related Parties of the Company under the Terms of the CBIRC in the Second Half of 2023*.

Strategy and Investment Committee

The primary duties of the Strategy and Investment Committee are to conduct research and provide suggestions to the Board for their consideration in relation to the Company's general strategic plans and development directions, annual strategic development plans and business plans proposed by the Company's management, major investments, property transactions, financing plans, major capital operations, asset management projects, production and operation projects, ESG matters, risks and so on, closely monitor and track the investment projects approved by the General Meetings and the Board, and promptly notify all the Directors of any significant progress or changes.

In 2023, the Strategy and Investment Committee held a total of three meetings, all convened in accordance with the *Articles of Association and the Charter of the Strategy and Investment Committee of the Board*. All of the members' opinions and suggestions were adopted by the Company. The attendance records of each member of the Strategy and Investment Committee are set out in the part headed "Attendance Record of Directors" of this section.

Members

Executive Director
Ma Mingzhe (Chairman)

Independent Non-executive Directors
Liu Hong,
Jin Li

Non-executive Directors
Yang Xiaoping,
He Jianfeng

Date	Contents of the Meeting
March 15, 2023	The meeting deliberated and approved proposals including the *Proposal on Reviewing the Company's 2023 Annual Work Plan* and the *Proposal on Reviewing the 2022 Sustainability Report of the Company*.
April 17, 2023	The meeting deliberated and approved the *Proposal for General Meetings to Grant General Mandate to the Board of Directors regarding Placement of New H Shares*.
August 29, 2023	The meeting deliberated and approved proposals including the *Proposal to Issue Capital Supplementary Bonds*.

SUPERVISORY COMMITTEE AND SUPERVISORS

The composition of the Supervisory Committee and the profile of each Supervisor are set out in the section headed "Directors, Supervisors, Senior Management and Employees" of this Report. Duty performance of the Supervisory Committee is detailed in the section headed "Report of the Supervisory Committee."

THE EXECUTIVE COMMITTEE

The Company has established an Executive Committee, which is the highest execution authority under the Board. The primary duty of the Executive Committee is to review the Company's internal business reports, policies in relation to investment and profit distribution, and management policies, development plans and resource allocation plans. The Executive Committee is also responsible for deciding and promoting significant matters including the Company's strategic planning, compliance/risk management, capital management and fund utilization, human resource synergy and brand management. In addition, the Executive Committee is responsible for reviewing business plans of the Company's subsidiaries and evaluating the subsidiaries' financial performance. The Company has also established several management committees under the Executive Committee, including the Strategy and Budget Management Committee, the Investment Management Committee, the Risk Management Executive Committee, the Technology Development Committee, the Investor Relations Management Committee, and the Sustainable Development Committee.

OTHER MATTERS REGARDING CORPORATE GOVERNANCE IN THE REPORTING PERIOD

Amendments to the *Articles of Association*

The Company canceled 70,006,803 repurchased A shares on June 16, 2023, and amended the terms related to the share structure and registered capital of the *Articles of Association* accordingly after the cancellation. The amendments took effect on July 19, 2023, the date at which the Company completed the procedure of reporting to the NFRA. The amended *Articles of Association* was published on the website of HKEX on July 19, 2023 and the website of SSE on July 20, 2023.

Our Compliance with the *Corporate Governance Code*

The Board is responsible for performing the corporate governance duties set out in the terms of reference in the Code Provision A.2.1 of the *Corporate Governance Code*.

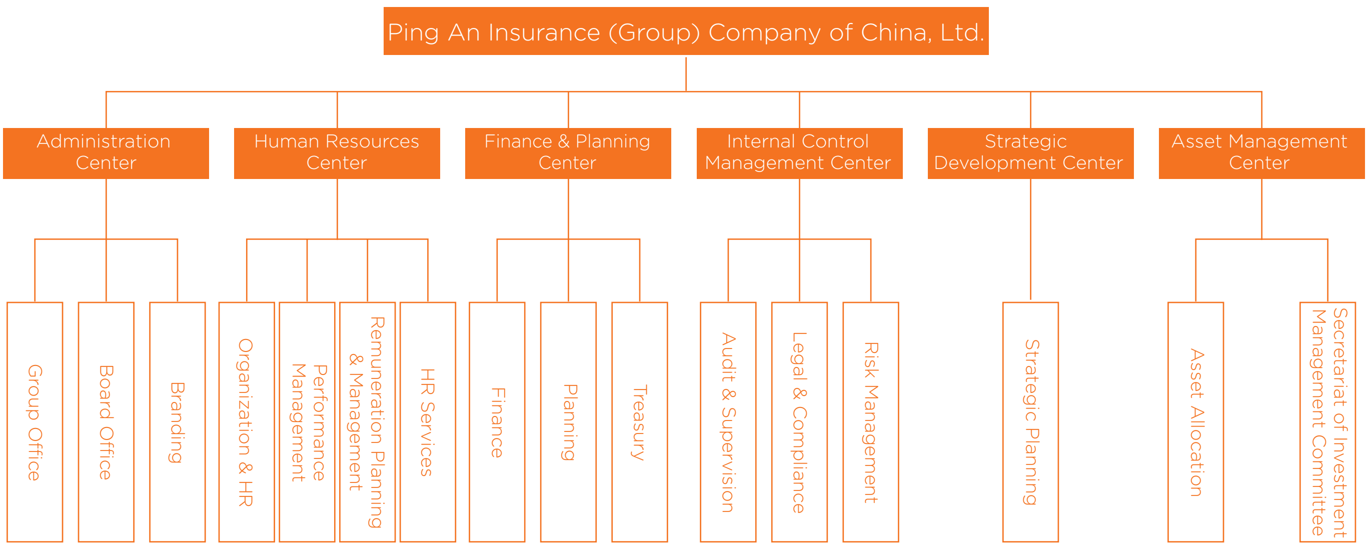
During the Reporting Period, the Board held meetings to review the Company's compliance with the *Corporate Governance Code* and the contents disclosed in the Corporate Governance Report.

None of the Directors is aware of any information that would reasonably indicate that the Company did not meet the applicable Code Provisions set out in the *Corporate Governance Code* any time from January 1, 2023 to December 31, 2023.

Compliance with the *Model Code*

In August 2007, the Company adopted a code of conduct regarding securities transactions conducted by its Directors and Supervisors (the "Code of Conduct"), which was amended in August 2022, on terms no less exacting than the required standards set out in the *Model Code*. Specific inquiries have been made to all the Directors and Supervisors of the Company, who have confirmed that they complied with the required standards set out in the *Model Code* and the Code of Conduct from January 1, 2023 to December 31, 2023.

The organization structure of the Company



Establishment and Perfection of the Internal Control System

The Company thoroughly studies and implements the spirit of China's central financial work conference, focusing its development on serving the real economy and people's livelihoods. The Company improves the quality and efficiency of services for the real economy to contribute to high-quality development. Being people-centered, the Company effectively safeguards financial security by strengthening the bottom line of risk awareness and adhering to the philosophy of sustainable long-term development. The Company comprehensively improves its rule formulation and internal control system, strongly advocates the philosophy of "compliance creates value," strengthens the active management of internal controls and compliance, continuously improves the effectiveness of internal controls, and consolidates the foundation of the Company's steady, compliant operations and high-quality development. In this way, the Company vigorously pursues financial business development with Chinese characteristics.

Regarding the internal control management framework, the Company has put in place a well-structured, well-staffed internal control system with well-defined powers and responsibilities in line with applicable laws and regulations as well as business and risk management needs. The Board is responsible for the establishment, improvement and effective implementation of internal controls. The Audit and Risk Management Committee under the Board monitors and assesses the implementation of internal controls, and coordinates internal control audits and other relevant work. The Supervisory Committee supervises the establishment and implementation of internal controls by the Board. The Risk Management Executive Committee under the Group's Executive Committee (the management) formulates general targets, basic policies and rules for risk management, and supervises operations of the risk management systems of subsidiaries or business lines.

Regarding the formulation and implementation of internal control rules, the Company further improved basic management policies and procedures, standardized guidelines for key processes, and enhanced implementation of policies and procedures, and promoted compliance of operations in 2023. Firstly, the Company further standardized policies and procedures. The Company gradually established a consistent, standard framework of policies and procedures based on management practices in accordance with laws, regulations and industry norms, and standardized the "formulation, amendment, abolition and interpretation" of policies and procedures to ensure that internal controls are rules-based and evidence-based. Secondly, the Company increased efforts to supervise and inspect the implementation of policies and procedures to ensure proper "formulation, implementation and supervision." Moreover, the Company organized the communication and learning of new policies and procedures, and enhanced group-wide education to strengthen compliance awareness among employees. Thirdly, the Company built a closed-loop management mechanism for "external regulations, policies and procedures, and internal controls." In this way, the Company strengthened the hierarchical and classified supervision of member companies' policies, procedures and internal controls to ensure effective routine management of them. Fourthly, the Company strengthened the management of policies and procedures. The Company classified policies and procedures in a scientific way and managed them in accordance with unified standards. The Company kept policies and procedures independent of human will by embedding them in processes and embedding processes in systems, laying a solid foundation for high-quality development.

Regarding internal control operations and assessment, the Company strictly complied with applicable laws and regulations. In response to the calls of regulators at all levels for strengthening compliance management and preventing compliance risks, the Company continuously optimized its governance structure and strengthened internal control management. Firstly, the Company's internal control operations and assessment covered all businesses, focusing on key ones. The Company adhered to the principles of comprehensiveness, materiality and objectivity in internal control operations and assessment. The Company focused on important business units, major matters and high-risk businesses on the basis of comprehensive and objective assessments of the Group's headquarters and member companies in different businesses and sizes. In this way, the Company continuously improved internal control systems and mechanisms. Secondly, the Company enhanced supervision to oversee the fulfillment of responsibilities. The Company organized its member companies to monitor and assess the effectiveness of internal control systems and define responsibilities in accordance with the *Measures for Supervision and Administration of Insurance Group Companies*, the *Basic Norms for Internal Controls of Enterprises*, the *Basic Rules for Internal Controls of Insurance Companies* and other rules, aiming to ensure implementation of internal control systems among all positions and responsibility owners, oversee the fulfillment of responsibilities for internal control and compliance management, and further strengthen mandatory restraints. Thirdly, the Company strengthened execution to enhance efficiency. The Company took account of its own business features, risk profiles and violation prevention when constantly carrying out internal control assessments and risk screening. The Company kept risk and compliance appraisal mechanisms in place for effectively implementation of internal controls. Moreover, the Company strengthened management of key positions, areas and processes by using digital technologies and approaches to continuously improve overall operational efficiency and risk prevention. Fourthly, the Company provided employees with training and education, requiring all of them to pass examinations. The Company ensured that all employees received training and education and passed online examinations regarding internal controls and the code of conduct in line with internal control assessments. Moreover, the Company effectively communicated the internal control philosophy to employees and promoted day-to-day operational mechanisms under which "everyone is involved in internal controls, everyone is responsible for compliance, and internal controls have been integrated into businesses and processes."

In active response to the state's call to fight financial crimes and maintain financial security and stability, the Group Anti-money Laundering and Anti-terrorist Financing Center strictly abides by laws, regulations and regulatory requirements, proactively transforms itself under the "risk-based" principle, and gives full play to the advantages of being a financial holding group, enhancing the effectiveness of its anti-money laundering activities. Regarding the closed-loop money laundering risk management, the Group enhanced money laundering risk prevention in 2023 by pioneering mechanisms including dynamic money laundering risk monitoring, money laundering crime typology analysis, and information sharing across the financial holding group. By enhancing money laundering risk assessment, the Group improved its risk identification capability by establishing dynamic risk monitoring and product and business risk assessment mechanisms. By establishing and optimizing a money laundering risk monitoring and management framework across different business lines, the Group enhanced the joint money laundering prevention and control capabilities for itself and its member companies. The Group focused on money laundering crimes and related predicate crimes that infringe on customer's interests and endanger financial and national security, tracking risk trends such as money laundering conducted with new technologies and via new channels. The Group continued to strengthen risk monitoring and control, and worked with financial regulators and competent authorities to combat money laundering threats. With consistent data and platforms, the Group ensured effective intra-group dissemination of risk information and prevented money laundering crime risk contagion within the Group by actively exploring the establishment of anti-money laundering information sharing mechanisms. Regarding improvement of the Group's ability to fulfill anti-money laundering responsibilities, the Group positions itself as "a secondary regulator" fulfilling the responsibilities of supervision and management. The Group improves the construction of its business supervision system, continuously supervises member companies' fulfillment of anti-money laundering responsibilities, coordinates rectification, and builds a supervision escalation system. The Group strengthens independent testing under the philosophy of "enhancing rectification via inspection, and making progress via rectification." Moreover, the Group continues to enhance its data foundation for anti-money laundering. By using innovative unsupervised machine learning and other big data algorithms, the Group has established money laundering risk models targeting individuals, gangs, and risks associated with anti-money laundering, anti-terrorist financing, and anti-tax evasion characteristic of financial holding groups. The Group upgrades its integrated smart platform to empower the digital transformation of anti-money laundering and promote the fulfillment of anti-money laundering responsibilities. Committed to its social responsibilities, the Group works with regulators to promote public awareness of preventing money laundering risk, illegal fund raising, and telecommunications fraud through publicity and education. The Group strengthens exchange and collaboration with regulators, offering advice to them. The Group makes active preparations for the Guangdong-Hong Kong-Macao Greater Bay Area Anti-money Laundering Summit, drawing upon expertise across institutions and businesses. The Group has been recognized and praised by regulators for its efforts to operate the Anti-Money Laundering Committee of the Financial Society of Shenzhen Special Economic Zone.

Regarding the management framework for internal audit and supervision, the Company has established an independent, vertical audit and supervision framework, and applies a centralized approach to audit and supervision by complying with regulatory requirements. The Board of Directors takes the ultimate responsibility for establishment, operations and maintenance of the audit and supervision framework as well as the independence and effectiveness of audit and supervision. The Audit and Risk Management Committee under the Board of Directors reports to the Board of Directors on and supervises and appraises auditing and supervisory activities. The Group's Person-in-charge of Auditing is responsible for assisting the Audit and Risk Management Committee in organizing auditing and supervisory activities and improving the internal audit and supervision framework. The Group Audit and Supervision Department is responsible for formulating internal audit and supervision policies and supervising specific and effective implementation. The Group's Audit and Supervision Project Center and regional audit and supervision functions are responsible for fully implementing audit and supervision projects. They supervise, appraise, and advise on financial revenue and expenditure, business development, internal control, and risk management independently and objectively. Audit and supervision departments at all levels are independent of business operations and management departments. Managed by the Person-in-charge of Auditing, audit and supervision departments report to the Board of Directors through the Audit and Risk Management Committee, and are appraised and supervised by the Audit and Risk Management Committee. To ensure objectivity and fairness, auditing and supervisory activities are independent of business operations and management, and audit and supervision departments are not directly involved in or responsible for auditees' business activities, business decision-making and execution as well as the design and implementation of risk management and internal control frameworks.

In 2023, the Company's internal control assessments covered the following: corporate governance, organizational structures, corporate strategies, human resources, corporate culture, social responsibilities and ESG management, sales management, fund utilization management, actuarial management, investment and financing management, liquidity management, anti-money laundering management, related party transaction management, legal and compliance management, comprehensive risk management, operations management, financial management, tax management, asset management, document and seal management, inquiries, complaints and customer surveys, information system management, information and communications, internal supervision, and consumer rights protection. The Company paid close attention to the following high-risk areas: corporate governance, sales management, fund utilization management, actuarial management, investment and financing management, anti-money laundering, related party transaction management, comprehensive risk management, operations management, financial management, and information system management. The Company maintained effective internal controls over financial reporting in all major aspects in accordance with the *Basic Norms for Internal Controls of Enterprises* and relevant rules in 2023. The internal control assessment report for the current year has been approved by the Board of Directors. The Company has engaged Ernst & Young to audit the effectiveness of internal controls over financial reporting, issue the *Internal Control Audit Report*, and pay attention to the effectiveness of internal controls over non-financial reporting matters.

For details of the Company's internal controls, please refer to the *Internal Control Assessment Report of Ping An for 2023* and the *Internal Control Audit Report on Ping An for 2023* released at the same date as this Report on the website of SSE (www.sse.com.cn).

RISK MANAGEMENT

The Company has always taken risk management as a core part of its operation and management as well as business activities. The Company takes steady steps to build a comprehensive risk management system that is aligned with the Company's strategies and business characteristics. The Company continuously optimizes risk management organizational structures, standardizes risk management processes, and adopts qualitative and quantitative risk management methodologies to identify, measure, evaluate, monitor, report, control and mitigate risks. Keeping risks under control, the Company promotes its sustainable, healthy business growth.

For details of the Company's risk management, please refer to the section headed "Risk Management" in this Report.

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviews their effectiveness at least annually through the Audit and Risk Management Committee. The Audit and Risk Management Committee assists the Board in fulfilling its oversight and corporate governance functions in the Group's finance, operations, compliance, risk management and internal controls, as well as its role in monitoring and governing finance and internal audits.

Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against unauthorized use or disposal, that relevant laws, regulations and rules are adhered to and complied with, that reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and that key risks that may impact on the Group's performance are appropriately identified and managed. The internal control systems can only provide reasonable but not absolute assurance against material misstatements or losses, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Company manages the handling and dissemination of inside information in accordance with various inside information disclosure procedures to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficient and consistent.

As disclosed above, the Audit and Risk Management Committee held a total of six meetings in the Reporting Period to review the Group's risk management and internal control systems. Through the Audit and Risk Management Committee, the Board has conducted an annual review of the effectiveness of the Group's risk management and internal control systems for the year ended December 31, 2023, covering all material financial, operational and compliance controls as well as environmental, social and governance performance, and has considered the Group's risk management and internal controls to be effective and adequate.

By order of the Board of Directors

Ma Mingzhe
Chairman

Shenzhen, PRC
March 21, 2024

Changes in the Share Capital and Shareholders' Profile

CHANGES IN SHARE CAPITAL

Statement of Changes in Share Capital

Unit: Shares	January 1, 2023		Changes during the Reporting Period					December 31, 2023	
	Number of shares	Percentage (%)	Issue of new shares	Bonus issue	Transfer from reserve	Others	Subtotal	Number of shares	Percentage (%)
I. Selling-restricted shares	-	-	-	-	-	-	-	-	-
II. Selling-unrestricted circulating shares									
1. RMB ordinary shares	10,832,664,498	59.26	-	-	-	-70,006,803[(1)]	-70,006,803[(1)]	10,762,657,695	59.10
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	7,447,576,912	40.74	-	-	-	-	-	7,447,576,912	40.90
4. Others	-	-	-	-	-	-	-	-	-
Subtotal	18,280,241,410	100.00	-	-	-	-70,006,803[(1)]	-70,006,803[(1)]	18,210,234,607	100.00
III. Total number of shares	18,280,241,410	100.00	-	-	-	-70,006,803[(1)]	-70,006,803[(1)]	18,210,234,607	100.00

Note: (1) The decrease of 70,006,803 A shares during the Reporting Period was due to the cancellation of repurchased shares.

Security Issuance and Listing

Security Issuance of the Company

There was no issuance of securities during the Reporting Period.

Staff Shares

As at the end of the Reporting Period, the Company had no staff share.

SHAREHOLDERS' INFORMATION

Number of Shareholders and Their Shareholdings

Number of Shareholders

Unit: Shareholder	December 31, 2023	February 29, 2024
Total number of shareholders	990,870 (including 986,615 domestic shareholders)	950,976 (including 946,723 domestic shareholders)

Shareholdings of Top Ten Shareholders as at the End of the Reporting Period

Name of shareholder	Nature of shareholder[1]	Shareholding percentage (%)	Total number of shares held (shares)	Changes during the Reporting Period (shares)	Type of shares	Number of selling-restricted shares held (shares)	Number of pledged, marked or frozen shares (shares)
Hong Kong Securities Clearing Company Nominees Limited[2]	Overseas legal person	38.26	6,966,685,599 [3]	+230,032,530	H Share	-	Unknown
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	5.29	962,719,102	-	A Share	-	67,550,000 pledged shares
China Securities Finance Corporation Limited	Others	3.01	547,459,258	-	A Share	-	-
Hong Kong Securities Clearing Company Limited[4]	Others	2.67	485,789,140	-221,974,851	A Share	-	-
Central Huijin Asset Management Ltd.	State-owned legal person	2.58	470,302,252	-	A Share	-	-
Business Fortune Holdings Limited	Overseas legal person	2.53	459,836,080	-11,838,752	H Share	-	359,636,584 pledged shares
Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd.[5]	Others	1.93	350,906,763	+96,443,179	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 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.

(6) The above A shareholders do not participate in securities margin trading or securities lending.

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 1,063,597,013 H shares of the Company, representing approximately 5.84% of the total share capital of the Company as of December 31, 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.

Voting delegation, delegated voting right or waiver of voting right regarding the top ten shareholders:

The Company is not aware of any voting delegation, delegated voting right or waiver of voting right regarding the above-mentioned shareholders.

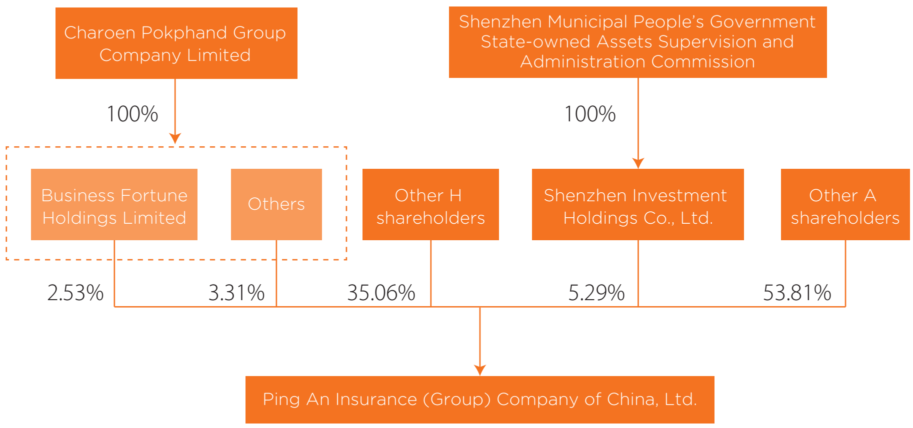
Particulars of Controlling Shareholder and De Facto Controlling Party

The shareholding structure of the Company is relatively scattered. There is neither controlling shareholder nor de facto controlling party.

Information on Shareholders Holding a 5% or Larger Equity Interest in the Company

As of December 31, 2023, CP Group Ltd. indirectly held 1,063,597,013 H shares of the Company in total, representing 5.84% of the Company's total share capital; Shenzhen Investment Holdings Co., Ltd. held 962,719,102 A Shares of the Company, representing 5.29% of the Company's total share capital.

The following chart shows the relationship between the Company and the ultimate controlling party of shareholders holding a 5% or greater equity interest in the Company:



Charoen Pokphand Group Co., Ltd., incorporated in Thailand on September 23, 1976, is a leading company in Thailand and serves as a parent company of C.P. Group. As a holding company, Charoen Pokphand Group Co., Ltd. holds shares of subsidiaries in Thailand and overseas. C.P. Group operates across many industries ranging from industrial to service sectors, which are categorized into 8 business lines including: Agro-Industry and Food Business, Retail and Distribution Business, Media and Telecommunications Business, E-Commerce and Digital Business, Property Development Business, Automotive and Industrial Products Business, Pharmaceuticals Business to Finance and Investment Business covering 14 business groups and 21 countries and economies.

Established in 2004, Shenzhen Investment Holdings Co., Ltd. is a solely state-owned limited liability company, and its legal representative is He Jianfeng. Shenzhen Investment Holdings Co., Ltd. mainly engages in TechFin, science parks, and the technology industry. On the basis of Shenzhen's urban development strategy, Shenzhen Investment Holdings Co., Ltd. focuses on technological innovation and industrial cultivation, and strives to create three major industrial clusters of "TechFin, science parks, and the technology industry." The company develops a full-lifecycle industry ecosystem in which TechFin is "sunshine, rain and dew," science parks are "soil," and the technology industry is "seeds, seedlings and trees." By doing so, the company helps Shenzhen improve the whole-process innovative ecochain of "basic research + technological breakthroughs + achievement industrialization + TechFin + talent support," and develop into a modern, international and innovative city at an accelerated pace.

Directors, Supervisors, Senior Management and Employees

From left to right:

Ms. Fu Xin

Ms. Cai Fangfang

Mr. Hu Jianfeng

Mr. Xie Yonglin

Mr. Ma Mingzhe

Mr. Michael Guo

Mr. Huang Baoxin

Ms. Zhang Zhichun

CORPORATE GOVERNANCE

Directors, Supervisors, Senior Management and Employees

MAJOR WORK EXPERIENCE AND CONCURRENT POSITIONS OF DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND KEY PERSONNEL

Directors

Mr. Ma Mingzhe
Founder of the Company
Chairman (Executive Director)
Aged 68

Director since March 1988

Work experience

Since the establishment of the Company, Mr. Ma had been fully involved in the operations and management of the Company until June 2020 when he ceased to act as the CEO. He now plays a core leadership role, in charge of decision-making on the Company's strategies, human resources, culture and major issues. Mr. Ma successively served as the President, a Director, and the Chairman and CEO of the Company.

Prior to founding the Company, Mr. Ma was the Deputy Manager of China Merchants Shekou Industrial Zone Social Insurance Company.

Educational background and qualifications

Ph.D. in Money and Banking from Zhongnan University of Economics and Law (previously known as Zhongnan University of Finance and Economics)

Mr. Xie Yonglin
Executive Director, President and Co-CEO
Aged 55

Joined the Company in 1994
Director since April 2020

Other positions held within the Group

Mr. Xie is the Chairman of Ping An Bank.

Other major offices

Mr. Xie is a Non-executive Director of Lufax Holding.

Past offices

Mr. Xie was the Deputy Director of the Company's Strategic Development & Reform Center from June 2005 to March 2006. He held positions of the Operations Director, the Human Resources Director, and a Vice President of Ping An Bank from March 2006 to November 2013, and served as the Special Assistant to the Chairman, the President and the CEO, and the Chairman of Ping An Securities from November 2013 to November 2016 consecutively. He was a Senior Vice President of the Company from September 2016 to December 2019. Previously, Mr. Xie served as a Deputy General Manager of Ping An P&C's sub-branches, a Deputy General Manager and then the General Manager of Ping An Life's branches, and the General Manager of Ping An Life's Marketing Department.

Educational background and qualifications

Master of Science degree from Nanjing University
Ph.D. in Corporate Management from Nanjing University

Ms. Cai Fangfang
Executive Director,
Senior Vice President
Aged 50

Joined the Company in 2007
Director since July 2014

Other positions held within the Group

Ms. Cai is a Director of a number of controlled subsidiaries of the Company including Ping An Life, Ping An P&C and Ping An Bank.

Other major offices

Ms. Cai is a Non-executive Director of Ping An Health.

Past offices

Ms. Cai successively held the positions of a Vice General Manager and the General Manager of the Remuneration Planning and Management Department of the Human Resources Center of the Company from October 2009 to February 2012, served as the Vice Chief Financial Officer and General Manager of the Planning Department of the Company from February 2012 to September 2013, the Vice Chief Human Resources Officer of the Company from September 2013 to March 2015, and the Chief Human Resources Officer of the Company from March 2015 to April 2023.

Prior to joining the Company, Ms. Cai served as the consulting director of Watson Wyatt Consultancy (Shanghai) Ltd. and the audit director on the financial industry of British Standards Institution Management Systems Certification Co., Ltd.

Educational background and qualifications

Master's degree in Accounting from the University of New South Wales, Australia

Mr. Soopakij Chearavanont
Non-executive Director
Aged 60

Director since June 2013

Other major offices

Mr. Chearavanont is the Chairman of CP Group, an Executive Director and the Chairman of C.P. Lotus Corporation, a Non-executive Director and the Chairman of Chia Tai Enterprises International Limited, and an Executive Director and the Chairman of C.P. Pokphand Co. Ltd. Mr. Chearavanont is also the Chairman of CP ALL Public Company Limited and Charoen Pokphand Foods Public Company Limited (both listed in Thailand).

Past offices

Mr. Chearavanont served as a Director of True Corporation Public Company Limited (listed in Thailand) and the Chairman of CT Bright Holdings Limited.

Educational background and qualifications

Bachelor of Science degree from the College of Business and Public Administration of New York University

Directors, Supervisors, Senior Management and Employees

Mr. Yang Xiaoping
Non-executive Director
Aged 60

Director since June 2013

Other major offices

Mr. Yang is the Senior Vice Chairman of CP Group, the Vice Chairman and CEO of CPG Overseas, an Executive Director and the Vice Chairman of C.P. Lotus Corporation, the CEO of CT Bright Holdings Limited, and a Non-executive Director of CITIC Limited and Honma Golf Limited. Mr. Yang is also an Associate Dean of the China Institute for Rural Studies of Tsinghua University, a Vice Director of the Management Committee of the Institute for Global Development of Tsinghua University, the President of Beijing Association of Enterprises with Foreign Investment and an Adviser on Foreign Investment to the Beijing Municipal Government.

Past offices

Mr. Yang was a member of the Twelfth National Committee of the Chinese People's Political Consultative Conference, and served as the Manager for China Division and the Chief Representative of Beijing Office of Nichiyo Co., Ltd. Mr. Yang was a Non-executive Director of Tianjin Binhai Teda Logistics (Group) Corporation Limited and Chery Holding Group Co., Ltd., a Non-executive Director and the Vice Chairman of True Corporation Public Company Limited, and the Vice Chairman of the board of directors of China Minsheng Investment Co., Ltd.

Educational background and qualifications

Bachelor's degree from Nanchang University (previously known as Jiangxi Polytechnic College)
Experience of studying in Japan
Certificate for completing a doctoral program in Tsinghua University

Mr. He Jianfeng
Non-executive Director
Aged 52

Director since July 2022

Other major offices

Mr. He is currently the Party Committee Secretary and Chairman of Shenzhen Investment Holdings Co., Ltd., and the President of Research Institute of Tsinghua University in Shenzhen.

Past offices

Mr. He served as the Party Committee Secretary and Chairman of Shenzhen Agricultural Products Group Co., Ltd., the Party Committee Secretary and Chairman of Shenzhen Food Materials Group Co., Ltd., the Chief Economist and a Party Committee Member of the State-owned Assets Supervision and Management Commission of Shenzhen Municipal People's Government, a Vice President of Shenzhen SEZ Construction and Development Group Co., Ltd., and so on.

Educational background and qualifications

Bachelor of Laws degree in International Law from Wuhan University
Senior Economist
Admitted to practice in the PRC as a qualified lawyer

Ms. Cai Xun
Non-executive Director
Aged 49

Director since July 2022

Other major offices

Ms. Cai is currently an Employee Director and the Deputy Party Committee Secretary of Shum Yip Group Limited, an Executive Director of Shenzhen Investment Limited, and a Non-executive Director of Road King Infrastructure Limited.

Past offices

Ms. Cai served as the division director of the Cadre Division I, the division director of the Research and Publicity Division, the division director of the Cadre Supervision Division and the deputy division director of the Cadre Division I and II of the Organization Department of Shenzhen Municipal Party Committee.

Educational background and qualifications

Bachelor's degree in Economics from Central South University (previously known as Central South University of Technology)

Mr. Yao Jason Bo
Non-executive Director
Aged 53

Director since June 2009

Past offices

Mr. Yao served as a Senior Vice President of the Company from June 2009 to January 2016, the Chief Financial Officer (Financial Director) of the Company from April 2010 to December 2022, the Chief Actuary of the Company from October 2012 to March 2021, an Executive Vice President of the Company from January 2016 to April 2023, and a Co-Chief Executive Officer of the Company from July 2020 to April 2023. Prior to that, Mr. Yao successively held positions of a Deputy General Manager of the Product Center, the Deputy Chief Actuary, the General Manager of the Planning Department, the Deputy Financial Officer and the Assistant President of the Company.

Prior to joining the Company, Mr. Yao served as a consulting actuary and a senior manager at Deloitte Touche Tohmatsu.

Educational background and qualifications

MBA degree from New York University
Fellow of the Society of Actuaries (FSA)

Directors, Supervisors, Senior Management and Employees

Ms. Tan Sin Yin
Non-executive Director
Aged 46

Director since April 2020

Other positions held within the Group
Ms. Tan is a Director of a number of controlled subsidiaries of the Company including Ping An Life, Ping An P&C and Ping An Bank.

Past offices
Ms. Tan served as the Chief Information Officer of the Company from January 2013 to November 2019, the Chief Operating Officer of the Company from December 2013 to February 2021, a Senior Vice President of the Company from June 2015 to December 2015, an Executive Vice President of the Company from January 2016 to December 2023, a Deputy Chief Executive Officer of the Company from October 2017 to November 2018, and a Co-Chief Executive Officer of the Company from December 2018 to December 2023.

Prior to joining the Company, Ms. Tan was a Global Partner of McKinsey & Company.

Educational background and qualifications
Bachelor's degrees in Electrical Engineering and Economics from the Massachusetts Institute of Technology (MIT)
Master's degree in Electrical Engineering and Computer Science from MIT

Mr. Ng Sing Yip
Independent Non-executive Director
Aged 73

Director since July 2019

Other major office
Mr. Ng currently serves as the Vice Chairman of the Legal Committee of the Hong Kong General Chamber of Commerce, a member of the Professional Advisory Board of the Asian Institute of International Financial Law of the University of Hong Kong, the Chairman of the Board of Supervisors of HSBC Bank Vietnam Limited, and an Independent Non-executive Director of HSBC Bank Australia Limited and Hang Seng Bank Limited.

Past offices
Mr. Ng served as a Crown Counsel in the Attorney General's Chambers in Hong Kong before going into private practice. Mr. Ng joined HSBC in June 1987 as an Assistant Group Legal Consultant, was later appointed as a Deputy Head of the Legal and Compliance Department, and the Head of Legal and Compliance in Asia Pacific, and served as a Non-executive Director of HSBC Bank (China) Limited.

Educational background and qualifications
Bachelor's degree and Master's degree in Laws (L.L.B. and L.L.M.) from the University of London
Bachelor's degree in Laws (L.L.B.) from Peking University
Solicitor to the supreme courts of England, Hong Kong, and Victoria, Australia

Mr. Chu Yiyun
Independent Non-executive Director
Aged 59

Director since July 2019

Other major offices

Mr. Chu's former name was Chu Yiyun (储祎昀). He is a professor and doctoral supervisor at the School of Accountancy of Shanghai University of Finance and Economics, a full-time researcher at the Accounting and Finance Research Institute of Shanghai University of Finance and Economics, a Key Research Institute of Humanities and Social Sciences under the Ministry of Education, a member of the first and second Senior Accounting Professional Qualification Evaluation Committee of the National Government Offices Administration, a Director of the Ninth Council of the Accounting Society of China, and a Renowned Accounting Expert designated by the Ministry of Finance. Mr. Chu is also an Independent Non-executive Director of Bank of Hebei Co., Ltd. and an Independent Supervisor of Bank of China Co., Ltd.

Past offices

Mr. Chu was a member of the First Accounting Standards Advisory Committee of the Ministry of Finance, the Executive Secretary-General of the Accounting Education Branch of the Accounting Society of China (formerly known as Chinese Accounting Professors Association), and an Independent Non-executive Director of Universal Scientific Industrial (Shanghai) Co., Ltd. and Tellhow Sci-tech Co., Ltd.

Educational background and qualifications

Ph.D., Master's and Bachelor's degrees in Accounting from Shanghai University of Finance and Economics

Mr. Liu Hong
Independent Non-executive Director
Aged 56

Director since July 2019

Other major offices

Mr. Liu is currently a professor and doctoral supervisor at Peking University, a Vice President of the Chinese Association for Artificial Intelligence, a member of the leading expert group of the national key R&D program of "Intelligent Robots" under the "13th Five-Year Plan" and one of the first experts under the "National High-level Talent Special Support Plan."

Past offices

Mr. Liu served as an Independent Director of Shenzhen JingQuanHua Electronics Co., Ltd.

Educational background and qualifications

Ph.D. in Engineering from Harbin Institute of Technology
Completed postdoctoral research at Peking University

Directors, Supervisors, Senior Management and Employees

Mr. Ng Kong Ping Albert
Independent Non-executive Director
Aged 66

Director since August 2021

Other major offices

Mr. Ng is currently the President of the Hong Kong China Chamber of Commerce, an Honorary Advisor of the Hong Kong Business Accountants Association, and a member of the Advisory Board of the School of Accountancy of The Chinese University of Hong Kong. Mr. Ng is a member of the Audit Committee of The Chinese University of Hong Kong, Shenzhen and a Council Member of the Education Foundation of The Chinese University of Hong Kong, Shenzhen. Mr. Ng is also an Independent Non-executive Director of China International Capital Corporation Limited, Beijing Airdoc Technology Co., Ltd. and Shui On Land Limited, and an Independent Director of Alibaba Group Holding Limited.

Past offices

Mr. Ng served as the Chairman of Ernst & Young China, Managing Partner of Ernst & Young in Greater China, and a member of the EY Global Executive. He has over 30 years of professional experience in the accounting industry in Hong Kong and the Chinese mainland. Before joining Ernst & Young, Mr. Ng was the partner-in-charge of Arthur Andersen LLP in Greater China, the partner-in-charge of China business of PricewaterhouseCoopers, and the Managing Director of Citigroup China Investment Banking. Mr. Ng served as a member of the First and Second Accounting Standards Advisory Committee of the Ministry of Finance of the PRC.

Educational background and qualifications

Bachelor's degree and Master's degree in Business Administration from The Chinese University of Hong Kong
A member of HKICPA, CA ANZ, CPAA and ACCA

Mr. Jin Li
Independent Non-executive Director
Aged 53

Director since August 2021

Other major offices

Mr. Jin is currently a Vice President and Chair Professor of Southern University of Science and Technology, a member of the Committee for Economic Affairs of the 14th CPPCC National Committee, a member of the Central Committee of Jiusan Society, a member of the Board of Directors and the Academic Committee of the Global Corporate Governance Forum, and a Vice Chairman of China Management Science Society. Mr. Jin is also an Independent Non-executive Director of Guosen Securities Co., Ltd.

Past offices

Mr. Jin was an Associate Dean of Guanghua School of Management, Peking University, a tenured professor and a doctoral supervisor in the Department of Finance at Oxford University's Saïd Business School, and an associate professor in the Department of Finance at Harvard Business School. He was also an Independent Non-executive Director of Yingda International Trust Company Limited, Beijing Financial Holdings Group, Dacheng Fund Management Co., Ltd. and CITIC aiBank Corporation Limited, and an Independent Director of S.F. Holding Co., Ltd.

Educational background and qualifications

Ph.D. in Finance from Massachusetts Institute of Technology, USA

Mr. Wang Guangqian
Independent Non-executive Director
Aged 68

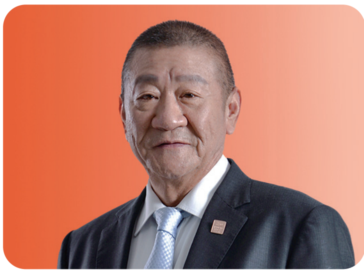
Director since July 2023

Other major offices
Mr. Wang is currently a professor at the School of Finance of Central University of Finance and Economics, a Vice President of China Society for Finance and Banking, and a Vice President of China Modern Financial Society.

Past offices
Mr. Wang was a Vice Dean of Central College of Finance (now Central University of Finance and Economics) and then a Vice President and the President of Central University of Finance and Economics.

Educational background and qualifications
Ph.D. in Finance from Renmin University of China

Supervisors



Mr. Sun Jianyi
Chairman of Supervisory Committee (Employee Representative Supervisor)
Aged 71

Joined the Company in 1990
Supervisor since August 2020

Past offices
Since joining the Company in July 1990, Mr. Sun has been the General Manager of the Management Department, Senior Vice President, Executive Vice President, Deputy Chief Executive Officer and Vice Chairman of the Company, and the Chairman of the board of directors of Ping An Bank successively.

Prior to joining the Company, Mr. Sun was the Head of the Wuhan Branch of the People's Bank of China, a Deputy General Manager of the Wuhan Branch of the People's Insurance Company of China, and the General Manager of Wuhan Securities Company.

Mr. Sun was also a Non-executive Director of China Vanke Co., Ltd., a Non-executive Director of China Insurance Security Fund Co., Ltd., and an Independent Non-executive Director of Haichang Ocean Park Holdings Ltd.

Educational background and qualifications
Diploma in Finance from Zhongnan University of Economics and Law (previously known as Zhongnan University of Finance and Economics)

Ms. Zhu Xinrong
Independent Supervisor
Aged 67

Supervisor since July 2022

Other major offices
Ms. Zhu is currently a second-level professor and doctoral supervisor of finance at Zhongnan University of Economics and Law, an expert entitled to a special government allowance from the State Council, a national master teacher, and the Director of the Collaborative Innovation Center of "Industrial Upgrade and Regional Finance," a university-affiliated think tank at Zhongnan University of Economics and Law. Ms. Zhu also serves as an executive council member of the China Society for Finance and Banking and an expert in the consulting expert pool of the Monetary Policy Committee of the PBC.

Past offices
Ms. Zhu was a member of the National Supervisory Committee for Professional Degrees in Finance and the Vice President of Hubei Finance Society. Ms. Zhu served as an Independent Non-executive Director of Guangdong Sanhe Pile Co., Ltd., Hubei Xianning Rural Commercial Bank Co., Ltd. and Wuhan Credit Investment Group Co., Ltd.

Educational background and qualifications
Ph.D. in Money and Banking from Zhongnan University of Economics and Law (previously known as Zhongnan University of Finance and Economics)

Mr. Liew Fui Kiang
Independent Supervisor
Aged 57

Supervisor since July 2022

Other major offices
Mr. Liew currently serves as an Independent Non-executive Director of Shandong Gold Mining Co., Ltd., China Apex Group Limited, Zhaoke Ophthalmology Limited, Zhengye International Holdings Company Limited, and Zhongchang International Holdings Group Limited.

Past offices
Mr. Liew served as an Independent Non-executive Director of Baoshan Iron & Steel Company Limited and the Chairman of PacRay International Holdings Limited.

Educational background and qualifications
MBA degree from the University of Hull Business School, United Kingdom
Bachelor of Laws from the University of Leeds, United Kingdom
Fellow of the Hong Kong Institute of Directors
Solicitor of Hong Kong and Solicitor of England and Wales

Mr. Hung Ka Hai Clement
Independent Supervisor
Aged 68

Supervisor since July 2022

Other major offices

Mr. Hung's former name was Hung Yu Sum Clement (洪如心). He is currently serving as an Independent Non-executive Director of Starjoy Wellness and Travel Company Limited (formerly known as Aoyuan Healthy Life Group Company Limited), China East Education Holdings Limited, Huarong International Financial Holdings Limited, Skyworth Group Limited, USPACE Technology Group Limited (formerly known as Hong Kong Aerospace Technology Group Limited) and JX Energy Ltd., and a Non-executive Director of High Fashion International Limited.

Past offices

Mr. Hung served Deloitte China for 31 years where he assumed the Chairman role of Deloitte China and a board member of Deloitte International. Mr. Hung served as an adviser to the Guangzhou Institute of Certified Public Accountants. He also served as a member of the Political Consultative Committee of Luohu District, Shenzhen and was appointed as an expert adviser to the Ministry of Finance of the People's Republic of China.

Mr. Hung was an Independent Non-executive Director and then a Non-executive Director of SMI Holdings Group Limited, an Independent Non-executive Director, then a Non-executive Director and subsequently a re-designated Independent Non-executive Director of Lerthai Group Limited (formerly known as LT Commercial Real Estate Limited). Mr. Hung was also an Independent Non-executive Director of Zhongchang International Holdings Group Limited (formerly known as Henry Group Holdings Limited), Tibet Water Resources Ltd., SY Holdings Group Limited (formerly known as Sheng Ye Capital Limited), and Gome Finance Technology Co., Ltd. (formerly known as Sino Credit Holdings Limited).

Educational background and qualifications

Bachelor of Arts in Accountancy from the University of Lincoln, United Kingdom (previously known as The Polytechnic, Huddersfield)
Life member of The Institute of Chartered Accountants in England and Wales

Directors, Supervisors, Senior Management and Employees

Mr. Wang Zhiliang
Employee Representative Supervisor
Aged 44

Joined the Company in 2002
Supervisor since August 2017

Other Positions held within the Group

Mr. Wang is the Chief Administrative Affairs Officer of the Group and the Chairman of Ping An Financial Leasing.

Past offices

Mr. Wang served as the Administrative Director and the Director of General Office of the Group, a Deputy General Manager of the Group's Head Office in Shanghai and a Deputy Director of the Group's General Office, and served in the Administration Department of Tianjin Branch of Ping An Life.

Educational background and qualifications

Bachelor's degree in Economic Information Management from Tianjin University of Finance and Economics (previously known as Tianjin Institute of Finance and Economics)

Senior Management and Key Personnel

For the work experience and concurrent positions of Mr. Ma Mingzhe, Mr. Xie Yonglin and Ms. Cai Fangfang, please refer to "Directors" in this section.

Mr. Michael Guo
Co-CEO and Senior Vice President
Aged 52

Joined the Company in 2019
Term of office: September 2023-present

Other major offices

Mr. Guo is a Non-executive Director of OneConnect and Ping An Health.

Past offices

Mr. Guo successively held the positions of the Vice Chief Human Resources Officer and the Chief Human Resources Officer of the Company from August 2022 to September 2023. Before then, he served as the Special Assistant to the Chairman and an Executive Vice President of Ping An P&C.

Prior to joining the Company, Mr. Guo was a Partner and Managing Director of Boston Consulting Group, and a Global Co-CEO of Willis Towers Watson Capital Markets.

Educational background and qualifications

MBA degree from the University of New South Wales, Australia

Mr. Huang Baoxin
Senior Vice President
Aged 59

Joined the Company in 2015
Term of office: April 2020-present

Other positions held within the Group

Mr. Huang is the General Manager of the Group's Beijing Head Office.

Past offices

Prior to joining the Company, Mr. Huang served as a Deputy Division Director of the Industrial Transportation Department of the Ministry of Finance of the PRC, a Deputy Director General of the Second Secretary Bureau of the General Office of the State Council of the PRC, a Deputy Director General and then the Director General of the Supervisory Bureau of the General Office of the State Council of the PRC, and a deputy head of the discipline inspection team of the Publicity Department of the Central Committee of the CPC accredited by the Central Commission for Discipline Inspection of the CPC.

Educational background and qualifications

Bachelor's degree in Finance from Zhongnan University of Economics and Law (previously known as Zhongnan University of Finance and Economics)
Master's degree in Political Economics from Renmin University of China
Doctorate degree in Public Finance from the Chinese Academy of Fiscal Sciences (previously known as Research Institute for Fiscal Science, Ministry of Finance of the PRC)

Ms. Fu Xin
Senior Vice President
Aged 44

Joined the Company in 2017
Term of office: August 2023-present

Other positions held within the Group

Ms. Fu is a Director of Ping An Life, Ping An Bank and Ping An Asset Management.

Past offices

Ms. Fu joined the Company as the General Manager of the Group's Planning Department in October 2017, and served as the Group's Deputy Chief Financial Officer from March 2020 to March 2022 and the Company's Chief Operating Officer from March 2022 to September 2023.

Prior to joining the Company, Ms. Fu served as a Financial Services Partner at Roland Berger International Management Consulting and an Executive Director of PricewaterhouseCoopers.

Educational background and qualifications

MBA degree from Shanghai Jiao Tong University

Directors, Supervisors, Senior Management and Employees

Mr. Sheng Ruisheng
Board Secretary, Company Secretary
Aged 54

Joined the Company in 1997
Term of office: April 2017-present

Other positions held within the Group

Mr. Sheng serves as the Brand Director and spokesperson of the Company.

Past offices

Mr. Sheng served as the Assistant to the General Manager, a Deputy General Manager, and the General Manager of the Company's Branding Department from August 2002 to January 2014.

Educational background and qualifications

Bachelor of Arts degree from Nanjing University
MBA degree from The Chinese University of Hong Kong

Ms. Zhang Zhichun
Chief Financial Officer (Financial Director)
Aged 47

Joined the Company in 1998
Term of office: January 2023-present

Other positions held within the Group

Ms. Zhang is a Director of a number of controlled subsidiaries of the Company including Ping An P&C, Ping An Securities and Ping An Annuity.

Past offices

Ms. Zhang successively served as the Assistant President, Chief Investment Officer, Financial Director, and Board Secretary of Ping An P&C from December 2017 to December 2022. Before then, she served as a Deputy General Manager of Ping An P&C's Planning Department and a Deputy General Manager and then the General Manager of the Company's Planning Department.

Educational background and qualifications

Bachelor's degree in Actuarial Science from Shanghai University of Finance and Economics
Associate of China Association of Actuaries

Mr. Sun Jianping
Chief Human Resources Officer
Aged 62

Joined the Company in 1988

Other positions held within the Group

Mr. Sun serves as a Director of Ping An Securities, Ping An Technology and Ping An Finserve.

Past offices

Since joining the Company in 1988, Mr. Sun has successively held the positions including a Senior Vice President, an Executive Vice President, the President, and the Chairman and Chief Executive Officer of Ping An P&C.

Educational background and qualifications

Bachelor's degree in Engineering from Huazhong University of Science and Technology (previously known as Huazhong Institute of Technology)
Master's degree in Economics from Zhongnan University of Economics and Law
Senior Economist

Ms. Zhang Xiaolu
Compliance Officer, Chief Risk Officer
Aged 56

Joined the Company in 2019
Term of office: June 2021-present

Past offices

Ms. Zhang served as the Chief Operating Officer of the Company from February 2021 to October 2021, and a Special Assistant to the President of Ping An Bank from June 2019 to August 2020.

Prior to joining the Company, Ms. Zhang served as a Managing Partner of Advisory Service (CEO of Advisory) at Ernst & Young Greater China and the General Manager of Consulting Service in Insurance Industry at IBM.

Educational background and qualifications

MBA degree from Massey University, New Zealand

Directors, Supervisors, Senior Management and Employees

Mr. Deng Bin
Assistant President, Chief Investment Officer
Aged 54

Joined the Company in 2021
Term of office: March 2022-present

Other positions held within the Group

Mr. Deng is a Director of Ping An Life, Ping An Annuity, Ping An Asset Management and Ping An Overseas Holdings.

Past offices

Prior to joining the Company, Mr. Deng served as the Chief Investment Officer of China Pacific Insurance (Group) Co., Ltd. and China Pacific Insurance Co., (H.K.) Ltd., the Head of Investment Analytics & Derivatives of AIA Group, and the Head of Market Risk Management (Asia-Pacific ex. Japan and South Korea) of AIG.

Educational background and qualifications

MBA and master's degree in Quantitative Method and Modeling from Baruch College, City University of New York
Chartered Financial Analyst
Financial Risk Manager (FRM)

Mr. Huang Yuqiang
Person-in-charge of Auditing
Aged 42

Joined the Company in 2004
Term of office: June 2023-present

Other positions held within the Group

Mr. Huang serves as the General Manager of the Group's Audit and Supervision Department and a Director of Ping An Financial Leasing.

Past offices

After joining the Company in July 2004, Mr. Huang successively held the positions of the General Manager of Asset Monitoring of the Risk Management Department of Ping An Bank and a Deputy General Manager (presiding) of the Risk Management Department of the Group.

Educational background and qualifications

Bachelor's degree in Business Administration from Nanjing University

POSITIONS HELD IN CORPORATE SHAREHOLDERS BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Name of corporate shareholder	Position	Period of appointment
Soopakij Chearavanont	CP Group	Chairman	Since January 2017
Yang Xiaoping	CP Group	Senior Vice Chairman	Since January 2017
He Jianfeng	Shenzhen Investment Holdings Co., Ltd.	The Party Committee Secretary and the Chairman	Since July 2021
Cai Xun	Shum Yip Group Limited	The Deputy Party Committee Secretary and an Employee Director	Since July 2020

APPOINTMENT OR REMOVAL OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Gender	Age	Period of appointment
Wang Guangqian(1)	Newly-appointed Independent Non-executive Director	Male	68	Since July 2023
Michael Guo(2)	Newly-appointed Senior Management	Male	52	Since December 2023
Fu Xin(3)	Newly-appointed Senior Management	Female	44	Since August 2023
Huang Yuqiang(4)	Newly-appointed Senior Management	Male	42	Since June 2023
Zhang Zhichun(5)	Newly-appointed Senior Management	Female	47	Since January 2023
Ouyang Hui(6)	Retired Independent Non-executive Director	Male	61	August 2017 – July 2023
Tan Sin Yin(7)	Resigned Senior Management	Female	46	June 2015 – December 2023
Ji Guangheng(8)	Resigned Senior Management	Male	55	March 2022 – August 2023
Hu Jianfeng(9)	Resigned Senior Management	Male	47	January 2021 – June 2023
Yao Jason Bo(10)	Resigned Senior Management	Male	53	January 2007 – April 2023

Notes: (1) Mr. Wang Guangqian took office as an Independent Non-executive Director of the Company on July 20, 2023.
(2) Mr. Michael Guo took office as a Co-CEO of the Company on September 27, 2023 and as a Senior Vice President of the Company on December 20, 2023.
(3) Ms. Fu Xin took office as a Senior Vice President of the Company on August 31, 2023.
(4) Mr. Huang Yuqiang took office as the Person-in-charge of Auditing of the Company on June 19, 2023.
(5) Ms. Zhang Zhichun took office as the Chief Financial Officer (Financial Director) of the Company on January 1, 2023.
(6) Mr. Ouyang Hui retired as an Independent Non-executive Director of the Company due to the expiration of his term of office of six years on July 20, 2023.
(7) Ms. Tan Sin Yin resigned as a Co-CEO and Executive Vice President of the Company on January 1, 2024. After resigning from the senior management position, Ms. Tan Sin Yin was re-designated as a Non-executive Director of the Company on January 1, 2024.
(8) Mr. Ji Guangheng resigned as a Senior Vice President of the Company on August 15, 2023.
(9) Mr. Hu Jianfeng resigned as the Person-in-charge of Auditing of the Company on June 19, 2023.
(10) Mr. Yao Jason Bo resigned as a Co-CEO, Executive Vice President and other relevant administrative positions of the Company on April 26, 2023. After resigning from relevant administrative positions, Mr. Yao Jason Bo was re-designated as a Non-executive Director of the Company on April 26, 2023.

Directors, Supervisors, Senior Management and Employees

CHANGES IN INFORMATION OF DIRECTORS AND SUPERVISORS

1. Mr. Xie Yonglin ceased to be a Director of Ping An Overseas Holdings in March 2024.

2. Ms. Cai Fangfang took office as a Non-executive Director of Ping An Health in March 2024.

3. Ms. Tan Sin Yin resigned as a Co-CEO, Executive Vice President and other relevant administrative positions of the Company in January 2024, and was re-designated from an Executive Director to a Non-Executive Director of the Company. In addition, Ms. Tan ceased to be a Non-executive Director of OneConnect, an Executive Director of Ping An Technology, and a Non-executive Director of Ping An Asset Management and Ping An Health in November 2023, December 2023, February 2024 and March 2024 respectively.

4. Mr. Yao Jason Bo, a Non-executive Director of the Company, ceased to be a Non-executive Director of Ping An Life and Ping An P&C in September 2023.

5. Mr. Yang Xiaoping, a Non-executive Director of the Company, ceased to be a Non-executive Director and the Vice Chairman of True Corporation Public Company Limited in March 2023 and the Vice Chairman of the board of directors of China Minsheng Investment Co., Ltd. in August 2023.

6. Mr. Hung Ka Hai Clement, an Independent Supervisor of the Company, ceased to be an Independent Non-executive Director of Gome Finance Technology Co., Ltd. in December 2023.

7. Mr. Michael Guo, a Co-CEO of the Company, took office as a Non-executive Director of OneConnect and Ping An Health in November 2023 and March 2024, respectively .

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the *SEHK Listing Rules*.

PENALTIES IMPOSED ON THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT BY SECURITIES REGULATORY AUTHORITIES IN THE LAST THREE YEARS

The current Directors, Supervisors and senior management of the Company and those who vacated office during the Reporting Period were not subject to any punishment by securities regulatory authorities over the past three years.

SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Change in the Number of Shares Held in the Company

As of December 31, 2023, the interests of the Company's current Directors, Supervisors and senior management and those who vacated office during the Reporting Period in the Company's shares which shall be disclosed pursuant to the *Standard No. 2 Concerning the Contents and Formats of Information Disclosed by Listed Companies – The Contents and Formats of Annual Report* issued by the CSRC, were as follows:

Name	Capacity	H/A shares	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Change (shares)	Reason for the change	Nature of interest	Percentage of total issued H/A shares (%)	Percentage of total issued shares (%)
Ma Mingzhe	Beneficial owner	A	2,245,730	2,524,802	+279,072	Key Employee Share Purchase Plan	Long position	0.02346	0.01386
Sun Jianyi	Beneficial owner	A	5,048,596	5,048,596	-	-	Long position	0.04691	0.02772
Xie Yonglin	Beneficial owner	A	666,487	942,767	+276,280	Key Employee Share Purchase Plan	Long position	0.00876	0.00518
Cai Fangfang	Beneficial owner	A	378,064	477,260	+99,196	Key Employee Share Purchase Plan	Long position	0.00443	0.00262
Yang Xiaoping	Beneficial owner	H	100,000	100,000	-	-	Long position	0.00134	0.00055
Yao Jason Bo	Beneficial owner	A	686,391	837,826	+151,435	Key Employee Share Purchase Plan	Long position	0.00778	0.00460
	Beneficial owner	H	24,000	24,000	-	-	Long position	0.00032	0.00013
Tan Sin Yin	Beneficial owner	A	547,920	714,249	+166,329	Key Employee Share Purchase Plan	Long position	0.00664	0.00392
	Beneficial owner	H	40,000	40,000	-	-	Long position	0.00054	0.00022
Wang Zhiliang	Beneficial owner	A	68,281	76,840	+8,559	Key Employee Share Purchase Plan	Long position	0.00071	0.00042
Michael Guo	Beneficial owner	A	–	22,993	+22,993	Key Employee Share Purchase Plan	Long position	0.00021	0.00013
Huang Baoxin	Beneficial owner	A	101,319	114,707	+13,388	Key Employee Share Purchase Plan	Long position	0.00107	0.00063
Fu Xin	Beneficial owner	A	25,065	42,474	+17,409	Key Employee Share Purchase Plan	Long position	0.00039	0.00023
Sheng Ruisheng	Beneficial owner	A	379,613	453,412	+73,799	Key Employee Share Purchase Plan	Long position	0.00421	0.00249
Zhang Zhichun	Beneficial owner	A	93,999	106,370	+12,371	Key Employee Share Purchase Plan	Long position	0.00099	0.00058
Zhang Xiaolu	Beneficial owner	A	12,627	46,535	+33,908	Key Employee Share Purchase Plan	Long position	0.00043	0.00026
	Beneficial owner	H	10,000	10,000	–	-	Long position	0.00013	0.00005
Deng Bin	Beneficial owner	A	–	5,328	+5,328	Key Employee Share Purchase Plan	Long position	0.00005	0.00003
Hu Jianfeng	Beneficial owner	A	67,836	78,264	+10,428	Key Employee Share Purchase Plan	Long position	0.00073	0.00043

Note: During the Reporting Period, there were no share options held by or restricted shares granted to the current Directors, Supervisors and senior management of the Company and those who vacated office during the Reporting Period.

Directors, Supervisors, Senior Management and Employees

Save as disclosed above, as of December 31, 2023, the interests and short positions of the Company's Directors, Supervisors and chief executives in the Company's shares, underlying shares and debentures which shall have been notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Company's Directors, Supervisors or chief executives are taken as or deemed to have under such provisions of the SFO), or are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or are otherwise required to be notified by the Directors, Supervisors and chief executives to the Company and the SEHK pursuant to the *Model Code*, were as follows:

Name	Capacity	H/A shares	Interests held at the beginning of the period (shares)	Interests held at the end of the period (shares)	Change (shares)	Reason for the change	Nature of interest	Percentage of total issued H/A shares (%)	Percentage of total issued shares (%)
Ma Mingzhe	Interest of his spouse	H	20,000	20,000	–	–	Long position	0.00027	0.00011
	Others(1)	A	1,196,936	1,631,038	+434,102	Others(1)	Long position	0.01515	0.00896
Sun Jianyi	Others(1)	A	126,381	126,381	–	–	Long position	0.00117	0.00069
Xie Yonglin	Others(1)	A	897,702	1,223,278	+325,576	Others(1)	Long position	0.01137	0.00672
Cai Fangfang	Others(1)	A	598,468	815,519	+217,051	Others(1)	Long position	0.00758	0.00448
Yao Jason Bo	Interest of his spouse	H	64,000	64,000	–	–	Long position	0.00086	0.00035
	Others(1)	A	598,468	598,468	–	–	Long position	0.00556	0.00329
Tan Sin Yin	Others(1)	A	897,702	–	-897,702	Lapse	–	0.00000	0.00000
Michael Guo	Others	A	70,811	103,368	+32,557	Others(1)	Long position	0.00096	0.00057
Wang Zhiliang	Others(1)	A	68,459	92,334	+23,875	Others(1)	Long position	0.00086	0.00051

Note: (1) Conditional interests that can be vested in future under the Long-term Service Plan, subject to terms and conditions in the *Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd.*

Change in the Number of Shares Held in Associated Corporations of the Company

Name	Associated corporation	Capacity	Interests held at the beginning of the period (shares)	Interests held at the end of the period (shares)	Change (shares)	Reason for the change	Nature of interest	Percentage of total issued shares in associated corporation (%)
Xie Yonglin	Ping An Bank	Beneficial owner	26,700	26,700	–	–	Long position	0.00014
Tan Sin Yin	OneConnect	Beneficial owner	78,000	78,000	–	–	Long position	0.00667

Save as disclosed above, as of December 31, 2023, none of the Company's Directors, Supervisors and chief executives held or was deemed to hold any interests or short positions in the shares, underlying shares or debentures of the Company's associated corporations (as defined in the SFO), which shall have been notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO, or are recorded in the register required to be kept under Section 352 of the SFO, or are otherwise required to be notified by the Directors, Supervisors and chief executives to the Company and the SEHK pursuant to the *Model Code*.

THE ASSESSMENT & EVALUATION AND REMUNERATION SYSTEMS OF THE COMPANY

The purpose of the Company's remuneration policy is to attract, retain, and motivate talented people so as to help achieve the Company's operating objectives. The principle of the remuneration policy is to characterize a clear orientation, motivate performances, respond to the market, and keep costs reasonable. The remuneration package for the Company's employees includes base salaries, performance-based salaries, benefits, and allowances. Base salaries are determined according to the post value, market levels, and so on. Performance-based salaries are linked to the Company's overall business results, personal performance, and so on. Benefits and allowances are determined in accordance with government regulations and industry standards. The specific structure and strategic arrangement of a remuneration package is adjusted and optimized according to market situations and the Company's business development needs.

The Executive Directors' and senior management's remunerations are determined according to the Company's remuneration policy and their administrative positions within the Company. The Non-executive Directors' emoluments are determined as per the standards approved at the Company's General Meetings.

The Company's appraisal schemes for senior management are determined by the Company in line with business plans, risk management and compliance requirements, and social responsibility requirements. Appraisal results are linked to senior management's performance-based remunerations and so on. Moreover, the Company has established a performance-based remuneration clawback mechanism for senior management and key personnel to give full play to the guiding role of performance-based remunerations in the Company's operations and management, ensure that remuneration incentives match risk-adjusted performance, prevent aggressive business behaviors and violations of laws and regulations, and promote prudent operations and sustainable development.

Directors, Supervisors, Senior Management and Employees

REMUNERATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Total after-tax remunerations received from the Company during the Reporting Period (in RMB thousand)	Individual income tax payable on total remunerations received from the Company during the Reporting Period (in RMB thousand)	Whether received any remuneration from related parties of the Company during the Reporting Period
Ma Mingzhe	3,587.2	2,512.6	No
Sun Jianyi	4,079.5	2,930.3	No
Xie Yonglin	3,909.8	2,796.8	No
Cai Fangfang	3,619.7	2,241.5	No
Yao Jason Bo	2,202.8	1,449.1	No
Tan Sin Yin	7,486.1	5,519.8	No
Michael Guo	2,172.0	1,357.5	No
Huang Baoxin	3,313.9	2,134.3	No
Fu Xin	4,166.3	2,808.7	No
Sheng Ruisheng	2,400.5	1,331.7	No
Zhang Zhichun	2,891.2	1,675.3	No
Zhang Xiaolu	6,118.2	4,565.5	No
Deng Bin	3,044.9	1,901.8	No
Huang Yuqiang	1,086.5	552.9	No
Ji Guangheng	3,414.9	2,554.4	Yes
Hu Jianfeng	649.6	236.0	No
Wang Zhiliang	2,242.3	1,191.0	No
Soopakij Chearavanont	547.6	142.4	Yes
Yang Xiaoping	547.6	142.4	Yes
He Jianfeng	500.2	129.8	Yes
Cai Xun	547.8	142.2	Yes
Ouyang Hui	303.6	77.1	Yes
Ng Sing Yip	547.6	142.4	No
Chu Yiyun	547.8	142.2	No
Liu Hong	547.8	142.2	No
Ng Kong Ping Albert	547.6	142.4	Yes
Jin Li	547.8	142.2	No
Wang Guangqian	243.8	65.6	No
Zhu Xinrong	547.8	142.2	No
Liew Fui Kiang	547.6	142.4	No
Hung Ka Hai Clement	547.6	142.4	Yes

Notes: (1) The remunerations of Directors, Supervisors and senior management are calculated based on their respective periods in office during the Reporting Period.

(2) Parts of the performance-based remunerations of the Company's senior management will be deferred and paid over a period of 3 years in accordance with the *Code of Corporate Governance of Banking and Insurance Institutions* and the *Guidelines for Insurance Companies' Remuneration Management (Trial)* issued by the CBIRC. The deferred, unpaid parts are included in the total remunerations received by the Company's senior management from the Company during the Reporting Period.

(3) The final remunerations of the Company's full-time Directors, Supervisors and senior management are being recognized, and will be disclosed after recognition in accordance with applicable rules.

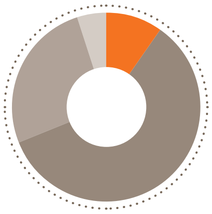
NUMBER OF EMPLOYEES BY PROFESSION AND EDUCATIONAL BACKGROUND

As of December 31, 2023, the Company had 288,751 current employees, of whom 237,019 were in the parent company and major subsidiaries, as well as 482 retired employees for whom the parent company and major subsidiaries needed to bear costs. By profession, 151,484 of the current employees were in the insurance business, 43,119 in the banking business, 18,833 in the asset management business, 55,429 in the technology business, and 19,886 in other businesses. By education, 28,635 of the current employees held a doctorate or master's degree, 170,835 held a bachelor's degree, 75,432 attained college education, and 13,849 had other educational backgrounds. By gender, 141,343 employees were male and 147,408 female.

By profession

- Insurance personnel 52.5%
- Banking personnel 14.9%
- Asset management personnel 6.5%
- Technology personnel 19.2%
- Others 6.9%

By education



- Doctorate or master's degree 9.9%
- Bachelor's degree 59.2%
- College education 26.1%
- Others 4.8%

STAFF TRAINING PROGRAMS

Ping An (Shenzhen) Financial Education and Training Center ("Training Center") supports the Group's strategy and provides the best training by continuously diversifying high-quality course resources, optimizing the smart learning platform, and covering all learning scenarios to support employees' continuous and efficient learning and development. Training Center works with the Group's member companies to provide employees with all-around training, boosting the value of both employees and the Company.

From the perspective of Ping An and its employees, Training Center clarified learning needs under different scenarios, improved the training course system, and strengthened lecturer teams in 2023 to provide employees with sustained and sufficient training resources via face-to-face lectures, livestreaming, thematic training camps and so on. Training Center continued to develop high-quality course resources, and provided approximately 67,400 internal and external high-quality online courses as of December 31, 2023. The courses were attended by over 40.41 million trainees in 2023, with a monthly activity rate up to 98%. A total of approximately 98,100 trainees attended 939 face-to-face and livestreamed training sessions across the country. Moreover, Training Center organized special training camps focused on innovation and growth in search of new growth curves, covering 160 senior managers.

Under the philosophy of "Knowledge Creates Value," Training Center continued to innovate and upgrade its training system in an all-around and systematic manner. Training Center explored and created a "learning passport" model, and established a "compulsory courses + optional courses" learning points framework to enhance employees' learning planning, linking learning results to career development. In this way, Ping An effectively motivates all its employees to learn, enhances the organizational learning atmosphere, and develops itself as a learning organization. Ping An creates an online "learning points passport" for each employee to record and manage his/her acquisition and use of learning points. Moreover, Ping An makes full use of technologies to manage learning points more intelligently, provide greater convenience for users, and boost training efficiency.

Report of the Board of Directors and Significant Events

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries (the "Group") comprise the provision of a wide range of financial products and services with a focus on the businesses of insurance, banking, asset management, and technology. There was no significant change in the nature of the Group's principal activities during 2023.

MAJOR CUSTOMERS

Revenue from the Group's five largest customers accounted for less than 1% of the total revenue for 2023.

IMPLEMENTATION OF CASH DIVIDEND POLICY AND PROFIT DISTRIBUTION PLANS DURING THE REPORTING PERIOD

Cash Dividend Policy

According to Article 216 of the *Articles of Association*, the Company shall attach importance to the reasonable investment returns for investors in its profit distribution. The profit distribution policy shall maintain its continuity and stability. The accumulated profit to be distributed in cash for the recent three years shall not be less than 30% of the average annual distributable profit realized in the recent three years, provided that the Company's annual distributable profit (namely the Company's profit after tax after covering the losses and making contributions to the surplus reserve) is positive in value and such distribution is in compliance with the prevailing laws and regulations and the requirements of regulatory authorities for solvency margin ratios. In determining a specific cash dividend payout ratio, the Company shall consider its profit, cash flow, solvency, and operational and business development requirements. The Board of Directors is responsible for formulating and implementing a distribution plan in accordance with the provisions of the *Articles of Association*.

In preparing a profit distribution plan, the Board of Directors shall fully listen to and take into account views and advice from shareholders (in particular the minority shareholders), independent directors, and independent supervisors in various ways. When a specific cash dividend distribution plan is put forward for consideration at a general meeting, a variety of channels shall be provided for communication and opinion exchange with shareholders, in particular the minority shareholders, whose opinions and demands shall be fully heard, and prompt responses shall be given to any issues the minority shareholders are concerned about.

Where an adjustment to our profit distribution policy is required due to the applicable laws and regulations and new rules promulgated by the CSRC regarding listed companies' profit distribution policies or significant changes in the Company's external business environment and/or operating situations, the adjustment shall be done for the purpose of safeguarding the shareholders' interests and in strict compliance with the decision-making procedures. To this end, the Board of Directors shall draft an adjustment plan based on the operating situations of the Company and the applicable regulations of the CSRC, and then submit the adjustment plan to the general meeting for deliberation. Implementation of the adjustment plan is conditional upon approval by shareholders (including their proxies) holding at least two thirds of voting rights present at the general meeting.

Implementation of Profit Distribution Plans

The Company's 2022 profit distribution plan was deliberated and approved at the 2022 Annual General Meeting, pursuant to which the Company paid in cash the 2022 final dividend of RMB1.50 per share (tax inclusive), totaling RMB27,161,462,992.50 (tax inclusive) based on 18,107,641,995 shares, the actual number of shares entitled to the dividend distribution (exclusive of the Company's A shares in the repurchased securities account).

The Company's 2023 interim profit distribution plan was deliberated and approved at the 17th meeting of the 12th session of the Board of Directors held on August 29, 2023, pursuant to which the Company paid in cash the 2023 interim dividend of RMB0.93 per share (tax inclusive), totaling RMB16,840,107,055.35 (tax inclusive) based on 18,107,641,995 shares, the actual number of shares entitled to the dividend distribution (exclusive of the Company's A shares in the repurchased securities account).

The decision-making procedure and mechanism of the above profit distribution plans were complete, and the dividend payout standards and ratios were clear. The above profit distribution plans were in line with the *Articles of Association* and the applicable deliberation procedures, which fully protected the minority shareholders' legitimate interests. The above profit distribution plans have been implemented.

ANNUAL RESULTS AND PROFIT DISTRIBUTION

The Group's business results for 2023 are set out in the section headed "FINANCIAL STATEMENTS."

As stated in the Group's 2023 audited consolidated financial statements prepared under CAS and IFRS respectively, the net profit attributable to shareholders of the parent company was RMB85,665 million and the net profit of the parent company was RMB52,755 million. Pursuant to the *Articles of Association* and other applicable requirements, the Company shall make an appropriation to the statutory surplus reserve based on 10% of the net profit of the parent company as shown in the financial statements under CAS before determining the profit available for distribution to shareholders. Appropriation to the statutory surplus reserve may cease to apply if the balance of the statutory surplus reserve has reached 50% or more of the Company's registered capital. After making the above profit distribution and carrying forward the retained profit from the previous year, in accordance with the *Articles of Association* and other applicable requirements, the profit available for distribution to the Company's shareholders based on undistributed profit in the parent company's financial statements under CAS or IFRS (whichever is lower) was RMB137,648 million.

The Company distributed the 2023 interim dividend of RMB0.93 per share (tax inclusive) in cash, which amounted to RMB16,840,107,055.35 (tax inclusive). The Board of Directors proposed to distribute the 2023 final dividend of RMB1.50 per share (tax inclusive) in cash to the Company's shareholders. Pursuant to the *Shanghai Stock Exchange's Guidelines for Self-regulation of Listed Companies No.7 – Repurchase of Shares* and other applicable regulations, the Company's A shares in the Company's repurchased securities account after trading hours on the record date of A shareholders for the final dividend will not be entitled to the final dividend distribution. The actual total amount of the final dividend payment is subject to the total number of shares that will be entitled to the dividend distribution on the record date of A shareholders. The total amount of the final dividend payment for 2023 is RMB27,161,462,992.50 (tax inclusive) based on the total share capital of 18,210,234,607 shares less the 102,592,612 A shares of the Company in the repurchased securities account as of December 31, 2023. The final dividend payment will have no material impact on the Group's solvency margin ratios. After the final dividend payment, the Group's solvency margin ratios will still meet the applicable regulatory requirements. The Company's remaining undistributed profit will be carried forward to 2024. The Company's undistributed profit is mainly for the purpose of its organic capital accumulation to maintain reasonable solvency margin ratios as well as provide funding for subsidiaries to support subsidiaries' business development for stable shareholder returns and maintain subsidiaries' solvency margin or capital adequacy ratios at reasonable levels.

The above plan will be implemented upon deliberation and approval at the 2023 Annual General Meeting. The profit distribution plan is in line with the *Articles of Association* and the applicable deliberation procedures. The Company's full-year cash dividend payout ratio for 2023 based on net profit attributable to shareholders of the parent company exceeds the range (in principle, 20%-40% of net profit attributable to shareholders of the parent company for the corresponding year) specified in its profit distribution plan for 2021-2023. However, the Company maintains the continuity and stability of its profit distribution policy, and fully protects the legitimate interests of all its shareholders including minority shareholders.

For dividend payouts of the Company over the past five years, please refer to the section headed "Liquidity and Capital Resources."

DISTRIBUTABLE RESERVES

As of December 31, 2023, the Company's distributable reserves totaled RMB137,648 million. The Company has proposed to distribute the 2023 final dividend of RMB1.50 per share (tax inclusive) in cash. After deduction of the 2023 final dividend, the remaining distributable reserves will be carried forward to 2024. Moreover, the Company's capital reserve and surplus reserve amounted to RMB134,976 million, which can be distributed in a future capital issue.

SHARE CAPITAL

Changes in the Company's share capital in 2023 and the Company's share capital structure as of December 31, 2023 are set out in the section headed "Changes in the Share Capital and Shareholders' Profile."

PROPERTY AND EQUIPMENT AND INVESTMENT PROPERTIES

Changes in the Group's property and equipment and investment properties during 2023 are detailed in Notes 32 and 31 to the financial statements respectively.

PRE-EMPTIVE RIGHTS

There is no provision regarding pre-emptive rights under the *Company Law of the People's Republic of China* or the *Articles of Association*, which would oblige the Company to issue new shares to its existing shareholders in proportion to their existing shareholdings.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities from January 1, 2023 to December 31, 2023.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this Report, being March 21, 2024, at all times during the year ended December 31, 2023, not less than 20% of the Company's issued share capital (being the minimum public float applicable to the Company's shares) was held in public hands.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND REMUNERATIONS

The Company entered into service contracts with all the Directors and Supervisors in office. As of December 31, 2023, no Directors or Supervisors had a service contract with the Company or any of its subsidiaries which requires the Company to pay compensation (except statutory compensation) if the Company terminates the contract within one year.

Name lists of the Directors and Supervisors as well as details of their remunerations for the year ended December 31, 2023 are set out in Note 54 to the financial statements.

DIRECTORS' AND SUPERVISORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

In 2023, none of the Company's Directors or Supervisors or entities connected with the Directors or Supervisors had a material interest, directly or indirectly, in any transaction, arrangement or contract (to which the Company or any of its subsidiaries was a party) of significance to the Group's business.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES

In 2023, no right to acquire benefits by means of acquisition of the Company's shares or debentures was granted to or exercised by any Directors, Supervisors or their respective spouse or minor children, and neither the Company nor any of its subsidiaries was a party to any arrangement which enables the Directors or Supervisors to acquire any such rights in any other legal entity.

DIRECTORS' AND SUPERVISORS' INTERESTS IN A COMPETING BUSINESS

As far as the Directors are aware, none of the Company's Directors or Supervisors has any competing interest in a business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance cover for possible legal actions against its Directors and senior management arising out of corporate activities, which was in force during the Reporting Period and up to the date of this Report.

POST BALANCE SHEET EVENTS

Post balance sheet events are detailed in Note 60 to the financial statements.

AUDITORS

According to a resolution passed at the Company's 2022 Annual General Meeting, the Company reappointed Ernst & Young Hua Ming LLP and Ernst & Young as the auditors of the Company's financial statements under CAS and IFRS respectively for the year 2023, and reappointed Ernst & Young Hua Ming LLP as the auditor of the Company's internal controls.

GENERAL ANALYSIS OF EXTERNAL INVESTMENT

The Company is an integrated financial services group, and investment is one of its core businesses. The investment of insurance funds represents the major part of the Company's investment. The utilization of insurance funds is subject to applicable laws and regulations. For details of the asset allocation of the Company's insurance funds investment portfolio, please refer to the section headed "Business Analysis."

Material Equity Investment

During the Reporting Period, there was no material equity investment that shall be disclosed.

Material Non-Equity Investment

During the Reporting Period, there was no material non-equity investment that shall be disclosed.

Financial Instruments Measured at Fair Value

The Company's financial instruments measured at fair value are detailed in Note 50 to the financial statements.

Report of the Board of Directors and Significant Events

SALE OF MAJOR ASSETS AND EQUITIES

During the Reporting Period, there was no sale of major assets and equities that shall be disclosed.

Material Acquisitions and Disposals of Subsidiaries, Joint Ventures or Associates

On January 29, 2021 and April 30, 2021 respectively, the Company announced that a consortium formed by Zhuhai Huafa Group Co., Ltd. ("Huafa Group" representing the state-owned enterprises of Zhuhai Municipality), the Company and Shenzhen SDG Co., Ltd. will participate in the substantive consolidated restructuring (the "Founder Group Restructuring") of Peking University Founder Group Company Limited, Peking University Founder Information Industry Group Co., Ltd., PKU Healthcare Industry Group Co., Ltd., Peking University Resources Group Limited, and Founder Industry Holdings Co., Ltd. (collectively the "Restructuring Entities"). Ping An Life participated on behalf of the Company in the Founder Group Restructuring, and entered into a restructuring investment agreement for the Founder Group Restructuring (the "Restructuring Investment Agreement").

On July 5, 2021, the Company announced that the *Restructuring Plan (Draft) of Five Companies Including Peking University Founder Group Company Limited*, which was formulated on the basis of the Restructuring Investment Agreement, was resolved and approved at the creditors' meeting held by the Restructuring Entities, and was approved by the civil order of the First Intermediate People's Court of Beijing Municipality and came into effect on June 28, 2021.

On January 31, 2022, the Company announced that Ping An Life received the *Approval of Ping An Life Insurance Company of China, Ltd.'s Equity Investment in New Founder Group from the CBIRC* (Yin Bao Jian Fu [2022] No.81) on January 30, 2022, and the CBIRC approved Ping An Life's investment in New Founder Group. Ping An Life had fulfilled the fundamental condition for participating in the Founder Group Restructuring, and would actively carry forward relevant subsequent work as agreed under the Restructuring Investment Agreement and the restructuring plan of the Founder Group Restructuring with relevant parties.

On June 24, 2022, the Company announced that, affected by multiple factors, the restructuring plan of the Founder Group Restructuring could not be completed within 12 months as originally scheduled. In response to the Restructuring Entities' application, the First Intermediate People's Court of Beijing Municipality approved an extension of the execution period of the restructuring plan of the Founder Group Restructuring to December 28, 2022 in accordance with laws. Ping An Life would actively carry forward relevant subsequent work as agreed under the Restructuring Investment Agreement and the restructuring plan of the Founder Group Restructuring with relevant parties.

On December 20, 2022, the Company announced that New Founder Group had completed corresponding change of business registration procedures. Accordingly, New Founder Group's shareholding structure had been changed so that New Founder Group is held as to 66.51% and 28.50% by Ping An Life and Huafa Group (representing the state-owned enterprises of Zhuhai Municipality) through their shareholding platforms respectively, and a 4.99% equity interest in New Founder Group is held by the equity interest platform of Founder Group's creditors.

For more information, please refer to the announcements published by the Company on the websites of SSE (www.sse.com.cn) and HKEX (www.hkexnews.hk).

MAJOR SUBSIDIARIES AND ASSOCIATES OF THE COMPANY

The Company's major subsidiaries and associates are detailed in Note 4.(1) and Note 29 to the financial statements respectively.

STRUCTURED ENTITIES CONTROLLED BY THE COMPANY

Structured entities controlled by the Company are detailed in Note 4.(2) to the financial statements.

CONNECTED TRANSACTIONS

In respect of connected transactions and continuing connected transactions, the Company has complied with requirements under the *SEHK Listing Rules* as amended from time to time. During the Reporting Period, the Company had no connected transaction that shall be disclosed under the *SEHK Listing Rules*. The Company's related party transactions stated in accordance with the accounting standards used in the preparation of financial statements for the year ended December 31, 2023 are presented in Note 56 to the financial statements.

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. Participants in the Key Employee Share Purchase Plan are key employees of the Company and its subsidiaries, including directors, employee representative supervisors and senior management. The sources of funding are the employees' legitimate incomes and performance bonuses. The amount that must be paid for each share by participants in 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.

The manager of the Key Employee Share Purchase Plan remained unchanged during the Reporting Period.

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.

The 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. Participants in the Long-term Service Plan 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 participants in 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 Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 45 employees qualified and applied for vesting, and their shares were vested; 1,394 employees were disqualified due to reasons including their resignation; and 3,352,871 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 Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 28 employees qualified and applied for vesting, and their shares were vested; 1,574 employees were disqualified due to reasons including their resignation; and 3,368,186 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 Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 19 employees qualified and applied for vesting, and their shares were vested; 7,311 employees were disqualified due to reasons including their resignation; and 5,719,593 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 Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 14 employees qualified and applied for vesting, and their shares were vested; 9,472 employees were disqualified due to reasons including their resignation; and 10,996,458 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 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 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, 4 employees qualified and applied for vesting, and their shares were vested; 7,707 employees were disqualified due to reasons including their resignation, and 7,419,689 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

The manager of the Long-term Service Plan remained unchanged during the Reporting Period.

The Long-term Service Plan held a total of 350,906,763 A shares of the Company as at the end of the Reporting Period, accounting for approximately 1.927% of the Company's total share capital.

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 Company's sustainable and healthy long-term development.

IMPLEMENTATION OF SHARE INCENTIVE SCHEME OF THE COMPANY AND ITS EFFECTS

The Company implemented no share incentive scheme based on the Company's shares during the Reporting Period.

MATERIAL CONTRACTS AND THEIR PERFORMANCE

Guarantee

(in RMB million)	External guarantee of the Company and its subsidiaries (excluding the guarantee in favor of its subsidiaries)
Total external guarantee incurred during the Reporting Period	–
Total external guarantee balance as at 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	(5,474)
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	8,762

Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee	8,762
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 December 31, 2023)	8,194
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) The total guarantee incurred during the Reporting Period was the guarantee withdrawal of RMB4,191 million less the guarantee repayment of RMB9,665 million.

Specific Statements of Independent Non-Executive Directors on External Guarantees of the Company

According to the *Guidelines for Supervision of Listed Companies No.8-Regulatory Requirements for Fund Transactions and External Guarantees of Listed Companies* issued by the CSRC, the Independent Non-executive Directors of the Company conducted a prudent review of the Company's external guarantees in 2023. Their specific statements are set out as follows:

1. The Company provided no guarantee to any controlling shareholder or other related parties in which the Company holds less than 50% shares, any non-legal-person entities, or individuals during the Reporting Period;

2. The total guarantee withdrawal provided by the Company and its subsidiaries during the Reporting Period amounted to RMB4,191 million. The total guarantee balance of the Company and its subsidiaries was RMB8,762 million as of December 31, 2023, representing 1.0% of the Company's net assets. The balance did not exceed 50% of the Company's net assets as stated in its consolidated financial statements for the latest fiscal year;

3. The Company strictly observed the approval procedures and internal control policies regarding external guarantee as set out in the *Articles of Association*, and there was no non-compliant external guarantee during the Reporting Period;

4. The Company fulfilled its obligation to disclose information on external guarantee and honestly provided chartered accountants with all the details about the Company's external guarantee in strict accordance with the *SSE Listing Rules* and the *Articles of Association* during the Reporting Period.

Entrustment, Underwriting, Lease, Entrusted Asset Management, Entrusted Lending and Other Material Contracts

During the Reporting Period, the Company had no matter relating to entrustment, underwriting, lease or other material contracts that shall be disclosed.

The Company engaged in no entrusted asset management or entrusted lending outside its ordinary business scope during the Reporting Period. For details of the Company's entrusted asset management and entrusted lending, refer to the "Notes to Consolidated Financial Statements."

INFORMATION OF TAX DEDUCTION FOR HOLDERS OF LISTED SECURITIES

Enterprise Income Tax of Overseas Non-Resident Enterprise Shareholders

Pursuant to the tax laws and regulations of the Chinese mainland, the Company is required to withhold 10% enterprise income tax when it distributes dividends to non-resident enterprise holders of H shares as listed on the Company's register of members on the record date, including Hong Kong Securities Clearing Company Nominees Limited.

If any resident enterprise (as defined in the *Enterprise Income Tax Law of the People's Republic of China*) listed on the Company's register of members of H shares on the record date which is duly incorporated in the Chinese mainland or under the laws of an overseas country (or region) but with a Chinese mainland-based de facto management body does not want the Company to withhold the said enterprise income tax, it shall submit to Computershare Hong Kong Investor Services Limited a legal opinion, at or before 4:30 p.m. one business day before closure of register of the H shareholders for the dividend, issued by a lawyer qualified to practice law in the Chinese mainland and inscribed with the seal of the applicable law firm, that verifies its resident enterprise status. The legal opinion shall be submitted by the Company to the applicable tax authorities for approval, and then excess portions of the tax amounts withheld can be refunded.

Individual Income Tax of Overseas Individual Shareholders

Pursuant to the applicable tax laws and regulations of the Chinese mainland, the individual resident shareholders outside the Chinese mainland shall pay individual income tax upon their receipt of the distributed dividends in respect of the shares issued by domestic non-foreign investment enterprises in Hong Kong, which shall be withheld by the Company on behalf of such individual shareholders at the tax rate of 10% in general. However, if the tax laws and regulations and relevant tax agreements state otherwise, the Company will withhold and pay the individual income tax based on the amount of the dividend at the relevant tax rate and in accordance with the procedures as stipulated.

Those individual resident shareholders outside the Chinese mainland who hold the shares issued by domestic non-foreign investment enterprises in Hong Kong may enjoy preferential treatments (if any) in accordance with the provisions of applicable tax agreements signed between the countries or regions where they belong by virtue of residential identification and the People's Republic of China as well as the tax arrangements made between the Chinese mainland and Hong Kong (Macao). Qualified shareholders are required to submit to Computershare Hong Kong Investor Services Limited a written authorization and relevant evidencing documents, at or before 4:30 p.m. one business day before closure of register of the H shareholders for the dividend, which shall be submitted by the Company to the applicable tax authorities for approval, and then excess portions of the tax amounts withheld can be refunded.

Report of the Board of Directors and Significant Events

The Company will withhold the enterprise income tax and the individual income tax for shareholders as required by law on the basis of the Company's register of members of H shares on the record date. The Company assumes no liability and will not deal with any dispute over income tax withholding triggered by failure to submit proof materials within the stipulated time frame, and holders of the Company's H shares shall either personally or appoint a representative to attend to the procedures in accordance with the applicable tax laws and regulations of the Chinese mainland.

Income Tax of H Shareholders via the Hong Kong Stock Connect Program

For the Chinese mainland investors (including enterprises and individuals) investing in the Company's H shares via the Hong Kong Stock Connect Program, China Securities Depository and Clearing Corporation Limited, as the nominee holding H shares for investors via the Hong Kong Stock Connect Program, will receive the dividend distributed by the Company and distribute such dividend to the relevant investors through its depositary and clearing system. The dividend to be distributed to the investors via the Hong Kong Stock Connect Program will be paid in RMB. Pursuant to the applicable tax laws and regulations of the Chinese mainland:

- For the Chinese mainland individual investors who invest in the Company's H shares via the Hong Kong Stock Connect Program, the Company will withhold individual income tax at the rate of 20% in the distribution of the dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Corporation Limited for tax refund relating to the withholding tax already paid abroad.

- For the Chinese mainland securities investment funds that invest in the Company's H shares via the Hong Kong Stock Connect Program, the Company will withhold individual income tax in the distribution of the dividend pursuant to the above provisions.

- For the Chinese mainland enterprise investors that invest in the Company's H shares via the Hong Kong Stock Connect Program, the Company will not withhold income tax in the distribution of the dividend, and such investors shall declare and pay the tax on their own.

Income Tax of A Shareholders via the Shanghai Stock Connect Program

For Hong Kong investors (including enterprises and individuals) investing in the Company's A shares via the Shanghai Stock Connect Program, pursuant to the applicable tax laws and regulations of the Chinese mainland, the dividend will be paid in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to Hong Kong Securities Clearing Company Limited, and the Company will withhold income tax at the rate of 10%.

For investors via the Shanghai Stock Connect Program who are tax residents of other countries or regions (excluding Hong Kong) which have entered into a tax treaty with the Chinese mainland stipulating a dividend tax rate of less than 10%, those enterprises or individuals may, or may appoint a withholding agent to, apply to the competent tax authorities of the Company for the entitlement to the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate under such tax treaty will be refunded.

All investors are requested to read this part carefully. Shareholders are recommended to consult their tax advisers on tax effects in the Chinese mainland, Hong Kong and other countries and regions regarding the holding and disposal of the Company's shares.

ENVIRONMENTAL PROTECTION

The Company is not a key pollutant discharging unit announced by the environmental protection department. For more information on environmental protection, please refer to the Company's *2023 Sustainability Report*.

No administrative penalty was imposed on the Company due to environmental problems during the Reporting Period.

CHARITABLE AND OTHER DONATIONS

Charitable donations made by the Group in 2023 totaled RMB318 million.

SEIZURE, DISTRAINMENT OR FREEZE OF MAJOR ASSETS

During the Reporting Period, the Company had no event of seizure, distrainment or freeze of major assets that shall be disclosed.

INTEGRITY CONDITIONS OF THE COMPANY

The Company had neither failure to abide by any effective judicial ruling, nor default on any substantial debt due during the Reporting Period.

RELATIONSHIPS WITH CUSTOMERS

The Group aims to provide customers with "worry-free, time-saving, and money-saving" premium financial services. Adhering to a "customer-centric" business philosophy, the Group has embedded consumer rights protection in its corporate governance, corporate culture and development strategy.

As required by the NFRA, the Group has set up the Related Party Transaction Control and Consumer Rights Protection Committee under the Board of Directors. The Related Party Transaction Control and Consumer Rights Protection Committee oversees the protection of consumer rights, determines the responsibilities for consumer rights protection, improves the consumer rights protection framework, strengthens the implementation and oversight of decisions on consumer rights protection, conducts front-line supervision and examination of consumer protection and complaint handling, promotes consumer protection reviews and evaluations, enhances the consumer rights protection culture, ensures the effective execution of policies and the achievement of goals for consumer rights protection, and constantly upgrades consumer rights protection capabilities.

There was no material and serious dispute between the Group and its customers in 2023.

MANAGEMENT AND CONTROL OVER SUBSIDIARIES

The Company implemented the *Measures for the Supervision and Administration of Insurance Group Companies* and managed the Group's human resources, finance and accounting, data governance, information systems, fund utilization, branding, and corporate culture. The Company instructed its subsidiaries to establish standard corporate governance structures, and continued to improve the group-wide risk management, internal control, compliance and internal audit frameworks. Moreover, the Company organized its subsidiaries to monitor and assess the effectiveness of internal control systems in accordance with the *Basic Norms for Internal Controls of Enterprises and* the *Basic Principles for Internal Controls of Insurers*, continuously improving the Group's operational efficiency and risk prevention capability. For the matters covered, high-risk areas and conclusions of the internal control assessments over subsidiaries, please refer to the section headed "Establishment and Perfection of the Internal Control System" in this Report.

Report of the Board of Directors and Significant Events

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Group maintained compliance with applicable laws and regulations that have significant impacts on the Group's operations.

MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Company had no material litigation or arbitration that shall be disclosed.

PENALTIES AND RECTIFICATION

During the Reporting Period, neither the Company nor its Directors, Supervisors or senior management were investigated or subjected to coercive measures by competent authorities, detained by disciplinary inspection and supervisory authorities, transferred to judicial authorities or held accountable for criminal liabilities, investigated or subjected to administrative punishment by the CSRC, subjected to major administrative punishment by other competent authorities, or subjected to disciplinary action by any securities exchanges.

FULFILLMENT OF UNDERTAKINGS

Undertakings in Respect of the Major Asset Restructuring with Shenzhen Development Bank

(1) The Company undertakes that, after the completion of the major asset restructuring with Shenzhen Development Bank, and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, and in respect of the businesses or commercial opportunities similar to those of Shenzhen Development Bank that the Company and other enterprises under its control intend to carry out or have substantially obtained whereby assets and businesses arising from such businesses or commercial opportunities may possibly form potential competition with those of Shenzhen Development Bank, neither the Company nor other enterprises under its control shall engage in the businesses identical or similar to those carried out by Shenzhen Development Bank, so as to avoid direct or indirect competition with Shenzhen Development Bank's operations.

(2) The Company undertakes that, after the completion of the major asset restructuring with Shenzhen Development Bank, and in respect of transactions between the Company and other enterprises under its control and Shenzhen Development Bank which constitute related party transactions of Shenzhen Development Bank, the Company and other enterprises under its control shall enter into such transactions with Shenzhen Development Bank on the principles of openness, fairness and justness at fair and reasonable market prices, shall go through the decision-making process in accordance with applicable laws, regulations and regulatory documents, and shall perform their obligations of information disclosure as required by law. The Company undertakes that neither the Company nor other enterprises under its control shall procure any illegal interests or make Shenzhen Development Bank undertake any illicit obligations through transactions with Shenzhen Development Bank.

(3) The Company undertakes that, after the completion of the major asset restructuring and during the period when the Company remains as the controlling shareholder of Shenzhen Development Bank, the Company shall maintain Shenzhen Development Bank's independence and ensure that Shenzhen Development Bank is independent from the Company and other enterprises under its control in respect of personnel, assets, finance, organization and business.

As of December 31, 2023, the above undertakings were still being performed and there was no breach of the above undertakings.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As far as is known to any Directors or Supervisors of the Company, as of December 31, 2023, the following persons (other than the Company's Directors, Supervisors and chief executives) had interests or short positions in the Company's shares and underlying shares which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO:

Name of substantial shareholder	H/A shares	Capacity	Notes	Number of H/A shares	Nature of interest	Percentage of total number of H/A shares in issue (%)	Percentage of total shares in issue (%)
CP Group Ltd.	H	Interest of controlled corporations	(1)	1,114,859,403	Long position	14.96	6.12
UBS Group AG	H	Interest of controlled corporations	(2)	711,184,930	Long position	9.54	3.90
		Interest of controlled corporations	(2)	520,441,099	Short position	6.98	2.85
JPMorgan Chase & Co.	H	Interest of controlled corporations	(3)	131,991,408	Long position	1.77	0.72
		Investment manager		95,845,736	Long position	1.28	0.52
		Person having a security interest in shares		3,836,904	Long position	0.05	0.02
		Trustee		8,412	Long position	0.00	0.00
		Approved lending agent	(3)	230,152,823	Lending pool	3.09	1.26
		Total:	(3)	461,835,283		6.20	2.53
		Interest of controlled corporations	(3)	147,162,206	Short position	1.97	0.80
		Investment manager		307,992	Short position	0.00	0.00
		Total:	(3)	147,470,198		1.98	0.80
Citigroup Inc.	H	Interest of controlled corporations	(4)	48,259,575	Long position	0.64	0.26
		Approved lending agent	(4)	352,841,906	Lending pool	4.73	1.93
		Total:	(4)	401,101,481		5.38	2.20
		Interest of controlled corporations	(4)	30,529,269	Short position	0.40	0.16
BlackRock, Inc.	H	Interest of controlled corporations	(5)	401,713,391	Long position	5.39	2.20
		Interest of controlled corporations	(5)	591,000	Short position	0.00	0.00
Shenzhen Investment Holdings Co., Ltd.	A	Beneficial owner		962,719,102	Long position	8.94	5.29

Notes: (1) According to the disclosure form filed by CP Group Ltd. on May 30, 2023, CP Group Ltd. was deemed to be interested in a total of 1,114,859,403 H shares (long position) of the Company by virtue of its control over several wholly-owned corporations. As of December 31, 2023, CP Group Ltd. indirectly held 1,063,597,013 H shares (long position) of the Company in total, representing 5.84% of the Company's total share capital.

(2) According to the disclosure form filed by UBS Group AG on January 4, 2024, UBS Group AG was deemed to be interested in a total of 711,184,930 H shares (long position) and 520,441,099 H shares (short position) of the Company by virtue of its controlled corporations.
The entire interests and short positions of UBS Group AG in the Company included 462,835,379 H shares (long position) and 346,669,990 H shares (short position) held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Listed derivatives – Physically settled	Long position Short position	597,500 71,000
Listed derivatives – Cash settled	Long position Short position	11,100 66,750
Listed derivatives – Convertible instruments	Long position Short position	676,214 17,644,233
Unlisted derivatives – Physically settled	Long position Short position	410,481,371 198,496,171
Unlisted derivatives – Cash settled	Long position Short position	51,069,194 130,391,836

(3) According to the disclosure form filed by JPMorgan Chase & Co. on December 28, 2023, JPMorgan Chase & Co. was deemed to be interested in a total of 461,835,283 H shares (long position) and 147,470,198 H shares (short position) of the Company by virtue of its controlled corporations.
The entire interests and short positions of JPMorgan Chase & Co. in the Company included a lending pool of 230,152,823 H shares (long position). In addition, 94,815,360 H shares (long position) and 120,347,960 H shares (short position) were held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Listed derivatives – Physically settled	Long position Short position	31,993,000 46,968,500
Listed derivatives – Cash settled	Long position Short position	90,000 14,026,550
Unlisted derivatives – Physically settled	Long position Short position	54,704,734 21,498,633
Unlisted derivatives – Cash settled	Long position Short position	6,313,867 37,854,277
Listed derivatives – Convertible instruments	Long position	1,713,759

(4) According to the disclosure form filed by Citigroup Inc. on November 23, 2023, Citigroup Inc. was deemed to be interested in a total of 401,101,481 H shares (long position) and 30,529,269 H shares (short position) of the Company by virtue of its controlled corporations.
The entire interests and short positions of Citigroup Inc. in the Company included a lending pool of 352,841,906 H shares (long position). In addition, 8,549,090 H shares (long position) and 27,017,772 H shares (short position) were held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Listed derivatives – Physically settled	Long position Short position	5,442,242 1,893,500
Listed derivatives – Convertible instruments	Long position	58,590
Unlisted derivatives – Physically settled	Long position Short position	996,575 15,836,077
Unlisted derivatives – Cash settled	Long position Short position	2,051,683 9,288,195

(5) According to the disclosure form filed by BlackRock, Inc. on December 23, 2023, BlackRock, Inc. was deemed to be interested in a total of 401,713,391 H shares (long position) and 591,000 H shares (short position) of the Company by virtue of its controlled corporations.
The entire interests and short positions of BlackRock, Inc. in the Company included 3,857,500 H shares (long position) and 591,000 H shares (short position) held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Unlisted derivatives – Cash settled	Long position Short position	3,857,500 591,000

(6) As figures for the percentage of H shares held have been rounded down to the nearest second decimal place, they may not add up to the totals. The percentage figures are based on the number of shares of the Company as of December 31, 2023.

Save as disclosed above, to the best knowledge of the Directors and Supervisors, as of December 31, 2023, no person (other than the Company's Directors, Supervisors and chief executives) had any interest or short position in the Company's shares or underlying shares which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO.

By order of the Board of Directors

Ma Mingzhe
Chairman

Shenzhen, PRC
March 21, 2024

Report of the Supervisory Committee

During the Reporting Period, all the members of the Supervisory Committee duly carried out their supervisory duties in a stringent manner and adhered to the principle of good faith to effectively protect the rights and interests of the shareholders, the Company and its employees in accordance with the *Company Law of the People's Republic of China and the Articles of Association*.

ATTENDANCE RECORD OF SUPERVISORS

During the Reporting Period, the Supervisors attended one General Meeting and six Supervisory Committee meetings in person, and sat in on Board meetings held by the Company. The Supervisors devoted sufficient time and energy to the supervision work, and attached importance to professional learning and experience summarization to further improve their ability to perform duties. The Supervisors had no objection to the matters under supervision.

The attendance records of each Supervisor at the meetings are as follows:

		Meetings attended in person/ Meetings required to attend	
Members	Date of Appointment as Supervisors	General Meetings	Supervisory Committee Meetings
Employee Representative Supervisors			
Sun Jianyi (Chairman)	August 28, 2020	1/1	6/6
Wang Zhiliang	August 6, 2017	1/1	6/6
Independent Supervisors			
Zhu Xinrong	July 18, 2022	1/1	6/6
Liew Fui Kiang	July 18, 2022	1/1	6/6
Hung Ka Hai Clement	July 18, 2022	1/1	6/6

INSPECTIONS AND REVIEWS AT BRANCHES OF SUBSIDIARIES

In September 2023, certain members of the Supervisory Committee conducted on-site inspections and reviews at branches of subsidiaries including Ping An Bank, Ping An Life, Ping An Property & Casualty and Ping An Annuity in Lanzhou and Xi'an. Opinions collected from employees were consolidated and an investigation report was submitted to the Company's management. The management paid high attention to relevant issues, tackled each of them, and submitted a feedback report to all the Directors and Supervisors.

INDEPENDENT OPINIONS ON RELEVANT ISSUES FROM THE SUPERVISORY COMMITTEE

The Supervisory Committee held six meetings in 2023 to deliberate 27 proposals including the Work Report of the Supervisory Committee for 2022, the Report on Consumer Rights Protection of Ping An Group for 2022 and the First Half of 2023, hear 12 reports on the annual performance appraisal results of senior management, internal control assessment and evaluation, performance in reputation risk management, and the implementation of the relevant regulatory opinions and requirements of the CBIRC, and review 11 filed documents including a brief report on the Company's compliance with governance guidelines, internal audit reports, and the meeting minutes of the Audit and Risk Management Committee. Supervisors exercised voting rights appropriately at the meetings, and expressed the following opinions objectively and fairly:

Lawful Operations

During the Reporting Period, the Company operated and managed its businesses in accordance with laws and regulations, and its operational results were objective and truthful. There was substantial development and improvement in the depth and breadth of internal control management, and the internal control system was complete, reasonable and effective. The Company's operational decision-making processes were legitimate. The Directors and senior management were cautious, conscientious and diligent in the business operations and management processes, and they were not found to have breached any laws, regulations, or the *Articles of Association* or harmed the shareholders' interests.

Authenticity of the Financial Statements

Ernst & Young Hua Ming LLP and Ernst & Young have issued the standard unqualified auditor's reports in accordance with the PRC and international auditing standards respectively on the Company's financial statements for 2023. The financial statements truthfully, objectively and accurately reflect the Company's financial status and operating results.

Use of Proceeds

During the Reporting Period, the Supervisory Committee reviewed special reports on the depositing and actual use of the Company's proceeds raised, and was of the opinion that the Company's disclosures about the use of the proceeds were timely, truthful, accurate and complete, and that there was no violation of rules in the use and management of the proceeds.

Related Party Transactions

The Supervisory Committee considered the Company's related party transactions to be fair and reasonable during the Reporting Period, and found no harm done to the interests of the shareholders or the Company.

Internal Control System

During the Reporting Period, the Supervisory Committee reviewed the Assessment and Evaluation Report on Internal Control of the Company, and was of the opinion that the Company had set up a complete, reasonable and effective internal control system.

Performance of the Board of Directors and Senior Management in Reputation Risk Management

Members of the Supervisory Committee, by sitting in on the Board meetings and reviewing reports, heard the reports made by the senior management on the Company's reputation risk management, and supervised the Board's performance in reputation risk management.

Report of the Supervisory Committee

Implementation of the Resolutions Approved by the General Meetings

Members of the Supervisory Committee sat in on the Board meetings and the General Meetings, and had no objection to the reports and proposals submitted to the General Meetings by the Board of Directors. The Supervisory Committee monitored the implementation of the resolutions approved by the General Meetings, and was of the opinion that the Board of Directors could duly implement the resolutions approved by the General Meetings.

Implementation of the Cash Dividend Policy

The Supervisory Committee acknowledges that the Board of Directors strictly carried out the cash dividend policy, performed relevant decision-making procedures for cash dividends in strict compliance, and disclosed the cash dividend policy and its implementation truthfully, accurately and completely. The Company's full-year cash dividend payout ratio for 2023 based on net profit attributable to shareholders of the parent company exceeds the range (in principle, 20%-40% of net profit attributable to shareholders of the parent company for the corresponding year) specified in its profit distribution plan for 2021-2023. The Company maintains the continuity and stability of its profit distribution policy, and delivers sustained, stable and reasonable returns to all its shareholders.

Appraisal of Directors' Performance of Duties

All Supervisors evaluated the composition of the Board of Directors, Directors' meeting attendance records, participation in training sessions and provision of opinions, and concluded unanimously that all the Company's Directors performed their duties and responsibilities as stipulated under applicable laws, regulations and the *Articles of Association* in a faithful, loyal, diligent and conscientious manner in 2023. Specialized committees of the Board of Directors fully performed their duties and provided professional opinions and advice for the Board of Directors' decision-making processes. All Supervisors agree that the performance appraisal results of all the Company's Directors for 2023 are "competent."

Appraisal of Senior Management's Performance of Duties

During the Reporting Period, the Company's management strictly abided by the *Articles of Association* and carried out business management in a lawful and compliant manner; all the senior management of the Company duly performed their duties and responsibilities in accordance with relevant requirements including loyalty and diligence obligations.

Implementation of the Company's Information Disclosure Management Rules

During the Reporting Period, the Supervisory Committee supervised the Company's information disclosure, reviewed the Company's regular reports, and put forward written review opinions. No violation of laws or regulations was found in the Company's information disclosure throughout the year.

SUMMARY AND OUTLOOK

In accordance with the *Rules for Appraisal of Supervisors' Performance of Duties*, the Supervisory Committee organized and conducted the appraisal of Supervisors' performance of duties for 2023. According to comprehensive evaluation, all the Company's Supervisors performed their duties and responsibilities as stipulated under applicable laws, regulations and the *Articles of Association* in a faithful, loyal, diligent and conscientious manner in 2023, and the performance appraisal results of all the Company's Supervisors for 2023 are "competent."

In the coming year, the Supervisory Committee will further expand its approach to work and continue to carry out its duties in accordance with the *Company Law of the People's Republic of China*, the *Articles of Association*, and the listing rules. The Supervisory Committee will adhere to the principle of good faith, maximize its supervisory efforts with an aim to protect the interests of the Company and its shareholders, and perform supervisory duties faithfully and diligently to achieve the best results in all respects.

By order of the Supervisory Committee

Sun Jianyi
Chairman of the Supervisory Committee

Shenzhen, PRC
March 21, 2024

Independent Auditor's Report

To the shareholders of Ping An Insurance (Group) Company of China, Ltd.
(Incorporated in the People's Republic of China with limited liability)

OPINION

We have audited the consolidated financial statements of Ping An Insurance (Group) Company of China, Ltd. (the "Company") and its subsidiaries (the "Group") set out on pages 188 to 354, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities	
As at 31 December 2023, the Group's insurance contract liabilities amounted to RMB4,159,801 million, representing 40% of total liabilities. We identified the valuation of insurance contract liabilities as a key audit matter, as it requires significant estimates and judgements. The valuation of insurance contract liabilities involves significant judgement and estimates over the eligibility for the measurement approach, the determination of coverage unit and the uncertain future cash flows.	With the support of our internal experts, we performed the following audit procedures: – Reviewed the Group's accounting policies in relation to the valuation of insurance contract liabilities. – Evaluated and tested the design and operating effectiveness of key controls over the valuation of insurance contract liabilities. – Evaluated and tested the design and operating effectiveness of the related IT systems and controls over the valuation of insurance contract liabilities, including IT general controls, data transmission and computational logic of the related systems.

To the shareholders of Ping An Insurance (Group) Company of China, Ltd.
(Incorporated in the People's Republic of China with limited liability)

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of insurance contract liabilities (continued)	
Complex actuarial models and actuarial assumptions with highly judgemental nature are used to support the valuation of insurance contract liabilities. Key assumptions include mortality, morbidity, lapse rates, discount rates, expenses, claim ratios, policy dividends and risk adjustment for non-financial risk, etc. Relevant disclosures are included in Note 2.(28), Note 3.(4), Note 3.(5), Note 3.(6), Note 3.(7), Note 43 and Note 49.(1) to the consolidated financial statements.	– Evaluated the reasonableness of key judgements and assumptions. – Assessed the appropriateness of the valuation approaches of insurance contract liabilities. Performed independent recalculation on insurance contract liabilities of selected typical insurance products or groups of insurance contracts. – Tested the completeness and accuracy of the underlying data used in the valuation of insurance contract liabilities. – Evaluated the overall reasonableness of the insurance contract liabilities by performing movement analysis and assessing the impact of changes in assumptions.

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income	
As at 31 December 2023, the Group's loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income represented 29%, 11% and 23% of total assets and the amounts of expected credit loss provision for loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income were RMB100,045 million, RMB46,977 million and RMB8,818 million respectively. We identified the impairment assessment of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income as a key audit matter, as it involves significant management judgements and assumptions. The Group uses a number of models and assumptions in the measurement of expected credit losses, for example: – Significant increase in credit risk – The selection of criteria for identifying significant increase in credit risk is highly dependent on judgement and may have a significant impact on the expected credit losses for loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income with longer remaining periods to maturity.	We evaluated and tested the design and operating effectiveness of key controls over the approval process, post approval credit management, credit rating system, collateral monitoring, deferred principal and interest payments as well as impairment assessment of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income, including relevant data quality and information systems. We adopted a risk-based sampling approach in our credit review procedures on loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income. We assessed the debtors' repayment capacity and evaluated the Group's credit rating, taking into consideration post lending or investing investigation reports, debtors' financial information, collateral valuation reports and other available information. With the support of our internal experts, we evaluated and tested the important parameters of the expected credit loss model, management's significant judgements and related assumptions, mainly focusing on the following aspects. 1) Expected credit loss model: – In response to the macroeconomic changes, we assessed the reasonableness of the expected credit loss model methodology and related parameters, including probability of default, loss given default, exposure at default, and significant increase in credit risk.

FINANCIAL STATEMENTS

To the shareholders of Ping An Insurance (Group) Company of China, Ltd.
(Incorporated in the People's Republic of China with limited liability)

KEY AUDIT MATTERS (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income (continued)	
– Models and parameters – Inherently complex models are used to measure expected credit losses. Modelled parameters have numerous inputs and the parameter estimation involves many judgements and assumptions. – Forward-looking information – Expert judgement is used to create macroeconomic forecasts and to consider the impact on expected credit losses under multiple economic scenarios given different weights. – Individual impairment assessment – Identifying credit impaired loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income requires consideration of a range of factors, and individual impairment assessments are dependent upon estimates of future cash flows. Relevant disclosures are included in Note 2.(12), Note 3.(3), Note 24, Note 26, Note 27 and Note 49.(3) to the consolidated financial statements.	– Assessed the forward-looking information management used to determine expected credit losses, including the forecasts of macroeconomic variables and the assumptions and weightings of multiple macroeconomic scenarios. – Evaluated the models and the related assumptions used in individual impairment assessment and analysed the amount, timing and likelihood of management's estimated future cash flows, especially cash flows from collateral. 2) Design and operating effectiveness of key controls: – Evaluated and tested the data and processes used to determine expected credit losses, including business data, internal credit rating data, macroeconomic data, as well as impairment system computational logic, inputs and interfaces among relevant systems. – Evaluated and tested key controls over expected credit loss models, including approval of model changes, ongoing monitoring of model performance, model validation and parameter calibration. We evaluated and tested the design and operating effectiveness of internal controls related to disclosures of credit risk and impairment allowance.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit and Risk Management Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report

To the shareholders of Ping An Insurance (Group) Company of China, Ltd.
(Incorporated in the People's Republic of China with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

We communicate with the Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Management Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is *Benny Bing Yin Cheung.*

Ernst & Young
Certified Public Accountants

Hong Kong
21 March 2024

FINANCIAL STATEMENTS

Consolidated Income Statement

For the year ended 31 December 2023

(in RMB million)	Notes	2023	2022 (Restated)
Insurance revenue	6	**536,440**	525,981
Interest revenue from banking operations	7	**227,552**	228,784
Interest revenue from non-banking operations	8	**118,503**	115,933
Fees and commission revenue from non-insurance operations	9	**45,806**	45,982
Investment income	10	**33,324**	(2,311)
Share of profits and losses of associates and joint ventures		**1,434**	10,165
Other revenues and other gains	11	**68,804**	60,652
Total revenue		**1,031,863**	985,186
Insurance service expenses	12	**(440,178)**	(422,221)
Allocation of reinsurance premiums paid		**(14,179)**	(14,919)
Less: Amount recovered from reinsurer		**10,448**	10,605
Net insurance finance expenses for insurance contracts issued	43	**(123,959)**	(99,933)
Less: Net reinsurance finance income for reinsurance contracts held		**542**	564
Interest expenses on banking operations	7	**(108,605)**	(97,688)
Fees and commission expenses on non-insurance operations	9	**(8,773)**	(9,928)
Net impairment losses on financial assets	13	**(77,744)**	(80,553)
Net impairment losses on other assets	14	**(1,327)**	(1,367)
Foreign exchange gains/(losses)		**120**	3,144
General and administrative expenses	15	**(83,877)**	(79,815)
Changes in insurance premium reserves		**(230)**	(78)
Interest expenses on non-banking operations		**(24,346)**	(22,698)
Other expenses	15	**(39,638)**	(27,964)
Total expenses		**(911,746)**	(842,851)
Profit before tax	15	**120,117**	142,335
Income tax	16	**(10,843)**	(7,518)
Profit for the year		**109,274**	134,817
Attributable to:			
– Owners of the parent		**85,665**	111,008
– Non-controlling interests		**23,609**	23,809
		109,274	134,817
Earnings per share attributable to ordinary equity holders of the parent:		RMB	RMB
– Basic	18	**4.84**	6.36
– Diluted	18	**4.74**	6.27

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

(in RMB million)	2023	2022 (Restated)
Profit for the year	**109,274**	134,817
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	**91,144**	13,944
Credit risks provision of debt instruments at fair value through other comprehensive income	**(314)**	1,530
Insurance finance expenses for insurance contracts issued	**(117,017)**	(36,851)
Reinsurance finance income for reinsurance contracts held	**240**	10
Reserve from cash flow hedging instruments	**358**	(350)
Exchange differences on translation of foreign operations	**812**	3,914
Share of other comprehensive income of associates and joint ventures	**(579)**	35
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	**17,575**	6,254
Insurance finance expenses for insurance contracts issued	**(11,062)**	(4,413)
Share of other comprehensive income of associates and joint ventures	**(16)**	59
Other comprehensive income for the year, net of tax	**(18,859)**	(15,868)
Total comprehensive income for the year	**90,415**	118,949
Attributable to:		
– Owners of the parent	**66,819**	94,484
– Non-controlling interests	**23,596**	24,465
	90,415	118,949

Consolidated Statement of Financial Position

As at 31 December 2023

(in RMB million)	Notes	31 December 2023	31 December 2022 (Restated)	1 January 2022 (Restated)
Assets				
Cash and amounts due from banks and other financial institutions	19	**804,077**	774,841	592,151
Balances with the Central Bank	20	**270,976**	281,115	308,348
Financial assets purchased under reverse repurchase agreements	21	**167,660**	91,514	61,583
Accounts receivable		**35,636**	36,118	26,628
Derivative financial assets	22	**44,978**	29,278	30,957
Insurance contract assets	43	**3**	–	–
Reinsurance contract assets		**22,215**	20,615	19,926
Finance lease receivable	23	**180,674**	186,858	200,701
Loans and advances to customers	24	**3,318,122**	3,238,054	2,980,975
Financial assets at fair value through profit or loss	25	**1,803,047**	1,640,519	1,445,641
Financial assets at amortized cost	26	**1,243,353**	1,124,035	1,064,246
Debt financial assets at fair value through other comprehensive income	27	**2,637,008**	2,500,790	2,265,326
Equity financial assets at fair value through other comprehensive income	28	**264,877**	264,771	277,883
Investments in associates and joint ventures	29	**258,877**	280,793	284,061
Statutory deposits for insurance operations	30	**14,903**	14,444	12,606
Investment properties	31	**121,406**	114,763	86,041
Property and equipment	32	**50,401**	53,657	49,758
Intangible assets	33	**99,078**	99,411	68,462
Right-of-use assets	34	**9,794**	12,580	14,185
Deferred tax assets	46	**101,337**	89,321	64,289
Other assets	35	**134,995**	156,463	140,312
Total assets		**11,583,417**	11,009,940	9,994,079
Equity and liabilities				
Equity				
Share capital	36	**18,210**	18,280	18,280
Reserves	37	**263,752**	268,724	267,475
Treasury shares	40	**(5,001)**	(10,996)	(9,895)
Retained profits	37	**622,050**	593,183	540,629
Equity attributable to owners of the parent		**899,011**	869,191	816,489
Non-controlling interests	37	**329,953**	316,805	265,449
Total equity		**1,228,964**	1,185,996	1,081,938

(in RMB million)	Notes	**31 December 2023**	31 December 2022 (Restated)	1 January 2022 (Restated)
Liabilities				
Due to banks and other financial institutions	41	**963,718**	923,088	797,646
Financial liabilities at fair value through profit or loss		**48,619**	84,659	57,376
Derivative financial liabilities	22	**44,531**	39,738	35,049
Assets sold under agreements to repurchase	42	**241,803**	271,737	127,718
Accounts payable		**8,858**	10,349	6,663
Income tax payable		**7,117**	16,076	16,247
Insurance contract liabilities	43	**4,159,801**	3,671,177	3,340,870
Reinsurance contract liabilities		**53**	105	–
Customer deposits and payables to brokerage customers	44	**3,534,539**	3,431,999	3,002,049
Bonds payable	45	**964,007**	931,098	1,097,523
Lease liabilities	34	**10,234**	13,013	14,208
Deferred tax liabilities	46	**14,148**	14,217	13,605
Other liabilities	47	**357,025**	416,688	403,187
Total liabilities		**10,354,453**	9,823,944	8,912,141
Total equity and liabilities		**11,583,417**	11,009,940	9,994,079

The financial statements on pages 188 to 354 were approved and authorized for issue by the Board of Directors on 21 March 2024 and were signed on its behalf.

MA Mingzhe
Director

XIE Yonglin
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	For the year ended 31 December 2023											
		Reserves										
(in RMB million)	Share capital	Share premium	Financial assets at FVOCI reserves	Insurance finance expenses for insurance contracts issued	Others	Surplus reserve funds	General reserves	Exchange differences on translation of foreign operations	Treasury shares	Retained profits	Non-controlling interests	Total equity
As at 31 December 2022	**18,280**	**118,095**	**(30,778)**	**-**	**39,099**	**12,164**	**115,104**	**2,046**	**(10,996)**	**595,661**	**316,623**	**1,175,298**
Changes in accounting policies	**-**	**-**	**115,744**	**(84,153)**	**(21,361)**	**-**	**2,764**	**-**	**-**	**(2,478)**	**182**	**10,698**
As at 1 January 2023	**18,280**	**118,095**	**84,966**	**(84,153)**	**17,738**	**12,164**	**117,868**	**2,046**	**(10,996)**	**593,183**	**316,805**	**1,185,996**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**85,665**	**23,609**	**109,274**
Other comprehensive income for the year	**-**	**-**	**107,935**	**(127,456)**	**(80)**	**-**	**-**	**755**	**-**	**-**	**(13)**	**(18,859)**
Total comprehensive income for the year	**-**	**-**	**107,935**	**(127,456)**	**(80)**	**-**	**-**	**755**	**-**	**85,665**	**23,596**	**90,415**
Dividends declared (Note 17)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(44,002)**	**-**	**(44,002)**
Appropriations to general reserves	**-**	**-**	**-**	**-**	**-**	**-**	**12,485**	**-**	**-**	**(12,485)**	**-**	**-**
Disposal of equity investments at fair value through other comprehensive income	**-**	**-**	**2,998**	**(2,687)**	**-**	**-**	**-**	**-**	**-**	**(311)**	**-**	**-**
Dividend paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(7,023)**	**(7,023)**
Equity transactions with non-controlling interests	**-**	**-**	**-**	**-**	**(106)**	**-**	**-**	**-**	**-**	**-**	**(1,817)**	**(1,923)**
Contributions from non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**48**	**48**
Key Employee Share Purchase Plan (Note 38)	**-**	**-**	**-**	**-**	**(30)**	**-**	**-**	**-**	**-**	**-**	**-**	**(30)**
Long-term Service Plan (Note 39)	**-**	**-**	**-**	**-**	**(3,979)**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,979)**
Cancellation of repurchased shares (Note 36)	**(70)**	**(5,925)**	**-**	**-**	**-**	**-**	**-**	**-**	**5,995**	**-**	**-**	**-**
Other equity instruments issued/redeemed by subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,675)**	**(2,675)**
Others	**-**	**11,569**	**-**	**-**	**(451)**	**-**	**-**	**-**	**-**	**-**	**1,019**	**12,137**
As at 31 December 2023	**18,210**	**123,739**	**195,899**	**(214,296)**	**13,092**	**12,164**	**130,353**	**2,801**	**(5,001)**	**622,050**	**329,953**	**1,228,964**

	For the year ended 31 December 2022 (Restated)											
		Reserves										
(in RMB million)	Share capital	Share premium	Financial assets at FVOCI reserves	Insurance finance expenses for insurance contracts issued	Others	Surplus reserve funds	General reserves	Exchange differences on translation of foreign operations	Treasury shares	Retained profits	Non-controlling interests	Total equity
As at 31 December 2021	18,280	111,598	(36,413)	-	47,302	12,164	101,108	(1,573)	(9,895)	569,834	265,318	1,077,723
Changes in accounting policies	-	-	99,124	(41,884)	(25,964)	-	2,013	-	-	(29,205)	131	4,215
As at 1 January 2022	18,280	111,598	62,711	(41,884)	21,338	12,164	103,121	(1,573)	(9,895)	540,629	265,449	1,081,938
Profit for the year	-	-	-	-	-	-	-	-	-	111,008	23,809	134,817
Other comprehensive income for the year	-	-	21,161	(41,062)	(242)	-	-	3,619	-	-	656	(15,868)
Total comprehensive income for the year	-	-	21,161	(41,062)	(242)	-	-	3,619	-	111,008	24,465	118,949
Dividends declared (Note 17)	-	-	-	-	-	-	-	-	-	(43,820)	-	(43,820)
Appropriations to general reserves	-	-	-	-	-	-	14,747	-	-	(14,747)	-	-
Disposal of equity investments at fair value through other comprehensive income	-	-	1,094	(1,207)	-	-	-	-	-	113	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,585)	(6,585)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	42,437	42,437
Equity transactions with non-controlling interests	-	-	-	-	96	-	-	-	-	-	(2,959)	(2,863)
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	916	916
Key Employee Share Purchase Plan (Note 38)	-	-	-	-	85	-	-	-	-	-	-	85
Long-term Service Plan (Note 39)	-	-	-	-	(4,113)	-	-	-	-	-	-	(4,113)
Acquisition of shares	-	-	-	-	-	-	-	-	(1,101)	-	-	(1,101)
Other equity instruments issued/redeemed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(7,164)	(7,164)
Others	-	6,497	-	-	574	-	-	-	-	-	246	7,317
As at 31 December 2022	18,280	118,095	84,966	(84,153)	17,738	12,164	117,868	2,046	(10,996)	593,183	316,805	1,185,996

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

(in RMB million)	Notes	2023	2022 (Restated)
Net cash flows from operating activities	53	**360,403**	476,776
Cash flows from investing activities			
Purchases of property and equipment, intangibles and other long-term assets		**(7,810)**	(8,871)
Proceeds from disposal of property and equipment, intangibles and other long-term assets, net		**1,068**	568
Proceeds from disposal of investments		**1,756,672**	2,012,393
Purchases of investments		**(2,066,919)**	(2,406,664)
Acquisition of subsidiaries, net		**-**	(37,620)
Disposal of subsidiaries, net		**65**	507
Interest received		**139,390**	146,953
Dividends received		**73,533**	76,974
Net cash flows used in investing activities		**(104,001)**	(215,760)
Cash flows from financing activities			
Capital injected into subsidiaries by non-controlling interests		**2,999**	3,104
Proceeds from bonds issued		**1,064,814**	773,258
(Decrease)/increase in assets sold under agreements to repurchase of insurance operations, net		**(81,822)**	118,241
Proceeds from borrowings		**107,295**	186,022
Repayment of borrowings		**(1,202,227)**	(1,206,226)
Interest paid		**(22,380)**	(28,218)
Dividends paid		**(50,707)**	(49,582)
(Decrease)/increase in insurance placements from banks and other financial institutions, net		**(5,166)**	2,266
Payment of acquisition of shares		**-**	(1,101)
Payment of shares purchased for Long-term Service Plan		**(4,451)**	(4,439)
Repayment of lease liabilities		**(5,522)**	(6,533)
Payment of redemption for other equity instruments by subsidiaries		**(5,650)**	(10,100)
Others		**(19,239)**	(7,565)
Net cash flows used in financing activities		**(222,056)**	(230,873)
Net increase in cash and cash equivalents		**34,346**	30,143
Net foreign exchange differences		**1,924**	8,580
Cash and cash equivalents at the beginning of the year		**444,202**	405,479
Cash and cash equivalents at the end of the year	52	**480,472**	444,202

1. CORPORATE INFORMATION

Ping An Insurance (Group) Company of China, Ltd. (the "Company") was registered in Shenzhen, the People's Republic of China (the "PRC") on 21 March 1988. The business scope of the Company includes investing in insurance enterprises, supervising and managing various domestic and overseas businesses of subsidiaries, conducting insurance funds investment, domestic and overseas insurance and other business approved by regulators. The Company and its subsidiaries are collectively referred to as the Group. The Group mainly provides integrated financial products and services and is engaged in life insurance, property and casualty insurance, trust, securities, banking and other businesses.

The registered office address of the Company is 47th, 48th, 109th, 110th, 111th and 112th Floors, Ping An Finance Center, No. 5033 Yitian Road, Futian District, Shenzhen, Guangdong Province, China.

These consolidated financial statements are presented in millions of Renminbi ("RMB") unless otherwise stated.

2. MATERIAL ACCOUNTING POLICIES

(1) BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), amendments to IFRSs and interpretations issued by the International Accounting Standards Board ("IASB"), also comply with the applicable disclosure provisions of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and the applicable disclosure requirements of the *Hong Kong Companies Ordinance*. They have been prepared under the historical cost convention, except for some financial instruments, insurance contract assets or liabilities and reinsurance contract assets or liabilities.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

(2) CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Changes in accounting policies

The Group adopted International Financial Reporting Standard 17 Insurance Contracts ("IFRS 17") on 1 January 2023 and restated the comparative information in accordance with IFRS 17. The adoption of IFRS 17 has brought about major changes in the recognition for insurance revenue and insurance service expenses, the measurement of insurance contract liabilities and the presentation of financial statements. The new accounting policies in relation to insurance contracts are set out in Note 2.(28).

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(2) CHANGES IN ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

Changes in accounting policies (Continued)

In accordance with IFRS 17, the Group is not required to disclose the amount of the adjustment for each financial statement line item affected for the current period and each prior period presented. Therefore, the Group has only summarized the impact of the adoption of IFRS 17 on key financial indicators for the comparative period, as disclosed below:

	Before the adoption of IFRS 17 31 December 2022	Impact of the adoption of IFRS 17	After the adoption of IFRS 17 31 December 2022
Total assets	11,137,168	(127,228)	11,009,940
Total liabilities	9,961,870	(137,926)	9,823,944
Equity attributable to owners of the parent	858,675	10,516	869,191

The Group has adopted IFRS 9 Financial Instruments before 1 January 2023. In accordance with IFRS 17, the Group reassessed its business models for managing financial assets and redetermined the classification of financial assets held for activities related to insurance contracts based on the measurement models of the insurance contracts on 1 January 2023. For financial assets derecognized between 1 January 2022 and 31 December 2022, the Group has applied the classification overlay to reclassify them item-by-item based on same classification method, and adjusted the comparative information. The major changes in the above reclassification of financial assets were disclosed as follows:

	Before reclassification 31 December 2022	Impact of the reclassification	After reclassification 31 December 2022
Financial assets at amortized cost	3,004,502	(1,880,467)	1,124,035
Debt financial assets at fair value through other comprehensive income	467,031	2,033,759	2,500,790

In accordance with IFRS 17, considering that retrospective approach is impracticable for some of the groups of insurance contracts, the Group has applied the modified retrospective approach or the fair value approach on the transition date.

(3) ISSUED BUT NOT YET EFFECTIVE STANDARDS, AMENDMENTS AND INTERPRETATIONS

The Group has not adopted the following revised IFRSs that have been issued but are not yet effective.

Standards/Amendments	Content	Effective for annual periods beginning on or after
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024

These amendments are not expected to have any significant impact on the Group's financial statements.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(4) BUSINESS COMBINATIONS AND GOODWILL

Business combinations that are not under common control are accounted for using the acquisition method. The cost of an acquisition is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or a liability that is a financial instrument and within the scope of IFRS 9 is measured at fair value with changes in fair value either recognized in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the appropriate IFRSs. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and the amount recognized for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognized in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(5) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends, are eliminated on consolidation in full, unless the transaction provides evidence of an impairment of the transferred asset.

Total comprehensive income within a subsidiary is still attributed to the non-controlling interest even if it results in a deficit balance. If the Group loses control over a subsidiary, it:

(a) Derecognizes the assets (including goodwill) and liabilities of the subsidiary;

(b) Derecognizes the carrying amount of any non-controlling interest;

(c) Derecognizes the cumulative translation differences recorded in equity;

(d) Recognizes the fair value of the consideration received;

(e) Recognizes the fair value of any investment retained;

(f) Recognizes any surplus or deficit in profit or loss; and

(g) Reclassifies the Group's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

(6) SUBSIDIARIES

A subsidiary is an entity (including structured entities) over which the Company has control. The Company controls an entity when the Company has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. The results of subsidiaries are included in the Company's income statement to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(7) STRUCTURED ENTITIES

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual or related arrangements.

The Group determines whether it is an agent or a principal in relation to those structured entities in which the Group acts as an asset manager on management's judgement. If an asset manager is agent, it acts primarily on behalf of others and so does not control the structured entity. It may be principal if it acts primarily for itself, and therefore controls the structured entity.

The Group has determined that all of its fund products, trust products, debt investment plans, equity investment plans and asset funding plans, which are not controlled by the Group, are unconsolidated structured entities. Fund products, trust products, equity investment plans and asset funding plans are managed by affiliated or unaffiliated trust companies or asset managers and invest the funds raised in bonds, stocks and loans or equities of other companies. Debt investment plans are managed by affiliated or unaffiliated asset managers and its major investment objectives are infrastructure funding projects. Fund products, trust products, debt investment plans, equity investment plans and asset funding plans finance their operations by issuing beneficiary certificates which entitle the holders to agreed stake according to contractual terms in the respective fund products', trust products', debt investment plans', equity investment plans' and asset funding plans' income.

The Group holds beneficiary certificates in its fund products, trust products, debt investment plans, equity investment plans and asset funding plans.

(8) ASSOCIATES

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's investments in associates are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealized losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The financial statements of the associates are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize impairment losses on the Group's investments in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the income statement.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(8) ASSOCIATES (CONTINUED)

Upon loss of significant influence over the associate, the Group measures and recognizes any remaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the remaining investment, as well as the gain on disposal of the associates, are recognized in profit or loss.

The results of associates are included in the Group's income statement to the extent of dividends received and receivable. The Group's investments in associates are treated as non-current assets and are stated at cost less any impairment losses.

(9) JOINT VENTURES

The Group has assessed the nature of its joint ventures and determined them to be joint ventures. The Group has rights to the net assets of these joint ventures. The Group's investments in its joint ventures are accounted for using the equity method of accounting, less any impairment losses. Refer to Note 2.(8) for details of the equity method of accounting.

(10) FOREIGN CURRENCIES

These financial statements are presented in RMB, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognized in the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss on change arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognized in other comprehensive income or profit or loss is also recognized in profit or loss and other comprehensive income, respectively).

The functional currency of most of overseas subsidiaries is the Hong Kong dollar. At the end of the reporting period, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their income statements are translated into RMB at the average exchange rate for the year. The resulting exchange differences are recognized in other comprehensive income and accumulated in the exchange differences on translation of foreign operations reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognized in the income statement.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates for their functional and currencies ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rate for the year.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(11) CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, demand deposits, current accounts with the Central Bank and short term highly liquid investments including assets purchased under reverse repurchase agreements and others which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired.

(12) FINANCIAL ASSETS

Recognition

The Group shall recognize a financial asset or a financial liability in its statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Classification and measurement

The Group classifies its financial assets in the following measurement categories, which depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows:

(a) those to be measured at amortized cost ("AC");

(b) those to be measured at fair value through other comprehensive income ("FVOCI"); or

(c) those to be measured at fair value through profit or loss ("FVPL").

The Group determines the classification of debt investments according to its business model and the contractual cash flow characteristics of the financial assets. The debt investments shall be classified as FVPL if the cash flows characteristics cannot pass the test on solely payments of principal and interest on the principal amount. Otherwise, the classification of debt investments will depend on the business model provided the fair value option is not elected. Investments in equity instruments are classified as FVPL in general, except those designated as at FVOCI.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(12) FINANCIAL ASSETS (CONTINUED)

Classification and measurement (Continued)

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds, etc. Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(a) Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVPL are measured at amortized cost. Interest income from these financial assets is included in the interest revenue using the effective interest rate method. Any gain or loss arising from derecognition or impairment is recognized directly in profit or loss. Such assets held by the Group mainly include cash and amounts due from banks and other financial institution, balances with the Central Bank, accounts receivable, finance lease receivable, financial assets at AC, loans and advances to customers measured at AC, etc.

(b) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in the interest revenue using the effective interest rate method. Such assets held by the Group mainly include debt financial assets at FVOCI and loans and advances to customers measured at FVOCI, etc.

(c) FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. The gains or losses from fair value changes on the debt investments measured at FVPL are recognized in profit or loss. The Group also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends, representing a return on such investments, continue to be recognized in profit or loss when the Group's right to receive payments is established.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(12) FINANCIAL ASSETS (CONTINUED)

Impairment

Expected credit loss refers to the weighted average amount of credit loss of financial instruments based on the probability of default. Credit loss refers to the difference between all contractual cash flows that are due to the entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI, and with the exposure arising from loan commitments and financial guarantee contracts that are not accounted for as "insurance contracts". A number of significant judgements are required in measuring the expected credit loss ("ECL"), such as:

(a) Choosing appropriate models and assumptions for the measurement of ECL including exposure at default (EAD), probability of default (PD), loss given default (LGD), etc.;

(b) Determining criteria for significant changes in credit risk;

(c) Forward-looking information.

For the financial instruments subject to ECL measurement, the Group assesses the significant increase in credit risk since initial recognition or whether an instrument is considered to be credit impaired, outlines a "three-stage" model expected credit loss models are established and staging definition are set for each of these financial assets class. Incorporating forward-looking information, expected credit losses for financial assets are recognized into the different stages and measured the impairment provisions respectively.

Stage 1: A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the Group. The impairment provisions are measured at an amount equal to the 12-month expected credit losses for the financial assets which are not considered to have significantly increased in credit risk since initial recognition;

Stage 2: If a significant increase in credit risk ("SICR") since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The impairment provisions are measured based on expected credit losses on a lifetime basis;

Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3". The impairment provisions are measured based on expected credit losses on lifetime basis.

For the financial instruments at Stage 1 and Stage 2, the interest income is calculated based on its gross carrying amount (i.e., amortized cost) before adjusting for impairment provision using the effective interest method. For the financial instruments at Stage 3, the interest income is calculated based on the carrying amount of the asset, net of the impairment provision, using the effective interest method. Financial assets that are originated or purchased credit impaired are financial assets that are impaired at the time of initial recognition, and the impairment provision for these assets is the expected credit loss for the entire lifetime since initial recognition as purchased or originated credit-impaired financial assets.

The Group recognizes or reverses the impairment provision through profit or loss. For debt instruments measured at FVOCI, impairment gains or losses are included in the net impairment losses on financial instruments and correspondingly reduce the accumulated changes in fair value included in the other comprehensive income reserves of equity.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(12) FINANCIAL ASSETS (CONTINUED)

Impairment (Continued)

For account receivables, the Group refers to historical experience of credit loss, combines with current situation and forward-looking information, formulate the lifetime expected credit loss of the financial assets.

For loan commitments' the loss allowance is recognized as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognized together with the loss allowance for the loan. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit losses are recognized as a provision.

Derecognition

Financial assets are derecognized when:

(a) the contractual rights to receive the cash flows from the financial assets have expired;

(b) they have been transferred and the Group transfers substantially all the risks and rewards of ownership;

(c) they have been transferred and the Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

When the equity financial assets measured at FVOCI are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to retained profits. When the other financial assets are derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

(13) FINANCIAL LIABILITIES

At initial recognition, the Group classifies a financial liability at fair value through profit or loss or other financial liabilities. The Group measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial liability. Transaction costs of financial liabilities carried at FVPL are expensed in profit or loss.

When a financial liability (or part of it) is extinguished, the Group derecognizes the financial liability (or part of it). The difference between the carrying amount of the derecognized liability and the consideration is recognized in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(13) FINANCIAL LIABILITIES (CONTINUED)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Financial liabilities held for trading are the financial liabilities that:

(a) are incurred principally for the purpose of repurchasing in the near term;

(b) on initial recognition are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;

(c) are derivatives (except for a derivative that is a designated and effective hedging instrument or a financial guarantee contract).

The above financial liabilities are subsequently measured at fair value. All the realized and unrealized gains/(losses) are recognized in profit or loss.

The Group may, at initial recognition, designate a financial liability as at fair value through profit or loss when one of the following criteria is met:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases;

(b) a group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel;

(c) a contract contains one or more embedded derivatives, with the host being not an asset within the scope of IFRS 9, and the embedded derivative(s) do(es) significantly modify the cash flows.

Once designated as financial liabilities at fair value through profit or loss at initial recognition, the financial liabilities shall not be reclassified to other financial liabilities in subsequent periods. Financial liabilities designated at FVPL are subsequently measured at fair value. Any changes in fair value are recognized in profit or loss, except for changes in fair value arising from changes in the Group's own credit risk which are recognized in other comprehensive income. Changes in fair value due to changes in the Group's own credit risk are not subsequently reclassified to profit or loss upon derecognition of the liabilities.

Other financial liabilities

The Group measures other financial liabilities subsequently at amortized cost, using the effective interest method. Other financial liabilities of the Group mainly include customer deposits and payables to brokerage customers, short-term borrowings, long-term borrowings and bonds payable, etc.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(13) FINANCIAL LIABILITIES (CONTINUED)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss, which incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. The Group initially measures such contracts at fair value. The fair value at inception is likely to equal the premium received. This amount is recognized rateably over the period of the contract in fees and commission income. Subsequently, the liabilities arising from the financial guarantee contracts are measured at the higher of premium received on the initial recognition less income recognized in accordance with the principles of IFRS 15, and the amount of impairment provision calculated as described in Note 2.(12) -impairment.

Apart from the above financial guarantee contracts issued by the Group's banking operations which are accounted for under IFRS 9, the Group has also regarded certain financial guarantee contracts as insurance contracts.

(14) DERIVATIVE FINANCIAL INSTRUMENTS

The Group's derivative financial instruments mainly include interest rate swaps, forward currency contracts and swap transaction, credit swap and stock index futures, etc. Such derivative financial instruments are initially recognized at fair value on the date of which the related derivative contracts are entered into and are subsequently measured at fair value. All derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Except for those related to hedge accounting, the gains or losses from fair value changes of derivatives are recognized in profit or loss.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host-with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If a hybrid contract contains a host that is not an asset within the scope of IFRS 9, an embedded derivative shall be separated from the host and accounted for as a derivative if, and only if:

(a) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host;

(b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and

(c) the hybrid contract is not measured at fair value with changes in fair value recognized in profit or loss (i.e., a derivative that is embedded in the hybrid contract at fair value through profit or loss is not separated).

For the above assets, the Group may bifurcate the embedded derivative and measured it at fair value through profit or loss, or designate the entire hybrid instrument to be measured at fair value through profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(15) FAIR VALUE OF FINANCIAL INSTRUMENTS

For financial instruments where there is active market, the fair value is determined by quoted prices in active markets. For financial instruments where there is no active market, the fair value is determined by using valuation techniques. Such techniques should be appropriate in the circumstances for which sufficient data is available, and the inputs should be consistent with the objective of estimating the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions, and maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Such techniques include using recent prices in arm's length transactions, reference to the current market value of another instrument which is substantially the same, discounted cash flow analysis and/or option pricing models. For discounted cash flow techniques, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate for similar instruments. Certain financial instruments, including derivative financial instruments, are valued using pricing models that consider, among other factors, contractual and market prices, correlation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

Determining whether to classify financial instruments into level 3 of the fair value hierarchy is generally based on the significance of the unobservable factors involved in valuation methodologies.

(16) OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(17) ASSETS PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS AND ASSETS SOLD UNDER REPURCHASE AGREEMENTS

Assets sold under repurchase agreements continue to be recognized but a liability is recognized and presented as "assets sold under agreements to repurchase" for the proceeds from selling such assets. The Group may be required to provide additional collateral based on the fair value of the underlying assets and such non-cash collateral assets continue to be recognized on the balance sheet. The difference between the selling price and repurchasing price is recognized as interest expense over the term of the agreement using the effective interest method.

The amounts advanced under these agreements are recognized and presented as "financial assets purchased under reverse repurchase agreements". The Group may not take physical possession of assets purchased under such agreements. In the event of default by the counterparty to repurchase the assets, the Group has the right to the underlying assets. The difference between the purchasing price and reselling price is recognized as interest income over the term of the agreement using the effective interest method.

Sale of assets under repurchase agreements and purchase of assets under reverse repurchase agreements conducted in the bank and securities businesses are included in the operating activities of consolidated statement of cash flows and sale of assets under repurchase agreements and purchase of assets under reverse repurchase agreements conducted in the insurance business are included in the financing and investing activities of consolidated statement of cash flows.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(18) FINANCE LEASE RECEIVABLE AND UNEARNED FINANCE INCOME

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. At the commencement of the lease term, the Group recognizes the minimum lease payments receivable by the Group, the initial direct costs and the unguaranteed residual value in the finance lease receivable. The difference between (a) the aggregate of the minimum lease payments, the unguaranteed residual value and the initial direct costs and (b) the aggregate of their present values is recognized as unearned finance lease income. Finance lease receivable net of unearned finance lease income which represents the Group's net investment in the finance lease is presented as finance lease receivable in the consolidated statement of financial position. Unearned finance lease income is allocated over the lease term based on a pattern reflecting a constant periodic return on the Group's net investment in the finance lease, and is recognized as "other revenues and other gains".

The impairment provision measurement and derecognition of finance lease receivable are complied with the basic accounting policy of the financial assets (Note 2.(12)). The Group incorporates forward looking information in estimating the expected credit loss for finance lease receivable. The Group derecognizes finance lease receivables when the rights to receive cash flows from the finance lease have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Refer to Note 13 and Note 23 for details.

(19) PRECIOUS METALS

The Group's precious metals represent gold and other precious metals. Precious metals that are not related to the Group's precious metals trading activities are initially measured at acquisition cost and subsequently measured at the lower of cost and net recoverable amount. Precious metals acquired by the Group for trading purposes are initially measured at fair value and subsequent changes in fair value are recorded in income statement.

(20) INVESTMENT PROPERTIES

Investment properties are interests in land and buildings that are held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, which is the fair value of the consideration given to acquire them, including transaction costs. Subsequently, all investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis, after taking into account the estimated residual value (0% to 10% of original cost), over the estimated useful lives. The estimated useful lives of investment properties vary from 15 to 40 years.

The useful life and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from the individual investment properties.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Transfers to, or from, investment properties are made when, and only when, there is evidence of a change in use or the investment property is sold.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(21) PROPERTY AND EQUIPMENT

Property and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognized in the income statement in the year the asset is derecognized is the difference between the net sales proceeds and the carrying amount of the relevant asset.

The cost of an item of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property and equipment have been put into operation, such as repairs and maintenance, is normally charged to the income statement in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalized as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property and equipment to its residual value over its estimated useful life. The principal assumptions used for this purpose are as follows:

	Estimated residual values	Estimated useful lives
Leasehold improvements	–	Over the shorter of economic useful lives and terms of the leases
Buildings	0% – 10%	15 – 40 years
Equipment, furniture and fixtures	0% – 10%	3 – 15 years
Motor vehicles	0% – 15%	3 – 25 years

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from the items of property and equipment.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

(22) CONSTRUCTION IN PROGRESS

Construction in progress mainly represents costs incurred in the construction of building premises, as well as the cost of equipment pending installation, less any impairment losses.

No provision for depreciation is made on construction in progress until such time the relevant assets are completed and ready for use.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(23) INTANGIBLE ASSETS (OTHER THAN GOODWILL)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized on the straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Core deposits

Core deposits are accounts that a financial institution expects to maintain for an extended period of time due to ongoing business relationships. The intangible asset value associated with core deposits reflects the present value of additional cash flow resulted from the use of the deposits at a lower cost alternative source of funding in the future periods.

Expressway operating rights

Expenditures on acquiring the expressway operating rights are capitalized as intangible assets and subsequently amortized on the straight-line basis over the contract terms.

Prepaid land premiums

Prepaid land premiums are prepayments for land under PRC law for fixed periods. Prepaid land premiums are initially stated at cost and subsequently amortized on the straight-line basis over the lease terms. All lands related to the Group's prepaid land premiums are located in Mainland China.

Trademarks

Trademarks are initially stated at cost and subsequently amortized on the straight-line basis over the estimated useful lives.

The estimated useful lives of intangible assets are set as below:

	Estimated useful lives
Expressway operating rights	20 – 30 years
Prepaid land premiums	30 – 50 years, indefinite
Core deposits	20 years
Trademarks	10 – 40 years, indefinite
Software and others (including patents and know-how, customer relationships and contract rights, etc.)	2 – 25 years

FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(24) FORECLOSED ASSETS

Foreclosed assets are initially recognized at fair value. The difference between the initial fair value and the sum of the related loan principal, interest receivable and impairment provision is taken into the income statement. At the end of the reporting period, the foreclosed assets are measured at the lower of their carrying value and net recoverable amount. When the carrying value of the foreclosed assets is higher than the net recoverable amount, a provision for the decline in value of foreclosed assets is recognized as impairment losses in the income statement.

(25) INVENTORIES

The Group's inventories comprise raw materials, product in progress, finished goods, other supplemental materials, etc. and lands purchased for property development by real estate subsidiaries. Inventory is initially measured at cost which includes purchasing cost, processing cost and other costs which made the inventory to the present place and condition.

The actual cost of inventory is priced based on moving weighted average method.

At the end of the reporting period, inventory is measured at the lower of its cost and net realizable value. If the net realizable value is lower than cost, inventory impairment provisions are allotted.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and related taxes. Estimates of net recoverable amount are based on the most reliable evidence available at the time the estimates are made, also taking into consideration the purpose for which the inventory is held and the influence of events after the end of the reporting period.

Inventory impairment provisions should be accrued when the cost of individual inventory item is higher than its net realizable value.

After allotting inventory impairment provisions, if the influencing factors of previous inventory impairment provisions have disappeared, and hence the net realizable value of the inventories are higher than their cost, the previous written down amount should be recovered and the reversed amount which is within the amount of original allotted inventory impairment provisions should be included in current profit and loss.

(26) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that a non-financial asset other than deferred tax assets may be impaired. If any such indication exists, or when annual impairment testing for a non-financial asset is required, the Group makes an estimate of the asset's recoverable amount. A non-financial asset's recoverable amount is the higher of the asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where the carrying amount of a non-financial asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to disposal, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(26) IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

For non-financial assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Group makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the income statement.

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units), to which the goodwill relates. The recoverable amount is the higher of its fair value less costs to disposal and its value-in-use, determined on an individual asset (or cash-generating unit) basis, unless the individual asset (or cash-generating unit) does not generate cash flows that are largely independent from those of other assets or groups of assets (or groups of cash-generating units). Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

Intangible assets with indefinite useful lives are tested for impairment annually at each year end either individually or at the cash-generating unit level, as appropriate.

(27) INSURANCE GUARANTEE FUND

The Group calculates the insurance guarantee fund based on the sum of benchmark rate and risk differential rate for the year:

(a) Benchmark rate: 0.8% of the consideration received for property insurance, short-term health insurance and accident insurance; 0.3% of the consideration received for life insurance, long-term health insurance and annuities; including 0.05% of the consideration received for investment-linked insurance.

(b) Risk differential rate: based on the result of the solvency integrated risk rating.

No additional provision is required for Ping An Life Insurance Company of China, Ltd. ("Ping An Life"), Ping An Annuity Insurance Company of China, Ltd. ("Ping An Annuity") and Ping An Health Insurance Company of China, Ltd. ("Ping An Health Insurance"), when the accumulated insurance guarantee fund balances of life insurance industry reach 1% of the industry total assets. For Ping An Property & Casualty Insurance Company of China, Ltd. ("Ping An Property & Casualty"), no additional provision is required when the accumulated balance of property and casualty insurance industry reaches 6% of the industry total assets.

The consideration received used in the calculation of the insurance guarantee fund is the amount agreed in the insurance policies, excluding VAT.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS

(28.1) Definition of insurance contract

Insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Insured event is an uncertain future event covered by an insurance contract that creates insurance risk. Insurance risk is the risk, other than financial risk, transferred from the holder of a contract to the issuer.

The Group applies IFRS 17 to:

(a) insurance contracts, including reinsurance contracts, the Group issues;

(b) reinsurance contracts the Group holds;

(c) insurance contracts the Group acquired in a transfer of insurance contracts or a business combination;

(d) investment contracts with discretionary participation features the Group issues.

Reinsurance contract is an insurance contract issued by the reinsurer to compensate the cedent for claims arising from one or more insurance contracts issued by the cedent.

Investment contract with discretionary participation features is a financial instrument that provides a particular investor with the contractual right to receive, as a supplement to an amount not subject to the discretion of the issuer, additional amounts:

(a) that are expected to be a significant portion of the total contractual benefits;

(b) the timing or amount of which are contractually at the discretion of the issuer; and

(c) that are contractually based on the returns on specified items.

Insurance contract with direct participation features is an insurance contract that meet the following conditions at inception:

(a) the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

(b) the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

(c) the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Reinsurance contracts issued and reinsurance contracts held cannot be insurance contracts with direct participation features.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.2) Identification of insurance contract

The Group assesses the significance of insurance risk contract by contract. A contract is an insurance contract only if it transfers significant insurance risk. A contract that meets the definition of an insurance contract remains an insurance contract until all rights and obligations are extinguished (i.e., discharged, cancelled or expired), unless the contract is derecognized because of a contract modification.

Below assessments are performed to determine whether the insurance risk is significant:

(a) Insurance risk is significant if, and only if, an insured event could cause the Group to pay additional amounts that are significant in any single scenario that has commercial substance, even if the insured event is extremely unlikely, or even if the expected probability-weighted present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract. The additional amounts refer to the present value of amounts that exceed those that would be payable if no insured event had occurred. Those additional amounts include claims handling and assessment costs.

(b) In addition, a contract transfers significant insurance risk only if there is a scenario that has commercial substance in which the Group has a possibility of a loss on a present value basis. However, even if a reinsurance contract does not expose the issuer to the possibility of a significant loss, that contract is deemed to transfer significant insurance risk if it transfers to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts.

(28.3) Combination of insurance contracts

A set or series of insurance contracts with the same or a related counterparty may achieve, or be designed to achieve, an overall commercial effect. In order to report the substance of such contracts, the Group treats the set or series of contracts as a whole.

(28.4) Separating components from an insurance contract

An insurance contract may contain more components. The Group separates the following non-insurance components from such contracts:

(a) embedded derivatives that should be separated in accordance with IFRS 9;

(b) distinct investment components, except for those that can meet the definition of investment contract with discretionary participation features;

(c) promises to transfer distinct goods or services other than insurance contract services.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.4) Separating components from an insurance contract (Continued)

Investment component is the amounts that an insurance contract requires the Group to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. An investment component is distinct if, and only if, both the following conditions are met:

(a) the investment component and the insurance component are not highly interrelated. An investment component and an insurance component are highly interrelated if, and only if:

   (i) the Group is unable to measure one component without considering the other. Thus, if the value of one component varies according to the value of the other, the two components are highly interrelated; or

   (ii) the policyholder is unable to benefit from one component unless the other is also present. Thus, if the lapse or maturity of one component in a contract causes the lapse or maturity of the other, the two components are highly interrelated; and

(b) a contract with equivalent terms is sold, or could be sold, separately in the same market or the same jurisdiction, either by entities that issue insurance contracts or by other parties.

Insurance contract services are the services that the Group provides to a policyholder of an insurance contract, including: coverage for an insured event (insurance coverage); for insurance contracts without direct participation features, the generation of an investment return for the policyholder (investment-return service); and for insurance contracts with direct participation features, the management of underlying items on behalf of the policyholder (investment-related service). The Group separates from an insurance contract a promise to transfer distinct goods or services other than insurance contract services to a policyholder. For the purpose of separation, the Group does not consider activities that the Group must undertake to fulfill a contract unless the Group transfers a good or service other than insurance contract services to the policyholder as those activities occur. A good or service other than an insurance contract service promised to a policyholder is distinct if the policyholder can benefit from the good or service either on its own or together with other resources readily available to the policyholder. A good or service other than an insurance contract service that is promised to the policyholder is not distinct if: the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components in the contract; and the Group provides a significant service in integrating the good or service with the insurance components.

After the separation of any cash flows related to embedded derivatives and distinct investment component, the Group attributes the remaining cash flows to insurance component (including unseparated embedded derivatives, non-distinct investment component and promises to transfer goods or services other than insurance contract services which are not distinct) and promises to transfer distinct goods or services other than insurance contract services.

(28) INSURANCE CONTRACTS (CONTINUED)

(28.5) Level of aggregation of insurance contracts

The Group identifies portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. The Group divides portfolios of insurance contracts into groups of insurance contracts and applies the recognition and measurement requirements to the groups of insurance contracts. Insurance contracts issued more than one year apart are not included in the same group. The Group determines the group to which contracts belong by considering individual contracts. If the Group has reasonable and supportable information to conclude that a set of contracts will all be in the same group, the Group may measure the set of contracts to determine the group.

The Group divides a portfolio of insurance contracts issued into a minimum of:

(a) a group of contracts that are onerous at initial recognition, if any;

(b) a group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, if any; and

(c) a group of the remaining contracts in the portfolio, if any.

(28.6) Recognition of insurance contracts

The Group recognizes a group of insurance contracts it issues from the earliest of the following:

(a) the beginning of the coverage period of the group of contracts;

(b) the date when the first payment from a policyholder in the group becomes due; and

(c) for a group of onerous contracts, when the group becomes onerous.

For individual contract that meet one of the criteria set out above, the Group determines the group to which it belongs at initial recognition and does not reassess the composition of the groups subsequently. Coverage period is the period during which the Group provides insurance contract services.

The Group recognizes an asset for insurance acquisition cash flows paid or payable before the related group of insurance contracts is recognized. The Group allocates insurance acquisition cash flows to groups of insurance contracts using a systematic and rational method. Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs. The Group derecognizes an asset for insurance acquisition cash flows when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts. At the end of each reporting period, the Group assesses the recoverability of an asset for insurance acquisition cash flows if facts and circumstances indicate the asset may be impaired. If the Group identifies an impairment loss, the Group adjusts the carrying amount of the asset and recognizes the impairment loss in profit or loss. The Group recognizes in profit or loss a reversal of some or all of an impairment loss previously recognized and increase the carrying amount of the asset, to the extent that the impairment conditions no longer exist or have improved.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.7) Measurement of insurance contracts

(28.7.1) General model

Measurement on initial recognition

On initial recognition, the Group shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The contractual service margin represents the unearned profit the Group will recognize as it provides insurance contract services under the insurance contracts in the group. The fulfilment cash flows comprise:

(a) estimates of future cash flows;

(b) an adjustment to reflect the time value of money and the financial risks related to the future cash flows; and

(c) a risk adjustment for non-financial risk.

Risk adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the Group fulfils insurance contracts. The fulfilment cash flows do not reflect the non-performance risk of the Group.

When the Group estimates the future cash flows at a higher level of aggregation, the Group allocates the resulting fulfilment cash flows to individual groups of contracts. The estimates of future cash flows shall:

(a) be unbiased probability-weighted mean;

(b) be consistent with observable market prices for market variables;

(c) be current – the estimates shall reflect conditions existing at the measurement date, including assumptions at that date about the future;

(d) be explicit – the Group shall estimate the cash flows separately from the adjustment for the time value of money and financial risk, unless the most appropriate measurement technique combines these estimates.

The Group includes in the measurement of a group of insurance contracts all the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or in which the Group has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation to provide insurance contract services ends when:

(a) the Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or

(b) the Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.7) Measurement of insurance contracts (Continued)

(28.7.1) General model (Continued)

Measurement on initial recognition (Continued)

The Group uses appropriate discount rate to adjust the estimates of future cash flows to reflect the time value of money and the financial risks related to those cash flows, to the extent that the financial risks are not included in the estimates of cash flows. The discount rates applied to the estimates of the future cash flows shall:

(a) reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts;

(b) be consistent with observable current market prices for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts, and exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.

The Group adjusts the estimate of the present value of the future cash flows to reflect the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The Group calculates the total amount of below items on initial recognition of a group of insurance contracts:

(a) the fulfilment cash flows;

(b) the derecognition at the date of initial recognition of any asset for insurance acquisition cash flows and any other asset or liability previously recognized for cash flows related to the group of contracts;

(c) any cash flows arising from the contracts in the group at that date.

If the total amount represents net cash inflows, the Group recognizes it as contract service margin. If the total amount represents net cash outflows, the Group recognizes a loss in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.7) Measurement of insurance contracts (Continued)

(28.7.1) General model (Continued)

Subsequent measurement

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future service allocated to the group at that date and the contractual service margin of the group at that date. The liability for incurred claims comprises the fulfilment cash flows related to past service allocated to the group at that date.

For insurance contracts without direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

(a) the effect of any new contracts added to the group.

(b) interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates determined at the date of initial recognition of a group of contracts, applied to nominal cash flows that do not vary based on the returns on any underlying items.

(c) the changes in fulfilment cash flows relating to future service, except that such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss; or except that such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

(d) the effect of any currency exchange differences on the contractual service margin.

(e) the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

The Group recognizes the reduction in the liability for remaining coverage because of services provided in the period as insurance revenue. The Group recognizes the increase in the liability for incurred claims because of claims and expenses incurred in the period and any subsequent changes in fulfilment cash flows relating to incurred claims and incurred expenses as insurance service expenses. Insurance revenue and insurance service expenses presented in profit or loss has excluded any investment components.

The Group determines insurance service expenses related to insurance acquisition cash flows in a systematic way on the basis of the passage of time. The Group recognizes the same amount as insurance revenue to reflect the portion of the premiums that relate to recovering those cash flows.

The Group recognizes the change in the liability for remaining coverage and the liability for incurred claims because of the effect of the time value of money and the effect of financial risk as insurance finance income or expenses.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.7) Measurement of insurance contracts (Continued)

(28.7.1) General model (Continued)

Subsequent measurement (Continued)

The Group makes accounting policy choices to portfolios of insurance contracts between:

(a) including insurance finance income or expenses for the period in profit or loss; or

(b) disaggregating insurance finance income or expenses for the period to include in profit or loss an amount determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts, the difference between the insurance finance income or expenses and the total insurance finance income or expenses for the period is included in other comprehensive income.

When applying IAS 21 The Effects of Changes in Foreign Exchange Rates to a group of insurance contracts that generate cash flows in a foreign currency, the Group treats the group of contracts, including the contractual service margin, as a monetary item. The Group includes exchange differences on changes in the carrying amount of groups of insurance contracts in the statement of profit or loss, unless they relate to changes in the carrying amount of groups of insurance contracts included in other comprehensive income for insurance finance income or expenses, in which case they are included in other comprehensive income.

(28.7.2) Measurements for insurance contract with direct participation features (Variable Fee Approach)

The Group assesses whether an insurance contract can meet the definition of insurance contracts with direct participation features by using its expectations at inception of the contract and does not perform reassessment afterwards.

Insurance contracts with direct participation features are contracts under which the Group's obligation to the policyholder is the net of:

(a) the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and

(b) a variable fee that the Group will deduct from (a) in exchange for the future service provided by the insurance contract, comprising:

    (i) the amount of the Group's share of the fair value of the underlying items; less

    (ii) fulfilment cash flows that do not vary based on the returns on underlying items.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.7) Measurement of insurance contracts (Continued)

(28.7.2) Measurements for insurance contract with direct participation features (Variable Fee Approach) (Continued)

For insurance contracts with direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

(a) the effect of any new contracts added to the group.

(b) the change in the amount of the Group's share of the fair value of the underlying items, except to the extent that:

  (i) if the Group mitigates the effect of financial risk using derivatives or reinsurance contracts held, when meets certain conditions, the Group may choose to recognize insurance finance income or expenses for the period in profit or loss to reflect some or all of the changes in the effect of the time value of money and financial risk on the amount of the Group's share of the underlying items. However, if the Group chooses to disaggregate insurance finance income or expenses of such reinsurance contracts held between profit or loss and other comprehensive income, the insurance finance income or expenses mentioned above should also be disaggregated accordingly;

  (ii) the decrease in the amount of the Group's share of the fair value of the underlying items exceeds the carrying amount of the contractual service margin, giving rise to a loss; or

  (iii) the increase in the amount of the Group's share of the fair value of the underlying items is allocated to the loss component of the liability for remaining coverage.

(c) the changes in fulfilment cash flows relating to future service and do not vary based on the returns on underlying items, except to the extent that:

  (i) if the Group mitigates the effect of financial risk using derivatives, reinsurance contracts held or non-derivative financial instruments measured at fair value through profit or loss, when meets certain conditions, the Group may choose to recognize insurance finance income or expenses for the period in profit or loss to reflect some or all of the changes in the effect of the time value of money and financial risk on the fulfilment cash flows. However, if the Group chooses to disaggregate insurance finance income or expenses of such reinsurance contracts held between profit or loss and other comprehensive income, the insurance finance income or expenses mentioned above should also be disaggregated accordingly;

  (ii) such increases in the fulfilment cash flows exceed the carrying amount of the contractual service margin, giving rise to a loss; or

  (iii) such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.7) Measurement of insurance contracts (Continued)

(28.7.2) Measurements for insurance contract with direct participation features (Variable Fee Approach) (Continued)

(d) the effect of any currency exchange differences arising on the contractual service margin.

(e) the amount recognized as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.

For insurance contracts with direct participation features that the Group holds the underlying items, the Group makes the accounting policy choice of disaggregating insurance finance income or expenses for the period between profit or loss and other comprehensive income, includes in profit or loss an amount that exactly match the income or expenses included in profit or loss for the underlying items, resulting in the net of the separately presented items being nil.

(28.7.3) Measurements for onerous insurance contracts

If a group of insurance contracts is onerous at the date of initial recognition, or if additional loss caused by contracts added to the group of onerous contracts, the Group recognizes a loss as insurance service expenses in profit or loss for the net outflow for the group of onerous contracts, resulting in the carrying amount of the liability for remaining coverage for the group being equal to the fulfilment cash flows.

A group of insurance contracts becomes onerous (or more onerous) on subsequent measurement if meets one of the following conditions, the Group recognizes a loss as insurance service expenses in profit or loss and increases the liability for remaining coverage:

(a) the amount of unfavourable changes relating to future service in the fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk exceed the carrying amount of the contractual service margin;

(b) for a group of insurance contracts with direct participation features, the decrease in the amount of the Group's share of the fair value of the underlying items exceed the carrying amount of the contractual service margin.

After the Group has recognized a loss on an onerous group of insurance contracts, the Group allocates below changes of the liability for remaining coverage on a systematic basis between the loss component of the liability for remaining coverage and the liability for remaining coverage excluding the loss component:

(a) estimates of the present value of future cash flows for claims and expenses released from the liability for remaining coverage because of incurred insurance service expenses;

(b) changes in the risk adjustment for non-financial risk recognized in profit or loss because of the release from risk; and

(c) insurance finance income or expenses.

Any amounts allocated to the loss component of the liability for remaining coverage shall not be recognized as insurance revenue.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.7) Measurement of insurance contracts (Continued)

(28.7.3) Measurements for onerous insurance contracts (Continued)

After the Group has recognized a loss on an onerous group of insurance contracts, the subsequent measurements are:

(a) for any subsequent increases relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk, and any subsequent decreases in the amount of the Group's share of the fair value of the underlying items, the Group recognizes a loss as insurance service expenses in profit or loss and increases the liability for remaining coverage;

(b) for any subsequent decreases relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk, and any subsequent increases in the amount of the Group's share of the fair value of the underlying items, the Group reverses the insurance service expenses in profit or loss and decreases the loss component of the liability for remaining coverage until that component is reduced to zero, the Group adjusts the contractual service margin only for the excess of the decrease over the amount allocated to the loss component.

(28.7.4) Premium Allocation Approach

The Group simplifies the measurement of a group of insurance contracts using the premium allocation approach if, and only if, at the inception of the group:

(a) the Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying general model, unless the Group expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred; or

(b) the coverage period of each contract in the group is one year or less.

For contracts issued to which the Group applies the premium allocation approach, the Group assumes no contracts in the portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise.

Using the premium allocation approach, on initial recognition, the carrying amount of the liability for remaining coverage is the premiums received at initial recognition, minus any insurance acquisition cash flows at that date, and plus or minus any amount arising from the derecognition at that date of any asset for insurance acquisition cash flows and any other asset or liability previously recognized for cash flows related to the group of contracts.

At the end of each subsequent reporting period, the carrying amount of the liability for remaining coverage is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus any amounts relating to the amortization of insurance acquisition cash flows recognized as insurance service expenses in the reporting period, plus any adjustment to a financing component, minus the amount recognized as insurance revenue for services provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.7) Measurement of insurance contracts (Continued)

(28.7.4) Premium Allocation Approach (Continued)

The Group adjusts the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk using the discount rates determined on initial recognition. The Group is not required to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk if, at initial recognition, the Group expects that the time between providing each part of the services and the related premium due date is no more than a year.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, to the extent that the fulfilment cash flows exceed the carrying amount of the liability for remaining coverage, the Group recognizes a loss as insurance service expenses in profit or loss and increase the liability for remaining coverage.

The Group measures the liability for incurred claims for the group of insurance contracts at the fulfilment cash flows relating to incurred claims and other related expenses. The Group is not required to adjust future cash flows for the time value of money and the effect of financial risk if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred. The Group would also not include in the fulfilment cash flows mentioned above any such adjustment.

When the Group applies the premium allocation approach, insurance revenue for the period is the amount of expected premium receipts (excluding any investment component and adjusted to reflect the time value of money and the effect of financial risk) allocated to the period. The Group allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time; but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

(28.8) Recognition and measurement for reinsurance contracts held

In addition to the requirements for insurance contracts set out above, the recognition and measurement for reinsurance contracts held are modified as follows. The requirements of measurements for onerous insurance contracts are not applicable for reinsurance contracts held.

(28.8.1) Recognition for reinsurance contracts held

The Group divides portfolios of reinsurance contracts held into a minimum of:

(a) a group of contracts that there is a net gain at initial recognition, if any;

(b) a group of contracts that at initial recognition have no significant possibility of becoming to have net gain subsequently, if any; and

(c) a group of the remaining contracts in the portfolio, if any.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.8) Recognition and measurement for reinsurance contracts held (Continued)

(28.8.1) Recognition for reinsurance contracts held (Continued)

The Group recognizes a group of reinsurance contracts held from the earlier of the following:

(a) the beginning of the coverage period of the group of reinsurance contracts held; and

(b) the date the Group recognizes an onerous group of underlying insurance contracts.

If a group of reinsurance contracts held provide proportionate coverage, the Group recognizes such group of reinsurance contracts held from the earlier of the following:

(a) the later date of the beginning of the coverage period of the group of reinsurance contracts held and the date that any underlying insurance contract is initially recognized; and

(b) the date the Group recognizes an onerous group of underlying insurance contracts.

(28.8.2) Measurement for reinsurance contracts held

On initial recognition, the Group measures a group of reinsurance contracts held at the total of the fulfilment cash flows and the contractual service margin. The contractual service margin represents the net cost or net gain the Group will recognize as it receives insurance contract services from the reinsurer.

The Group uses consistent assumptions to measure the estimates of the present value of the future cash flows for the group of reinsurance contracts held and the estimates of the present value of the future cash flows for the group of underlying insurance contracts. In addition, the Group includes in the estimates of the present value of the future cash flows for the group of reinsurance contracts held the effect of any risk of non-performance by the issuer of the reinsurance contract.

The Group determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred by the holder of the group of reinsurance contracts to the issuer of those contracts.

On initial recognition for a group of reinsurance contracts held, the Group calculates the sum of:

(a) the fulfilment cash flows;

(b) the amount derecognized at that date of any asset or liability previously recognized for cash flows related to the group of reinsurance contracts held;

(c) any cash flows arising at that date; and

(d) loss-recovery component of assets for remaining coverage of reinsurance contracts held.

The Group recognizes any net cost or net gain of the above total amounts as a contractual service margin. If the net cost relates to events that occurred before the purchase of the group of reinsurance contracts held, the Group recognizes such a cost immediately in profit or loss as an expense.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.8) Recognition and measurement for reinsurance contracts held (Continued)

(28.8.2) Measurement for reinsurance contracts held (Continued)

If the reinsurance contract held is entered into before or at the same time as the onerous underlying insurance contracts are recognized, when the Group recognizes a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to a group, the Group recognizes a loss-recovery component of the asset for remaining coverage for such groups of reinsurance contracts held by multiplying:

(a) the loss recognized on the underlying insurance contracts; and

(b) the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held.

The Group adjusts the same amount calculated above to contractual service margin and recognizes as amount recovered from reinsurer in profit or loss.

The Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts. The carrying amount of the loss-recovery component does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

The Group measures the contractual service margin at the end of the reporting period for a group of reinsurance contracts held as the carrying amount determined at the start of the reporting period, adjusted for:

(a) the effect of any new contracts added to the group.

(b) interest accreted on the carrying amount of the contractual service margin, measured at the discount rates determined at the date of initial recognition of a group of contracts, to nominal cash flows that do not vary based on the returns on any underlying items.

(c) the loss-recovery component of the asset for remaining coverage for such groups of reinsurance contracts held, and reversals of a loss-recovery component recognized to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held.

(d) the changes in the fulfilment cash flows relating to future service, except that such change results from a change in fulfilment cash flows allocated to a group of underlying insurance contracts that does not adjust the contractual service margin for the group of underlying insurance contracts; or except that such change results from onerous contracts, if the Group measures a group of underlying insurance contracts applying the premium allocation approach.

(e) the effect of any currency exchange differences arising on the contractual service margin.

(f) the amount recognized in profit or loss because of services received in the period, determined by the allocation of the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period of the group of reinsurance contracts held.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.8) Recognition and measurement for reinsurance contracts held (Continued)

(28.8.2) Measurement for reinsurance contracts held (Continued)

The Group recognizes the reduction in the asset for remaining coverage because of insurance contract services received from the reinsurer in the period as allocation of reinsurance premiums paid. The Group recognizes the increase in the asset for incurred claims because of claims and expenses that are expected to be reimbursed in the period and any subsequent related changes in fulfilment cash flows as amount recovered from reinsurer. The Group treats amounts from the reinsurer that it expects to receive that are not contingent on claims of the underlying contracts as the reduction to the allocation of reinsurance premiums paid. Allocation of reinsurance premiums paid and amount recovered from reinsurer presented in profit or loss has excluded any investment components.

The Group uses the premium allocation approach to simplify the measurement of a group of reinsurance contracts held, if at the inception of the group:

(a) the Group reasonably expects the resulting measurement would not differ materially from the result of not applying the premium allocation approach set out above, unless the Group expects significant variability in the fulfilment cash flows that would affect the measurement of the asset for remaining coverage during the period before a claim is incurred; or

(b) the coverage period of each contract in the group of reinsurance contracts held is one year or less.

(28.9) Investment contracts with discretionary participation features

In addition to the requirements for insurance contracts set out above, the recognition and measurement for investment contract with discretionary participation features are modified as follows:

(a) the date of initial recognition is the date the Group becomes party to the contract.

(b) the contract boundary is modified so that cash flows are within the contract boundary if they result from a substantive obligation of the Group to deliver cash at a present or future date. The Group has no substantive obligation to deliver cash if the Group has the practical ability to set a price for the promise to deliver the cash that fully reflects the amount of cash promised and related risks.

(c) the allocation of the contractual service margin is modified so that the Group recognizes the contractual service margin over the duration of the group of contracts in a systematic way that reflects the transfer of investment services under the contract.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.10) Modification and derecognition

If the terms of an insurance contract are modified, the Group derecognizes the original contract and recognizes the modified contract as a new contract, if, and only if, any of the conditions below are satisfied:

(a) if the modified terms had been included at contract inception:

- (i) the modified contract would have been excluded from the scope of IFRS 17;
- (ii) the Group would have separated different components from the host insurance contract, resulting in a different insurance contract to which IFRS 17 would have applied;
- (iii) the modified contract would have had a substantially different contract boundary; or
- (iv) the modified contract would have been included in a different group of contracts.

(b) the original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa; or

(c) the Group applied the premium allocation approach to the original contract, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

If a contract modification meets none of the conditions above, the Group treats changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

The Group derecognizes an insurance contract when it is extinguished, i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled. The Group derecognizes an insurance contract from within a group of contracts by applying the following requirements:

(a) the fulfilment cash flows allocated to the group are adjusted to eliminate the present value of the future cash flows and risk adjustment for non-financial risk relating to the rights and obligations that have been derecognized from the group;

(b) the contractual service margin of the group is adjusted; and

(c) the number of coverage units for expected remaining insurance contract services is adjusted.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(28) INSURANCE CONTRACTS (CONTINUED)

(28.10) Modification and derecognition (Continued)

When the Group derecognizes an insurance contract because it transfers the contract to a third party or derecognizes an insurance contract and recognizes a new contract, the Group applies the following requirements:

(a) adjusts the contractual service margin of the group from which the contract has been derecognized, for the difference between (i) and either (ii) for contracts transferred to a third party or (iii) for contracts derecognized due to modification:

  (i) the change in the carrying amount of the group of insurance contracts resulting from the derecognition of the contract.

  (ii) the premium charged by the third party.

  (iii) the premium the Group would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

(b) measures the new contract recognized assuming that the Group received the premium described in (a)(iii) at the date of the modification.

If the Group derecognizes an insurance contract because it transfers the contract to a third party or derecognizes an insurance contract due to modification, the Group reclassifies to profit or loss as a reclassification adjustment any remaining amounts for the group that were previously recognized in other comprehensive income, unless for insurance contracts with direct participation features that the Group holds the underlying items.

(29) PROVISIONS

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. When the effect of discounting is material, the amount recognized is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation.

Except for contingent considerations deriving from or contingent liabilities assumed in business combinations and the provision recognized for the loss allowance of off-balance sheet credit exposure, contingent liabilities are recognized as provisions if the following conditions are met:

(a) An entity has a present obligation as a result of a past event;

(b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(c) A reliable estimate can be made of the amount of the obligation.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(29) PROVISIONS (CONTINUED)

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period with the consideration of risks, uncertainties and the present value. Provisions shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

The Group incorporates forward looking information in estimating the expected credit loss for loan commitments and financial guarantee contracts. Refer to Note 13 and Note 47 for details.

(30) REVENUE RECOGNITION

The Group's main revenue is recognized on the following bases:

Insurance revenue

The Group recognizes insurance revenue as it provides insurance contract services under groups of insurance contracts.

For insurance contracts not measured under the premium allocation approach, insurance revenue comprises the relevant amount arising from changes of the liability for remaining coverage that relate to services for which the Group expects to receive consideration, excludes investment components, and the amortization of insurance acquisition cash flows, the details are as follows:

(a) Amounts relating to the changes in the liability for remaining coverage:

- (i) expected insurance service expenses incurred in the period;
- (ii) change in the risk adjustment for non-financial risk;
- (iii) amount of contractual service margin recognized for services provided in the period;
- (iv) other amounts, such as experience adjustments for premium receipts that relate to current or past service, if any;

(b) For insurance acquisition cash flows recovery, the Group allocates a portion of premiums related to the recovery in a systematic way based on the passage of time over the expected coverage of a group of contracts. The allocated amount is recognized as insurance revenue with the same amount recognized as insurance service expenses.

For insurance contracts measured under the premium allocation approach, the Group recognizes insurance revenue for the period based on the passage of time by allocating expected premium receipts to each period of service. However, when the expected pattern of release from risk during the coverage period differs significantly from the passage of time, the premium receipts are allocated based on the expected pattern of incurred insurance service expenses.

Interest income

Interest income for interest bearing financial instruments, is recognized in the income statement using the effective interest rate method. When a financial asset is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(30) REVENUE RECOGNITION (CONTINUED)

Fees and commission income of non-insurance operations

The fees and commission income of non-insurance operations from a diverse range of services it provides to its customers are recognized when the control of services is transferred to customers. Fee income can be divided into the following main categories:

Fee income earned from services that are provided over a certain period of time

Fees earned from the provision of services over a period of time are accrued over that period. These fees include investment fund administration fees, custodian fees, fiduciary fees, credit related fees, asset management fees, portfolio and other management fees, advisory fees, etc. However, loan commitment fees for loans that are likely to be drawn down are deferred (together with any incremental costs) and recognized as an adjustment to the effective interest rate on the loan.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized on the completion of the underlying transaction and the control of services is transferred to customers. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria. These fees may include underwriting fees, corporate finance fees and brokerage fees. Loan syndication fees are recognized in the income statement when the syndication has been completed and the Group retains no part of the loans for itself or retains part at the same effective interest rate as for the other participants.

Dividend income

Dividend income is recognized when the right to receive dividend payment is established.

Expressway toll fee income

Expressway toll fee income is recognized upon the completion of the performance obligation of services.

Sale of goods

Revenue from the sale of goods is recognized when control of the goods has been transferred. Control of goods or services refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the goods or services.

The amount of revenue from the sale of goods shall be measured by the transaction price, which is allocated to each performance obligation. The transaction price is the amount of consideration to be entitled in exchange for transferring promised goods to a customer. The Group considers the terms of the contract and its customary business practices to determine the transaction price. When determining the transaction price, the Group considers the effects of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer.

The part with unconditional rights is recognized as a receivable by the Group, while the rest is recognized as contracts assets. And the impairment provisions of receivables and contracts assets are recognized based on ECL. If the consideration received or receivable from the contract exceeds the performance completed, the excess part would be recognized as contracts liabilities. The Group presents the net amount by the offsetting between contracts assets and contracts liabilities under one contact.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(31) LEASES

Leases refer to a contract in which the lessor transfers the right to use the assets to the lessee for a certain period of time to obtain the consideration. Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases.

As lessor of operating leases

Where the Group is the lessor, assets leased by the Group under operating leases are included in investment properties and rentals receivable under such operating leases are credited to the income statement on the straight-line basis over the lease terms. Contingent rents are recognized as profit or loss in the period in which they are earned.

Group as a lessee

The Group mainly leases buildings as right-of-use assets. The Group applies the lease recognition exemption to short-term leases and leases of low-value assets, and does not recognize the right-of-use assets and lease liabilities. Lease payments on short-term leases and leases of low-value assets are recognized as costs of asset or expenses on a straight-line basis over the lease term. Except for lease applying lease recognition exemption, leases are recognized as a right-of-use asset at the date at which the lease begins, lease liabilities are initial measured at the present value of the lease payments that have not been paid. Lease payments include fixed payments, variable lease payment based on an index or a rate, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and payments of penalties for terminating the lease, etc. The variable lease payments determined on a certain percentage of sales are not included in the lease payments and are recognized in profit or loss when incurred.

Right-of-use assets are initial measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs and deduct any lease incentives receivable. The right-of-use asset is depreciated over the asset's useful life on a straight-line basis if the Group can reasonably determine the ownership of the assets at the end of the lease term; The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term if the ownership of the assets is uncertain at the end of the lease term. When the recoverable amount is lower than the carrying amount of the right-of-use asset, the Group reduces its carrying amount to the recoverable amount.

(32) EMPLOYEE BENEFITS

Pension obligations

The employees of the Group are mainly covered by various defined contribution pension plans. The Group makes and accrues contributions on a monthly basis to the pension plans, which are mainly sponsored by the related government authorities that are responsible for the pension liability to retired employees. Under such plans, the Group has no other significant legal or constructive obligations for retirement benefits beyond the said contributions, which are expensed as incurred. Certain employees are also provided with group life insurance but the amounts involved are insignificant.

Housing benefits

The employees of the Group are entitled to participate in various government-sponsored housing funds. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

Medical benefits

The Group makes monthly contributions for medical benefits to the local authorities in accordance with the relevant local regulations for the employees. The Group's liability in respect of employee medical benefits is limited to the contributions payable in each period.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(33) SHARE-BASED PAYMENT

Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments.

The total amount to be expensed is determined by reference to the fair value of the shares granted, which includes the impact of market performance conditions (for example, an entity's share price) but excludes the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period) and includes the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time). The Group estimates the number of total shares expected to vest taking into consideration of service and non-market performance conditions. Based on number of shares expected to vest, related cost or expense is recognized over the vesting period according to fair value of the shares granted on granted date.

At the end of each reporting period, the Group revises its estimates of the number of options and awarded shares that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The Company settles with the awardees under the share purchase scheme upon vesting.

(34) TAX

Income tax comprises current and deferred tax. Income tax is recognized in the income statement, or in other comprehensive income or in equity if it relates to items that are recognized in the same or a different period directly in other comprehensive income or in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

(b) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(34) TAX (CONTINUED)

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

(a) when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

(b) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Conversely, previously unrecognized deferred tax assets are reassessed by the end of each reporting period and are recognized to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(35) DIVIDENDS

When the final dividends proposed by the directors have been approved by the shareholders and declared, they are recognized as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognized immediately as a liability when they are proposed and declared.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(36) RELATED PARTIES

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group;

Or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same Group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a); and

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(37) SEGMENT REPORTING

For management purposes, the Group is organized into operating segments based on the internal organization structure, management requirements and internal reporting. The reportable segments are determined and disclosed based on operating segments and the presentation is consistent with the information reported to the Board of Directors.

Operating segments refer to the Group's component that satisfies the following conditions:

(a) The component produces income and expenses in its daily operation;

(b) The management of the Company regularly assesses the operating results of its business units for the purpose of making decisions about resource allocation and performance assessment;

(c) The Group is able to obtain the accounting information such as the financial position, operating results and cash flows of the component.

Two or more operating segments can be merged as one if they have similar characteristics and satisfy certain conditions.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Group makes estimates and judgements that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities in these financial statements. Estimates and judgements are continually assessed based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Group's accounting policies, management has made the following judgements and accounting estimation, which have the significant effect on the amounts recognized in the financial statements.

(1) FAIR VALUE OF FINANCIAL INSTRUMENTS DETERMINED USING VALUATION TECHNIQUES

Fair value, in the absence of an active market, is estimated by using valuation techniques, applying currently applicable and sufficiently available data, and the valuation techniques supported by other information, mainly include market approach and income approach, reference to the recent arm's length transactions, current market value of another instrument which is substantially the same, and by using the discounted cash flow analysis and option pricing models.

When using valuation techniques to determine the fair value of financial instruments, the Group would choose the input value in consistent with market participants, considering the transactions of related assets and liabilities. All related observable market parameters are considered in priority, including interest rate, foreign exchange rate, commodity prices and share prices or index. When related observable parameters are unavailable or inaccessible, the Group uses unobservable parameters and makes estimates for credit risk, market volatility and liquidity adjustments.

Using different valuation techniques and parameter assumptions may lead to significant difference of fair value estimation.

(2) CLASSIFICATION OF FINANCIAL ASSETS

The judgements in determining the classification of financial assets include the analysis of business models and the contractual cash flows characteristics.

An entity's business model refers to how an entity manages its financial assets in order to generate cash flows. That is, the entity's business model determines whether cash flows are arising from collecting contractual cash flows, selling financial assets or both. The business model of managing financial assets is not determined by a single factor or activity. Instead, the entity should consider all relevant evidence available when making the assessment. Relevant evidence mainly includes, but not limited to, how the cash flow of the group of assets is collected, how the performance of the group of assets is reported to key management personnel, and how the risk of group of assets is being assessed and managed.

The contractual cash flows characteristics of financial assets refer to the cash flow attributes of the financial assets reflecting the economic characteristics of the relevant financial assets (i.e., whether the contractual cash flows generated by the relevant financial assets on a specified date solely represents the payments of principal and interest). The principal amount refers to the fair value of the financial asset at initial recognition. The principal amount may change throughout the lifetime of the financial assets due to prepayment or other reasons. The interest includes the time value of money, the credit risk associated with the outstanding principal amount for a specific period, other basic lending credit risks, and the consideration of costs and profits.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

(3) MEASUREMENT OF THE EXPECTED CREDIT LOSSES

The measurement of the expected credit losses for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 49.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

(a) Determining criteria for significant increase in credit risk;

(b) Choosing appropriate models and assumptions for the measurement of ECL;

(c) Establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL; and

(d) Establishing groups of similar financial assets for the purposes of measuring ECL.

(4) LEVEL OF AGGREGATION AND RECOGNITION OF GROUP OF INSURANCE CONTRACTS

For contracts issued to which the Group does not apply the premium allocation approach, the judgements exercised in determining whether contracts are onerous on initial recognition or those that have no significant possibility of becoming onerous subsequently are:

(a) based on the likelihood of changes in assumptions which, if they occurred, would result in the contracts becoming onerous; and

(b) using information about profitability estimation for the relevant group of products.

(5) ELIGIBILITY FOR THE PREMIUM ALLOCATION APPROACH AND THE VARIABLE FEE APPROACH

The Group assesses the eligibility for the premium allocation approach and the variable fee approach when measures a group of insurance contracts on initial recognition, based on the characteristics of the insurance contracts and applicable facts and circumstances.

(6) DETERMINATION OF COVERAGE UNIT

The Group allocates the contractual service margin at the end of the period equally to each coverage unit provided in the current period and expected to be provided in the future, and recognizes as insurance revenue in each period. The Group identifies the coverage units of a group of insurance contracts in each period. The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period.

In assessing the quantity of services provided by insurance contracts, the Group considers the terms and benefit features of the contracts, based on the service pattern of insurance coverage, investment-return service and investment-related service, as applicable. For contracts providing multiple services, the Group determines the relative weighting of each services based on related factors, including the expected maximum benefits, investment component, etc.

Expected coverage period is derived based on the consideration of the contract terms and estimates used when measures fulfilment cash flows, including mortality rates, morbidity rates, lapse rate, etc.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

(7) ESTIMATION OF THE FULFILMENT CASH FLOWS OF INSURANCE CONTRACTS

At the end of the reporting period, when measuring the insurance contract liabilities, the Group needs to make a reasonable estimate of the present value of the fulfilment cash flows within the boundary of insurance contract, based on information currently available at the end of the reporting period, and considers the risk adjustment for non-financial risk.

The main assumptions used in measuring the present value of the fulfilment cash flows include discount rates, insurance incident occurrence rates, lapse rates, expense assumption, policy dividend assumptions, claim ratios, risk adjustment for non-financial risk, etc.

(a) Discount rates

For the estimated fulfilment cash flows that do vary based on the returns on underlying items and those that do not, the Group determines discount rates applying the bottom-up approach, which means the discount rates are determined by base rate curve with comprehensive premium in consideration of the time value of money. The comprehensive premium is added by considering taxation impacts, the liquidity and other relevant factors. The current discount rate assumption for the measurement as at 31 December 2023 ranged from 2.62% to 4.60% (31 December 2022: 2.59%-4.60%).

The discount rate assumptions are affected by the future macro-economy, capital market, investment channels of insurance funds, investment strategy, etc., and therefore subject to uncertainty.

(b) Insurance incident occurrence rates

The Group uses reasonable estimates, based on market and actual experience and expected future development trends, in deriving assumptions of mortality rates, morbidity rates, disability rates, etc.

The assumption of mortality rates is based on the Group's prior experience data on mortality rates, estimates of current and future expectations, the industrial benchmark and the understanding of the China insurance market. The assumption of mortality rates is presented as a percentage of "China Life Insurance Mortality Table (2010-2013)", which is the industry standard for life insurance in China. The assumption of morbidity rates is determined based on the industrial benchmark, the Group's assumptions used in product pricing, experience data of morbidity rates, and estimates of current and future expectation. The assumptions of mortality and morbidity rates are affected by factors such as changes in lifestyles of national citizens, social development, and improvement of medical treatment, and hence subject to uncertainty.

(c) Lapse rates

The Group uses reasonable estimates, based on actual experience and future development trends, in deriving lapse rate assumptions. The assumptions of lapse rates are determined by reference to different pricing interest rates, product categories and sales channels.

(d) Expense assumption

The Group uses reasonable estimates, based on an expense study and future development trends, in deriving expense assumptions. If the future expense level becomes sensitive to inflation, the Group will consider the inflation factor as well in determining expense assumptions. The expense assumptions include assumptions of insurance acquisition cash flows, policy administration and maintenance costs, and claim handling costs.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES (CONTINUED)

(7) ESTIMATION OF THE FULFILMENT CASH FLOWS OF INSURANCE CONTRACTS (CONTINUED)

(e) Policy dividend assumptions

The Group uses reasonable estimates, based on expected investment returns of participating insurance accounts, participating dividend policy, policyholders' reasonable expectations, etc. in deriving policy dividend assumptions. As at 31 December 2023, policyholder dividend assumption was determined based on 75% (31 December 2022: 75%) of the interest and mortality surplus for individual participating business.

(f) Claim ratios

The Group uses reasonable estimates, based on historical claim development experience and claims paid, with consideration of adjustments to company policies like underwriting policies, level of premium rates, claim management and the changing trends of external environment such as macroeconomic, regulations, and legislation, in deriving claim development factors and claim ratios.

(g) Risk adjustment for non-financial risk

The Group uses the confidence level, confidence level conversion to determine the risk adjustment for non-financial risk. As at 31 December 2023, the risk adjustment for non-financial risk of insurance contracts and reinsurance contracts held was determined based on the confidence level of 75% (31 December 2022: 75%).

(8) DETERMINATION OF CONTROL OVER THE STRUCTURED ENTITIES

To determine whether the Group controls the structured entities of which the Group acts as an asset manager, management applies judgement based on all relevant fact and circumstance to determine whether the Group is acting as the principal or agent for the structured entities. If the Group is acting as the principal, it has control over the structured entities. In assessing whether the Group is acting as the principal, the Group considers factors such as scope of the asset manager's decision-making authority, rights held by other parties, remuneration to which it is entitled, and exposure to variable returns results from its additional involvement with structured entities. The Group will perform reassessment once the fact and circumstance changes leading to changes in above factors.

For further disclosure in respect of the maximum risk exposure of unconsolidated structured entities of the Group, see Note 49.(8).

4. SCOPE OF CONSOLIDATION

(1) Particulars of the Company's principal subsidiaries as at 31 December 2023 are set out below:

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Ping An Life	Shenzhen, Corporation	Life insurance, Shenzhen	99.51%	-	99.51%	33,800,000,000
Ping An Property & Casualty	Shenzhen, Corporation	Property and casualty insurance, Shenzhen	99.55%	-	99.55%	21,000,000,000
Ping An Bank Co., Ltd. (ii) ("Ping An Bank")	Shenzhen, Corporation	Banking, Shenzhen	49.56%	8.40%	58.00%	19,405,918,198
Ping An Trust Co., Ltd. ("Ping An Trust")	Shenzhen, Corporation	Investment and trust, Shenzhen	99.88%	-	99.88%	13,000,000,000
Ping An Securities Co., Ltd. ("Ping An Securities")	Shenzhen, Corporation	Securities investment and brokerage, Shenzhen	40.96%	55.59%	96.62%	13,800,000,000
Ping An Annuity	Shanghai, Corporation	Annuity insurance, Shanghai	94.18%	5.79%	100.00%	11,603,419,173
Ping An Asset Management Co., Ltd.	Shanghai, Corporation	Asset management, Shanghai	98.67%	1.33%	100.00%	1,500,000,000
Ping An Health Insurance	Shanghai, Corporation	Health insurance, Shanghai	74.33%	0.68%	75.01%	4,616,577,790
China Ping An Insurance Overseas (Holdings) Limited	Hong Kong, Corporation	Investment holding, Hong Kong	100.00%	-	100.00%	HKD7,085,000,000
China Ping An Insurance (Hong Kong) Company Limited	Hong Kong, Corporation	Property and casualty insurance, Hong Kong	-	100.00%	100.00%	HKD490,000,000
Ping An International Financial Leasing Co., Ltd. ("Ping An Financial Leasing")	Shanghai, Corporation	Financial leasing, Shanghai	69.44%	30.56%	100.00%	14,500,000,000
Ping An of China Asset Management (Hong Kong) Company Limited	Hong Kong, Corporation	Asset management, Hong Kong	-	100.00%	100.00%	HKD395,000,000
Shenzhen Ping An Innovation Capital Investment Co., Ltd.	Shenzhen, Corporation	Investment holding, Shenzhen	-	99.88%	100.00%	4,000,000,000
Ping An Trendwin Capital Management Co., Ltd.	Shanghai, Corporation	Investment consulting, Shanghai	-	99.75%	100.00%	100,000,000
Ping An Real Estate Co., Ltd. ("Ping An Real Estate")	Shenzhen, Corporation	Property management and investment management, Shenzhen	-	99.62%	100.00%	21,160,523,628

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2023 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Ping An Technology (Shenzhen) Co., Ltd.	Shenzhen, Corporation	IT services, Shenzhen	37.66%	62.34%	100.00%	5,310,315,757
Shenzhen Ping An Finserve Co., Ltd.	Shenzhen, Corporation	IT and business process outsourcing services, Shenzhen	-	100.00%	100.00%	598,583,070
Ping An E-wallet Electronic Commerce Company Limited ("Ping An E-wallet")	Shenzhen, Corporation	Internet service, Shenzhen	-	77.14%	78.63%	1,000,000,000
eLink Commerce Company Limited	Hong Kong, Corporation	E-commerce trade, Hong Kong	-	99.89%	100.00%	HKD25,124,600
Shenzhen Wanlitong Network Information Technology Co., Ltd.	Shenzhen, Corporation	Custom loyalty service, Shenzhen	-	77.14%	100.00%	200,000,000
Shenzhen Ping An Commercial Property Investment Co., Ltd. (iii) ("Ping An Commercial Property Investment")	Shenzhen, Corporation	Property leasing and property management, Shenzhen	-	99.50%	99.99%	1,810,000,000
Ping An Futures Co., Ltd.	Shenzhen, Corporation	Futures brokerage, Shenzhen	-	96.64%	100.00%	721,716,042
Shenzhen Ping An Real Estate Investment Co., Ltd.	Shenzhen, Corporation	Real estate investment and management, Shenzhen	-	100.00%	100.00%	1,310,000,000
Shanghai Pingpu Investment Co., Ltd.	Shanghai, Corporation	Investment management, Shanghai	-	99.51%	100.00%	9,130,500,000
Anseng Investment Company Limited	British Virgin Islands, Corporation	Project investment, British Virgin Islands	-	99.51%	100.00%	USD50,000
Shenzhen Ping An Financial Technology Consulting Co., Ltd. ("Ping An Financial Technology")	Shenzhen, Corporation	Corporation management advisory services, Shenzhen	100.00%	-	100.00%	30,406,000,000
Ping An Tradition International Money Broking Company Ltd.	Shenzhen, Corporation	Currency brokerage, Shenzhen	-	66.92%	67.00%	50,000,000
Pingan Haofang (Shanghai) E-commerce Co., Ltd.	Shanghai, Corporation	Property agency, Shanghai	-	100.00%	100.00%	1,930,000,000
Ping An Wealthtone Investment Management Co., Ltd.	Shenzhen, Corporation	Asset management, Shenzhen	-	68.11%	100.00%	800,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2023 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Ping An Fund Management Company Limited	Shenzhen, Corporation	Fund raising and distribution, Shenzhen	-	68.11%	68.19%	1,300,000,000
Shenzhen Ping An Financial Center Development Company Ltd.	Shenzhen, Corporation	Property leasing and property management, Shenzhen	-	99.51%	100.00%	6,688,870,000
Ping An Insurance Sales Services Co., Ltd.	Shenzhen, Corporation	Sales agency of insurance, Shenzhen	-	75.10%	75.10%	515,000,000
Ping An Chuang Zhan Insurance Sales & Service Co., Ltd.	Guangzhou, Corporation	Insurance agent, Shenzhen	-	99.55%	100.00%	50,000,000
Reach Success International Limited	British Virgin Islands, Corporation	Project investment, British Virgin Islands	-	99.51%	100.00%	USD50,000
Jade Reach Investments Limited	British Virgin Islands, Corporation	Project investment, British Virgin Islands	-	99.51%	100.00%	USD50,000
Shenyang Shengping Investment Management Co., Ltd.	Shenyang, Corporation	Property management and investment management, Shenyang	-	99.51%	100.00%	419,000,000
Tongxiang Ping An Investment Co., Ltd.	Jiaxing, Corporation	Investment management, Jiaxing	-	99.62%	100.00%	500,000,000
Ping An Commercial Factoring Co., Ltd.	Shanghai, Corporation	Commercial factoring, Shanghai	-	100.00%	100.00%	2,700,000,000
Shanxi Changjin Expressway Co., Ltd.	Taiyuan, Corporation	Expressway operation, Jincheng	-	59.71%	60.00%	750,000,000
Shanxi Jinjiao Expressway Co., Ltd.	Taiyuan, Corporation	Expressway operation, Jincheng	-	59.71%	60.00%	504,000,000
Ping An Caizhi Investment Management Company Limited (iii)	Shenzhen, Corporation	Equity investment, Shenzhen	-	96.55%	100.00%	300,000,000
Ping An of China Securities (Hong Kong) Company Limited	Hong Kong, Corporation	Investment holding, Hong Kong	-	96.55%	100.00%	HKD663,514,734
Ping An of China Futures (Hong Kong) Company Limited	Hong Kong, Corporation	Futures brokerage, Hong Kong	-	96.55%	100.00%	HKD20,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2023 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Ping An of China Capital (Hong Kong) Company Limited	Hong Kong, Corporation	Investment management, Hong Kong	-	96.55%	100.00%	HKD20,000,000
China PA Securities (Hong Kong) Company Limited	Hong Kong, Corporation	Securities investment and brokerage, Hong Kong	-	96.55%	100.00%	HKD440,000,000
Shanghai Lufax Fund Sales Co., Ltd.	Shanghai, Corporation	Fund sales, Shanghai	-	95.43%	100.00%	20,000,000
Fuer Insurance Broker Co., Ltd.	Shanghai, Corporation	Insurance brokerage service, Shanghai	-	100.00%	100.00%	50,000,000
Beijing Shuangronghui Investment Co., Ltd.	Beijing, Corporation	Property leasing, Beijing	-	99.51%	100.00%	256,323,143
Chengdu Ping An Property Investment Co., Ltd.	Chengdu, Corporation	Real estate investment and management, Chengdu	-	99.51%	100.00%	840,000,000
Hangzhou Pingjiang Investment Co., Ltd.	Hangzhou, Corporation	Real estate development and management, Hangzhou	-	99.51%	100.00%	1,430,000,000
Beijing Jingxinlize Investment Co., Ltd.	Beijing, Corporation	Investment management, Beijing	-	99.51%	100.00%	1,160,000,000
Anbon Allied Investment Company Limited	Hong Kong, Corporation	Real estate investment and management, United Kingdom	-	99.51%	100.00%	GBP90,000,160
Talent Bronze Limited	Hong Kong, Corporation	Real estate investment and management, United Kingdom	-	99.51%	100.00%	GBP133,000,000
Ping An Pioneer Capital Co., Ltd.	Shenzhen, Corporation	Financial products and equity investment, Shenzhen	-	96.55%	100.00%	1,000,000,000
Shenzhen Pingke Information Consulting Co., Ltd.	Shenzhen, Corporation	Management consulting, Shenzhen	-	100.00%	100.00%	5,092,341,943
Beijing Jingping Shangdi Investment Co., Ltd.	Beijing, Corporation	Property leasing, Beijing	-	99.51%	100.00%	45,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2023 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Guangzhou Xinping Property Investment Co., Ltd.	Guangzhou, Corporation	Property leasing, Guangzhou	-	99.51%	100.00%	50,000,000
Shanghai Jahwa (Group) Company Ltd. ("Shanghai Jahwa")	Shanghai, Corporation	Production and sale of consumer chemicals, Shanghai	-	99.51%	100.00%	5,268,261,234
Shanghai Jahwa United Co., Ltd. (iii)	Shanghai, Corporation	Industry, Shanghai	-	51.56%	51.88%	678,873,194
Falcon Vision Global Limited	British Virgin Islands, Corporation	Investment management, Shanghai	-	99.51%	100.00%	USD50,000
Shanghai Zean Investment Management Company Limited	Shanghai, Corporation	Property leasing, Shanghai	-	99.51%	100.00%	4,810,000,000
PA Dragon LLC	USA, Corporation	Logistics and real estate, USA	-	99.52%	100.00%	USD143,954,940
Shanghai Pingan Automobile E-commerce Co., Ltd.	Shanghai, Corporation	E-commerce, Shanghai	-	94.74%	94.74%	63,330,000
Shanghai Gezhouba Yangming Property Co., Ltd.	Shanghai, Corporation	Real estate development and management, Shanghai	-	99.51%	100.00%	20,000,000
Shanghai Jinyao Investment Management Co., Ltd.	Shanghai, Corporation	Investment management, Shanghai	-	99.05%	100.00%	1,290,000,000
Shanghai Pingxin Asset Management Co., Ltd.	Shanghai, Corporation	Asset management, Shanghai	-	100.00%	100.00%	1,010,000,000
Shenzhen Qianhai Credit Service Centre Co., Ltd.	Shenzhen, Corporation	Credit information services, Shenzhen	-	100.00%	100.00%	345,075,000
Pingan Real Estate Capital Limited	Hong Kong, Corporation	Investment platform, Hong Kong	-	99.62%	100.00%	2,536,129,600
Shenzhen Pulian Consulting Co., Ltd.	Shenzhen, Corporation	Investment consulting, Shenzhen	-	100.00%	100.00%	100,000,000
Guangzhou Ping An Good Loan Microfinance Co., Ltd.	Guangzhou, Corporation	Micro loan, Guangzhou	-	100.00%	100.00%	600,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2023 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
An Ke Technology Company Limited	Hong Kong, Corporation	Investment management and investment consulting, Hong Kong	-	100.00%	100.00%	USD582,996,000
Ping An Pay Technology Service Co., Ltd.	Shenzhen, Corporation	Internet service, Shenzhen	-	77.14%	100.00%	680,000,000
Ping An Pay Electronic Payment Co., Ltd.	Shanghai, Corporation	Internet service, Shanghai	-	77.14%	100.00%	489,580,000
Tongxiang Anhao Investment Management Co., Ltd.	Jiaxing, Corporation	Investment management, Jiaxing	-	99.81%	100.00%	300,000,000
Ping An Infrastructure Investment Fund Management Co., Ltd.	Shenzhen, Corporation	Investment management, Shenzhen	-	98.02%	99.00%	1,000,000,000
Ping An Fortune Management Co., Ltd.	Shanghai, Corporation	Consulting services, Shanghai	-	100.00%	100.00%	100,000,000
Shenzhen Dingshuntong Investment Co., Ltd.	Shenzhen, Corporation	Investment consulting, Shenzhen	-	100.00%	100.00%	100,000,000
Shenzhen Ping An Evergreen Investment Development Holding Co., Ltd.	Shenzhen, Corporation	Investment consulting, Shenzhen	-	100.00%	100.00%	1,500,100,000
Ping An International Financial Leasing (Tianjin) Co., Ltd.	Tianjin, Corporation	Financial leasing, Tianjin	-	100.00%	100.00%	10,400,000,000
Shenzhen Anpu Development Co., Ltd.	Shenzhen, Corporation	Logistics and warehousing, Shenzhen	-	79.61%	80.00%	5,625,000,000
China PA Asset Management (Hong Kong) Company Limited	Hong Kong, Corporation	Asset management, Hong Kong	-	96.55%	100.00%	HKD10,000,000
Shanghai Tianhe Insurance Brokerage Co., Ltd.	Shanghai, Corporation	Insurance brokerage, Shanghai	-	42.52%	100.00%	50,000,000
Helios P.A. Company Limited	Hong Kong, Corporation	Project investment, Hong Kong	-	99.51%	100.00%	USD677,161,910
Ping An Urban-Tech (Shenzhen) Co., Ltd.	Shenzhen, Corporation	IT services, Shenzhen	-	79.21%	100.00%	50,000,000
Shenzhen Ping An Chuangke Investment Management Co., Ltd.	Shenzhen, Corporation	Investment management, Shenzhen	-	99.81%	100.00%	100,000,000

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2023 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
Shenzhen Anchuang Investment Management Co., Ltd.	Shenzhen, Corporation	Investment management, Shenzhen	-	99.81%	100.00%	100,000,000
Lianxin (Shenzhen) Investment Management Co., Ltd. ("Lianxin Investment")	Shenzhen, Corporation	Investment management, Shenzhen	-	99.72%	100.00%	5,100,000,000
Autohome Inc.	Cayman Islands, Corporation	Automotive internet platform, Beijing	-	42.52%	46.50%	USD1,273,469
Mayborn Group Limited	United Kingdom, Corporation	Infant products, United Kingdom	-	51.56%	100.00%	GBP1,154,873
Jiaxing Ping An Cornerstone I Equity Investment Management Co., Ltd.	Jiaxing, Corporation	Investment management, Shanghai	-	99.51%	100.00%	1,000,000
Ping An Wealth Management Co., Ltd.	Shenzhen, Corporation	Asset management, Shenzhen	-	57.96%	100.00%	5,000,000,000
TTP Car Inc.	Cayman Islands, Corporation	Second-hand car platform, Shanghai	-	21.69%	51.00%	USD15,753
Shenzhen Shengjun Investment Management Co., Ltd.	Shenzhen, Corporation	Investment management, Shenzhen	-	99.72%	100.00%	5,000,000
Overseas W.H. Investment Company Limited	Cayman Islands, Corporation	Investment holding, Cayman Islands	-	100.00%	100.00%	USD5,038,967,126
Shenzhen Pingjia Investment Management Co., Ltd.	Shenzhen, Corporation	Investment platform, Shenzhen	-	99.81%	100.00%	5,000,000
Chongqing Youshengda Real Estate Consulting Co., Ltd.	Chongqing, Corporation	Real estate consulting, Chongqing	-	99.51%	100.00%	12,537,286,000
Hangzhou Xiaoshan Ping An Cornerstone II Equity Investment Co., Ltd.	Hangzhou, Corporation	Investment management, Shanghai	-	99.51%	100.00%	10,000,000
Shenzhen Hengchuang Investment Management Co., Ltd.	Shenzhen, Corporation	Investment platform, Shenzhen	-	99.62%	100.00%	5,000,000
Global Voyager Fund (HK) Company Limited	Hong Kong, Corporation	Asset management, Hong Kong	-	100.00%	100.00%	USD14,794,701

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2023 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
China PA Wealth Management (Hong Kong) Company Limited	Hong Kong, Corporation	Insurance brokerage, Hong Kong	-	96.55%	100.00%	HKD1,000,000
Ping An Commodities Trading Co., Ltd.	Shenzhen, Corporation	Commodity trade, Shenzhen	-	96.64%	100.00%	1,000,000,000
Shanghai Raffles Kaixuan Commercial Management Service Co., Ltd.	Shanghai, Corporation	Property leasing and property management, Shanghai	-	69.66%	70.00%	2,208,601,418
Shanghai Huaqing Real Estate Management Co., Ltd.	Shanghai, Corporation	Property leasing and property management, Shanghai	-	59.71%	60.00%	USD30,000,000
Beijing Xinjie Real Estate Development Co., Ltd.	Beijing, Corporation	Property leasing and property management, Beijing	-	69.66%	70.00%	USD24,500,000
Chengdu Raffles City Industry Co., Ltd.	Chengdu, Corporation	Property leasing and property management, Chengdu	-	69.66%	70.00%	USD217,700,000
Raffles City (Hangzhou) Real Estate Development Co., Ltd.	Hangzhou, Corporation	Property leasing and property management, Hangzhou	-	69.66%	70.00%	USD299,740,000
Ningbo Xinyin Business Management Service Co., Ltd.	Ningbo, Corporation	Property leasing and property management, Ningbo	-	69.66%	70.00%	800,000,000
Beijing Jinkunlize Property Co., Ltd.	Beijing, Corporation	Property leasing and property management, Beijing	-	99.51%	100.00%	3,380,000,000
New Founder (Beijing) Enterprise Management Development Co., Ltd.	Beijing, Corporation	Corporation management, Beijing	-	99.51%	100.00%	50,000,000
New Founder Holding Development Company Limited ("New Founder Group")	Zhuhai, Corporation	Investment and technical services, Beijing	-	66.18%	66.51%	7,250,000,000
Founder Securities Co., Ltd. ("Founder Securities")	Changsha, Corporation	Securities brokerage, Changsha	-	19.00%	28.71%	8,232,101,395

4. SCOPE OF CONSOLIDATION (CONTINUED)

(1) Particulars of the Company's principal subsidiaries as at 31 December 2023 are set out below (Continued):

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Proportion of ordinary shares directly held by the Company (%)	Proportion of ordinary shares indirectly held by the Company (%)	Proportion of votes (%) (i)	Registered/ authorized capital (RMB unless otherwise stated)
PKU Healthcare Management Co., Ltd.	Zhuhai, Corporation	Hospital management, Beijing	-	66.18%	100.00%	3,000,000,000
Founder Cifco Futures Co., Ltd.	Beijing, Corporation	Futures brokerage, Beijing	-	17.56%	92.44%	1,005,000,000
Founder Financing Securities Co., Ltd.	Beijing, Corporation	Securities underwriting and sponsorship, Beijing	-	19.00%	100.00%	1,400,000,000
Shanghai Jifeng Investment Management Co., Ltd. (iii)	Shanghai, Corporation	Investment management, Shanghai	-	17.56%	100.00%	500,000,000
Beijing Founder Fubon Crown Asset Management Co., Ltd.	Beijing, Corporation	Customer-specific asset management, Beijing	-	12.67%	100.00%	130,000,000
Founder Securities (Hong Kong) Limited	Hong Kong, Corporation	Securities trading and consulting, Hong Kong	-	19.00%	100.00%	HKD410,000,000
Founder Asset Management (Hong Kong) Limited	Hong Kong, Corporation	Asset management, Hong Kong	-	19.00%	100.00%	HKD22,000,000
Founder Fubon Fund Management Co., Ltd.	Beijing, Corporation	Fund raising and distribution, Beijing	-	12.67%	66.70%	660,000,000

Notes:

(i) The proportion of ordinary shares, as shown in the above table, is the sum product of direct holding by the Company and indirect holding by a multiplication of the proportion of shares held in each holding layer. The proportion of votes is the sum product of the proportion of votes held directly by the Company and indirectly via subsidiaries controlled by the Company.

(ii) For the year ended 31 December 2023, Ping An Bank's profit attributable to its non-controlling interest was RMB19,530 million (2022: RMB19,136 million), the dividend paid to its non-controlling interest was RMB4,667 million (2022: RMB4,200 million). As at 31 December 2023, Ping An Bank's equity attributable to its non-controlling interest was RMB227,551 million (31 December 2022: RMB211,724 million). Ping An Bank's summarized financial information is disclosed in "segment reporting" under the "Banking" segment.

(iii) The registered capitals of these subsidiaries were changed in 2023.

The Company and its subsidiaries are subject to the Company Law as well as various listing requirements, where applicable. Capital or asset transactions between the Company and its subsidiaries might be subject to regulatory requirements. Certain of the Company's subsidiaries are subject to regulatory capital requirements. As such, there are restrictions on the Group's ability to access or use the assets of these subsidiaries or use them to settle the liabilities of these subsidiaries. Please refer to Note 49.(7) for detailed disclosure on the relevant regulatory capital requirements.

4. SCOPE OF CONSOLIDATION (CONTINUED)

(2) As at 31 December 2023, the Group consolidated the following principal structured entities:

Name	Attributable equity interest	Paid-in capital (RMB)	Principal activities
Ping An Asset Xinxiang No.28 Assets Management	99.51%	18,284,946,602	Investment in wealth management products
Huabao East Aggregated Fund Trust Scheme	98.87%	12,000,000,000	Investment in debt schemes
Shanghai Trust Huarong Aggregated Fund Trust Scheme	99.52%	9,500,000,000	Investment in debt schemes
Ping An Asset Xinxiang No.19 Assets Management	99.51%	6,289,478,815	Investment in wealth management products
Ping An Asset Xinxiang No.5 Assets Management	99.55%	102,235,678	Investment in wealth management products
Ping An Asset Xinxiang No.20 Assets Management	99.51%	5,511,269,442	Investment in wealth management products
Ping An Asset Xinxiang No.18 Assets Management	99.51%	5,540,918,880	Investment in wealth management products
Ping An Fund – Ping An Life Fixed Income No. 1 MOM Single Asset Management Plan	99.51%	11,784,108,709	Investment in wealth management products
Ping An Fund – Ping An Life Equity No. 2 MOM Single Asset Management Plan	99.51%	20,381,188,007	Investment in wealth management products

5. SEGMENT REPORTING

The segment businesses are separately presented as the insurance segment, the banking segment, the asset management segment, the technology business segment and the other businesses, based on the products and service offerings. The insurance segment is divided into the life and health insurance and the property and casualty insurance segment which are in line with the nature of products, risk and asset portfolios. The types of products and services from which reportable segments derive revenue are listed below:

- The life and health insurance segment offers a comprehensive range of life insurance products to individual and corporate customers, including term, whole-life, endowment, annuity, investment-linked, universal life and health care and medical insurance, reflecting performance summary of Ping An Life, Ping An Annuity and Ping An Health Insurance;

- The property and casualty insurance segment offers a wide variety of insurance products to individual and corporate customers, including auto insurance, non-auto insurance, accident and health insurance, reflecting performance of Ping An Property & Casualty;

- The banking segment undertakes loan and intermediary business with corporate customers and retail customers as well as wealth management and credit card services with individual customers, reflecting performance of Ping An Bank;

- The asset management segment provides trust products services, brokerage services, trading services, investment banking services, investment management services, finance lease business and other asset management services, reflecting performance summary of Ping An Trust, Ping An Securities, Ping An Asset Management Co., Ltd. and Ping An Financial Leasing and the other asset management subsidiaries;

- The technology business segment provides various financial and daily-life services through internet platforms such as financial transaction information service platform, health care service platform, reflecting performance summary of the technology business subsidiaries, associates and joint ventures.

Except for the above business segments, the other segments did not have a material impact on the Group's operating outcome, and as such are not separately presented.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions with regard to resource allocation and performance assessment. Segment performance is assessed based on key performance indicators.

Transfer prices between operating segments are based on the amount stated in the contracts agreed by both sides.

During 2023 and 2022, revenue from the Group's top five customers accounted for less than 1% of the total revenue for the year.

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2023 and for the year then ended is as follows:

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Technology business	Other businesses and elimination	Total
Insurance revenue	**223,600**	**313,458**	**-**	**-**	**-**	**(618)**	**536,440**
Interest revenue from banking operations	**-**	**-**	**227,617**	**-**	**-**	**(65)**	**227,552**
Fees and commission revenue from non-insurance operations	**5,424**	**-**	**35,042**	**9,277**	**-**	**(3,937)**	**45,806**
Including: Inter-segment fees and commission revenue from non-insurance operations	**(10)**	**-**	**3,510**	**331**	**-**	**(3,831)**	**-**
Interest revenue from non-banking operations	**99,000**	**7,956**	**-**	**13,284**	**801**	**(2,538)**	**118,503**
Including: Inter-segment interest revenue from non-banking operations	**82**	**34**	**-**	**3,048**	**81**	**(3,245)**	**-**
Investment income	**19,483**	**4,623**	**15,750**	**(5,173)**	**493**	**(1,852)**	**33,324**
Including: Inter-segment investment income	**2,057**	**133**	**(17)**	**132**	**42**	**(2,347)**	**-**
Including: Operating lease income from investment properties	**7,893**	**387**	**50**	**41**	**-**	**(1,465)**	**6,906**
Share of profits and losses of associates and joint ventures	**3,166**	**465**	**-**	**921**	**583**	**(3,701)**	**1,434**
Other revenues and other gains	**37,663**	**1,249**	**915**	**29,550**	**18,457**	**(19,030)**	**68,804**
Including: Inter-segment other revenues	**9,890**	**58**	**25**	**3,136**	**5,187**	**(18,296)**	**-**
Including: Non-operating gains	**423**	**254**	**49**	**85**	**5**	**-**	**816**
Total revenue	**388,336**	**327,751**	**279,324**	**47,859**	**20,334**	**(31,741)**	**1,031,863**

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2023 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Technology business	Other businesses and elimination	Total
Insurance service expenses	(133,978)	(306,390)	-	-	-	190	(440,178)
Allocation of reinsurance premiums paid	(2,714)	(12,496)	-	-	-	1,031	(14,179)
Less: Amount recovered from reinsurer	2,538	8,540	-	-	-	(630)	10,448
Net insurance finance expenses for insurance contracts issued	(118,509)	(5,483)	-	-	-	33	(123,959)
Less: Net reinsurance finance income for reinsurance contracts held	55	518	-	-	-	(31)	542
Interest expenses on banking operations	-	-	(109,626)	-	-	1,021	(108,605)
Fees and commission expenses on non-insurance operations	(1,415)	-	(5,612)	(1,815)	-	69	(8,773)
Net impairment losses on financial assets and other assets	(1,850)	(505)	(59,094)	(17,251)	(269)	(102)	(79,071)
Including: Loan impairment losses, net	-	-	(62,833)	-	-	-	(62,833)
Including: Impairment losses on investment assets	(1,422)	(119)	5,239	(13,493)	-	(145)	(9,940)
Including: Impairment losses on receivables and others	(428)	(386)	(1,500)	(3,758)	(269)	43	(6,298)
Foreign exchange gains/(losses)	4	(80)	662	(138)	(41)	(287)	120
General and administrative expenses	(21,274)	(682)	(47,677)	(13,650)	(13,066)	12,472	(83,877)
Changes in insurance premium reserves	-	(230)	-	-	-	-	(230)
Interest expenses on non-banking operations	(8,628)	(1,446)	-	(17,801)	(179)	3,708	(24,346)
Including: Financial costs	(5,533)	(837)	-	(16,684)	(179)	3,767	(19,466)
Including: Interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions	(3,095)	(609)	-	(1,117)	-	(59)	(4,880)
Other expenses	(31,979)	(679)	(259)	(13,833)	(3,841)	10,953	(39,638)
Total expenses	(317,750)	(318,933)	(221,606)	(64,488)	(17,396)	28,427	(911,746)
Profit before tax	70,586	8,818	57,718	(16,629)	2,938	(3,314)	120,117
Income tax	2,805	140	(11,263)	(2,893)	191	177	(10,843)
Profit for the year	73,391	8,958	46,455	(19,522)	3,129	(3,137)	109,274
– Attributable to owners of the parent	72,598	8,918	26,925	(20,747)	2,054	(4,083)	85,665

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5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2023 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Technology business	Other businesses and elimination	Total
Cash and amounts due from banks and other financial institutions	**316,898**	**47,827**	**317,991**	**119,676**	**27,725**	**(26,040)**	**804,077**
Balances with the Central Bank and statutory deposits for insurance operations	**10,573**	**4,320**	**270,976**	**-**	**5**	**5**	**285,879**
Accounts receivable	**4,650**	**224**	**-**	**29,356**	**1,747**	**(341)**	**35,636**
Insurance contract assets	**-**	**3**	**-**	**-**	**-**	**-**	**3**
Reinsurance contract assets	**6,066**	**17,454**	**-**	**-**	**-**	**(1,305)**	**22,215**
Finance lease receivable	**-**	**-**	**-**	**180,674**	**-**	**-**	**180,674**
Loans and advances to customers	**-**	**-**	**3,320,110**	**-**	**-**	**(1,988)**	**3,318,122**
Financial assets at fair value through profit or loss	**1,049,278**	**137,743**	**450,293**	**149,211**	**7,821**	**8,701**	**1,803,047**
Financial assets at amortized cost	**166,712**	**167,956**	**772,467**	**189,477**	**976**	**(54,235)**	**1,243,353**
Debt financial assets at fair value through other comprehensive income	**2,399,977**	**16,348**	**161,931**	**50,762**	**-**	**7,990**	**2,637,008**
Equity financial assets at fair value through other comprehensive income	**251,417**	**20,138**	**6,214**	**46**	**49**	**(12,987)**	**264,877**
Investments in associates and joint ventures	**140,452**	**26,859**	**-**	**62,507**	**78,112**	**(49,053)**	**258,877**
Others	**307,410**	**37,151**	**287,134**	**83,402**	**22,012**	**(7,460)**	**729,649**
Segment assets	**4,653,433**	**476,023**	**5,587,116**	**865,111**	**138,447**	**(136,713)**	**11,583,417**

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2023 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance	Property and casualty insurance	Banking	Asset management	Technology business	Other businesses and elimination	Total
Due to banks and other financial institutions	**41,197**	**1,828**	**725,633**	**277,985**	**645**	**(83,570)**	**963,718**
Assets sold under agreements to repurchase	**90,788**	**34,603**	**58,152**	**57,396**	**-**	**864**	**241,803**
Accounts payable	**6,292**	**168**	**-**	**1,863**	**830**	**(295)**	**8,858**
Insurance contract liabilities	**3,899,625**	**261,153**	**-**	**-**	**-**	**(977)**	**4,159,801**
Reinsurance contract liabilities	**-**	**53**	**-**	**-**	**-**	**-**	**53**
Customer deposits and payables to brokerage customers	**51,587**	**-**	**3,458,287**	**64,797**	**-**	**(40,132)**	**3,534,539**
Bonds payable	**57,101**	**10,543**	**728,328**	**165,253**	**-**	**2,782**	**964,007**
Others	**113,125**	**42,257**	**144,388**	**186,784**	**21,210**	**(26,090)**	**481,674**
Segment liabilities	**4,259,715**	**350,605**	**5,114,788**	**754,078**	**22,685**	**(147,418)**	**10,354,453**
Segment equity	**393,718**	**125,418**	**472,328**	**111,033**	**115,762**	**10,705**	**1,228,964**
– Attributable to owners of the parent	**326,411**	**124,647**	**244,777**	**92,836**	**97,250**	**13,090**	**899,011**
Other segment information:							
Capital expenditures	**5,784**	**859**	**4,672**	**1,611**	**518**	**(350)**	**13,094**
Depreciation and amortization	**10,560**	**1,497**	**6,324**	**1,156**	**1,739**	**(619)**	**20,657**
Total other non-cash expenses charged to consolidated results	**1,850**	**505**	**59,094**	**17,251**	**269**	**102**	**79,071**

Other information of life and health insurance segment subject to general model as at 31 December 2023 is as follows:

Other segment information (in RMB million)	Life and health insurance
Accumulated changes in the fair value and credit risks provision of debt financial assets at fair value through other comprehensive income, net of tax	74,638
Accumulated insurance finance expenses for insurance contracts issued in other comprehensive income that may be reclassified subsequently to profit or loss, net of tax	(93,119)

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2022 and for the year then ended is as follows:

(in RMB million)	Life and health insurance (Restated)	Property and casualty insurance (Restated)	Banking	Asset management	Technology business	Other businesses and elimination (Restated)	Total (Restated)
Insurance revenue	232,194	294,222	–	–	–	(435)	525,981
Interest revenue from banking operations	–	–	228,878	–	–	(94)	228,784
Fees and commission revenue from non-insurance operations	–	–	37,754	11,296	–	(3,068)	45,982
Including: Inter-segment fees and commission revenue from non-insurance operations	–	–	2,768	287	–	(3,055)	–
Interest revenue from non-banking operations	93,368	7,961	–	15,760	595	(1,751)	115,933
Including: Inter-segment interest revenue from non-banking operations	203	71	–	2,139	87	(2,500)	–
Investment income	(14,946)	1,849	14,529	1,398	(2,112)	(3,029)	(2,311)
Including: Inter-segment investment income	2,255	197	(8)	152	59	(2,655)	–
Including: Operating lease income from investment properties	7,321	393	46	50	–	(1,632)	6,178
Share of profits and losses of associates and joint ventures	4,344	620	–	5,419	4,196	(4,414)	10,165
Other revenues and other gains	24,229	1,152	544	33,922	19,864	(19,059)	60,652
Including: Inter-segment other revenues	10,045	27	18	3,217	5,666	(18,973)	–
Including: Non-operating gains	159	103	64	10	8	15	359
Total revenue	339,189	305,804	281,705	67,795	22,543	(31,850)	985,186

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2022 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance (Restated)	Property and casualty insurance (Restated)	Banking	Asset management	Technology business	Other businesses and elimination (Restated)	Total (Restated)
Insurance service expenses	(137,256)	(284,978)	–	–	–	13	(422,221)
Allocation of reinsurance premiums paid	(3,480)	(12,284)	–	–	–	845	(14,919)
Less: Amount recovered from reinsurer	2,184	8,861	–	–	–	(440)	10,605
Net insurance finance expenses for insurance contracts issued	(94,786)	(5,151)	–	–	–	4	(99,933)
Less: Net reinsurance finance income for reinsurance contracts held	81	490	–	–	–	(7)	564
Interest expenses on banking operations	–	–	(98,748)	–	–	1,060	(97,688)
Fees and commission expenses on non-insurance operations	–	–	(7,546)	(2,432)	–	50	(9,928)
Net impairment losses on financial assets and other assets	(628)	(32)	(71,306)	(9,352)	(600)	(2)	(81,920)
Including: Loan impairment losses, net	–	–	(64,168)	–	–	–	(64,168)
Including: Impairment losses on investment assets	(570)	19	(6,766)	(6,021)	38	–	(13,300)
Including: Impairment losses on receivables and others	(58)	(51)	(372)	(3,331)	(638)	(2)	(4,452)
Foreign exchange gains/(losses)	(447)	(252)	4,548	(614)	34	(125)	3,144
General and administrative expenses	(12,631)	(657)	(51,114)	(13,755)	(13,543)	11,885	(79,815)
Changes in insurance premium reserves	–	(78)	–	–	–	–	(78)
Interest expenses on non-banking operations	(4,448)	(1,305)	–	(19,017)	(321)	2,393	(22,698)
Including: Financial costs	(2,016)	(870)	–	(18,176)	(321)	2,489	(18,894)
Including: Interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions	(2,432)	(435)	–	(841)	–	(96)	(3,804)
Other expenses	(20,023)	(540)	(286)	(14,378)	(3,896)	11,159	(27,964)
Total expenses	(271,434)	(295,926)	(224,452)	(59,548)	(18,326)	26,835	(842,851)
Profit before tax	67,755	9,878	57,253	8,247	4,217	(5,015)	142,335
Income tax	7,750	234	(11,737)	(4,444)	636	43	(7,518)
Profit for the year	75,505	10,112	45,516	3,803	4,853	(4,972)	134,817
– Attributable to owners of the parent	74,501	10,066	26,380	2,292	3,614	(5,845)	111,008

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2022 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance (Restated)	Property and casualty insurance (Restated)	Banking	Asset management	Technology business	Other businesses and elimination (Restated)	Total (Restated)
Cash and amounts due from banks and other financial institutions	336,212	59,688	236,412	130,915	24,076	(12,462)	774,841
Balances with the Central Bank and statutory deposits for insurance operations	10,171	4,263	281,115	–	5	5	295,559
Accounts receivable	8,239	117	–	25,975	2,344	(557)	36,118
Reinsurance contract assets	5,374	16,474	–	–	–	(1,233)	20,615
Finance lease receivable	–	–	–	186,858	–	–	186,858
Loans and advances to customers	–	–	3,242,258	–	–	(4,204)	3,238,054
Financial assets at fair value through profit or loss	870,375	119,936	446,133	180,050	10,752	13,273	1,640,519
Financial assets at amortized cost	127,624	150,655	731,850	169,245	811	(56,150)	1,124,035
Debt financial assets at fair value through other comprehensive income	2,215,809	9,587	172,233	94,669	–	8,492	2,500,790
Equity financial assets at fair value through other comprehensive income	261,484	21,772	6,380	6	49	(24,920)	264,771
Investments in associates and joint ventures	138,842	26,000	–	82,103	78,487	(44,639)	280,793
Others	289,381	39,495	205,133	97,126	25,268	(9,416)	646,987
Segment assets	4,263,511	447,987	5,321,514	966,947	141,792	(131,811)	11,009,940

5. SEGMENT REPORTING (CONTINUED)

The segment analysis as at 31 December 2022 and for the year then ended is as follows (continued):

(in RMB million)	Life and health insurance (Restated)	Property and casualty insurance (Restated)	Banking	Asset management	Technology business	Other businesses and elimination (Restated)	Total (Restated)
Due to banks and other financial institutions	39,386	4,366	656,586	293,553	3,428	(74,231)	923,088
Assets sold under agreements to repurchase	178,291	24,593	13,303	55,139	–	411	271,737
Accounts payable	6,985	185	–	2,653	1,025	(499)	10,349
Insurance contract liabilities	3,424,203	247,871	–	–	–	(897)	3,671,177
Reinsurance contract liabilities	–	105	–	–	–	–	105
Customer deposits and payables to brokerage customers	52,465	–	3,352,266	73,363	–	(46,095)	3,431,999
Bonds payable	41,916	10,487	692,075	179,223	–	7,397	931,098
Others	136,877	41,842	172,604	224,146	23,591	(14,669)	584,391
Segment liabilities	3,880,123	329,449	4,886,834	828,077	28,044	(128,583)	9,823,944
Segment equity	383,388	118,538	434,680	138,870	113,748	(3,228)	1,185,996
– Attributable to owners of the parent	317,494	117,799	222,956	117,143	94,937	(1,138)	869,191
Other segment information:							
Capital expenditures	7,077	1,204	6,170	2,992	1,681	(1,694)	17,430
Depreciation and amortization	9,650	1,624	6,535	1,273	1,950	(730)	20,302
Total other non-cash expenses charged to consolidated results	628	32	71,306	9,352	600	2	81,920

Other information of life and health insurance segment subject to general model as at 31 December 2022 is as follows:

Other segment information (in RMB million)	Life and health insurance (Restated)
Accumulated changes in the fair value and credit risks provision of debt financial assets at fair value through other comprehensive income, net of tax	37,378
Accumulated insurance finance expenses for insurance contracts issued in other comprehensive income that may be reclassified subsequently to profit or loss, net of tax	(28,830)

FINANCIAL STATEMENTS

6. INSURANCE REVENUE

(in RMB million)	2023	2022 (Restated)
Insurance contracts not measured under the premium allocation approach		
Insurance revenue relating to the changes in the liability for remaining coverage		
Amount of contractual service margin recognized in profit or loss	**77,864**	83,460
Change in the risk adjustment for non-financial risk	**7,224**	7,426
Expected insurance service expenses incurred in the period	**85,516**	93,387
Others	**(7)**	(118)
Amortization of insurance acquisition cash flows	**48,218**	47,078
Subtotal	**218,815**	231,233
Insurance contracts measured under the premium allocation approach	**317,625**	294,748
	536,440	525,981

(in RMB million)	2023	2022 (Restated)
Contracts under the fair value approach	**19,824**	20,793
Contracts under the modified retrospective approach	**160,400**	329,355
Other contracts	**356,216**	175,833
	536,440	525,981

7. NET INTEREST INCOME FROM BANKING OPERATIONS

(in RMB million)	2023	2022
Interest revenue from banking operations		
Due from the Central Bank	**3,844**	3,715
Due from and placements with banks and other financial institutions and financial assets purchased under reverse repurchase agreements	**8,776**	4,795
Loans and advances to customers	**183,807**	188,282
Financial investments	**31,125**	31,992
Subtotal	**227,552**	228,784
Interest expenses on banking operations		
Due to the Central Bank	**4,101**	3,860
Due to and placements from banks and other financial institutions and assets sold under agreements to repurchase	**12,539**	8,054
Customer deposits	**74,927**	66,304
Bonds payable	**17,038**	19,470
Subtotal	**108,605**	97,688
Net interest income from banking operations	**118,947**	131,096

8. INTEREST REVENUE FROM NON-BANKING OPERATIONS

(in RMB million)	2023	2022 (Restated)
Financial assets at amortized cost	**33,202**	30,082
Debt financial assets at fair value through other comprehensive income	**85,301**	85,851
	118,503	115,933

9. NET FEES AND COMMISSION INCOME FROM NON-INSURANCE OPERATIONS

(in RMB million)	2023	2022
Fees and commission revenue from non-insurance operations		
Brokerage commission	**9,045**	6,541
Underwriting commission	**960**	618
Trust service fees	**939**	1,544
Fees and commission from the banking business	**31,532**	34,986
Others	**3,330**	2,293
Subtotal	**45,806**	45,982
Fees and commission expenses on non-insurance operations		
Brokerage commission	**2,392**	2,238
Fees and commission on the banking business	**5,612**	7,546
Others	**769**	144
Subtotal	**8,773**	9,928
Net fees and commission income from non-insurance operations	**37,033**	36,054

10. INVESTMENT INCOME

(in RMB million)	2023	2022 (Restated)
Net investment income	**92,296**	90,598
Realized gains/(losses)	**(49,933)**	(55,973)
Unrealized gains/(losses)	**(9,039)**	(36,936)
Total investment income	**33,324**	(2,311)

(1) NET INVESTMENT INCOME

(in RMB million)	2023	2022 (Restated)
Financial assets at fair value through profit or loss	**67,259**	68,602
Equity financial assets at fair value through other comprehensive income	**18,131**	15,818
Operating lease income from investment properties	**6,906**	6,178
	92,296	90,598

(2) REALIZED GAINS/(LOSSES)

(in RMB million)	2023	2022 (Restated)
Financial instruments at fair value through profit or loss	**(53,184)**	(58,221)
Debt financial assets at fair value through other comprehensive income	**599**	(243)
Financial assets at amortized cost	**(506)**	(273)
Derivative financial instruments	**(43)**	1,471
Gains on disposals of loans and advances at fair value through other comprehensive income	**2,403**	3,255
Precious metal transactions investment gains	**410**	15
Investment in subsidiaries, associates and joint ventures	**388**	(1,977)
	(49,933)	(55,973)

(3) UNREALIZED GAINS/(LOSSES)

(in RMB million)	2023	2022 (Restated)
Financial assets at fair value through profit or loss		
Bonds	**8,497**	(4,079)
Funds	**(3,850)**	(20,277)
Stocks	**(5,286)**	8,229
Wealth management investments, debt schemes and other investments	**(10,760)**	(22,598)
Financial liabilities at fair value through profit or loss	**2,295**	418
Derivative financial instruments	**65**	1,371
	(9,039)	(36,936)

11. OTHER REVENUES AND OTHER GAINS

(in RMB million)	2023	2022 (Restated)
Sales revenue	**27,413**	20,316
Expressway toll fee	**899**	844
Annuity management fee	**1,558**	1,535
Management fee and consulting fee income	**7,017**	9,609
Finance lease income	**16,592**	16,650
Others	**15,325**	11,698
	68,804	60,652

12. INSURANCE SERVICE EXPENSES

(in RMB million)	2023	2022 (Restated)
Claims and other expenses	**309,810**	301,042
Amortization of insurance acquisition cash flows	**120,708**	113,210
Losses on onerous contracts and reversal of those losses	**9,660**	7,969
	440,178	422,221

13. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

(in RMB million)	2023	2022 (Restated)
Accounts receivable	**152**	(23)
Loans and advances to customers	**62,833**	64,168
Debt financial assets at fair value through other comprehensive income	**476**	168
Financial assets at amortized cost	**7,719**	3,472
Finance lease receivable	**697**	1,763
Placements with banks and other financial institutions	**(1,485)**	2,175
Credit commitments	**3,689**	5,758
Due from banks and other financial institutions	**(1,512)**	1,502
Others	**5,175**	1,570
	77,744	80,553

14. NET IMPAIRMENT LOSSES ON OTHER ASSETS

(in RMB million)	2023	2022 (Restated)
Investments in associates and joint ventures	**864**	928
Others	**463**	439
	1,327	1,367

15. PROFIT BEFORE TAX

(1) PROFIT BEFORE TAX IS ARRIVED AT AFTER CHARGING THE FOLLOWING ITEMS:

(in RMB million)	2023	2022 (Restated)
General and administrative expenses (Note 15.(2))	**83,877**	79,815
Other expenses (Note 15.(3))	**39,638**	27,964
Net impairment losses on financial assets (Note 13)	**77,744**	80,553
Net impairment losses on other assets (Note 14)	**1,327**	1,367

(2) GENERAL AND ADMINISTRATIVE EXPENSES

(in RMB million)	2023	2022 (Restated)
Employee costs	**80,768**	75,798
Including: Wages, salaries and bonuses	**61,505**	57,802
Retirement benefits, social security contributions and welfare benefits	**17,364**	16,169
Property and equipment costs	**20,702**	20,864
Including: Depreciation of property and equipment	**7,486**	6,932
Amortization of intangible assets	**2,509**	2,133
Depreciation of right-of-use assets	**4,736**	5,839
Operation expenses and regulatory charges	**59,184**	56,710
Administrative costs	**2,979**	3,626
Taxes and surcharges	**3,665**	3,414
Others	**8,657**	7,702
Including: Audit fee	**125**	95
	175,955	168,114
Less: Expenses directly attributable to insurance contracts		
Insurance acquisition cash flows recognized in liabilities for remaining coverage	**(55,377)**	(53,763)
Amounts recognized in insurance service expenses	**(36,701)**	(34,536)
	(92,078)	(88,299)
	83,877	79,815

(3) OTHER EXPENSES

(in RMB million)	2023	2022 (Restated)
Cost of sales	**14,827**	9,284
Depreciation of investment properties	**4,692**	3,645
Interest expenses on finance lease operations	**7,150**	6,824
Others	**12,969**	8,211
	39,638	27,964

16. INCOME TAX

(in RMB million)	2023	2022 (Restated)
Current income tax		
Charge for the year	**15,577**	26,481
Adjustments in respect of current income tax of previous years	**2,122**	1,162
Deferred income tax	**(6,856)**	(20,125)
	10,843	7,518

Certain subsidiaries enjoy tax preferential treatments. These subsidiaries are not material to the Group. Except for those subsidiaries enjoying tax preferential treatments, the applicable corporate income tax rate of the Group for 2023 was 25%.

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate of 25% (2022: 25%) is as follows:

(in RMB million)	2023	2022 (Restated)
Profit before tax	**120,117**	142,335
Tax at the applicable tax rate of 25% (2022: 25%)	**30,029**	35,584
Expenses not deductible for tax	**3,343**	3,989
Income not subject to tax	**(32,250)**	(31,232)
Adjustments in respect of current income tax of previous years	**2,122**	1,162
Others	**7,599**	(1,985)
Income tax per consolidated income statement	**10,843**	7,518

Taxes for taxable income attained from outside of the PRC are measured at the tax rates under local and PRC law, regulations and conventions. The income tax credited by the Group is verified by official tax bureau.

17. DIVIDENDS

(in RMB million)	2023	2022
2022 final dividend declared in 2023 – RMB1.50 (2021 final dividend declared in 2022 – RMB1.50) per ordinary share (i)	**27,161**	27,161
2023 interim dividend – RMB0.93 (2022 interim dividend – RMB0.92) per ordinary share (ii)	**16,840**	16,659

(i) On 15 March 2023, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for 2022, agreeing to declare a cash dividend in the amount of RMB1.50 (tax inclusive) per share. The total amount of the cash dividend for 2022 was RMB27,161 million (tax inclusive).

On 12 May 2023, the above profit distribution plan was approved by the shareholders of the Company at the annual general meeting.

(ii) On 29 August 2023, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for Interim Dividend of 2023, and declared an interim cash dividend of RMB0.93 (tax inclusive) per share. The total amount of the cash dividend was RMB16,840 million (tax inclusive).

(iii) On 21 March 2024, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for 2023, and declared a final cash dividend of 2023 in the amount of RMB1.50 (tax inclusive) per share. Pursuant to the *Shanghai Stock Exchange's Guidelines for Self-regulation of Listed Companies No.7 – Repurchase of Shares* and other applicable regulations, the Company's A shares in the Company's repurchased securities account after trading hours on the record date of A shareholders for the final dividend will not be entitled to the final dividend distribution. The actual total amount of final dividend payment is subject to the total number of shares that will be entitled to the dividend distribution on the record date of A shareholders. The total amount of the final dividend payment for 2023 is RMB27,161,462,992.50 (tax inclusive) based on the total share capital of 18,210,234,607 shares less the 102,592,612 A shares of the Company in the repurchased securities account as at 31 December 2023, which was not recognized as a liability as at 31 December 2023.

18. EARNINGS PER SHARE

(1) BASIC

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Group.

	2023	2022 (Restated)
Profit attributable to owners of the parent (in RMB million)	**85,665**	111,008
Weighted average number of ordinary shares in issue (million shares)	**17,717**	17,454
Basic earnings per share (in RMB)	**4.84**	6.36

Weighted average number of ordinary shares in issue (million shares)	2023	2022
Issued ordinary shares as at 1 January	**18,280**	18,280
Weighted average number of shares held by the Key Employee Share Purchase Plan	**(26)**	(22)
Weighted average number of shares held by the Long-term Service Plan	**(331)**	(234)
Weighted average number of shares held by the consolidated assets management schemes (i)	**(33)**	(406)
Weighted average number of the treasury shares cancelled	**(39)**	–
Weighted average number of shares held by the treasury share	**(134)**	(164)
Weighted average number of ordinary shares in issue	**17,717**	17,454

(i) As at 31 December 2023, no shares (31 December 2022: 261 million) were held by the consolidated assets management schemes.

(2) DILUTED

Diluted earnings per share was computed by dividing the adjusted profit attributable to owners of the parent based on assuming conversion of all dilutive potential shares for the year by the adjusted weighted average number of ordinary shares in issue. The shares granted by the Company under the Key Employee Share Purchase Plan (Note 38) and Long-term Service Plan (Note 39) have a potential dilutive effect on the earnings per share.

	2023	2022 (Restated)
Earnings (in RMB million)		
Profit attributable to owners of the parent	**85,665**	111,008
Weighted average number of ordinary shares (million shares)		
Weighted average number of ordinary shares in issue	**17,717**	17,454
Adjustments for:		
Assumed vesting of Key Employee Share Purchase Plan	**26**	22
Assumed vesting of Long-term Service Plan	**331**	234
Weighted average number of ordinary shares for diluted earnings per share in issue (million shares)	**18,074**	17,710
Diluted earnings per share (in RMB)	**4.74**	6.27

19. CASH AND AMOUNTS DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

(in RMB million)	31 December 2023	31 December 2022 (Restated)
Cash on hand	**3,690**	4,165
Term deposits	**259,756**	284,645
Due from banks and other financial institutions	**319,924**	352,110
Placements with banks and other financial institutions	**220,707**	133,921
	804,077	774,841

Details of placements with banks and other financial institutions are as follows:

(in RMB million)	31 December 2023	31 December 2022
Measured at amortized cost		
Placements with banks	**68,410**	64,520
Placements with other financial institutions	**153,229**	68,952
Gross	**221,639**	133,472
Less: Provision for impairment losses	**(932)**	(2,328)
Net	**220,707**	131,144
Measured at fair value through other comprehensive income		
Placements with other financial institutions	**-**	2,777
Total	**220,707**	133,921

As at 31 December 2023, the Group has no placement with banks and other financial institutions measured at fair value through other comprehensive income (31 December 2022: the provision for impairment losses of placements with banks and other financial institutions measured at fair value through other comprehensive income is RMB91 million).

As at 31 December 2023, cash and amounts due from banks and other financial institutions of RMB7,961 million (31 December 2022: RMB10,919 million) were restricted from use.

As at 31 December 2023, cash and amounts due from overseas amounted to RMB30,224 million (31 December 2022: RMB60,616 million).

20. BALANCES WITH THE CENTRAL BANK

(in RMB million)	31 December 2023	31 December 2022
Statutory reserve deposits with the Central Bank for banking operations	**227,324**	240,380
Statutory reserve deposits with the Central Bank for banking operations – RMB	**225,304**	234,851
Statutory reserve deposits with the Central Bank for banking operations – foreign currencies	**2,020**	5,529
Surplus reserve deposits with the Central Bank	**43,450**	40,467
Fiscal deposits with the Central Bank	**202**	268
	270,976	281,115

In accordance with relevant regulations, subsidiaries of the Group engaged in bank operations are required to place mandatory reserve deposits with the People's Bank of China for customer deposits in both local currency and foreign currencies. As at 31 December 2023, the mandatory deposits are calculated at 7.0% (31 December 2022: 7.5%) of customer deposits denominated in RMB and 4.0% (31 December 2022: 6.0%) of customer deposits denominated in foreign currencies. Mandatory reserve deposits are not available for use by the Group in its day-to-day operations.

21. FINANCIAL ASSETS PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS

Classified by collateral:

(in RMB million)	31 December 2023	31 December 2022 (Restated)
Bonds	**156,011**	84,920
Bills	**8,787**	2,676
Stocks and others	**3,112**	4,059
Gross	**167,910**	91,655
Less: Provision for impairment losses	**(250)**	(141)
Net	**167,660**	91,514

22. DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2023			
	Assets		Liabilities	
(in RMB million)	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps	**3,956,299**	**14,070**	**2,587,657**	**12,718**
Currency forwards and swaps	**1,228,639**	**27,015**	**1,218,587**	**27,780**
Gold derivative instruments	**20,804**	**702**	**25,476**	**1,999**
Stock index options	**27,999**	**1,255**	**2,469**	**145**
Stock index swaps	**7,993**	**333**	**9,372**	**128**
Others	**15,508**	**1,603**	**2,493**	**1,761**
	5,257,242	**44,978**	**3,846,054**	**44,531**

	31 December 2022			
	Assets		Liabilities	
(in RMB million)	Nominal amount	Fair value	Nominal amount	Fair value
Interest rate swaps	3,819,447	11,893	2,102,061	10,062
Currency forwards and swaps	992,397	15,602	1,146,546	23,498
Gold derivative instruments	36,240	1,049	43,741	3,172
Stock index options	17,143	146	2,233	88
Stock index swaps	3,718	160	7,669	776
Others	48,074	428	20,277	2,142
	4,917,019	29,278	3,322,527	39,738

23. FINANCE LEASE RECEIVABLE

(in RMB million)	31 December 2023	31 December 2022
Finance lease receivables, net of unrealized financial gains	**185,658**	192,444
Less: Provision for impairment losses	**(4,984)**	(5,586)
	180,674	186,858

The Group's finance lease receivables are the net amount offsetting the unrealized financial gains.

As at 31 December 2023, finance lease receivables with an amount of RMB17,207 million (31 December 2022: RMB24,052 million) were pledged as collateral for long-term and short-term borrowings.

24. LOANS AND ADVANCES TO CUSTOMERS

(1) ANALYSED BY CORPORATE AND INDIVIDUAL

(in RMB million)	31 December 2023	31 December 2022
Measured at amortized cost		
Corporate customers		
Loans	**973,872**	945,687
Individual customers		
Mortgage loans	**303,568**	284,443
Credit card receivables	**514,092**	578,691
Consumer loans	**545,291**	602,247
Business loans	**614,768**	582,009
Gross	**2,951,591**	2,993,077
Add: Interest receivable	**9,954**	11,016
Less: Provision for impairment losses	**(97,353)**	(97,919)
Net	**2,864,192**	2,906,174
Measured at fair value through other comprehensive income		
Corporate customers		
Loans	**239,131**	134,333
Discounted bills	**214,799**	197,547
Subtotal	**453,930**	331,880
Carrying amount	**3,318,122**	3,238,054

As at 31 December 2023, discounted bills with a carrying amount of RMB26 million (31 December 2022: RMB211 million) were pledged for amounts due to the Central Bank.

As at 31 December 2023, the provision for impairment losses of loans and advances to customers measured at fair value through other comprehensive income was RMB2,692 million (31 December 2022: RMB3,277 million), refer to Note 24.(6).

24. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(2) ANALYSED BY INDUSTRY

(in RMB million)	31 December 2023	31 December 2022
Loans and advances to customers		
Agriculture, husbandry and fishery	**3,575**	3,124
Mining	**17,821**	18,899
Manufacturing	**200,675**	183,192
Energy	**37,527**	33,091
Transportation and communication	**59,744**	51,441
Wholesaling and retailing	**151,160**	124,729
Real estate	**255,322**	283,484
Social service, technology, culture and sanitary industries	**246,241**	219,219
Construction	**52,760**	45,868
Individual customers	**1,977,719**	2,047,390
Others	**402,977**	314,520
Gross	**3,405,521**	3,324,957
Add: Interest receivable	**9,954**	11,016
Less: Provision for impairment losses	**(97,353)**	(97,919)
Carrying amount	**3,318,122**	3,238,054

(3) ANALYSED BY TYPE OF COLLATERAL HELD

(in RMB million)	31 December 2023	31 December 2022
Unsecured	**1,315,512**	1,283,638
Guaranteed	**226,971**	221,241
Secured by collateral		
Secured by mortgages	**1,313,001**	1,316,244
Secured by monetary assets	**335,238**	306,287
Subtotal	**3,190,722**	3,127,410
Discounted bills	**214,799**	197,547
Gross	**3,405,521**	3,324,957
Add: Interest receivable	**9,954**	11,016
Less: Provision for impairment losses	**(97,353)**	(97,919)
Carrying amount	**3,318,122**	3,238,054

(4) AGING ANALYSIS OF PAST DUE LOANS BY PASS DUE DAYS

	31 December 2023				
(in RMB million)	**Within 3 months**	**3 months to 1 year**	**1 to 3 years**	**More than 3 years**	**Total**
Unsecured	**22,378**	**12,372**	**404**	**127**	**35,281**
Guaranteed	**1,115**	**1,056**	**19**	**4**	**2,194**
Secured by collateral					
Secured by mortgages	**13,584**	**4,714**	**1,223**	**34**	**19,555**
Secured by monetary assets	**1,504**	**1,109**	**258**	**–**	**2,871**
	38,581	**19,251**	**1,904**	**165**	**59,901**

24. LOANS AND ADVANCES TO CUSTOMERS (CONTINUED)

(4) AGING ANALYSIS OF PAST DUE LOANS BY PASS DUE DAYS (CONTINUED)

	31 December 2022				
(in RMB million)	Within 3 months	3 months to 1 year	1 to 3 years	More than 3 years	Total
Unsecured	25,934	14,983	343	78	41,338
Guaranteed	91	87	595	262	1,035
Secured by collateral					
Secured by mortgages	12,318	5,639	827	–	18,784
Secured by monetary assets	623	708	607	3	1,941
	38,966	21,417	2,372	343	63,098

Past due loans refer to the loans with either principal or interest being past due by one day or more.

(5) ANALYSED BY REGION

	31 December 2023		31 December 2022	
(in RMB million)	**Amount**	**%**	Amount	%
Eastern	**780,270**	**22.91%**	708,410	21.31%
Southern	**706,021**	**20.73%**	649,810	19.54%
Western	**335,842**	**9.86%**	310,665	9.34%
Northern	**559,056**	**16.42%**	489,810	14.73%
Head office	**991,440**	**29.11%**	1,136,487	34.18%
Overseas	**32,892**	**0.97%**	29,775	0.90%
Gross	**3,405,521**	**100.00%**	3,324,957	100.00%
Add: Interest receivable	**9,954**		11,016	
Less: Loan allowance	**(97,353)**		(97,919)	
Carrying amount	**3,318,122**		3,238,054	

(6) LOAN IMPAIRMENT PROVISION

(in RMB million)	**2023**	2022
Measured at amortized cost		
As at 1 January	**97,919**	89,256
Charge for the year	**62,973**	61,837
Write-off and transfer during the year	**(80,727)**	(65,136)
Recovery of loans written off previously	**17,779**	11,942
Unwinding of discount of impairment provisions recognized as interest income	**(83)**	(45)
Others	**(508)**	65
As at 31 December	**97,353**	97,919
Measured at fair value through other comprehensive income		
As at 1 January	**3,277**	946
(Recover)/charge for the year	**(140)**	2,331
Write-off and transfer during the year	**(445)**	–
As at 31 December	**2,692**	3,277
As at 31 December	**100,045**	101,196

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in RMB million)	31 December 2023	31 December 2022 (Restated)
Bonds		
Government bonds	**200,566**	135,150
Finance bonds	**307,378**	290,788
Corporate bonds	**78,485**	81,142
Funds	**475,511**	517,951
Stocks	**156,514**	83,995
Preferred shares	**22,929**	23,164
Unlisted equity investments	**127,304**	133,295
Debt schemes	**72,237**	60,698
Wealth management investments	**258,313**	238,092
Other investments	**103,810**	76,244
Total	**1,803,047**	1,640,519
Listed	**316,044**	198,459
Unlisted	**1,487,003**	1,442,060
	1,803,047	1,640,519

26. FINANCIAL ASSETS AT AMORTIZED COST

(in RMB million)	31 December 2023	31 December 2022 (Restated)
Bonds		
Government bonds	**892,641**	767,761
Finance bonds	**32,113**	32,047
Corporate bonds	**47,433**	53,131
Debt schemes	**14,196**	16,102
Wealth management investments	**117,172**	147,424
Other investments	**186,775**	148,373
Gross	**1,290,330**	1,164,838
Less: Provisions for impairment losses	**(46,977)**	(40,803)
Net	**1,243,353**	1,124,035
Listed	**62,757**	61,208
Unlisted	**1,180,596**	1,062,827
	1,243,353	1,124,035

27. DEBT FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(in RMB million)	31 December 2023	31 December 2022 (Restated)
Bonds		
Government bonds	**1,973,152**	1,733,996
Finance bonds	**352,063**	380,170
Corporate bonds	**75,772**	78,393
Debt schemes	**108,515**	114,289
Margin accounts receivable	**-**	49,126
Wealth management investments	**127,506**	144,816
Total	**2,637,008**	2,500,790
Listed	**364,740**	375,826
Unlisted	**2,272,268**	2,124,964
	2,637,008	2,500,790

As at 31 December 2023, the total provision for impairment losses recognized in debt financial assets at fair value through other comprehensive income is RMB8,818 million (31 December 2022: RMB8,557 million).

28. EQUITY FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Equity financial assets at fair value through other comprehensive income comprise the following individual investments:

(in RMB million)	31 December 2023	31 December 2022 (Restated)
Stocks	**177,686**	174,047
Preferred shares	**81,893**	85,784
Other equity investments	**5,298**	4,940
Total	**264,877**	264,771
Listed	**259,579**	259,831
Unlisted	**5,298**	4,940
	264,877	264,771

For the equity investments which are not held for trading but for long-term investments, the Group has irrevocably elected to recognize them in this category at initial recognition.

In 2023, for the consideration of optimizing asset allocation and asset-liability management, the Group disposed of equity financial assets at fair value through other comprehensive income amounted to RMB21,956 million (2022: RMB27,224 million), and the net cumulative losses of RMB311 million (2022: net cumulative gains of RMB113 million) on disposal was transferred from other comprehensive income to retained profits.

The dividend income of equity financial assets at fair value through other comprehensive income recognized during the year are disclosed in Note 10.

29. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group's investments in the principal associates and joint ventures as at 31 December 2023 are as follows:

	2023							
(in RMB million)	As at 1 January	Additional investment	Increase /(Decrease) in current year	As at 31 December	Provision balance as at 31 December	Change of provision in current year	Cash dividends in current year	Proportion of ordinary shares held by the Group (%)[(i)]
Associates								
Veolia Water (Kunming) Investment Co., Ltd. ("Veolia Kunming")	309	-	(4)	305	(37)	-	-	23.88%
Veolia Water (Yellow River) Investment Co., Ltd. ("Veolia Yellow River")	140	-	(140)	-	-	-	-	-
Veolia Water (Liuzhou) Investment Co., Ltd. ("Veolia Liuzhou")	147	-	(147)	-	-	-	-	-
Shanxi Taichang Expressway Co., Ltd. ("Shanxi Taichang")	1,032	-	115	1,147	-	-	-	29.85%
Beijing-Shanghai High-Speed Railway Equity Investment Scheme ("Beijing-Shanghai Railway")	9,489	-	4	9,493	-	-	16	59.14%
Massive Idea Investments Limited	1,131	-	(29)	1,102	-	-	-	36.66%
Guangzhou Jinglun Property Development Co., Ltd.	637	-	7	644	-	-	-	39.92%
Lufax Holding Ltd. ("Lufax Holding")	52,845	-	(380)	52,465	-	-	594	41.43%
Ping An Healthcare and Technology Co., Ltd. ("Ping An Health")	18,739	-	(66)	18,673	-	-	-	39.41%
HealthKonnect Medical and Health Technology Management Company Limited ("Ping An HealthKonnect")	2,988	-	248	3,236	-	-	-	29.55%
OneConnect Financial Technology Co., Ltd. ("OneConnect")	2,079	-	(166)	1,913	-	-	-	32.12%
Shenzhen China Merchants-Ping An Asset Management Co., Ltd.	1,098	-	(106)	992	-	-	-	38.81%
ZhongAn Online P&C Insurance Co., Ltd. ("ZhongAn Online")	1,499	-	509	2,008	-	-	-	10.21%
Beijing Beiqi Penglong Automobile Service Co., Ltd.	1,807	-	(39)	1,768	-	-	111	39.18%
China Yangtze Power Co., Ltd.	15,882	-	259	16,141	-	-	845	4.03%
China Traditional Chinese Medicine Holdings Co., Ltd.	2,790	-	115	2,905	-	-	28	11.94%
China Fortune Land Development Co., Ltd. ("China Fortune")	2,522	-	(782)	1,740	(9,820)	-	-	25.02%
China Jinmao Holding Group Co., Ltd.	7,139	-	(1,533)	5,606	(1,558)	-	58	13.18%
Ping An Consumer Finance Co., Ltd. ("Ping An Consumer Finance")	1,386	-	147	1,533	-	-	-	30.00%
Vivid Synergy Limited	10,070	-	146	10,216	-	-	-	29.85%
Shanghai Yibin Property Co., Ltd.	13,338	-	(9)	13,329	-	-	-	41.80%
Guangzhou Futures Exchange Co., Ltd.	465	-	30	495	-	-	-	15.00%
Others	38,047	412	(6,986)	31,473	(1,347)	(354)	2,689	
Subtotal	185,579	412	(8,807)	177,184	(12,762)	(354)	4,341	
Joint ventures								
Beijing Zhaotai Property Development Co., Ltd.	1,619	-	(341)	1,278	-	-	339	24.95%
Wuhan DAJT Property Development Co., Ltd.	468	-	(8)	460	-	-	-	49.81%
Founder Meiji Yasuda Life Insurance Co., Ltd.	2,795	867	(680)	2,982	(199)	(199)	-	33.75%
Others	90,332	976	(14,335)	76,973	(311)	(311)	2,925	
Subtotal	95,214	1,843	(15,364)	81,693	(510)	(510)	3,264	
Total	280,793	2,255	(24,171)	258,877	(13,272)	(864)	7,605	

29. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The Group's investments in the principal associates and joint ventures as at 31 December 2022 are as follows:

	2022							
(in RMB million)	As at 1 January	Additional investment	Increase /(Decrease) in current year	As at 31 December	Provision balance as at 31 December	Change of provision in current year	Cash dividends in current year	Proportion of ordinary shares held by the Group (%)(1)
Associates								
Veolia Kunming	272	-	37	309	(37)	-	-	23.88%
Veolia Yellow River	158	-	(18)	140	(402)	-	-	48.76%
Veolia Liuzhou	93	-	54	147	(23)	-	-	44.78%
Shanxi Taichang	873	-	159	1,032	-	-	-	29.85%
Beijing-Shanghai Railway	9,318	-	171	9,489	-	-	89	39.18%
Massive Idea Investments Limited	1,074	-	57	1,131	-	-	-	36.66%
Guangzhou Jinglun Property Development Co., Ltd.	701	-	(64)	637	-	-	64	39.92%
Xuhui Holdings Co., Ltd.	4,336	-	(4,336)	-	-	(777)	31	-
Lufax Holding	51,564	-	1,281	52,845	-	-	3,250	41.44%
Ping An Health	18,922	-	(183)	18,739	-	-	-	39.41%
Ping An HealthKonnect	2,903	-	85	2,988	-	-	-	29.55%
OneConnect	2,259	52	(232)	2,079	-	-	-	32.12%
Shenzhen China Merchants-Ping An Asset Management Co., Ltd.	1,570	-	(472)	1,098	-	-	102	38.81%
ZhongAn Online	1,735	-	(236)	1,499	-	-	-	10.21%
Beijing Beiqi Penglong Automobile Service Co., Ltd.	1,830	-	(23)	1,807	-	-	-	39.18%
China Yangtze Power Co., Ltd.	15,684	-	198	15,882	-	-	807	4.34%
China Traditional Chinese Medicine Holdings Co., Ltd.	2,797	-	(7)	2,790	-	-	38	11.94%
China Fortune	3,621	-	(1,099)	2,522	(9,822)	-	-	25.02%
China Jinmao Holding Group Co., Ltd.	7,137	-	2	7,139	(1,558)	-	146	13.36%
Ping An Consumer Finance	1,330	-	56	1,386	-	-	-	30.00%
Vivid Synergy Limited	9,217	-	853	10,070	-	-	-	29.85%
Shanghai Yibin Property Co., Ltd.	13,345	-	(7)	13,338	-	-	-	41.80%
Guangzhou Futures Exchange Co., Ltd.	450	-	15	465	-	-	-	15.00%
Others	35,633	5,988	(3,574)	38,047	(1,156)	(151)	1,729	
Subtotal	186,822	6,040	(7,283)	185,579	(12,998)	(928)	6,256	
Joint ventures								
Yunnan Kunyu Highway Development Co., Ltd.	762	-	(762)	-	-	-	-	-
Beijing Zhaotai Property Development Co., Ltd.	1,632	-	(13)	1,619	-	-	-	24.95%
Wuhan DAJT Property Development Co., Ltd.	482	-	(14)	468	-	-	-	49.81%
Founder Meiji Yasuda Life Insurance Co., Ltd.	-	2,795	-	2,795	-	-	-	33.75%
Others	94,363	5,674	(9,705)	90,332	-	-	3,924	
Subtotal	97,239	8,469	(10,494)	95,214	-	-	3,924	
Total	284,061	14,509	(17,777)	280,793	(12,998)	(928)	10,180	

29. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

The financial information summary of the Group's principal associates and joint ventures as at year end of 2023 are as follows:

(in RMB million)	Place of business	Place of incorporation	Principal activities	Significant to the Group's operation	Total assets as at 31 December	Total liabilities as at 31 December	Total revenue in current year	Net profit/ (loss) in current year[ii]
Associates								
Ping An Health	China	Cayman	Online health care	Yes	**16,520**	**3,253**	**4,674**	**(323)**
OneConnect	China	Cayman	Technology-as-a-service cloud platform for financial institutions	Yes	**8,068**	**5,121**	**3,668**	**(363)**
Lufax Holding	China	Cayman	Financial technology	Yes	**237,023**	**143,339**	**34,255**	**887**

The financial information summary of the Group's principal associates and joint ventures as at year end of 2022 are as follows:

(in RMB million)	Place of business	Place of incorporation	Principal activities	Significant to the Group's operation	Total assets as at 31 December	Total liabilities as at 31 December	Total revenue in current year	Net profit/ (loss) in current year[ii]
Associates								
Ping An Health	China	Cayman	Online health care	Yes	17,184	3,653	6,205	(636)
OneConnect	China	Cayman	Technology-as-a-service cloud platform for financial institutions	Yes	8,882	5,604	4,464	(872)
Lufax Holding	China	Cayman	Financial technology	Yes	349,263	254,476	58,116	8,699

The Group has no significant contingent liabilities relating to the associates and joint ventures listed above.

Note i: The proportion of ordinary shares, as shown in the above table, is the multiplication of the proportion of shares held in each holding layer.

Note ii: Net profit/(loss) refers to the net profit/(loss) attributable to shareholders of the parent company of Ping An Health, OneConnect and Lufax Holding respectively.

30. STATUTORY DEPOSITS FOR INSURANCE OPERATIONS

(in RMB million)	31 December 2023	31 December 2022
Ping An Life	**6,760**	6,760
Ping An Property & Casualty	**4,200**	4,200
Ping An Annuity	**2,322**	2,322
Ping An Health Insurance	**1,100**	940
Others	**18**	18
Subtotal	**14,400**	14,240
Less: Provision for impairment losses	**(5)**	(4)
Add: Interest receivable	**508**	208
Total	**14,903**	14,444

Statutory deposits for insurance operations are placed with PRC national commercial banks in accordance with the *Insurance Law* and relevant regulations issued by regulatory authorities based on 20% of the registered capital for the insurance company subsidiaries and 5% of the registered capital for insurance sales agency subsidiaries within the Group, respectively. Statutory deposits for insurance operations can only be utilized to settle liabilities during liquidation of insurance companies, insurance sales agency companies and insurance brokerage companies.

31. INVESTMENT PROPERTIES

(in RMB million)	2023	2022
Cost		
As at 1 January	**136,091**	102,166
Acquisition of subsidiaries	**11,081**	25,799
Additions	**2,379**	3,536
Transfer (to)/from property and equipment, net	**(1,716)**	4,740
Disposals	**(166)**	(150)
As at 31 December	**147,669**	136,091
Accumulated depreciation		
As at 1 January	**21,327**	16,121
Acquisition of subsidiaries	**911**	507
Charge for the year	**4,692**	3,645
Transfer (to)/from property and equipment, net	**(714)**	1,058
Disposals	**(1)**	(4)
As at 31 December	**26,215**	21,327
Impairment losses		
As at 1 January	**1**	4
Charge for the year	**48**	–
Disposals	**(1)**	(3)
As at 31 December	**48**	1
Net carrying amount		
As at 31 December	**121,406**	114,763
As at 1 January	**114,763**	86,041
Fair value		
As at 31 December	**162,654**	154,690
As at 1 January	**154,690**	121,526

The fair value of the investment properties as at 31 December 2023 were estimated by the Group, based on valuation performed by independent valuers. It falls under level 3 in the fair value hierarchy.

The rental income arising from investment properties for the year 2023 amounted to RMB6,906 million (2022: RMB6,178 million), which is included in net investment income.

As at 31 December 2023, investment properties with a carrying amount of RMB11,613 million (31 December 2022: RMB19,411 million) were pledged as collateral for long-term and short-term borrowings with a carrying amount of RMB7,937 million (31 December 2022: RMB7,270 million).

The Group was still in the process of applying for title certificates for certain investment properties with a carrying amount of RMB3,669 million as at 31 December 2023 (31 December 2022: RMB3,465 million).

32. PROPERTY AND EQUIPMENT

	2023					
(in RMB million)	Leasehold improvements	Buildings	Equipment, furniture and fixtures	Motor vehicles	Construction in progress	Total
Cost						
As at 1 January	12,970	48,953	26,544	2,236	2,718	93,421
Acquisitions of subsidiaries	-	-	15	-	-	15
Additions	128	210	1,843	70	2,228	4,479
Transfer from/(to) construction in progress	727	31	95	-	(853)	-
Transfer from investment properties, net	-	1,716	-	-	-	1,716
Disposals of subsidiaries	-	-	(2)	(3)	-	(5)
Disposals	(322)	(563)	(2,170)	(480)	(46)	(3,581)
As at 31 December	13,503	50,347	26,325	1,823	4,047	96,045
Accumulated depreciation						
As at 1 January	9,254	12,599	16,368	1,345	-	39,566
Acquisitions of subsidiaries	-	-	14	-	-	14
Charge for the year	1,432	1,935	4,309	132	-	7,808
Transfer from investment properties, net	-	714	-	-	-	714
Disposals of subsidiaries	-	-	(2)	(1)	-	(3)
Disposals	(172)	(249)	(1,853)	(352)	-	(2,626)
As at 31 December	10,514	14,999	18,836	1,124	-	45,473
Impairment losses						
As at 1 January	-	83	72	43	-	198
Charge for the year	-	18	29	-	-	47
Disposals	-	(34)	(40)	-	-	(74)
As at 31 December	-	67	61	43	-	171
Net carrying amount						
As at 31 December	2,989	35,281	7,428	656	4,047	50,401
As at 1 January	3,716	36,271	10,104	848	2,718	53,657

32. PROPERTY AND EQUIPMENT (CONTINUED)

(in RMB million)	Leasehold improvements	Buildings	Equipment, furniture and fixtures	Motor vehicles	Construction in progress	Total
	2022					
Cost						
As at 1 January	12,485	43,510	24,202	2,657	3,169	86,023
Acquisitions of subsidiaries	167	8,823	1,780	33	83	10,886
Additions	198	469	1,945	3	1,343	3,958
Transfer from/(to) construction in progress	655	450	120	1	(1,226)	-
Transfer to investment properties, net	-	(4,100)	-	-	(640)	(4,740)
Disposals of subsidiaries	-	-	(1)	-	-	(1)
Disposals	(535)	(199)	(1,502)	(458)	(11)	(2,705)
As at 31 December	12,970	48,953	26,544	2,236	2,718	93,421
Accumulated depreciation						
As at 1 January	8,550	12,150	13,832	1,549	-	36,081
Acquisitions of subsidiaries	-	-	1	-	-	1
Charge for the year	1,954	1,573	3,859	122	-	7,508
Transfer to investment properties, net	-	(1,058)	-	-	-	(1,058)
Disposals	(1,250)	(66)	(1,324)	(326)	-	(2,966)
As at 31 December	9,254	12,599	16,368	1,345	-	39,566
Impairment losses						
As at 1 January	-	81	66	37	-	184
Additions	-	2	6	6	-	14
As at 31 December	-	83	72	43	-	198
Net carrying amount						
As at 31 December	3,716	36,271	10,104	848	2,718	53,657
As at 1 January	3,935	31,279	10,304	1,071	3,169	49,758

The Group was still in the process of applying for title certificates for its buildings with a carrying amount of RMB523 million as at 31 December 2023 (31 December 2022: RMB558 million).

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33. INTANGIBLE ASSETS

	2023						
(in RMB million)	Goodwill (i)	Expressway operating rights	Prepaid land premiums	Core deposits	Trademarks	Software and others	Total
Cost							
As at 1 January	44,338	5,129	37,130	15,082	10,056	15,965	127,700
Acquisitions of subsidiaries	-	-	1,138	-	-	1	1,139
Additions	127	-	823	-	18	1,476	2,444
Disposals of subsidiaries	-	-	-	-	-	(1)	(1)
Disposals	(58)	-	(350)	-	-	(158)	(566)
As at 31 December	44,407	5,129	38,741	15,082	10,074	17,283	130,716
Accumulated amortization							
As at 1 January	-	3,335	3,744	8,640	893	11,387	27,999
Acquisitions of subsidiaries	-	-	23	-	-	-	23
Charge for the year	-	189	918	754	97	1,412	3,370
Disposals of subsidiaries	-	-	-	-	-	(1)	(1)
Disposals	-	-	(39)	-	-	(53)	(92)
As at 31 December	-	3,524	4,646	9,394	990	12,745	31,299
Impairment losses							
As at 1 January	278	-	-	-	-	12	290
Additions	13	-	-	-	-	38	51
Disposals	-	-	-	-	-	(2)	(2)
As at 31 December	291	-	-	-	-	48	339
Net carrying amount							
As at 31 December	44,116	1,605	34,095	5,688	9,084	4,490	99,078
As at 1 January	44,060	1,794	33,386	6,442	9,163	4,566	99,411

33. INTANGIBLE ASSETS (CONTINUED)

	2022						
(in RMB million)	Goodwill (i)	Expressway operating rights	Prepaid land premiums	Core deposits	Trademarks	Software and others	Total
Cost							
As at 1 January	23,233	5,129	26,268	15,082	9,987	13,571	93,270
Acquisitions of subsidiaries	–	–	8,857	–	–	1,045	9,902
Additions	21,105	–	2,358	–	69	1,786	25,318
Disposals	–	–	(353)	–	–	(437)	(790)
As at 31 December	44,338	5,129	37,130	15,082	10,056	15,965	127,700
Accumulated amortization							
As at 1 January	–	3,146	2,885	7,886	783	10,039	24,739
Acquisitions of subsidiaries	–	–	134	–	–	–	134
Charge for the year	–	189	761	754	110	1,357	3,171
Disposals	–	–	(36)	–	–	(9)	(45)
As at 31 December	–	3,335	3,744	8,640	893	11,387	27,999
Impairment losses							
As at 1 January	58	–	–	–	–	11	69
Additions	220	–	–	–	–	1	221
As at 31 December	278	–	–	–	–	12	290
Net carrying amount							
As at 31 December	44,060	1,794	33,386	6,442	9,163	4,566	99,411
As at 1 January	23,175	1,983	23,383	7,196	9,204	3,521	68,462

As at 31 December 2023, expressway operating rights with a carrying amount of RMB1,467 million (31 December 2022: RMB1,604 million) were pledged as collateral for long-term borrowings amounting to RMB157 million (31 December 2022: RMB260 million).

As at 31 December 2023, prepaid land premiums with a carrying amount of RMB981 million (31 December 2022: RMB1,485 million) were pledged as collateral for long-term borrowings amounting to RMB638 million (31 December 2022: RMB579 million).

As at 31 December 2023, the Group has no prepaid land premiums without title certificates (31 December 2022: RMB1,936 million).

33. INTANGIBLE ASSETS (CONTINUED)

(I) GOODWILL

(in RMB million)	2023 As at 1 January	Increase	Decrease	As at 31 December
Ping An Bank	**8,761**	**–**	**–**	**8,761**
Shanghai Jahwa	**2,502**	**–**	**–**	**2,502**
Mayborn Group Limited	**1,766**	**118**	**–**	**1,884**
Ping An Securities	**328**	**–**	**–**	**328**
Ping An Commercial Property Investment	**66**	**–**	**–**	**66**
Beijing Shuangronghui Investment Co., Ltd.	**134**	**–**	**–**	**134**
Shanghai Gezhouba Yangming Property Co., Ltd.	**241**	**–**	**–**	**241**
Ping An E-wallet	**1,073**	**–**	**–**	**1,073**
Autohome Inc.	**5,265**	**–**	**–**	**5,265**
TTP Car Inc.	**2,438**	**–**	**–**	**2,438**
New Founder Group	**20,977**	**–**	**–**	**20,977**
Other	**787**	**9**	**(58)**	**738**
Total	**44,338**	**127**	**(58)**	**44,407**
Less: Impairment losses	**(278)**	**(13)**	**–**	**(291)**
Net carrying amount	**44,060**	**114**	**(58)**	**44,116**

(in RMB million)	2022 As at 1 January	Increase	Decrease	As at 31 December
Ping An Bank	8,761	–	–	8,761
Shanghai Jahwa	2,502	–	–	2,502
Mayborn Group Limited	1,749	17	–	1,766
Ping An Securities	328	–	–	328
Ping An Commercial Property Investment	66	–	–	66
Beijing Shuangronghui Investment Co., Ltd.	134	–	–	134
Shanghai Gezhouba Yangming Property Co., Ltd.	241	–	–	241
Ping An E-wallet	1,073	–	–	1,073
Autohome Inc.	5,265	–	–	5,265
TTP Car Inc.	2,438	–	–	2,438
New Founder Group	–	20,977	–	20,977
Other	676	111	–	787
Total	23,233	21,105	–	44,338
Less: Impairment losses	(58)	(220)	–	(278)
Net carrying amount	23,175	20,885	–	44,060

33. INTANGIBLE ASSETS (CONTINUED)

(I) GOODWILL (CONTINUED)

When assessing the impairment of goodwill, the main valuation technique used to determine the recoverable amount of the groups of assets (or groups of cash-generating units) are Fair Value Less Cost to Sell and Present Value of Future Cash Flows.

Fair value is based on the fair value of stocks issued in the public market or applicable valuation techniques. The present value of future cash flows is based on business plans approved by management covering a five-year period and a risk adjusted discount rate. Cash flows beyond that period have been extrapolated using a steady growth rate and terminal value. Discount rates used by the Group range from 10% to 17% (2022: from 10% to 17%) and growth rates, where applicable, range from 2% to 25% (2022: from 2% to 35%) for 2023.

The Group's right-of-use assets include the above prepaid land premiums and right-of-use assets disclosed in Note 34.

34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

	2023		
(in RMB million)	**Buildings**	**Others**	**Total**
Cost			
As at 1 January	**19,721**	**9**	**19,730**
Additions	**3,919**	**4**	**3,923**
Disposals	**(7,979)**	**(1)**	**(7,980)**
As at 31 December	**15,661**	**12**	**15,673**
Accumulated depreciation			
As at 1 January	**7,146**	**4**	**7,150**
Charge for the year	**4,787**	**5**	**4,792**
Disposals	**(6,065)**	**(1)**	**(6,066)**
As at 31 December	**5,868**	**8**	**5,876**
Impairment provision			
As at 1 January	**-**	**-**	**-**
Additions	**3**	**-**	**3**
As at 31 December	**3**	**-**	**3**
Net carrying amount			
As at 31 December	**9,790**	**4**	**9,794**
As at 1 January	**12,575**	**5**	**12,580**

34. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

RIGHT-OF-USE ASSETS (CONTINUED)

	2022		
(in RMB million)	Buildings	Others	Total
Cost			
As at 1 January	24,752	4	24,756
Additions	6,428	6	6,434
Disposals	(11,459)	(1)	(11,460)
As at 31 December	19,721	9	19,730
Accumulated depreciation			
As at 1 January	10,568	3	10,571
Charge for the year	5,980	2	5,982
Disposals	(9,402)	(1)	(9,403)
As at 31 December	7,146	4	7,150
Impairment provision			
As at 1 January	–	–	–
As at 31 December	–	–	–
Net carrying amount			
As at 31 December	12,575	5	12,580
As at 1 January	14,184	1	14,185

The Group's right-of-use assets include the above assets and prepaid land premiums disclosed in Note 33.

The amount recognized in the Consolidated Income Statement and the Consolidated Statement of Cash Flows for the year relating to the lease contracts are as follows:

(in RMB million)	**2023**	2022
Interest expense on lease liabilities	**451**	555
Expense relating to leases of low-value assets and short-term leases applied the simplified approach	**660**	584
Total cash outflows for lease	**6,107**	7,044

35. OTHER ASSETS

(in RMB million)	31 December 2023	31 December 2022 (Restated)
Other receivables	**76,052**	90,806
Foreclosed assets	**1,804**	2,070
Prepayments	**2,211**	3,927
Precious metals held for trading	**10,043**	16,834
Dividends receivable	**378**	1,060
Amounts in the processing clearance and settlement	**39,036**	29,680
Others	**18,987**	20,509
Gross	**148,511**	164,886
Less: Impairment provisions	**(13,516)**	(8,423)
Including: Other receivables	**(9,530)**	(5,056)
Foreclosed assets	**(1,587)**	(1,699)
Precious metals held for trading	**(363)**	(279)
Others	**(2,036)**	(1,389)
Net	**134,995**	156,463

36. SHARE CAPITAL

(million shares)	Domestic listed A shares, par value RMB1.00 per share	Overseas listed H shares, par value RMB1.00 per share	Total
31 December 2023	**10,762**	**7,448**	**18,210**
31 December 2022	**10,832**	**7,448**	**18,280**

In June 2023, the Company cancelled 70,006,803 A shares repurchased under the 2019 A Share Repurchase Plan, and the total share capital of the Company was changed from 18,280,241,410 shares to 18,210,234,607 shares.

37. RESERVES, RETAINED PROFITS AND NON-CONTROLLING INTERESTS

In accordance with the relevant regulations, general reserves should be set aside to cover catastrophic or other losses as incurred by companies operating in the insurance, banking, trust, securities, futures and fund businesses. The Group's respective entities engaged in such businesses would need to make appropriations for such reserves based on their respective year-end profit or risk assets, the companies operating in insurance should make appropriations for general reserves based on 10% of net profit, the company operating in banking should make appropriations based on 1.5% of risk assets, the company operating in securities should make appropriations based on 10% of net profit, the companies operating in trust should make appropriations based on 5% of trust claim reserves, the companies operating in futures should make appropriations based on 10% of net profit, and the companies operating in fund should make appropriations based on 10% of fund management fees as determined in accordance with PRC Accounting Standards, and based on the applicable PRC financial regulations, in their annual financial statements. Such reserves are not available for dividend distribution or transfer to share capital.

In accordance with the relevant regulations, the net profit after tax of the Company for profit distribution is deemed to be the lower of (i) the retained profits determined in accordance with PRC Accounting Standards and (ii) the retained profits determined in accordance with IFRSs.

37. RESERVES, RETAINED PROFITS AND NON-CONTROLLING INTERESTS (CONTINUED)

The Group's subsidiaries consolidated certain asset management schemes that were managed by third parties. These asset management schemes invested in the insurance index shares which included the Company's shares. As such the Group indirectly hold the Company's shares. The consideration paid by the consolidated asset management schemes in purchasing the Company's shares from the market, including any directly attributable incremental cost, is debited to "Share premium" under "Reserves". No gain or loss shall be recognized in profit or loss on the sale of those shares, the consideration received is credited to "Share premium" under "Reserves". As at 31 December 2023, these assets management schemes have been liquidated, there is no consolidated assets management scheme that holds shares of the Company (as at 31 December 2022, 261 million shares of the Company were held by these consolidated assets management schemes).

38. KEY EMPLOYEE SHARE PURCHASE PLAN

The Company has adopted a Key Employee Share Purchase Plan for the key employees (including executive directors and senior management) of the Company and its subsidiaries. Shares shall be vested and awarded to the key employees approved for participation in the plan, subject to the achievement of certain performance targets.

Movement of reserves relating to the Key Employee Share Purchase Plan is as follows:

(in RMB million)	**Cost of shares held for Key Employee Share Purchase Plan**	**Value of employee services**	**Total**
As at 1 January 2023	**(1,137)**	**767**	**(370)**
Purchased (i)	**(694)**	**–**	**(694)**
Share-based compensation expenses (ii)	**–**	**609**	**609**
Exercised	**515**	**(515)**	**–**
Expired	**55**	**–**	**55**
As at 31 December 2023	**(1,261)**	**861**	**(400)**

(in RMB million)	Cost of shares held for Key Employee Share Purchase Plan	Value of employee services	Total
As at 1 January 2022	(1,439)	984	(455)
Purchased (i)	(596)	–	(596)
Share-based compensation expenses (ii)	–	573	573
Exercised	790	(790)	–
Expired	108	–	108
As at 31 December 2022	(1,137)	767	(370)

(i) During the period from 16 March 2023 to 23 March 2023, 15,030,180 ordinary A shares were purchased from the market. The average price of shares purchased was RMB46.13 per share. The total purchasing cost was RMB694 million (transaction expenses included).

During the period from 18 March 2022 to 25 March 2022, 12,518,547 ordinary A shares were purchased from the market. The average price of shares purchased was RMB47.56 per share. The total purchasing cost was RMB596 million (transaction expenses included).

(ii) The share-based compensation expenses of the Key Employee Share Purchase Plan and the total value of employee services were RMB609 million during 2023 (2022: RMB573 million).

38. KEY EMPLOYEE SHARE PURCHASE PLAN (CONTINUED)

(iii) Movement of shares relating to the Key Employee Share Purchase Plan is as follows (refer to Note 54.(3) for details about directors):

Period of purchase	Average price of shares purchased	Type	Unvested as at 1 January 2023	Addition during the year[1]	Vested during the year[2]	Unvested as at 31 December 2023
From 24 February 2020 to 27 February 2020	RMB80.17 per share	Directors	394,275	–	394,275	–
		The five highest paid individuals	–	–	–	–
		Other employees	1,546,892	–	1,472,470	–
From 26 April 2021 to 29 April 2021	RMB73.13 per share	Directors	1,078,437	–	539,215	539,222
		The five highest paid individuals	–	–	–	–
		Other employees	4,051,091	–	1,935,297	1,937,251
From 18 March 2022 to 25 March 2022	RMB47.56 per share	Directors	2,685,633	–	895,209	1,790,424
		The five highest paid individuals	–	–	–	–
		Other employees	9,832,121	–	3,021,866	6,045,353
From 16 March 2023 to 23 March 2023	RMB46.13 per share	Directors	–	2,675,673	–	2,675,673
		The five highest paid individuals	–	19,503	–	19,503
		Other employees	–	12,333,609	–	12,333,609

[1] The closing price of the domestic listed A shares on the trading day before the period of purchase was RMB45.95 per share. The lock-up period of the relevant shares is from 25 March 2023 to 24 March 2024. One third of the shares under the Key Employee Share Purchase Plan will be unlocked each year and vested in batches to employees after the lock-up period according to rules of the Key Employee Share Purchase Plan, if employees achieve the requirements of the Company's performance indicators (including compliant operation indicators, risk management indicators, economic efficiency indicators, and social responsibility indicators).

[2] The weighted average price of the domestic listed A shares on the trading day before the grant date was RMB53.83 per share.

[3] From 1 January 2023 to 31 December 2023, the number of shares lapsed under the Key Employee Share Purchase Plan (excluding directors and the five highest paid individuals) reached 1,017,867; there was no share cancellation under the Key Employee Share Purchase Plan.

[4] The relevant shares are locked for one year from the purchasing date; one third of the shares will be unlocked each year and vested in batches to employees after the lock-up period according to rules of the Key Employee Share Purchase Plan.

39. LONG-TERM SERVICE PLAN

The Company has adopted a Long-term Service Plan for the employees of the Company and its subsidiaries. Shares shall be vested and awarded to the employees participated in the Long-term Service Plan, subject to the confirmation of their applications made when they retire from the Company.

Movement of reserves relating to the Long-term Service Plan is as follows:

(in RMB million)	**Cost of shares held for Long-term Service Plan**	**Value of employee services**	**Total**
As at 1 January 2023	**(16,886)**	**970**	**(15,916)**
Purchased (i)	**(4,451)**	**–**	**(4,451)**
Share-based compensation expenses (ii)	**–**	**472**	**472**
Exercised	**13**	**(13)**	**–**
As at 31 December 2023	**(21,324)**	**1,429**	**(19,895)**

(in RMB million)	Cost of shares held for Long-term Service Plan	Value of employee services	Total
As at 1 January 2022	(12,465)	662	(11,803)
Purchased (i)	(4,439)	–	(4,439)
Share-based compensation expenses (ii)	–	326	326
Exercised	18	(18)	–
As at 31 December 2022	(16,886)	970	(15,916)

(i) From 16 March 2023 to 23 March 2023, 96,608,364 ordinary A shares were purchased from the market. The average price of shares purchased was RMB46.06 per share. The total purchasing cost was RMB4,451 million (transaction expenses included).

From 18 March 2022 to 25 March 2022, 93,314,482 ordinary A shares were purchased from the market. The average price of shares purchased was RMB47.56 per share. The total purchasing cost was RMB4,439 million (transaction expenses included).

(ii) The share-based compensation expenses and the total value of employee services of the Long-term Service Plan were RMB472 million during 2023 (2022: RMB326 million).

39. LONG-TERM SERVICE PLAN (CONTINUED)

(iii) Movement of shares relating to the Long-term Service Plan is as follows (refer to Note 54.(3) for details about directors):

Period of purchase	Average price of shares purchased	Type	Unvested as at 1 January 2023	Addition during the year[1]	Vested during the year[2]	Unvested as at 31 December 2023
From 7 May 2019 to 14 May 2019	RMB79.10 per share	Directors	884,666	–	–	695,095
		The five highest paid individuals	44,233	–	–	44,233
		Other employees	53,188,568	–	96,599	53,281,540
From 24 February 2020 to 28 February 2020	RMB80.15 per share	Directors	873,264	–	–	686,136
		The five highest paid individuals	43,662	–	–	43,662
		Other employees	48,749,253	–	53,640	48,882,741
From 26 April 2021 to 29 April 2021	RMB72.92 per share	Directors	959,784	–	–	754,116
		The five highest paid individuals	27,970	–	–	27,970
		Other employees	56,378,508	–	8,070	56,576,106
From 18 March 2022 to 25 March 2022	RMB47.56 per share	Directors	1,471,562	–	–	1,156,227
		The five highest paid individuals	23,124	–	–	23,124
		Other employees	91,818,990	–	6,071	92,128,254
From 16 March 2023 to 23 March 2023	RMB46.06 per share	Directors	–	1,302,305	–	976,729
		The five highest paid individuals	–	35,812	–	35,812
		Other employees	–	95,270,247	805	95,595,018

[1] The closing price of the domestic listed A shares on the trading day before the period of purchase was RMB45.95 per share. Shares shall be vested and awarded to the employees when they retire from the Company, and the number of shares eligible for vesting is determined according to their performance.

[2] The weighted average price of the domestic listed A shares on the trading day before the grant date was RMB49.17 per share.

[3] From 1 January 2023 to 31 December 2023, there was no share lapse or cancellation under the Long-term Service Plan.

[4] Shares shall be vested and awarded to the employees participating in the Long-term Service Plan, subject to the confirmation of their applications made and the payment of relevant taxes when they retire from the Company.

40. TREASURY SHARES

(in RMB million)	31 December 2022	Additions	Disposals	31 December 2023
Treasury shares	**10,996**	**–**	**(5,995)**	**5,001**

As at 31 December 2023, 102,592,612 uncancelled A shares had been purchased from the Shanghai Stock Exchange by centralized bidding (31 December 2022: 172,599,415 shares). The total repurchasing cost was RMB5,001 million (31 December 2022: RMB10,996 million) (transaction expenses included).

41. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

(in RMB million)	31 December 2023	31 December 2022
Deposits from other banks and financial institutions	**526,452**	457,688
Due to the Central Bank	**208,783**	191,916
Short-term borrowings	**93,322**	121,945
Long-term borrowings	**135,161**	151,539
	963,718	923,088

42. ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

(in RMB million)	31 December 2023	31 December 2022
Bonds	**228,250**	262,798
Others	**13,553**	8,939
	241,803	271,737

As at 31 December 2023, bonds with a carrying amount of RMB171,868 million (31 December 2022: RMB168,705 million) were pledged as collateral for financial assets sold under agreements to repurchase resulted from repurchase transactions entered into by the Group in the inter-bank market. The collaterals are restricted from trading during the period of the repurchase transactions.

As at 31 December 2023, the carrying amount of bonds deposited in the collateral pool was RMB304,409 million (31 December 2022: RMB321,996 million). The collaterals are restricted from trading during the period of the repurchase transactions. The Group can withdraw the exchange-traded bonds from the collateral pool in short time provided that the value of the bonds is no less than the balance of related repurchase transactions.

For bonds repurchase transactions through stock exchange, the Group is required to deposit certain exchange traded bonds and/or bonds transferred under new pledged repurchase transactions with fair value converted at a standard rate pursuant to stock exchange's regulation no less than the balance of related repurchase transactions into a collateral pool.

43. INSURANCE CONTRACT ASSETS AND LIABILITIES

(1) THE ANALYSIS OF LIABILITIES FOR REMAINING COVERAGE AND LIABILITIES FOR INCURRED CLAIMS IS AS FOLLOWS:

	2023								
	Contracts not measured under the premium allocation approach				Contracts measured under the premium allocation approach				
	Liabilities for remaining coverage				Liabilities for remaining coverage		Liabilities for incurred claims		
(in RMB million)	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total
Net insurance contract liabilities as at 1 January	3,356,921	5,606	60,285	3,422,812	114,066	5,395	124,676	4,228	248,365
Including: Insurance contract liabilities	3,356,921	5,606	60,285	3,422,812	114,066	5,395	124,676	4,228	248,365
Insurance revenue	(218,815)	-	-	(218,815)	(317,625)	-	-	-	(317,625)
Incurred claims and other expenses	-	(3,516)	97,347	93,831	-	(5,200)	251,567	2,798	249,165
Amortization of insurance acquisition cash flows	48,218	-	-	48,218	72,490	-	-	-	72,490
Losses on onerous contracts and reversal of those losses	-	4,081	-	4,081	-	5,579	-	-	5,579
Changes to liabilities for incurred claims	-	-	(7,630)	(7,630)	-	-	(23,040)	(2,516)	(25,556)
Insurance service expenses	48,218	565	89,717	138,500	72,490	379	228,527	282	301,678
Insurance service result	(170,597)	565	89,717	(80,315)	(245,135)	379	228,527	282	(15,947)
Insurance finance expenses	288,799	161	247	289,207	2,566	18	2,840	100	5,524
Total changes in the statement of comprehensive income	118,202	726	89,964	208,892	(242,569)	397	231,367	382	(10,423)
Investment components	(216,298)	-	216,298	-	(6,843)	-	6,843	-	-
Premiums received	612,322	-	-	612,322	349,777	-	-	-	349,777
Insurance acquisition cash flows	(45,806)	-	-	(45,806)	(73,582)	-	-	-	(73,582)
Claims and other expenses paid	-	-	(302,075)	(302,075)	-	-	(228,934)	-	(228,934)
Other cash flows	624	-	-	624	(18,280)	-	-	-	(18,280)
Total cash flows	567,140	-	(302,075)	265,065	257,915	-	(228,934)	-	28,981
Other movements	(821)	-	(1,673)	(2,494)	(150)	-	(1,251)	1	(1,400)
Net insurance contract liabilities as at 31 December	3,825,144	6,332	62,799	3,894,275	122,419	5,792	132,701	4,611	265,523
Including: Insurance contract liabilities	3,825,144	6,332	62,799	3,894,275	122,427	5,792	132,696	4,611	265,526
Insurance contract assets	-	-	-	-	(8)	-	5	-	(3)

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(1) THE ANALYSIS OF LIABILITIES FOR REMAINING COVERAGE AND LIABILITIES FOR INCURRED CLAIMS IS AS FOLLOWS (CONTINUED):

	2022 (Restated)								
	Contracts not measured under the premium allocation approach				Contracts measured under the premium allocation approach				
	Liabilities for remaining coverage				Liabilities for remaining coverage		Liabilities for incurred claims		
(in RMB million)	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Total
Net insurance contract liabilities as at 1 January	3,065,997	6,746	46,816	3,119,559	107,342	3,014	107,427	3,528	221,311
Including: Insurance contract liabilities	3,065,997	6,746	46,816	3,119,559	107,342	3,014	107,427	3,528	221,311
Insurance revenue	(231,233)	-	-	(231,233)	(294,748)	-	-	-	(294,748)
Incurred claims and other expenses	-	(3,960)	108,581	104,621	-	(2,955)	216,043	2,471	215,559
Amortization of insurance acquisition cash flows	47,078	-	-	47,078	66,132	-	-	-	66,132
Losses on onerous contracts and reversal of those losses	-	2,639	-	2,639	-	5,330	-	-	5,330
Changes to liabilities for incurred claims	-	-	(7,209)	(7,209)	-	-	(10,069)	(1,860)	(11,929)
Insurance service expenses	47,078	(1,321)	101,372	147,129	66,132	2,375	205,974	611	275,092
Insurance service result	(184,155)	(1,321)	101,372	(84,104)	(228,616)	2,375	205,974	611	(19,656)
Insurance finance expenses	149,295	181	256	149,732	2,602	6	2,525	86	5,219
Total changes in the statement of comprehensive income	(34,860)	(1,140)	101,628	65,628	(226,014)	2,381	208,499	697	(14,437)
Investment components	(181,355)	-	181,355	-	(6,387)	-	6,387	-	-
Premiums received	553,591	-	-	553,591	324,519	-	-	-	324,519
Insurance acquisition cash flows	(39,751)	-	-	(39,751)	(68,584)	-	-	-	(68,584)
Claims and other expenses paid	-	-	(267,949)	(267,949)	-	-	(196,288)	-	(196,288)
Other cash flows	(4,639)	-	-	(4,639)	(16,580)	-	-	-	(16,580)
Total cash flows	509,201	-	(267,949)	241,252	239,355	-	(196,288)	-	43,067
Other movements	(2,062)	-	(1,565)	(3,627)	(230)	-	(1,349)	3	(1,576)
Net insurance contract liabilities as at 31 December	3,356,921	5,606	60,285	3,422,812	114,066	5,395	124,676	4,228	248,365
Including: Insurance contract liabilities	3,356,921	5,606	60,285	3,422,812	114,066	5,395	124,676	4,228	248,365

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(2) THE ANALYSIS BY MEASUREMENT COMPONENT OF CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH IS AS FOLLOWS:

	2023			
(in RMB million)	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net insurance contract liabilities as at 1 January	2,455,001	144,589	823,222	3,422,812
Including: Insurance contract liabilities	2,455,001	144,589	823,222	3,422,812
Contractual service margin recognized for services provided	-	-	(77,864)	(77,864)
Change in the risk adjustment for non-financial risk for risk expired	-	(7,174)	-	(7,174)
Experience adjustments	8,272	-	-	8,272
Changes that relate to current services	8,272	(7,174)	(77,864)	(76,766)
Contracts initially recognized in the period	(44,495)	3,055	42,547	1,107
Changes in estimates that adjust the contractual service margin	32,717	9,257	(41,974)	-
Changes in estimates that do not adjust the contractual service margin	2,803	171	-	2,974
Changes that relate to future services	(8,975)	12,483	573	4,081
Adjustments to liabilities for incurred claims	(7,194)	(436)	-	(7,630)
Changes that relate to past services	(7,194)	(436)	-	(7,630)
Insurance service result	(7,897)	4,873	(77,291)	(80,315)
Insurance finance expenses	254,534	9,166	25,507	289,207
Total changes in the statement of comprehensive income	246,637	14,039	(51,784)	208,892
Premiums received	612,322	-	-	612,322
Insurance acquisition cash flows	(45,806)	-	-	(45,806)
Claims and other expenses paid	(302,075)	-	-	(302,075)
Other cash flows	624	-	-	624
Total cash flows	265,065	-	-	265,065
Other movements	(2,494)	-	-	(2,494)
Net insurance contract liabilities as at 31 December	2,964,209	158,628	771,438	3,894,275
Including: Insurance contract liabilities	2,964,209	158,628	771,438	3,894,275

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43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(2) THE ANALYSIS BY MEASUREMENT COMPONENT OF CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH IS AS FOLLOWS (CONTINUED):

	2022 (Restated)			
(in RMB million)	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total
Net insurance contract liabilities as at 1 January	2,099,128	140,880	879,551	3,119,559
Including: Insurance contract liabilities	2,099,128	140,880	879,551	3,119,559
Contractual service margin recognized for services provided	–	–	(83,460)	(83,460)
Change in the risk adjustment for non-financial risk for risk expired	–	(7,118)	–	(7,118)
Experience adjustments	11,044	–	–	11,044
Changes that relate to current services	11,044	(7,118)	(83,460)	(79,534)
Contracts initially recognized in the period	(45,965)	4,694	42,126	855
Changes in estimates that adjust the contractual service margin	41,507	733	(42,240)	–
Changes in estimates that do not adjust the contractual service margin	1,693	91	–	1,784
Changes that relate to future services	(2,765)	5,518	(114)	2,639
Adjustments to liabilities for incurred claims	(6,800)	(409)	–	(7,209)
Changes that relate to past services	(6,800)	(409)	–	(7,209)
Insurance service result	1,479	(2,009)	(83,574)	(84,104)
Insurance finance expenses	116,769	5,718	27,245	149,732
Total changes in the statement of comprehensive income	118,248	3,709	(56,329)	65,628
Premiums received	553,591	–	–	553,591
Insurance acquisition cash flows	(39,751)	–	–	(39,751)
Claims and other expenses paid	(267,949)	–	–	(267,949)
Other cash flows	(4,639)	–	–	(4,639)
Total cash flows	241,252	–	–	241,252
Other movements	(3,627)	–	–	(3,627)
Net insurance contract liabilities as at 31 December	2,455,001	144,589	823,222	3,422,812
Including: Insurance contract liabilities	2,455,001	144,589	823,222	3,422,812

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(3) THE EFFECT ON THE MEASUREMENT COMPONENTS OF INSURANCE CONTACTS ARISING FROM THE INITIAL RECOGNITION OF CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH THAT WERE INITIALLY RECOGNIZED IN THE PERIOD IS AS FOLLOWS:

	2023		
(in RMB million)	**Onerous contracts**	**Others**	**Total**
Insurance acquisition cash flows	**2,874**	**46,203**	**49,077**
Other cash outflows	**14,135**	**287,540**	**301,675**
Estimates of the present value of future cash outflows	**17,009**	**333,743**	**350,752**
Estimates of the present value of future cash inflows	**(16,412)**	**(378,835)**	**(395,247)**
Risk adjustment for non-financial risk	**510**	**2,545**	**3,055**
Contractual service margin	**–**	**42,547**	**42,547**
Losses recognized on initial recognition	**1,107**	**–**	**1,107**

	2022 (Restated)		
(in RMB million)	Onerous contracts	Others	Total
Insurance acquisition cash flows	2,117	40,840	42,957
Other cash outflows	11,397	241,883	253,280
Estimates of the present value of future cash outflows	13,514	282,723	296,237
Estimates of the present value of future cash inflows	(13,021)	(329,181)	(342,202)
Risk adjustment for non-financial risk	362	4,332	4,694
Contractual service margin	–	42,126	42,126
Losses recognized on initial recognition	855	–	855

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(4) THE ANALYSIS OF CONTRACTUAL SERVICE MARGIN FOR CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH IS AS FOLLOWS:

	2023			
(in RMB million)	Contracts under the fair value approach	Contracts under the modified retrospective approach	Other contracts	Total
Contractual service margin as at 1 January	124,149	659,970	39,103	823,222
Changes that relate to current services				
Contractual service margin recognized for services provided	(9,247)	(59,365)	(9,252)	(77,864)
Changes that relate to future services				
Contracts initially recognized in the period	-	-	42,547	42,547
Changes in estimates that adjust the contractual service margin	(3,436)	(36,372)	(2,166)	(41,974)
Insurance service result	(12,683)	(95,737)	31,129	(77,291)
Insurance finance expenses	1,083	22,393	2,031	25,507
Total changes in the statement of comprehensive income	(11,600)	(73,344)	33,160	(51,784)
Contractual service margin as at 31 December	112,549	586,626	72,263	771,438

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(4) THE ANALYSIS OF CONTRACTUAL SERVICE MARGIN FOR CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH IS AS FOLLOWS (CONTINUED):

	2022 (Restated)			
(in RMB million)	Contracts under the fair value approach	Contracts under the modified retrospective approach	Other contracts	Total
Contractual service margin as at 1 January	138,713	739,694	1,144	879,551
Changes that relate to current services				
Contractual service margin recognized for services provided	(10,148)	(68,752)	(4,560)	(83,460)
Changes that relate to future services				
Contracts initially recognized in the period	–	–	42,126	42,126
Changes in estimates that adjust the contractual service margin	(5,590)	(36,333)	(317)	(42,240)
Insurance service result	(15,738)	(105,085)	37,249	(83,574)
Insurance finance expenses	1,174	25,361	710	27,245
Total changes in the statement of comprehensive income	(14,564)	(79,724)	37,959	(56,329)
Contractual service margin as at 31 December	124,149	659,970	39,103	823,222

As at 31 December 2023, the Group expects that 61% (31 December 2022: 60%) of the contractual service margin will be recognized in profit or loss within the next 10 years.

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(5) THE ANALYSIS OF INSURANCE FINANCE EXPENSES/(INCOME) IS AS FOLLOWS:

	2023		
(in RMB million)	**Insurance contracts not measured under the premium allocation approach**	**Insurance contracts measured under the premium allocation approach**	**Total**
Insurance finance expenses/(income)			
Changes in fair value of underlying items of contracts with direct participation features	**150,691**	**-**	**150,691**
Interest accreted to insurance contracts using locked-in rate and effect of changes in financial assumptions	**138,506**	**5,524**	**144,030**
Foreign exchange gains	**10**	**-**	**10**
Total	**289,207**	**5,524**	**294,731**
Represented by:			
Amounts recognized in profit or loss	**118,436**	**5,523**	**123,959**
Amounts recognized in other comprehensive income	**170,771**	**1**	**170,772**

	2022 (Restated)		
(in RMB million)	Insurance contracts not measured under the premium allocation approach	Insurance contracts measured under the premium allocation approach	Total
Insurance finance expenses/(income)			
Changes in fair value of underlying items of contracts with direct participation features	66,843	–	66,843
Interest accreted to insurance contracts using locked-in rate and effect of changes in financial assumptions	82,902	5,219	88,121
Foreign exchange losses	(13)	–	(13)
Total	149,732	5,219	154,951
Represented by:			
Amounts recognized in profit or loss	94,709	5,224	99,933
Amounts recognized in other comprehensive income	55,023	(5)	55,018

43. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(6) THE COMPOSITION OF THE UNDERLYING ITEMS FOR CONTRACTS WITH DIRECT PARTICIPATION FEATURES AND THEIR FAIR VALUES ARE AS FOLLOWS:

(in RMB million)	2023	2022 (Restated)
Financial assets at fair value through profit or loss	**517,595**	456,174
Debt financial assets at fair value through other comprehensive income	**1,484,003**	1,411,309
Equity financial assets at fair value through other comprehensive income	**187,127**	193,884
Others	**102,325**	94,263
	2,291,050	2,155,630

(7) THE RECONCILIATION OF CUMULATIVE AMOUNTS INCLUDED IN OTHER COMPREHENSIVE INCOME FOR FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RELATED TO THE GROUPS OF CONTRACTS TO WHICH THE GROUP APPLIED THE MODIFIED RETROSPECTIVE APPROACH OR THE FAIR VALUE APPROACH AS AT 1 JANUARY 2022, IS PROVIDED IN THE TABLE BELOW.

(in RMB million)	2023	2022 (Restated)
Carrying amount as at 1 January	**53,463**	39,553
Changes in fair value	**83,169**	17,411
Amounts reclassified to profit or loss	**991**	(481)
Amounts reclassified to retained profits	**3,601**	1,617
Income tax	**(21,940)**	(4,637)
Carrying amount as at 31 December	**119,284**	53,463

44. CUSTOMER DEPOSITS AND PAYABLES TO BROKERAGE CUSTOMERS

(in RMB million)	31 December 2023	31 December 2022
Current and savings accounts		
Corporate customers	**868,022**	842,380
Individual customers	**290,352**	297,141
Term deposits		
Corporate customers	**1,321,068**	1,415,106
Individual customers	**938,713**	751,544
Subtotal	**3,418,155**	3,306,171
Payables to brokerage customers		
Individual customers	**90,301**	96,810
Corporate customers	**26,083**	29,018
Subtotal	**116,384**	125,828
Total	**3,534,539**	3,431,999

As at 31 December 2023, bonds classified as financial assets carried at amortized costs with a carrying amount of RMB31,059 million (31 December 2022: RMB22,945 million) were pledged as main collaterals for term deposit with the Central Bank.

45. BONDS PAYABLE

The information of the Group's main bonds payable is as follows:

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issued year	Interest type	Coupon rate (per annum)	**31 December 2023**	31 December 2022
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	2,474	2019	Fixed	3.00%-3.45%	**2,513**	2,518
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	1,840	2020	Fixed	3.60%-3.70%	**1,869**	2,799
Ping An Financial Leasing	Corporate bonds	None	4 years	End of the second year	718	2020	Fixed	3.00%-3.10%	**729**	731
Ping An Financial Leasing	Corporate bonds	None	2-4 years	End of the second year	2,400	2021	Fixed	3.85%-4.40%	**2,437**	3,155
Ping An Financial Leasing	Corporate bonds	None	3-5 years	End of the third year	1,700	2021	Fixed	3.89%-4.08%	**1,726**	1,730
Ping An Financial Leasing	Corporate bonds	None	3-4 years	End of the second year	8,800	2022	Fixed	3.09%-3.65%	**8,937**	8,957
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	1,500	2022	Fixed	3.33%-3.80%	**1,523**	1,527
Ping An Financial Leasing	Corporate bonds	None	2 years	End of the first year	3,200	2022	Fixed	2.50%-3.15%	**3,250**	3,257
Ping An Financial Leasing	Corporate bonds	None	4 years	End of the second year	5,600	2023	Fixed	3.37%-4.35%	**5,687**	-
Ping An Financial Leasing	Corporate bonds	None	2 years	End of the first year	3,500	2023	Fixed	2.75%-3.62%	**3,554**	-
Ping An Financial Leasing	Private corporate bonds	None	5 years	End of the third year	2,710	2018	Fixed	4.20%-4.30%	**-**	2,758
Ping An Financial Leasing	Private corporate bonds	None	5 years	End of the third year	629	2019	Fixed	3.70%	**639**	640
Ping An Financial Leasing	Private corporate bonds	None	4 years	End of the second year	2,700	2019	Fixed	4.10%-4.18%	**-**	2,748
Ping An Bank	Tier-2 Capital bonds	None	10 years	End of the fifth year	30,000	2019	Fixed	4.55%	**30,907**	30,908
Ping An Bank	Financial bonds	None	3 years	None	30,000	2020	Fixed	2.30%	**-**	30,414
Ping An Bank	Financial bonds	None	3 years	None	20,000	2021	Fixed	3.45%	**20,630**	20,629
Ping An Bank	Tier-2 Capital bonds	None	10 years	End of the fifth year	30,000	2021	Fixed	3.69%	**30,153**	30,151
Ping An Bank	Financial bonds	None	3 years	None	20,000	2022	Fixed	2.45%	**20,098**	20,099
Ping An Bank	Financial bonds	None	3 years	None	5,000	2022	Fixed	2.45%	**5,020**	5,020
Ping An Bank	Financial bonds	None	3 years	None	5,000	2022	Fixed	2.45%	**5,020**	5,020
Ping An Bank	Financial bonds	None	3 years	None	20,000	2022	Fixed	2.45%	**20,069**	20,070
Ping An Bank	Financial bonds	None	3 years	None	30,000	2023	Fixed	2.77%	**30,598**	-
Ping An Life	Capital supplementary bonds	None	10 years	End of the fifth year	20,000	2020	Fixed	First 5 years: 3.58% Next 5 years: 4.58% (if not redeemed)	**20,873**	20,767
Ping An Property & Casualty	Capital supplementary bonds	None	10 years	End of the fifth year	10,000	2019	Fixed	First 5 years: 4.64% Next 5 years: 5.64% (if not redeemed)	**10,543**	10,487
Ping An Securities	Corporate bonds	None	5 years	End of the third year	100	2018	Fixed	3.00%	**-**	100

45. BONDS PAYABLE (CONTINUED)

The information of the Group's main bonds payable is as follows (Continued):

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issued year	Interest type	Coupon rate (per annum)	**31 December 2023**	31 December 2022
Ping An Securities	Corporate bonds	None	5 years	End of the third year	1,500	2020	Fixed	3.40%	**-**	1,548
Ping An Securities	Private corporate bonds	None	3 years	None	3,000	2020	Fixed	3.19%	**-**	3,077
Ping An Securities	Corporate bonds	None	3 years	None	4,000	2020	Fixed	3.58%	**-**	4,062
Ping An Securities	Corporate bonds	None	3 years	None	2,550	2020	Fixed	3.70%	**-**	2,566
Ping An Securities	Corporate bonds	None	3 years	None	3,000	2021	Fixed	3.40%	**3,060**	3,059
Ping An Securities	Corporate bonds	None	3 years	None	2,400	2021	Fixed	3.48%	**2,446**	2,445
Ping An Securities	Corporate bonds	None	3 years	None	1,200	2021	Fixed	3.50%	**1,222**	1,221
Ping An Securities	Corporate bonds	None	2 years	None	2,000	2021	Fixed	3.35%	**-**	2,034
Ping An Securities	Corporate bonds	None	3 years	None	1,800	2021	Fixed	3.25%	**1,826**	1,825
Ping An Securities	Corporate bonds	None	3 years	None	3,000	2021	Fixed	3.05%	**3,035**	3,034
Ping An Securities	Corporate bonds	None	5 years	None	2,000	2021	Fixed	3.47%	**2,025**	2,024
Ping An Securities	Corporate bonds	None	3 years	None	2,600	2021	Fixed	3.37%	**2,617**	2,616
Ping An Securities	Private corporate bonds	None	2 years	None	2,000	2021	Fixed	3.25%	**-**	2,009
Ping An Securities	Private corporate bonds	None	2 years	None	1,500	2021	Fixed	3.20%	**-**	1,501
Ping An Securities	Private corporate bonds	None	2 years	None	1,500	2022	Fixed	3.07%	**1,544**	1,544
Ping An Securities	Corporate bonds	None	3 years	None	2,300	2022	Fixed	3.00%	**2,349**	2,348
Ping An Securities	Corporate bonds	None	5 years	None	500	2022	Fixed	3.42%	**512**	512
Ping An Securities	Subordinated corporate bonds	None	3 years	None	1,900	2022	Fixed	3.10%	**1,937**	1,936
Ping An Securities	Subordinated corporate bonds	None	5 years	None	1,100	2022	Fixed	3.56%	**1,124**	1,124
Ping An Securities	Corporate bonds	None	3 years	None	3,000	2022	Fixed	2.80%	**3,035**	3,034
Ping An Securities	Corporate bonds	None	9 months	None	2,000	2022	Fixed	1.95%	**-**	2,015
Ping An Securities	Corporate bonds	None	3 years	None	500	2022	Fixed	2.75%	**505**	505
Ping An Securities	Corporate bonds	None	5 years	None	1,000	2022	Fixed	3.22%	**1,012**	1,011
Ping An Securities	Corporate bonds	None	3 years	None	2,500	2022	Fixed	2.65%	**2,518**	2,518
Ping An Securities	Corporate bonds	None	6 months	None	500	2022	Fixed	2.80%	**-**	501
Ping An Securities	Corporate bonds	None	5 years	None	1,800	2023	Fixed	3.60%	**1,855**	-
Ping An Securities	Corporate bonds	None	3 years	None	1,200	2023	Fixed	3.33%	**1,234**	-
Ping An Securities	Corporate bonds	None	5 years	None	750	2023	Fixed	3.60%	**772**	-
Ping An Securities	Corporate bonds	None	3 years	None	500	2023	Fixed	3.39%	**514**	-
Ping An Securities	Corporate bonds	None	3 years	None	1,000	2023	Fixed	3.15%	**1,021**	-
Ping An Securities	Corporate bonds	None	2 years	None	2,000	2023	Fixed	3.02%	**2,041**	-
Ping An Securities	Corporate bonds	None	3 years	None	1,000	2023	Fixed	3.03%	**1,018**	-
Ping An Securities	Corporate bonds	None	2 years	None	1,500	2023	Fixed	2.90%	**1,526**	-
Ping An Securities	Corporate bonds	None	3 years	None	2,000	2023	Fixed	2.95%	**2,031**	-
Ping An Securities	Corporate bonds	None	2 years	None	1,000	2023	Fixed	2.78%	**1,015**	-

45. BONDS PAYABLE (CONTINUED)

The information of the Group's main bonds payable is as follows (Continued):

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issued year	Interest type	Coupon rate (per annum)	31 December 2023	31 December 2022
Ping An Securities	Corporate bonds	None	5 years	None	1,500	2023	Fixed	3.25%	**1,521**	-
Ping An Securities	Corporate bonds	None	3 years	None	500	2023	Fixed	2.95%	**506**	-
Ping An Securities	Corporate bonds	None	3 years	None	1,500	2023	Fixed	3.00%	**1,504**	-
Ping An Securities	Corporate bonds	None	3 years	None	800	2023	Fixed	3.00%	**800**	-
Ping An Securities	Corporate bonds	None	2 years	None	1,200	2023	Fixed	2.98%	**1,200**	-
Ping An Real Estate	Corporate bonds	None	7 years	End of the fifth year	750	2019	Fixed	4.40%	**766**	765
Ping An Real Estate	Corporate bonds	None	7 years	End of the fifth year	940	2019	Fixed	4.30%	**957**	957
Ping An Real Estate	Corporate bonds	None	7 years	End of the fifth year	244	2016	Fixed	3.28%	**-**	245
Ping An Financial Technology	Private corporate bonds	None	5 years	End of the third year	120	2019	Fixed	3.85%	**-**	121
Ping An Financial Technology	Private corporate bonds	None	5 years	End of the third year	2,000	2020	Fixed	3.40%	**-**	2,046
Ping An Financial Technology	Private corporate bonds	None	5 years	End of the third year	150	2020	Fixed	4.00%	**153**	3,063
Ping An Financial Technology	Private corporate bonds	None	3 years	End of the second year	950	2020	Fixed	3.60%	**-**	956
Lianxin Investment	Private corporate bonds	None	5 years	End of the third year	2,000	2020	Fixed	5.40%	**-**	2,003
Lianxin Investment	Private corporate bonds	None	3 years	End of the second year	1,000	2021	Fixed	4.50%	**-**	1,031
Founder Securities	Corporate bonds	None	2 years	None	1,000	2022	Fixed	3.49%	**1,026**	1,025
Founder Securities	Corporate bonds	None	366 days	None	800	2022	Fixed	3.18%	**-**	817
Founder Securities	Corporate bonds	None	2 years	None	700	2022	Fixed	3.40%	**716**	716
Founder Securities	Corporate bonds	None	2 years	None	600	2022	Fixed	3.18%	**611**	611
Founder Securities	Corporate bonds	None	3 years	None	1,000	2022	Fixed	2.95%	**1,007**	1,007
Founder Securities	Corporate bonds	None	2 years	None	700	2022	Fixed	2.75%	**703**	702
Founder Securities	Corporate bonds	None	3 years	None	1,300	2022	Fixed	2.94%	**1,305**	1,304
Founder Securities	Corporate bonds	None	2 years	None	400	2022	Fixed	4.30%	**400**	400
Founder Securities	Corporate bonds	None	2 years	None	1,600	2023	Fixed	3.56%	**1,648**	-
Founder Securities	Subordinated corporate bonds	None	3 years	None	1,200	2023	Fixed	4.10%	**1,234**	-
Founder Securities	Subordinated corporate bonds	None	2 years	None	1,500	2023	Fixed	3.68%	**1,534**	-
Founder Securities	Subordinated corporate bonds	None	3 years	None	500	2023	Fixed	3.80%	**511**	-
Founder Securities	Corporate bonds	None	3 years	None	3,000	2023	Fixed	3.23%	**3,035**	-
Founder Securities	Corporate bonds	None	3 years	None	500	2023	Fixed	3.28%	**504**	-
Founder Securities	Corporate bonds	None	3 years	None	3,000	2023	Fixed	3.50%	**3,016**	-
Founder Securities	Corporate bonds	None	2 years	None	2,000	2023	Fixed	3.14%	**2,005**	-
Founder Securities	Corporate bonds	None	2 years	None	2,000	2023	Fixed	3.20%	**2,000**	-

45. BONDS PAYABLE (CONTINUED)

The information of the Group's main bonds payable is as follows (continued):

As at 31 December 2023, the original terms of interbank certificates of deposit and certificates of deposit issued by Ping An Bank, but unmatured were from 3 months to 1 year, and the annual interest rates were from 2.22% to 5.32% (31 December 2022: the original terms were from 1 month to 1 year, and the annual interest rates were from 1.65% to 3.01%). The carrying amount was RMB565,833 million (31 December 2022: RMB529,764 million).

As at 31 December 2023, the original terms of short-term financial bonds issued by Ping An Securities, but unmatured were from 91 days to 274 days, and the annual interest rates were from 2.20% to 2.79% (31 December 2022: the original terms were from 92 days to 365 days, and the annual interest rates were from 1.84% to 2.66%). The carrying amount was RMB16,107 million (31 December 2022: RMB11,109 million).

As at 31 December 2023, the original terms of short-term financial bonds issued by Ping An Financial Leasing, but unmatured were from 120 days to 365 days, and the annual interest rates were from 2.16% to 3.40% (31 December 2022: the original terms were from 63 days to 365 days, and the annual interest rates were from 2.64% to 4.10%). The carrying amount was RMB12,745 million (31 December 2022: RMB3,970 million).

As at 31 December 2023, there is no unmatured short-term financial bond issued by Ping An Real Estate (31 December 2022: the original term was 210 days, the annual interest rate was 3.38%, and the carrying amount was RMB1,520 million).

As at 31 December 2023, the original terms of short-term financial bonds issued by Founder Securities, but unmatured were from 140 days to 365 days, and the annual interest rates were from 2.70% to 3.40% (31 December 2022: the original terms were from 175 days to 365 days, and the annual interest rates were from 3.05% to 4.20%). The carrying amount was RMB7,711 million (31 December 2022: RMB8,999 million).

As at 31 December 2023, the original terms of income certificates issued by Ping An Securities, but unmatured were from 14 days to 90 days, and the annual interest rates were from 2.30% to 5.10% (31 December 2022: the original term was 14 days, and the annual interest rates were from 4.48% to 5.11%). The carrying amount was RMB122 million (31 December 2022: RMB81 million).

As at 31 December 2023, the original terms of income certificates issued by Founder Securities, but unmatured were from 366 days to 733 days, and the annual interest rates were from 3.00% to 4.40% (31 December 2022: the original terms were from 366 days to 733 days, and the annual interest rates were from 3.20% to 4.45%). The carrying amount was RMB7,262 million (31 December 2022: RMB5,569 million).

46. DEFERRED TAX ASSETS AND LIABILITIES

(in RMB million)	**31 December 2023**	31 December 2022 (Restated)
Deferred tax assets	**101,337**	89,321
Deferred tax liabilities	**(14,148)**	(14,217)

The deferred tax assets are analysed as follows:

	2023					
(in RMB million)	**As at 1 January**	**Charged to profit or loss**	**Charged to equity**	**Other changes**	**As at 31 December**	**Temporary difference as at 31 December**
Fair value adjustments on financial assets and liabilities carried at fair value through profit or loss	**5,668**	**589**	**-**	**6**	**6,263**	**(25,052)**
Fair value adjustments on financial assets at fair value through other comprehensive income	**2,087**	**-**	**(1,414)**	**91**	**764**	**(3,056)**
Insurance contract liabilities	**41,897**	**(16,152)**	**43,589**	**-**	**69,334**	**(277,336)**
Impairment provisions	**53,815**	**1,016**	**101**	**-**	**54,932**	**(219,728)**
Others	**19,940**	**17,870**	**(1,038)**	**(97)**	**36,675**	**(146,700)**
	123,407	**3,323**	**41,238**	**-**	**167,968**	**(671,872)**

	2022 (Restated)					
(in RMB million)	As at 1 January	Charged to profit or loss	Charged to equity	Other changes	As at 31 December	Temporary difference as at 31 December
Fair value adjustments on financial assets and liabilities carried at fair value through profit or loss	1,018	4,650	-	-	5,668	(22,672)
Fair value adjustments on financial assets at fair value through other comprehensive income	3,181	-	(1,098)	4	2,087	(8,348)
Insurance contract liabilities	39,215	(11,474)	14,156	-	41,897	(167,588)
Impairment provisions	48,307	6,018	(510)	-	53,815	(215,260)
Others	7,764	11,629	128	419	19,940	(79,760)
	99,485	10,823	12,676	423	123,407	(493,628)

46. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

The deferred tax liabilities are analysed as follows:

	2023					
(in RMB million)	As at 1 January	Charged to profit or loss	Charged to equity	Other changes	As at 31 December	Temporary difference as at 31 December
Fair value adjustments on financial assets and liabilities carried at fair value through profit or loss	**(2,606)**	**(542)**	**-**	**-**	**(3,148)**	**12,592**
Fair value adjustments on financial assets at fair value through other comprehensive income	**(28,669)**	**-**	**(35,654)**	**-**	**(64,323)**	**257,292**
Intangible assets-core deposits	**(1,610)**	**188**	**-**	**-**	**(1,422)**	**5,688**
Intangible assets valuation premium from acquisition of Autohome Inc.	**(1,884)**	**39**	**-**	**-**	**(1,845)**	**7,380**
Assets valuation premium from disposal of subsidiaries	**(3,615)**	**-**	**-**	**-**	**(3,615)**	**14,460**
Others	**(9,919)**	**3,848**	**(81)**	**(274)**	**(6,426)**	**25,704**
	(48,303)	**3,533**	**(35,735)**	**(274)**	**(80,779)**	**323,116**

	2022 (Restated)					
(in RMB million)	As at 1 January	Charged to profit or loss	Charged to equity	Other changes	As at 31 December	Temporary difference as at 31 December
Fair value adjustments on financial assets and liabilities carried at fair value through profit or loss	(10,552)	7,952	-	(6)	(2,606)	10,424
Fair value adjustments on financial assets at fair value through other comprehensive income	(22,404)	-	(6,265)	-	(28,669)	114,676
Intangible assets-core deposits	(1,799)	189	-	-	(1,610)	6,442
Intangible assets valuation premium from acquisition of Autohome Inc.	(1,923)	39	-	-	(1,884)	7,536
Assets valuation premium from disposal of subsidiaries	(3,615)	-	-	-	(3,615)	14,460
Others	(8,508)	1,122	73	(2,606)	(9,919)	39,676
	(48,801)	9,302	(6,192)	(2,612)	(48,303)	193,214

46. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

As at 31 December 2023, unrecognized tax losses of the Group were RMB53,158 million (31 December 2022: RMB38,697 million).

The following table shows unrecognized tax losses based on its expected expiry date:

(in RMB million)	**31 December 2023**	31 December 2022
2023	**–**	2,992
2024	**5,855**	5,864
2025	**7,261**	7,077
2026	**7,267**	6,041
2027	**11,572**	16,723
2028	**21,203**	–
	53,158	38,697

The net amounts of deferred tax assets and liabilities after offsetting are as follows:

	31 December 2023		31 December 2022 (Restated)	
(in RMB million)	**Offsetting**	**Net**	Offsetting	Net
Deferred tax assets	**(66,631)**	**101,337**	(34,086)	89,321
Deferred tax liabilities	**66,631**	**(14,148)**	34,086	(14,217)

47. OTHER LIABILITIES

(in RMB million)	**31 December 2023**	31 December 2022 (Restated)
Other payables	**168,866**	195,705
Payables to non-controlling interests of consolidated structured entities	**10,207**	22,260
Salaries and welfare payable	**49,771**	47,723
Other tax payable	**8,571**	9,886
Contingency provision	**18,795**	15,401
Insurance guarantee fund	**1,000**	1,161
Provision payables	**5,140**	5,781
Accruals	**10,638**	11,538
Deferred income	**1,765**	1,909
Contract liabilities	**5,345**	6,382
Finance lease deposits	**10,035**	15,232
Others	**66,892**	83,710
	357,025	416,688

48. FIDUCIARY ACTIVITIES

(in RMB million)	31 December 2023	31 December 2022 (Restated)
Assets under trust schemes	**650,133**	537,178
Assets under annuity investments and annuity schemes	**750,293**	669,251
Assets under asset management schemes	**1,800,776**	1,848,567
Entrusted loans of banking operations	**155,382**	178,386
Entrusted investments of banking operations	**1,013,060**	886,840
	4,369,644	4,120,222

49. RISK AND CAPITAL MANAGEMENT

(1) INSURANCE RISK

Type of insurance risk

Insurance risk refers to the risk that actual indemnity might exceed expected indemnity due to the frequency and severity of insurance accidents, as well as the possibility that insurance surrender rates are being underestimated. The principal risk the Group faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance contract liabilities. This could occur due to any of the following factors:

(i) Occurrence risk – the possibility that the number of insured events will differ from those expected.

(ii) Severity risk – the possibility that the cost of the events will differ from those expected.

(iii) Development risk – the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board by change in any subset of the portfolio. The variability of risks is also improved by careful selection and implementation of underwriting strategies and guidelines.

The insurance business of the Group mainly comprises long-term life insurance contracts, property and casualty and short-term life insurance contracts. For contracts where death is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyles and natural disasters, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continuing improvement in medical science and social conditions that would increase longevity. For property and casualty insurance contracts, claims are often affected by natural disasters, calamities, terrorist attacks, etc.

These risks currently do not vary significantly in relation to the location of the risk insured by the Group whilst undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Type of insurance risk (Continued)

There would be no significant mitigating terms and conditions that reduce the insured risk accepted for contracts with fixed and guaranteed benefits and fixed future premiums. However, for contracts with discretionary participation features, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

Insurance risk is also affected by the policyholders' rights to terminate the contract, pay reduced premiums, refuse to pay premiums or exercise annuity conversion option, etc. Thus, the resultant insurance risk is subject to policyholders' behaviour and decisions.

Concentration of insurance risks

The Group runs its insurance business primarily within the PRC. Hence the geographical insurance risk is concentrated primarily within the PRC.

Assumptions and sensitivities

(a) Long-term life insurance contracts

Assumptions

Significant judgements are required in determining and choosing discount rates/investment return, mortality, morbidity, lapse rates, policy dividend, and expenses assumptions relating to long-term life insurance contracts.

Sensitivities

The Group has measured the impact on long-term life insurance contract liabilities using sensitivity analysis, of varying independently certain assumptions under reasonable and possible circumstances. The following changes in assumptions have been considered:

(i) a 10% increase in mortality, morbidity, accident rates, etc. (a 10% increase in mortality rates of annuity policies before the payment period, a 10% decrease in the payment period);

(ii) a 10% increase or decrease in policy lapse rates (depends on which situation results in the unfavourable changes in fulfilment cash flows by insurance product); and

(iii) a 5% increase in maintenance expense rates.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Assumptions and sensitivities (Continued)

(a) Long-term life insurance contracts (Continued)

Sensitivities (continued)

		31 December 2023			
		Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
(in RMB million)	Change in assumptions	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Mortality, morbidity, accident rates, etc.	**+10%**	**(8,017)**	**(7,487)**	**(15,369)**	**(14,486)**
Policy lapse rates	**+/-10%**	**(1,794)**	**(1,775)**	**(3,611)**	**(3,562)**
Maintenance expense rates	**+5%**	**(477)**	**(474)**	**(706)**	**(702)**

		31 December 2022 (Restated)			
		Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
(in RMB million)	Change in assumptions	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Mortality, morbidity, accident rates, etc.	+10%	(7,665)	(7,077)	(13,300)	(12,654)
Policy lapse rates	+/-10%	(1,567)	(1,566)	(2,831)	(2,755)
Maintenance expense rates	+5%	(479)	(479)	(638)	(638)

(b) Property and casualty and short-term life insurance contracts

Assumptions

The principal assumptions underlying the estimates includes assumptions in respect of average claim costs, claims handling costs, claims inflation factors and claim numbers for each accident year which are determined based on the Group's past claim experiences. Judgement is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include delays in settlement, etc.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Assumptions and sensitivities (Continued)

(b) Property and casualty and short-term life insurance contracts (Continued)

Sensitivities

The liabilities for incurred claims of property and casualty and short-term life insurance are sensitive to the above key assumptions. The sensitivity of certain variables including legislative change, uncertainty in the estimation process, etc., is not possible to quantify. Furthermore, because of delays that arise between the occurrence of a claim and its subsequent notification and eventual settlement, the liabilities for incurred claims are not known with certainty at the end of the reporting period.

Reproduced below is an exhibit that shows the development of gross liabilities for incurred claims of property and casualty insurance and short-term life insurance by the accident year and reconciliation with the aggregate carrying amount:

(in RMB million)	2019	2020	2021	2022	**2023**	Total
Estimates of undiscounted cumulative claims:						
As at the end of accident year	172,726	196,080	223,617	226,604	**257,451**	
One year later	168,835	188,032	217,423	216,105		
Two years later	163,992	185,344	211,506			
Three years later	162,360	179,704				
Four years later	160,563					
Estimated cumulative claims	160,563	179,704	211,506	216,105	**257,451**	1,025,329
Cumulative claims paid	(158,827)	(175,433)	(199,786)	(190,811)	**(168,451)**	(893,308)
Subtotal						132,021
Prior year adjustments, unallocated loss adjustment expenses, risk adjustment for non-financial risk and effect of discounting						11,366
Total gross liabilities for incurred claims						143,387

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Assumptions and sensitivities (Continued)

(b) Property and casualty and short-term life insurance contracts (Continued)

Sensitivities (continued)

Reproduced below is an exhibit that shows the development of net liabilities for incurred claims of property and casualty insurance and short-term life insurance by the accident year and reconciliation with the aggregate carrying amount:

(in RMB million)	2019	2020	2021	2022	**2023**	Total
Estimates of undiscounted cumulative claims:						
As at the end of accident year	162,307	184,805	205,113	211,821	**244,937**	
One year later	158,421	176,760	200,356	202,307		
Two years later	153,834	174,567	194,925			
Three years later	152,464	169,280				
Four years later	150,790					
Estimated cumulative claims	150,790	169,280	194,925	202,307	**244,937**	962,239
Cumulative claims paid	(149,622)	(165,854)	(187,025)	(180,831)	**(163,979)**	(847,311)
Subtotal						114,928
Prior year adjustments, unallocated loss adjustment expenses, risk adjustment for non-financial risk and effect of discounting						11,126
Net liabilities for incurred claims						126,054
Amounts recoverable on incurred claims						17,333
Total gross liabilities for incurred claims						143,387

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49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Assumptions and sensitivities (Continued)

(b) Property and casualty and short-term life insurance contracts (Continued)

Sensitivities (continued)

To illustrate the sensitivities of ultimate claims costs, for example, a respective percentage change in the average claim costs alone results in a similar percentage change in liabilities for incurred claims:

		31 December 2023			
		Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
(in RMB million)	Change in assumptions	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Average claim costs					
Property and casualty insurance	**+5%**	**(6,551)**	**(5,759)**	**(6,551)**	**(5,759)**
Short-term life insurance	**+5%**	**(618)**	**(543)**	**(618)**	**(543)**

		31 December 2022 (Restated)			
		Increase/(decrease) in profit before tax		Increase/(decrease) in equity before tax	
(in RMB million)	Change in assumptions	Gross of reinsurance	Net of reinsurance	Gross of reinsurance	Net of reinsurance
Average claim costs					
Property and casualty insurance	+5%	(6,251)	(5,467)	(6,251)	(5,467)
Short-term life insurance	+5%	(648)	(538)	(648)	(538)

(c) Reinsurance

The Group limits its exposure to losses from insurance operations mainly through participation in reinsurance arrangements. The majority of the business ceded is placed on the quota share basis and the surplus basis with retention limits varying by product lines. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented in the statement of financial position as reinsurance contract assets or liabilities.

Even though the Group may have reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK

Market risk is the risk of changes in fair value of financial instruments and future cash flows from fluctuation of market prices, which includes three types of risks from volatility of foreign exchange rates (foreign currency risk), market interest rates (interest rate risk) and market prices (price risk).

(a) Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between the RMB and other currencies in which the Group conducts business may affect its financial position and results of operations. The foreign currency risk facing the Group mainly comes from movements in the USD/RMB and HKD/RMB exchange rates. The Group sets limitation to its position of foreign currency, monitors the size of foreign currency position, and limits the foreign currency position within the threshold set by utilizing hedging strategy.

The analysis below is performed for reasonably possible movements in key variables with all other variables held constant, showing the pre-tax impact on profit and equity (due to changes in fair value of foreign currency-denominated non-monetary assets and liabilities measured at fair value, as well as monetary assets and liabilities). The correlation of variables will have a significant effect on determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

		31 December 2023		31 December 2022 (Restated)	
(in RMB million)	Change in variables	**Increase/ (decrease) in profit before tax**	**Increase/ (decrease) in equity before tax**	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity before tax
USD	+5%	**2,528**	**4,304**	1,292	2,745
HKD	+5%	**(320)**	**209**	484	1,185
Other currencies	+5%	**449**	**821**	397	774
		2,657	**5,334**	2,173	4,704
USD	-5%	**(2,528)**	**(4,304)**	(1,292)	(2,745)
HKD	-5%	**320**	**(209)**	(484)	(1,185)
Other currencies	-5%	**(449)**	**(821)**	(397)	(774)
		(2,657)	**(5,334)**	(2,173)	(4,704)

FINANCIAL STATEMENTS

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(a) Foreign currency risk (Continued)

The main monetary assets and liabilities of the Group and non-monetary assets and liabilities measured at fair value are analysed as follows by currency:

	31 December 2023				
(in RMB million)	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	RMB equivalent total
Assets					
Cash and amounts due from banks and other financial institutions	719,538	70,282	8,074	6,183	804,077
Balances with the Central Bank and statutory deposits for insurance operations	282,634	2,830	415	-	285,879
Financial assets purchased under reverse repurchase agreements	167,660	-	-	-	167,660
Accounts receivable	35,555	1	-	80	35,636
Insurance contract assets	3	-	-	-	3
Reinsurance contract assets	19,218	2,565	432	-	22,215
Finance lease receivable	180,674	-	-	-	180,674
Loans and advances to customers	3,170,396	84,875	31,833	31,018	3,318,122
Financial assets at fair value through profit or loss	1,688,592	92,046	4,786	17,623	1,803,047
Financial assets at amortized cost	1,202,740	36,037	1,223	3,353	1,243,353
Debt financial assets at fair value through other comprehensive income	2,605,544	29,574	1,876	14	2,637,008
Equity financial assets at fair value through other comprehensive income	261,926	345	2,606	-	264,877
Other assets	103,979	1,244	2,239	182	107,644
	10,438,459	319,799	53,484	58,453	10,870,195
Liabilities					
Due to banks and other financial institutions	883,796	64,555	3,892	11,475	963,718
Financial liabilities at fair value through profit or loss	47,645	974	-	-	48,619
Assets sold under agreements to repurchase	237,017	4,786	-	-	241,803
Accounts payable	8,858	-	-	-	8,858
Insurance contract liabilities	4,152,100	6,844	832	25	4,159,801
Reinsurance contract liabilities	53	-	-	-	53
Customer deposits and payables to brokerage customers	3,337,590	166,007	13,407	17,535	3,534,539
Bonds payable	939,205	24,258	544	-	964,007
Other liabilities	272,251	4,582	854	58	277,745
	9,878,515	272,006	19,529	29,093	10,199,143
Net position of foreign currency		47,793	33,955	29,360	111,108
Notional amount of foreign exchange derivative financial instruments		38,294	(29,779)	(12,936)	(4,421)
		86,087	4,176	16,424	106,687
Off-balance sheet credit commitments	1,914,722	20,232	2,764	9,251	1,946,969

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(a) Foreign currency risk (Continued)

The main monetary assets and liabilities of the Group and non-monetary assets and liabilities measured at fair value are analysed as follows by currency (continued):

	31 December 2022 (Restated)				
(in RMB million)	RMB	USD (RMB equivalent)	HKD (RMB equivalent)	Others (RMB equivalent)	RMB equivalent total
Assets					
Cash and amounts due from banks and other financial institutions	647,573	112,157	8,758	6,353	774,841
Balances with the Central Bank and statutory deposits for insurance operations	289,046	6,116	397	–	295,559
Financial assets purchased under reverse repurchase agreements	91,514	–	–	–	91,514
Accounts receivable	36,016	1	–	101	36,118
Reinsurance contract assets	18,955	1,242	418	–	20,615
Finance lease receivable	186,858	–	–	–	186,858
Loans and advances to customers	3,048,119	124,470	37,780	27,685	3,238,054
Financial assets at fair value through profit or loss	1,516,727	96,929	9,131	17,732	1,640,519
Financial assets at amortized cost	1,072,439	46,441	2,356	2,799	1,124,035
Debt financial assets at fair value through other comprehensive income	2,472,746	26,773	1,271	–	2,500,790
Equity financial assets at fair value through other comprehensive income	258,239	688	5,844	–	264,771
Other assets	112,160	4,449	1,589	267	118,465
	9,750,392	419,266	67,544	54,937	10,292,139
Liabilities					
Due to banks and other financial institutions	803,396	92,228	12,567	14,897	923,088
Financial liabilities at fair value through profit or loss	81,784	2,787	–	88	84,659
Assets sold under agreements to repurchase	266,869	4,868	–	–	271,737
Accounts payable	10,349	–	–	–	10,349
Insurance contract liabilities	3,667,025	3,353	775	24	3,671,177
Reinsurance contract liabilities	105	–	–	–	105
Customer deposits and payables to brokerage customers	3,169,278	242,914	13,817	5,990	3,431,999
Bonds payable	901,191	29,907	–	–	931,098
Other liabilities	317,192	3,198	527	619	321,536
	9,217,189	379,255	27,686	21,618	9,645,748
Net position of foreign currency		40,011	39,858	33,319	113,188
Notional amount of foreign exchange derivative financial instruments		14,888	(16,161)	(17,841)	(19,114)
		54,899	23,697	15,478	94,074
Off-balance sheet credit commitments	1,790,679	25,879	1,003	9,399	1,826,960

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49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(b) Price risk

The Group's price risk exposure relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), which mainly include listed equity securities and security investment funds classified as equity financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, and related insurance contracts with direct participation features.

The above financial instruments and insurance contracts are exposed to price risk because of changes in market prices, where changes are caused by factors specific to the individual financial instruments or their issuers, or factors affecting all similar financial instruments traded in the market.

The Group manages price risks through balanced asset allocation, dynamic portfolio management and diversification of investments, etc.

The analysis below is performed for a 10% increase or decrease in equity prices with all other variables held constant, for the financial instruments and insurance contracts, showing the pre-tax impact on the Group's profit and equity.

		31 December 2023		31 December 2022 (Restated)	
(in RMB million)	Equity prices	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity before tax	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity before tax
Financial instruments	+10%	**30,668**	**48,436**	24,653	42,057
Insurance contracts	+10%	**(11,872)**	**(24,839)**	(9,895)	(22,825)
		18,796	**23,597**	14,758	19,232
Financial instruments	-10%	**(30,668)**	**(48,436)**	(24,653)	(42,057)
Insurance contracts	-10%	**11,871**	**24,837**	9,866	22,796
		(18,797)	**(23,599)**	(14,787)	(19,261)

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(c) Interest rate risk

The interest rate risks facing the Group mainly comes from the insurance segment and the banking segment.

The insurance segment

Interest rate risk of the Group's insurance segment is the risk that the value/future cash flows of a financial instrument (mainly include debt investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income) will fluctuate because of changes in market interest rates, and the value of insurance contract liabilities will fluctuate because of changes in market interest rates (discount rate). Since most markets do not have assets of sufficient tenor to match insurance contract liabilities, an uncertainty arises around the reinvestment of maturing assets.

Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest risk. The Group's interest rate risk policy requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities by maintaining an appropriate mix of fixed and variable rate instruments. The Group manages the interest rate risk by extending assets duration, repricing products and adjusting the business structure to match the term structure and to match the cost and benefit.

The analysis below is performed for a 10 basis points decrease or increase in interest rates with all other variables held constant, for the financial instruments and life insurance contracts/reinsurance contracts, showing the pre-tax impact on the Group's profit and equity.

		31 December 2023		31 December 2022 (Restated)	
(in RMB million)	Interest rate	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity before tax	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity before tax
Financial instruments	-10bps	**2,349**	**35,669**	1,547	30,390
Insurance contracts, net of reinsurance contracts held	-10bps	**(1,142)**	**(40,733)**	(912)	(33,933)
		1,207	**(5,064)**	635	(3,543)
Financial instruments	+10bps	**(2,349)**	**(35,669)**	(1,547)	(30,390)
Insurance contracts, net of reinsurance contracts held	+10bps	**1,116**	**40,304**	880	33,582
		(1,233)	**4,635**	(667)	3,192

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(c) Interest rate risk (Continued)

The banking segment

Interest rate risks of the Group's banking segment mainly consist of transaction account interest rate risk and bank account interest rate risk.

Transaction account interest rate risk arises from the change in interest rates and product price of the transaction account resulting from the change in market interest rates, which in turn affects the profit or loss for the year. The Group mainly manages the interest rate risk of transaction account by adopting measures such as the interest rate sensitive limit and daily and monthly stop-loss limit to ensure that the fluctuations of interest rate and market value of products are within the affordable scope of the Group.

Bank account interest rate risk arises from the mismatch of the maturity date or contract re-pricing date between interest-earning assets and interest-bearing liabilities. The Group manages bank account interest rate risk primarily by adjusting the asset/liability pricing structure, regularly monitoring sensitive gaps of interest rate, analysing characteristics of asset/liability re-pricing, and using an asset/liability management system to conduct scenario analysis on interest risk.

In respect of the financial assets and liabilities at fair value through profit or loss of the Group's banking segment, the interest rate risk arising from this portfolio is not significant. For other financial assets and liabilities, the Group mainly uses a gap analysis to measure and control the related interest rate risk. As at 31 December 2023 and 31 December 2022, the gap analyses of the financial assets and liabilities (excluding financial assets and liabilities at fair value through profit or loss) were as follows. The analysis of the net interest income is based on the effect of a reasonable possible change in interest rates on the net interest income before tax for one year, in respect of the financial assets and liabilities (excluding financial assets and liabilities at fair value through profit or loss) held at the balance sheet date. The analysis of equity is based on the effect of a reasonable possible change in interest rates on the equity before tax, which calculated by revaluing the year end portfolio of fixed-rate financial assets at fair value through other comprehensive income.

		31 December 2023		31 December 2022	
(in RMB million)	Interest rate	**Increase/ (decrease) in net interest income**	**Increase/ (decrease) in equity**	Increase/ (decrease) in net interest income	Increase/ (decrease) in equity
Financial assets and liabilities	-50bps	**2,105**	**1,540**	2,891	1,697
Financial assets and liabilities	+50bps	**(2,105)**	**(1,540)**	(2,891)	(1,697)

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK

Credit risks refer to the risk of losses incurred by the inabilities of debtors or counterparties to fulfil their contractual obligations or by the adverse changes in their credit conditions. The Group is exposed to credit risks primarily associated with its deposit arrangements with commercial banks, loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income, reinsurance arrangement with reinsurers, policy loans, margin financing, financial guarantee contracts and loan commitments, etc. The Group uses a variety of controls to identify, measure, monitor and report credit risk.

(a) Credit risk management

Credit risk of banking business

The banking business of the Group has formulated a set of credit management processes and internal control mechanisms, so as to carry out the whole process management of credit business. Credit management procedures for its corporate and individual loans of comprise credit origination, credit review, credit approval, disbursement, post credit management. In addition, the banking business of the Group has formulated procedure manuals for credit management, which clarifies the duties of each part in the credit management processes, effectively monitoring credit risk and enhancing credit compliance.

Credit risks arising from credit commitments are similar to those of loans and advances. Therefore, financial guarantees and loan commitments are also subject to the same application, post credit management and collateral requirements as loan and advances business.

Credit risk of investment business

As to debt investment, the Group rates these investments by internal credit rating policies, selects counterparties with high credit quality and sets strict entry criteria.

The Group's debt investment mainly includes domestic government bonds, the Central Bank bills, financial institution bonds, corporate bonds and debt investment schemes, wealth management investments, etc. The Group manages the credit risk for these investments mainly through controlling the investment scales, selecting counterparties within the financial institutions with appropriate credit quality prudently, balancing the credit risks and rate of return of investment and considering the internal and external credit rating information comprehensively.

Credit risk of insurance business

The Group evaluated the credit rating of the reinsurance companies before signing the reinsurance contracts, and chose the reinsurance companies with higher credit quality to reduce the credit risk.

The limits of policy loans are based on the cash values of valid insurance policies, with appropriate discounts, and the validity periods of policy loans are within the validity periods of insurance policies. The credit risk associated with policy loans did not have material impact on the Group's consolidated financial statements.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss

The Group formulates the credit losses of financial assets at amortized cost, debt financial assets at FVOCI, finance lease receivable and other financial assets, as well as loan commitment and financial guarantee contracts using expected credit loss models according to IFRS 9 requirements.

Parameters of ECL model

The parameters and assumptions involved in ECL model are described below.

The Group considers the credit risk characteristics of different financial instruments when determining if there is significant increase in credit risk. For financial instruments with or without significant increase in credit risk, 12-month or lifetime expected credit losses are provided respectively. The expected credit loss is the result of discounting the product of EAD, PD and LGD.

(i) Exposure at Default (EAD): EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months or over the remaining lifetime.

(ii) Probability of Default (PD): The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

(iii) Loss Given Default (LGD): LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the Lifetime. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grading band. This is supported by historical analysis.

Judgement of significant increase in credit risk ("SICR")

Under IFRS 9, when considering the impairment stages for financial assets, the Group evaluates the credit risk at initial recognition and also whether there is any significant increase in credit risk for each reporting period. The Group considers various reasonable supporting information to judge if there is significant increase in credit risk, including the forward-looking information, when determining the ECL staging for financial assets, Major factor being considered include regulatory and operating environment, internal and external credit ratings, solvency, and operational capabilities. The Group could base on individual financial instruments or portfolios of financial instruments with similar credit risk characteristics to determine ECL staging by comparing the credit risks of the financial instruments at the reporting date with initial recognition.

The Group set quantitative and qualitative criteria to judge whether the credit risk has SICR after initial recognition. The judgement criteria mainly include the PD changes of the debtors, changes of credit risk categories and other indicators of SICR, etc. In the judgement of whether the financial instruments have SICR after initial recognition, the Group considers the 30 days past due as one of criteria of SICR, in accordance with the standard.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

The definition of credit-impaired assets

Under IFRS 9, in order to determine whether credit impairment occurs, the defined standards adopted by the Group are consistent with the internal credit risk management objectives for relevant financial assets, while considering quantitative and qualitative indicators. When the Group assesses whether the debtor has credit impairment, the following factors are mainly considered:

(i) The debtor has overdue more than 90 days after the contract payment date;

(ii) Internal credit rating is default grade;

(iii) The lender gives the debtor concessions for economic or contractual reasons due to the debtor's financial difficulties, where such concessions are normally reluctant to be made by the lender;

(iv) The debtor has significant financial difficulties;

(v) The debtor is likely to go bankrupt or other financial restructuring;

(vi) The active market for financial assets disappears.

The credit impairment of financial assets may be caused by the joint effects of multiple events, and may not be caused by separately identifiable events.

Forward-looking information

The determinations of 12 months and the lifetime EAD, PD and LGD also incorporates forward-looking information. The Group has performed historical data analysis and identified the key macroeconomic variables associated with credit risk and expected credit losses for each portfolio. The Group has developed macroeconomic forward looking adjustment model by establishing a pool of macro-economic indicators, preparing data, filtering model factors and adjusting forward-looking elements, and the indicators include gross domestic product (GDP) accumulated year on year percentage change, customer price index (CPI) year on year percentage change, purchasing manager's index (PMI) and other macroeconomic variables. Through regression analysis, the relationship among these economic indicators in history with EAD, PD and LGD is determined, and the EAD, PD, LGD are then determined through forecasting economic indicator.

During the reporting period, the Group adjusted the predicted values of forward-looking economic indicators by statistical analysis and also considered the range of possible outcomes represented by each scenario, to determine the final macroeconomic scenarios and weights for measuring the relevant expected credit loss. The impact of these economic indicators on PD and LGD varies to different businesses. The Group comprehensively considers internal and external data, expert forecasts and statistical analysis to determine the relationship between these economic indicators with PD and LGD. The Group evaluates and forecasts these economic indicators at least annually, provides the best estimates for the future, and regularly evaluates the results. Similar to other economic forecasts, the estimates of economic indicators have high inherent uncertainties, actual results may have significant difference with estimates. The Group considered the estimates above represented the optimal estimation of possible outcomes.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

Forward-looking information (Continued)

In 2023, the key macroeconomic assumptions used by the Group to estimate expected credit losses in different macroeconomic scenarios include GDP accumulated year on year percentage change, CPI year on year percentage change, PMI and other macroeconomic variables. For the GDP accumulated year on year percentage change, the average predictive value in the base scenario in year 2024 is about 5%, and is 0.49 percentage upper in the upside scenario while 0.4 percentage lower in the downside scenario. The average predictive value in the base scenario in year 2025 is about 4.79%, and is 0.46 percentage upper in the upside scenario while 0.48 percentage lower in the downside scenario.

Sensitivity analysis

Expected credit losses are sensitive to the parameters used in the model, the macroeconomic variables of the forward-looking forecast, the weight probabilities in the three scenarios, and other factors considered in the application of expert judgement. Changes in these input parameters, assumptions, models, and judgements will have an impact on the significant increase in credit risk and the measurement of expected credit losses.

The Group has the highest weight of the base scenario, and the weight of the base scenario is slightly higher than the sum of the weight of other base scenarios. The banking business of the Group assumed that if the weight of the upside scenario increased by 10% and the weight of the base scenario reduced by 10%, the Group's ECL impairment provision on 31 December 2023 would be reduced by RMB1,982 million (31 December 2022: RMB1,177 million); if the weight of the downside scenario increased by 10% and the weight of the base scenarios reduced by 10%, the Group's ECL impairment provision would be increased by RMB1,236 million (31 December 2022: RMB1,144 million).

In 2023, the Group's management has also taken into account and consequently charged provision for losses for situations such as the external environment that are not reflected in the model, thus further increasing the risk offsetting capacity.

Credit exposure

Without considering the impact of collateral and other credit enhancements, for on-balance sheet assets, the maximum exposures are based on net carrying amounts as reported in the consolidated financial statements. The Group also assumes credit risk due to credit commitments and financial guarantee contracts. The details are disclosed in Note 57.(2).

Please refer to Note 24.(2) and (5) for an analysis of concentration of loans and advances by industry and geographical region.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Policies are established regarding to the selection of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

(i) for policy loans, collaterals are cash value of policies;

(ii) for reverse repurchase transactions, collaterals are quoted securities;

(iii) for commercial loans, collaterals are real estate properties, inventories, equity investments and trade receivables, etc.;

(iv) for retail lending loans to individuals, collaterals are residential properties mortgages.

Management monitors the market value of the collateral, and requires additional collateral when needed according to contracts, when assessing the adequacy of impairment.

It is the Group's policy to dispose collateral orderly. The proceeds are used to repay all or part of the outstanding balance. Generally, the Group would not use the collateralised assets for business purpose.

Restructured loans and advances to customers

Restructured loans and advances to customers are those loans and advances to customers for which the Group has renegotiated the contract terms with borrowers as a result of the deterioration in their financial position or of their inability to make payments when due. Concessions are given by the Group that would not otherwise be granted to these borrowers for economic or legal reasons relating to their financial difficulties. As at 31 December 2023, the Group's restructured loans and advances to customers was RMB32,030 million (31 December 2022: RMB17,107 million).

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

The following table presents the credit risk exposure of the financial assets under the scope of expected credit loss. Without considering guarantee or any other credit enhancement measures, for on-balance sheet assets, the maximum credit risk exposure is presented as the net carrying amount of the financial assets:

	31 December 2023			
Carrying amount (in RMB million)	**Stage 1**	**Stage 2**	**Stage 3**	**Maximum credit risk exposure**
Cash and amounts due from banks and other financial institutions	**804,077**	**–**	**–**	**804,077**
Balances with the Central Bank and statutory deposits for insurance operations	**285,879**	**–**	**–**	**285,879**
Financial assets purchased under reverse repurchase agreements	**167,073**	**200**	**387**	**167,660**
Accounts receivable	**35,528**	**46**	**62**	**35,636**
Finance lease receivable	**175,988**	**4,021**	**665**	**180,674**
Loans and advances to customers	**3,219,967**	**83,167**	**14,988**	**3,318,122**
Financial assets at amortized cost	**1,187,863**	**16,505**	**38,985**	**1,243,353**
Debt financial assets at fair value through other comprehensive income	**2,631,520**	**3,564**	**1,924**	**2,637,008**
Other assets	**95,640**	**676**	**10,887**	**107,203**
Subtotal	**8,603,535**	**108,179**	**67,898**	**8,779,612**
Credit commitments	**1,932,131**	**4,621**	**320**	**1,937,072**
Total	**10,535,666**	**112,800**	**68,218**	**10,716,684**

	31 December 2022 (Restated)			
Carrying amount (in RMB million)	Stage 1	Stage 2	Stage 3	Maximum credit risk exposure
Cash and amounts due from banks and other financial institutions	774,841	–	–	774,841
Balances with the Central Bank and statutory deposits for insurance operations	295,559	–	–	295,559
Financial assets purchased under reverse repurchase agreements	91,109	–	405	91,514
Accounts receivable	35,909	169	40	36,118
Finance lease receivable	179,398	6,695	765	186,858
Loans and advances to customers	3,152,071	74,444	11,539	3,238,054
Financial assets at amortized cost	1,071,718	15,145	37,172	1,124,035
Debt financial assets at fair value through other comprehensive income	2,497,506	1,000	2,284	2,500,790
Other assets	114,610	271	2,591	117,472
Subtotal	8,212,721	97,724	54,796	8,365,241
Credit commitments	1,826,854	6,193	147	1,833,194
Total	10,039,575	103,917	54,943	10,198,435

The Group closely monitors collateral of credit-impaired financial assets.

As at 31 December 2023, the fair value of collateral of credit-impaired loans and advances to customers is RMB13,940 million (31 December 2022: RMB16,747 million). The fair value of collateral of credit-impaired financial assets at amortized cost is RMB6,074 million (31 December 2022: RMB10,311 million).

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

The following tables explain the changes in the gross carrying amount and impairment provision of the main financial assets between the beginning and the end of the annual period due to these factors:

(in RMB million)		2023						
				Stages transfers				
Gross carrying amount	Stage	1 January	Net increase/ (decrease) (Note)	Transfer between Stage 1 and Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December
Loans and advances to customers	Stage 1	3,205,464	170,692	(106,821)	434	-	-	3,269,769
	Stage 2	91,725	(21,507)	106,821	-	(69,424)	-	107,615
	Stage 3	38,784	(1,098)	-	(434)	69,424	(68,585)	38,091
	Total	3,335,973	148,087	-	-	-	(68,585)	3,415,475
Financial assets at amortized cost	Stage 1	1,079,637	132,684	(19,967)	(254)	-	-	1,192,100
	Stage 2	18,518	(515)	19,967	-	(18,323)	-	19,647
	Stage 3	66,683	(6,018)	-	254	18,323	(659)	78,583
	Total	1,164,838	126,151	-	-	-	(659)	1,290,330
Debt financial assets at fair value through other comprehensive income	Stage 1	2,497,506	136,763	(2,564)	(185)	-	-	2,631,520
	Stage 2	1,000	-	2,564	-	-	-	3,564
	Stage 3	2,284	(545)	-	185	-	-	1,924
	Total	2,500,790	136,218	-	-	-	-	2,637,008

Note: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

(in RMB million)		2023							
					Stages transfers				
Impairment provision	Stage	1 January	Net increase/ (decrease) (Note 1)	Charge/ (recover) for the year (Note 2)	Transfer between Stage 1 and Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December
Loans and advances to customers	Stage 1	56,531	24,435	(22,272)	(6,782)	408	-	-	52,320
	Stage 2	17,357	(3,870)	20,752	6,782	-	(16,566)	-	24,455
	Stage 3	27,308	4,197	44,192	-	(408)	16,566	(68,585)	23,270
	Total	101,196	24,762	42,672	-	-	-	(68,585)	100,045
Financial assets at amortized cost	Stage 1	7,919	620	(3,645)	(635)	(22)	-	-	4,237
	Stage 2	3,373	10	638	635	-	(1,514)	-	3,142
	Stage 3	29,511	(816)	10,026	-	22	1,514	(659)	39,598
	Total	40,803	(186)	7,019	-	-	-	(659)	46,977
Debt financial assets at fair value through other comprehensive income	Stage 1	3,175	(393)	(425)	(140)	(53)	-	-	2,164
	Stage 2	227	-	602	140	-	-	-	969
	Stage 3	5,155	(235)	712	-	53	-	-	5,685
	Total	8,557	(628)	889	-	-	-	-	8,818

Note 1: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

Note 2: Changes in PDs, EADs, and LGDs in the current year, arising from regular update of inputs to models.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

The following tables explain the changes in the gross carrying amount and impairment provision of the main financial assets between the beginning and the end of the annual period due to these factors (continued):

(in RMB million)

2022 (Restated)								
				Stages transfers				
Gross carrying amount	Stage	1 January	Net increase/ (decrease) (Note)	Transfer between Stage 1 and Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December
Loans and advances to customers	Stage 1	2,992,010	340,539	(126,378)	(707)	–	–	3,205,464
	Stage 2	44,549	(14,009)	126,378	–	(65,193)	–	91,725
	Stage 3	33,672	(986)	–	707	65,193	(59,802)	38,784
	Total	3,070,231	325,544	–	–	–	(59,802)	3,335,973
Financial assets at amortized cost	Stage 1	1,032,672	76,829	(26,700)	(3,164)	–	–	1,079,637
	Stage 2	10,075	(2,141)	26,700	–	(16,116)	–	18,518
	Stage 3	51,180	(3,613)	–	3,164	16,116	(164)	66,683
	Total	1,093,927	71,075	–	–	–	(164)	1,164,838
Debt financial assets at fair value through other comprehensive income	Stage 1	2,259,808	237,643	55	–	–	–	2,497,506
	Stage 2	2,871	(1,432)	(55)	–	(384)	–	1,000
	Stage 3	2,647	(723)	–	–	384	(24)	2,284
	Total	2,265,326	235,488	–	–	–	(24)	2,500,790

Note: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

(in RMB million)

2022 (Restated)									
					Stages transfers				
Impairment provision	Stage	1 January	Net increase/ (decrease) (Note 1)	Charge/ (recover) for the year (Note 2)	Transfer between Stage 1 and Stage 2	Transfer between Stage 1 and Stage 3	Transfer between Stage 2 and Stage 3	Write-offs	31 December
Loans and advances to customers	Stage 1	53,285	20,225	(11,847)	(5,185)	53	–	–	56,531
	Stage 2	10,088	(1,117)	26,245	5,185	–	(23,044)	–	17,357
	Stage 3	26,829	2,631	34,659	–	(53)	23,044	(59,802)	27,308
	Total	90,202	21,739	49,057	–	–	–	(59,802)	101,196
Financial assets at amortized cost	Stage 1	5,556	2,210	6,191	(4,577)	(1,461)	–	–	7,919
	Stage 2	1,237	(107)	281	4,577	–	(2,615)	–	3,373
	Stage 3	22,888	(366)	3,077	–	1,461	2,615	(164)	29,511
	Total	29,681	1,737	9,549	–	–	–	(164)	40,803
Debt financial assets at fair value through other comprehensive income	Stage 1	3,056	190	(86)	15	–	–	–	3,175
	Stage 2	221	(67)	107	(15)	–	(19)	–	227
	Stage 3	5,505	(28)	178	–	–	19	(519)	5,155
	Total	8,782	95	199	–	–	–	(519)	8,557

Note 1: Changes in current year due to purchase, purchased credit-impaired or derecognition except write-offs.

Note 2: Changes in PDs, EADs, and LGDs in the current year, arising from regular update of inputs to models.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

The Group internally grades the financial instruments based on the credit quality and risk characteristics. The credit rating of the financial instruments could further be classified as "low risk", "medium risk", "high risk" and "default" according to the internal rating scale. "Low risk" means that the asset quality is good, there is sufficient evidence to show that the asset is not expected to have default, or there is no reason to suspect that the asset had incurred default. "Medium risk" means that the asset quality is acceptable or there are factors revealing potential negative impact on the asset quality, but there is no sufficient reason to suspect that the asset had incurred default. "High risk" means that there are factors revealing significant adverse impact on the asset quality, but there is no event indicating incurred default. The criteria of "default" are consistent with those of "credit-impaired".

The following table contains an analysis of the credit risk grading of loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income. The carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

Loans and advances to customers

	31 December 2023			
(in RMB million)	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Credit grade				
Low risk	**1,754,904**	**7,777**	**–**	**1,762,681**
Medium risk	**1,488,318**	**41,077**	**–**	**1,529,395**
High risk	**26,547**	**58,761**	**–**	**85,308**
Default	**–**	**–**	**38,091**	**38,091**
Gross carrying amount	**3,269,769**	**107,615**	**38,091**	**3,415,475**
Loss allowance	**(49,802)**	**(24,448)**	**(23,103)**	**(97,353)**
Carrying amount	**3,219,967**	**83,167**	**14,988**	**3,318,122**

	31 December 2022			
(in RMB million)	Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	1,777,535	4,945	–	1,782,480
Medium risk	1,426,465	34,864	–	1,461,329
High risk	1,464	51,916	–	53,380
Default	–	–	38,784	38,784
Gross carrying amount	3,205,464	91,725	38,784	3,335,973
Loss allowance	(53,393)	(17,281)	(27,245)	(97,919)
Carrying amount	3,152,071	74,444	11,539	3,238,054

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

Financial assets at amortized cost

	31 December 2023			
(in RMB million)	Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	**1,137,714**	**–**	**–**	**1,137,714**
Medium risk	**40,564**	**5,316**	**–**	**45,880**
High risk	**13,822**	**14,331**	**–**	**28,153**
Default	**–**	**–**	**78,583**	**78,583**
Gross carrying amount	**1,192,100**	**19,647**	**78,583**	**1,290,330**
Impairment provision	**(4,237)**	**(3,142)**	**(39,598)**	**(46,977)**
Carrying amount	**1,187,863**	**16,505**	**38,985**	**1,243,353**

	31 December 2022 (Restated)			
(in RMB million)	Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	1,002,370	–	–	1,002,370
Medium risk	65,555	2,925	–	68,480
High risk	11,712	14,101	–	25,813
Default	–	1,492	66,683	68,175
Gross carrying amount	1,079,637	18,518	66,683	1,164,838
Impairment provision	(7,919)	(3,373)	(29,511)	(40,803)
Carrying amount	1,071,718	15,145	37,172	1,124,035

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

(b) Expected credit loss (Continued)

Debt financial assets at fair value through other comprehensive income

(in RMB million)	31 December 2023 Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	**2,574,907**	**–**	**–**	**2,574,907**
Medium risk	**53,509**	**1,000**	**–**	**54,509**
High risk	**3,104**	**2,564**	**–**	**5,668**
Default	**–**	**–**	**1,924**	**1,924**
Carrying amount	**2,631,520**	**3,564**	**1,924**	**2,637,008**

(in RMB million)	31 December 2022 (Restated) Stage 1	Stage 2	Stage 3	Total
Credit grade				
Low risk	2,450,027	–	–	2,450,027
Medium risk	32,994	1,000	–	33,994
High risk	14,485	–	–	14,485
Default	–	–	2,284	2,284
Carrying amount	2,497,506	1,000	2,284	2,500,790

(4) LIQUIDITY RISK

Liquidity risk is the risk of not having access to sufficient funds or being unable to realize an asset in a timely manner at a reasonable price to meet the Group's obligations as they become due.

The Group is exposed to liquidity risk on insurance policies that permit surrender, withdrawal or other forms of early termination. When surrender, withdrawal or other forms of early termination happens, the Group determines the amounts that are payable on demand to policyholders in accordance with the terms of insurance contracts, which are usually the unearned premiums or the cash values of the relevant part of contracts, after deducting the applicable early termination fees. The Group seeks to manage its liquidity risk by matching to the extent possible the duration of its investment assets with the duration of its insurance policies and to ensure that the Group is able to meet its payment obligations and fund its lending and investment operations on a timely basis.

The banking business of the Group is exposed to potential liquidity risk. The Group utilizes multiple regulatory methods, establish comprehensive liquidity risk management framework, effectively recognize, measure, monitor and control liquidity risk, maintain sufficient liquidity level to satisfy various funds requirement and to face adverse market status. In case of monitoring liquidity risks effectively, the Group pays attention to the funds resources and diversified utilization, keeps relatively high liquidity assets consistently. The Group monitors the sourcing and usage of funds, deposit to loan ratio, and quick ratio on a daily basis. Moreover, when adopting various benchmarks for management of liquidity risk, the Group compares the expected results against the ones derived from stress tests, critically assesses the potential impact to the future liquidity risk, and formulates remedial actions according to specific situations. The Group seeks to mitigate the liquidity risk of the banking business by optimizing the assets and liabilities structure, and maintaining stable deposits, etc.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

The table below summarizes the remaining contractual maturity profile of the financial assets, financial liabilities, insurance contract liabilities and reinsurance contract liabilities of the Group based on undiscounted contractual cash flows/expected cash flows:

	31 December 2023						
(in RMB million)	Undated	Repayable on demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Cash and amounts due from banks and other financial institutions	-	269,825	235,400	116,808	177,595	108	799,736
Balances with the Central Bank and statutory deposits for insurance operations	227,230	43,746	648	1,610	13,650	-	286,884
Financial assets purchased under reverse repurchase agreements	-	728	161,088	5,356	622	-	167,794
Accounts receivable	-	277	7,695	18,493	9,804	461	36,730
Insurance contract assets	-	-	(1)	8	(3)	-	4
Reinsurance contract assets	-	-	3,112	7,244	9,396	37,733	57,485
Finance lease receivable	-	1,854	29,223	72,867	99,471	640	204,055
Loans and advances to customers	-	12,050	835,038	955,224	1,246,550	718,242	3,767,104
Financial assets at fair value through profit or loss	971,867	11,631	39,357	96,894	457,670	354,002	1,931,421
Financial assets at amortized cost	-	21,212	112,933	231,570	520,938	657,214	1,543,867
Debt financial assets at fair value through other comprehensive income	-	809	54,303	179,775	694,082	3,150,720	4,079,689
Equity financial assets at fair value through other comprehensive income	264,877	-	-	-	-	-	264,877
Other assets	-	75,107	25,703	24,523	4,580	1,298	131,211
	1,463,974	437,239	1,504,499	1,710,372	3,234,355	4,920,418	13,270,857
Due to banks and other financial institutions	-	285,004	363,817	256,511	70,989	1,628	977,949
Financial liabilities at fair value through profit or loss	120	2,190	44,337	1,857	146	-	48,650
Assets sold under agreements to repurchase	-	-	236,229	5,700	-	-	241,929
Accounts payable	-	3,815	713	3,560	768	2	8,858
Insurance contract liabilities	-	-	73,294	60,148	3,474	8,465,604	8,602,520
Reinsurance contract liabilities	-	-	-	82	100	-	182
Customer deposits and payables to brokerage customers	-	1,296,804	744,754	577,390	992,925	-	3,611,873
Bonds payable	-	-	300,756	436,516	216,078	41,389	994,739
Lease liabilities	-	225	1,022	3,048	6,897	367	11,559
Other liabilities	-	48,248	45,562	47,915	89,733	14,209	245,667
	120	1,636,286	1,810,484	1,392,727	1,381,110	8,523,199	14,743,926
Derivative cash flows							
Derivative financial instruments settled on a net basis	-	(8)	552	(376)	(119)	45	94
Derivative financial instruments settled on a gross basis							
Cash inflow	-	3,344	1,146,342	1,047,088	235,881	-	2,432,655
Cash outflow	-	(4,303)	(1,146,911)	(1,050,180)	(235,306)	-	(2,436,700)
	-	(959)	(569)	(3,092)	575	-	(4,045)

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

(in RMB million)	31 December 2022 (Restated) Undated	Repayable on demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Cash and amounts due from banks and other financial institutions	–	300,236	160,910	130,437	180,290	9	771,882
Balances with the Central Bank and statutory deposits for insurance operations	240,279	40,836	598	1,618	13,577	–	296,908
Financial assets purchased under reverse repurchase agreements	–	905	85,849	5,412	–	–	92,166
Accounts receivable	–	6,239	7,303	16,156	7,447	1	37,146
Reinsurance contract assets	–	–	783	9,831	8,291	50,965	69,870
Finance lease receivable	–	2,055	32,166	81,560	93,346	494	209,621
Loans and advances to customers	–	16,163	734,127	991,547	1,208,446	811,056	3,761,339
Financial assets at fair value through profit or loss	892,336	15,394	40,912	156,246	394,406	246,982	1,746,276
Financial assets at amortized cost	–	23,361	101,005	212,871	501,325	546,966	1,385,528
Debt financial assets at fair value through other comprehensive income	–	1,149	79,815	246,178	684,115	3,004,409	4,015,666
Equity financial assets at fair value through other comprehensive income	264,771	–	–	–	–	–	264,771
Other assets	–	69,351	29,775	32,111	7,031	1,176	139,444
	1,397,386	475,689	1,273,243	1,883,967	3,098,274	4,662,058	12,790,617
Due to banks and other financial institutions	–	280,241	351,876	217,595	86,734	1,544	937,990
Financial liabilities at fair value through profit or loss	260	2,231	76,451	3,434	2,501	–	84,877
Assets sold under agreements to repurchase	–	–	267,495	4,065	330	–	271,890
Accounts payable	–	4,387	1,152	4,204	612	–	10,355
Insurance contract liabilities	–	–	59,480	51,194	(75,153)	8,013,239	8,048,760
Reinsurance contract liabilities	–	–	210	(14)	(55)	(19)	122
Customer deposits and payables to brokerage customers	–	1,284,564	805,516	593,162	824,090	–	3,507,332
Bonds payable	–	–	232,385	448,189	241,987	42,764	965,325
Lease liabilities	–	259	1,232	3,959	8,678	539	14,667
Other liabilities	–	61,261	38,291	66,424	101,343	15,746	283,065
	260	1,632,943	1,834,088	1,392,212	1,191,067	8,073,813	14,124,383
Derivative cash flows							
Derivative financial instruments settled on a net basis	–	(38)	(100)	(456)	604	11	21
Derivative financial instruments settled on a gross basis							
Cash inflow	–	8,006	1,277,050	762,245	129,244	–	2,176,545
Cash outflow	–	(8,885)	(1,281,920)	(767,601)	(129,054)	–	(2,187,460)
	–	(879)	(4,870)	(5,356)	190	–	(10,915)

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49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

The table below summarizes the remaining contractual maturity profile of the credit commitments of the Group:

(in RMB million)	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
31 December 2023						
Credit commitments	**198,948**	**297,947**	**572,672**	**445,350**	**432,052**	**1,946,969**
31 December 2022						
Credit commitments	93,804	203,173	679,558	486,699	363,726	1,826,960

Management expects the credit commitments will not be entirely used during the commitment period.

(5) MISMATCHING RISK OF ASSETS AND LIABILITIES

The objective of the Group's asset and liability management is to match the maturity and interest rates of assets and liabilities. Under the current constraints of the shortage of long-term interest rate bond market, however, the Group does not have sufficient long-duration assets for investment to match the duration of insurance and investment contract liabilities. As permitted by law regulations and market conditions, the Group actively invests in preferred stocks and other broad-term duration assets, and continuously improves the allocation of long-duration assets, considering the requirements for asset-liability duration matching and revenue-cost matching.

(6) OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failure of proper internal controls on business processes, employees and systems or from uncontrollable external events. Operational risk in this context includes legal risk, but does not include strategic risk and reputational risk. The Group is exposed to many types of operational risks in the conduct of its business. The Group manages operational risk by establishing and continuously improving risk management framework, formalizing policies and standards, using management tools and reporting mechanism, strengthening staff education and training.

(7) CAPITAL MANAGEMENT

The Group's capital requirements are primarily dependent on the scale, products of insurance business, and the type of business that it undertakes, as well as the industry and geographic location in which it operates. The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and to maintain healthy capital ratios in order to support its business and to maximize shareholders' value.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(7) CAPITAL MANAGEMENT (CONTINUED)

The Group manages its capital requirements by assessing shortfalls, if any, between the reported and the required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Group's activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital to ordinary shareholders or issue capital securities.

The Group computes solvency margin ratios and recognizes, assesses and manages related risks in accordance with the *Regulatory Rules on Solvency of Insurance Companies (II)*, the *Notice on the Implementation of Regulatory Rules on Solvency of Insurance Companies (II)*, and the *National Financial Regulatory Administration's Circular on Improving Regulatory Standards for Solvency of Insurance Companies*. The Group was compliant with the requirements of regulatory authorities for solvency margin ratios as of December 31, 2023.

The table below summarizes the minimum regulatory capital for the Group and its major insurance subsidiaries and the regulatory capital held against each of them.

	31 December 2023		
	The Group	**Ping An Life**	**Ping An Property & Casualty**
Core capital	**1,320,654**	**415,458**	**102,875**
Actual capital	**1,714,110**	**770,771**	**126,230**
Minimum capital	**823,985**	**395,780**	**60,734**
Core solvency margin ratio	**160.3%**	**105.0%**	**169.4%**
Comprehensive solvency margin ratio	**208.0%**	**194.7%**	**207.8%**

	31 December 2022		
	The Group	Ping An Life	Ping An Property & Casualty
Core capital	1,363,413	495,845	101,193
Actual capital	1,783,772	877,807	125,337
Minimum capital	819,568	399,557	56,976
Core solvency margin ratio	166.4%	124.1%	177.6%
Comprehensive solvency margin ratio	217.6%	219.7%	220.0%

The banking business subsidiary measures the capital adequacy ratio in accordance with the Capital Rules for Commercial Banks (Provisional). According to the requirements, risk weighted assets for credit risk is measured by Weighted Approach, risk weighted assets for market risk is measured by Standardised Approach, and risk weighted assets for operation risk is measured by the Basic Indicator Approach.

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(7) CAPITAL MANAGEMENT (CONTINUED)

The banking operation's core Tier 1 capital adequacy ratio, Tier 1 capital adequacy ratio and capital adequacy ratio are shown below:

	31 December 2023	31 December 2022
Core Tier 1 capital adequacy ratio	**9.22%**	8.64%
Tier 1 capital adequacy ratio	**10.90%**	10.40%
Capital adequacy ratio	**13.43%**	13.01%

(8) THE GROUP'S MAXIMUM EXPOSURE TO STRUCTURED ENTITIES

The Group uses structured entities in the normal course of business for a number of purposes, for example, structured transactions for customers, to provide finance to public and private sector infrastructure projects, and to generate fees from managing assets on behalf of third-party investors. These structured entities are financed through the issue of beneficiary notes or trust units to investors. Refer to Note 3.(8) for the Group's consolidation consideration related to structured entities.

The following table also shows the size, the Group's funding and the Group's maximum exposure to the unconsolidated structured entities representing the Group's maximum possible risk exposure that could occur as a result of the Group's arrangements with structured entities. The maximum exposure is contingent in nature and approximates the sum of direct investments made by the Group.

The size of unconsolidated structured entities and the Group's funding and maximum exposure are shown below:

	Unconsolidated structured entities			
31 December 2023 (in RMB million)	Size	Carrying amount	The Group's maximum exposure	Interest held by the Group
Securitization	**21,639**	**3,917**	**3,917**	Investment income and service fee
Assets management products managed by affiliated entities	**2,685,824**	**234,915**	**234,915**	Investment income and service fee
Assets management products managed by third parties	**Note 1**	**580,243**	**580,243**	Investment income
Wealth management products managed by affiliated entities	**1,013,060**	**10,358**	**10,358**	Investment income and service fee
Wealth management products managed by third parties	**Note 1**	**5,702**	**5,702**	Investment income

49. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(8) THE GROUP'S MAXIMUM EXPOSURE TO STRUCTURED ENTITIES (CONTINUED)

31 December 2022 (Restated) (in RMB million)	Unconsolidated structured entities			
	Size	Carrying amount	The Group's maximum exposure	Interest held by the Group
Securitization	43,748	3,856	3,856	Investment income and service fee
Assets management products managed by affiliated entities	2,643,426	257,681	257,681	Investment income and service fee
Assets management products managed by third parties	Note 1	616,070	616,070	Investment income
Wealth management products managed by affiliated entities	886,840	9,075	9,075	Investment income and service fee
Wealth management products managed by third parties	Note 1	7,228	7,228	Investment income

Note 1: These assets management products and wealth management products are sponsored by third party financial institutions and the information related to size of these structured entities were not publicly available.

The Group's interests in unconsolidated structured entities are recorded as wealth management investments under FVPL, FVOCI and AC, and beneficial right under trust schemes under assets purchased under reverse repurchase agreements.

The unconsolidated structured entities held by the Group included the trust plans consolidated by Lufax Holding.

50. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments mainly consist of cash and amounts due from banks and other financial institutions, term deposits, bonds, funds, stocks, loans, borrowings, deposits from other banks and financial institutions, customer deposits and payables to brokerage customers, etc.

50. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(1) CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table sets out the carrying amount and fair value of the Group's major financial instruments by classification:

	Carrying amount		Fair value	
(in RMB million)	**31 December 2023**	31 December 2022 (Restated)	**31 December 2023**	31 December 2022 (Restated)
Financial assets				
Cash and amounts due from banks and other financial institutions	**804,077**	774,841	**804,077**	774,841
Balances with the Central Bank and statutory deposits for insurance operations	**285,879**	295,559	**285,879**	295,559
Financial assets purchased under reverse repurchase agreements	**167,660**	91,514	**167,660**	91,514
Accounts receivable	**35,636**	36,118	**35,636**	36,118
Derivative financial assets	**44,978**	29,278	**44,978**	29,278
Finance lease receivable	**180,674**	186,858	**180,674**	186,858
Loans and advances to customers	**3,318,122**	3,238,054	**3,318,122**	3,238,054
Financial assets at fair value through profit or loss	**1,803,047**	1,640,519	**1,803,047**	1,640,519
Financial assets at amortized cost	**1,243,353**	1,124,035	**1,272,437**	1,142,252
Debt financial assets at fair value through other comprehensive income	**2,637,008**	2,500,790	**2,637,008**	2,500,790
Equity financial assets at fair value through other comprehensive income	**264,877**	264,771	**264,877**	264,771
Other assets	**107,203**	117,472	**107,203**	117,472
Financial liabilities				
Due to banks and other financial institutions	**963,718**	923,088	**963,718**	923,088
Financial liabilities at fair value through profit or loss	**48,619**	84,659	**48,619**	84,659
Derivative financial liabilities	**44,531**	39,738	**44,531**	39,738
Assets sold under agreements to repurchase	**241,803**	271,737	**241,803**	271,737
Accounts payable	**8,858**	10,349	**8,858**	10,349
Customer deposits and payables to brokerage customers	**3,534,539**	3,431,999	**3,534,539**	3,431,999
Bonds payable	**964,007**	931,098	**962,802**	927,784
Other liabilities	**213,717**	269,338	**213,717**	269,338

Fair value of financial instruments not carried at fair value

The following describes the methods and assumptions used to determine fair value of financial instruments measured at amortized cost.

Financial instruments for which fair value approximates to carrying amount

For financial assets and financial liabilities that have a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to term deposits, and savings accounts without a specific maturity. For other variable rate instruments, adjustment is also made to reflect the subsequent changes in the market rate after initial recognition.

50. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(1) CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments not carried at fair value (Continued)

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortized cost is estimated by comparing market interest rates when they were first recognized with current market rates for similar financial instruments. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for financial products with similar credit risk and maturity. For quoted debts issued, the fair values are determined based on quoted market prices. For those debts issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity and credit spreads.

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The main quoted market price used for financial assets held by the Group is the current closing price. Financial instruments included in Level 1 comprise primarily equity investments, fund investments and bond investments traded on stock exchanges and open-ended mutual funds;

Level 2: either directly (such as price) or indirectly (such as calculated based on price) other than quoted prices included within Level 1 that are observable for the asset or liability. This valuation method maximizes the use of observable market data and minimizes the use of unobservable inputs;

Level 3: inputs which are based on parameters other than observable market data (unobservable inputs).

The level of fair value measurement is determined by the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability.

Valuation methods for Level 2 and Level 3 financial instruments

For Level 2 financial instruments, valuations are generally using observable market inputs, or recent quoted market prices. The valuation providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities. Debt securities are classified as Level 2 when they are valued at recent quoted price from Chinese interbank market or from public valuation service providers. The fair value of debt investments denominated in RMB is determined based upon the valuation results by the CCDC. All significant inputs are observable in the market.

For Level 3 financial instruments, the consideration of being classified as Level 3 is mainly based on the significance of the unobservable factors to the overall fair value measurement.

50. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 December 2023			
(in RMB million)	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Financial assets at fair value through profit or loss				
Bonds	8,963	576,971	495	586,429
Funds	289,307	182,657	3,547	475,511
Stocks	155,131	1,269	114	156,514
Wealth management investments, debt schemes and other investments	1,519	416,420	166,654	584,593
	454,920	1,177,317	170,810	1,803,047
Derivative financial assets				
Interest rate swaps	-	14,070	-	14,070
Currency forwards and swaps	-	27,015	-	27,015
Others	-	3,575	318	3,893
	-	44,660	318	44,978
Debt financial assets at fair value through other comprehensive income				
Bonds	11,101	2,389,281	605	2,400,987
Wealth management investments, debt schemes and other investments	-	232,180	3,841	236,021
	11,101	2,621,461	4,446	2,637,008
Equity financial assets at fair value through other comprehensive income				
Stocks	177,673	-	13	177,686
Preferred shares	-	81,893	-	81,893
Other equity investments	-	2,021	3,277	5,298
	177,673	83,914	3,290	264,877
Loans and advances to customers measured at fair value through other comprehensive income	-	453,930	-	453,930
Total financial assets	643,694	4,381,282	178,864	5,203,840
Financial liabilities				
Derivative financial liabilities				
Interest rate swaps	-	12,718	-	12,718
Currency forwards and swaps	-	27,780	-	27,780
Others	-	3,973	60	4,033
	-	44,471	60	44,531
Placements from banks and other financial institutions measured at fair value through profit or loss	2,792	-	-	2,792
Financial liabilities at fair value through profit or loss	2,780	43,965	1,874	48,619
Total financial liabilities	5,572	88,436	1,934	95,942

50. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy (continued):

	31 December 2022 (Restated)			
(in RMB million)	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Financial assets at fair value through profit or loss				
Bonds	9,491	496,725	864	507,080
Funds	309,260	203,987	4,704	517,951
Stocks	82,343	1,154	498	83,995
Wealth management investments, debt schemes and other investments	134	333,878	197,481	531,493
	401,228	1,035,744	203,547	1,640,519
Derivative financial assets				
Interest rate swaps	–	11,893	–	11,893
Currency forwards and swaps	–	15,602	–	15,602
Others	–	1,718	65	1,783
	–	29,213	65	29,278
Debt financial assets at fair value through other comprehensive income				
Bonds	6,426	2,185,367	766	2,192,559
Wealth management investments, debt schemes and other investments	–	257,845	50,386	308,231
	6,426	2,443,212	51,152	2,500,790
Equity financial assets at fair value through other comprehensive income				
Stocks	174,046	1	–	174,047
Preferred shares	–	85,784	–	85,784
Other equity investments	–	1,949	2,991	4,940
	174,046	87,734	2,991	264,771
Placements with banks and other financial institutions measured at fair value through other comprehensive income	–	2,777	–	2,777
Loans and advances to customers measured at fair value through other comprehensive income	–	331,880	–	331,880
Total financial assets	581,700	3,930,560	257,755	4,770,015
Financial liabilities				
Derivative financial liabilities				
Interest rate swaps	–	10,062	–	10,062
Currency forwards and swaps	–	23,498	–	23,498
Others	–	6,128	50	6,178
	–	39,688	50	39,738
Placements from banks and other financial institutions measured at fair value through profit or loss	4,111	–	–	4,111
Financial liabilities at fair value through profit or loss	2,747	78,093	3,819	84,659
Total financial liabilities	6,858	117,781	3,869	128,508

50. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

The following table shows an analysis of financial instruments not recorded at fair value but for which fair value is disclosed by level of the fair value hierarchy:

	31 December 2023			
(in RMB million)	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets				
Financial assets at amortized cost	**383**	**1,107,349**	**164,705**	**1,272,437**
Total	**383**	**1,107,349**	**164,705**	**1,272,437**
Financial liabilities				
Bonds payable	**22,088**	**940,714**	**–**	**962,802**
Total	**22,088**	**940,714**	**–**	**962,802**

	31 December 2022 (Restated)			
(in RMB million)	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Financial assets at amortized cost	170	1,007,389	134,693	1,142,252
Total	170	1,007,389	134,693	1,142,252
Financial liabilities				
Bonds payable	19,599	907,886	299	927,784
Total	19,599	907,886	299	927,784

Financial assets and liabilities for which fair value approximates carrying amount are not included in the above disclosure.

50. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

Reconciliation of movements in Level 3 financial instruments measured at fair value is as follows:

(in RMB million)	2023	2022 (Restated)
Financial assets at fair value through profit or loss		
As at 1 January	**203,547**	201,032
Additions	**27,022**	65,906
Disposals	**(43,476)**	(61,689)
Transfers into Level 3	**758**	859
Transfers from Level 3	**(2,232)**	(192)
Total gains/losses		
Losses through profit or loss	**(14,809)**	(2,369)
As at 31 December	**170,810**	203,547
Debt financial assets at fair value through other comprehensive income		
As at 1 January	**51,152**	61,234
Purchase	**–**	2,204
Disposals	**(209)**	(8,916)
Issue	**–**	546,191
Settlement	**(49,132)**	(551,693)
Transfers into Level 3	**2,779**	–
Total gains/losses		
Losses/gains through profit or loss	**(43)**	2,759
Losses through other comprehensive income	**(101)**	(627)
As at 31 December	**4,446**	51,152
Equity financial assets at fair value through other comprehensive income		
As at 1 January	**2,991**	2,559
Additions	**554**	784
Disposals	**(270)**	–
Total gains/losses		
Gains/losses through other comprehensive income	**15**	(352)
As at 31 December	**3,290**	2,991

50. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

The gains or losses of level 3 financial instruments included in the income statement for the year are presented as follows:

	2023		
(in RMB million)	**Realized gains**	**Unrealized gains**	**Total**
Financial assets at fair value through profit or loss	**1,377**	**(16,186)**	**(14,809)**
Debt financial assets at fair value through other comprehensive income	**-**	**(43)**	**(43)**
	1,377	**(16,229)**	**(14,852)**

	2022		
(in RMB million)	Realized gains	Unrealized gains	Total
Financial assets at fair value through profit or loss	2,394	(4,763)	(2,369)
Debt financial assets at fair value through other comprehensive income	2,759	–	2,759
	5,153	(4,763)	390

Transfers

For the year ended 31 December 2023 and the year ended 31 December 2022, there were no significant transfers between Level 1 and Level 2 fair value measurements.

51. TRANSFERRED FINANCIAL ASSETS

The Group enters into transactions in the normal course of business by which it transfers recognized financial assets to third parties or to structured entities. When the Group has neither transferred nor retained substantially all the risks and rewards of the financial asset and retained control of the asset, the Group continues to recognize the financial asset to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. In other cases where the transferred financial assets do not qualify for derecognition as the Group has retained substantially all the risks and rewards of these financial assets, the Group continued to recognize the transferred financial assets.

The Group's subsidiaries, Ping An Bank and Ping An Financial Leasing, entered into loan securitization transactions. The Group may retain risks or rewards in the securitization business which would give rise to the Group's continuing involvement in the transferred assets. Those financial assets are recognized on the statement of financial position to the extent of the Group's continuing involvement, otherwise the financial assets are derecognized.

51. TRANSFERRED FINANCIAL ASSETS (CONTINUED)

Other transferred financial assets that do not qualify for derecognition mainly include debt securities held by counterparties as collateral under repurchase agreements. The counterparties are allowed to sell or repledge those securities sold under repurchase agreements in the absence of default by the Group, but has an obligation to return the securities at the maturity of the contract. If the securities increase or decrease in value, the Group may in certain circumstances require the counterparties to provide additional or return collateral. The Group has determined that it retains substantially all the risks and rewards of these securities and therefore has not derecognized them.

The following table analyses the carrying amount of the above-mentioned financial assets transferred to third parties that did not qualify for derecognition or continuing involvement and their associated financial liabilities:

	31 December 2023		31 December 2022	
(in RMB million)	Carrying amount of transferred or continuing involvement financial assets	Carrying amount of associated liabilities	Carrying amount of transferred or continuing involvement financial assets	Carrying amount of associated liabilities
Repurchase transactions	**3,235**	**2,918**	1,070	998
Assets securitization	**1,487**	**1,487**	2,115	2,115

52. CASH AND CASH EQUIVALENTS

(in RMB million)	31 December 2023	31 December 2022 (Restated)
Cash		
Cash and amounts due from banks and other financial institutions		
Cash on hand	**3,690**	4,165
Term deposits	**20,158**	11,357
Due from banks and other financial institutions	**169,477**	240,091
Placements with banks and other financial institutions	**80,373**	58,175
Balances with the Central Bank	**43,432**	40,450
Subtotal	**317,130**	354,238
Cash equivalents		
Bonds	**3,995**	5,225
Financial assets purchased under reverse repurchase agreements	**159,347**	84,739
Subtotal	**163,342**	89,964
Total	**480,472**	444,202

53. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(1) RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH FLOWS FROM OPERATING ACTIVITIES:

(in RMB million)	2023	2022 (Restated)
Profit before tax	**120,117**	142,335
Adjustments for:		
Depreciation of investment properties	**4,692**	3,645
Depreciation of property and equipment	**7,808**	7,508
Amortization of intangible assets	**3,370**	3,171
Depreciation of right-of-use assets	**4,792**	5,982
Amortization of long-term deferred expenses	**591**	47
Gains on disposal of investment properties, property and equipment, intangible assets and other long-term assets	**(563)**	(311)
Investment income and interest revenue from non-banking operations	**(156,452)**	(151,374)
Fair value losses/(gains) on investments at fair value through profit or loss	**9,039**	36,936
Interest expenses on non-banking operations	**24,346**	22,698
Foreign exchange gains/(losses)	**(120)**	(3,144)
Net impairment losses of financial assets and other assets	**79,071**	81,920
Operating profit before working capital changes	**96,691**	149,413
Changes in operating assets and liabilities:		
Changes in balances with the Central Bank and statutory deposits	**12,661**	(18,183)
Changes in amounts due from banks and other financial institutions	**(97,449)**	(59,251)
Changes in reinsurance contract assets/liabilities	**(1,332)**	(570)
Changes in account receivable	**330**	(3,529)
Changes in inventories	**1,576**	706
Changes in loans and advances to customers	**(165,754)**	(332,746)
Changes in assets purchased under agreements to resell of banking and securities business	**(506)**	588
Changes in other assets	**69,876**	(51,021)
Changes in due to banks and other financial institutions	**90,799**	127,431
Changes in customer deposits and payables to brokerage customers	**111,984**	380,410
Changes in insurance contract assets/liabilities	**317,849**	275,281
Changes in assets sold under agreements to repurchase of banking and securities business	**51,034**	(25,252)
Changes in other liabilities	**(100,698)**	62,146
Cash generated from operations	**387,061**	505,423
Less: Current income tax charged for the year	**(17,699)**	(27,643)
Changes in income tax payable	**(8,959)**	(1,004)
Net cash flows from operating activities	**360,403**	476,776

53. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(2) NET DEBT RECONCILIATION:

This section sets out an analysis of net debt and movements in net debt of current year.

(in RMB million)	Short-term borrowings	Long-term borrowings	Bonds payable	Total
As at 1 January 2023	**108,500**	**61,045**	**910,237**	**1,079,782**
Cash flows	**(29,377)**	**(12,194)**	**11,453**	**(30,118)**
Foreign exchange adjustments	**94**	**111**	**206**	**411**
Other non-cash movements	**-**	**-**	**22,852**	**22,852**
As at 31 December 2023	**79,217**	**48,962**	**944,748**	**1,072,927**

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL

(1) KEY MANAGEMENT PERSONNEL COMPRISE THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The summary of compensation of key management personnel for the year is as follows:

(in RMB million)	2023	2022
Salaries and other short-term employee benefits after tax	**63**	66
Individual income tax	**40**	42

The estimated amount of total compensation has been provided in the Group's 2023 financial statements. The final remunerations of the Company's full-time directors, supervisors and senior management are being recognized, and will be disclosed after recognition in accordance with applicable rules.

Parts of the performance-based remunerations of the Company's senior management will be deferred and paid over a period of 3 years in accordance with the *Code of Corporate Governance of Banking and Insurance Institutions* and the *Guidelines for Insurance Companies' Remuneration Management (Trial)*. The deferred, unpaid parts are included in the total remunerations received by the Company's senior management from the Company during the Reporting Period.

(2) COMPENSATION OF KEY MANAGEMENT PERSONNEL OTHER THAN DIRECTORS AND SUPERVISORS IS AS FOLLOWS

(in RMB million)	2023	2022
Salaries and other short-term employee benefits after tax	**29**	26
Individual income tax	**20**	17

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS

The remuneration of every director and supervisor is set out below:

For the year ended 31 December 2023:

	2023									
(in RMB thousand)	Fees	Salaries	Discretionary bonuses(ii)	Housing allowance	Other employee benefits	Employer's contribution to a retirement benefit scheme	Remunerations received or receivable in respect of accepting office as director	Emoluments received or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total	Individual income tax
Ma Mingzhe (iii)	-	2,853	725	2	7	-	-	-	3,587	2,513
Xie Yonglin	-	3,743	-	34	53	80	-	-	3,910	2,797
Cai Fangfang	-	3,000	469	34	49	68	-	-	3,620	2,242
Yao Jason Bo (iv)	378	1,802	-	-	9	14	-	-	2,203	1,449
Tan Sin Yin	-	5,708	1,702	-	33	43	-	-	7,486	5,520
Soopakij Chearavanont	548	-	-	-	-	-	-	-	548	142
Yang Xiaoping	548	-	-	-	-	-	-	-	548	142
He Jianfeng (v)	500	-	-	-	-	-	-	-	500	130
Cai Xun (vi)	548	-	-	-	-	-	-	-	548	142
Ouyang Hui (vii)	304	-	-	-	-	-	-	-	304	77
Ng Sing Yip	548	-	-	-	-	-	-	-	548	142
Chu Yiyun	548	-	-	-	-	-	-	-	548	142
Liu Hong	548	-	-	-	-	-	-	-	548	142
Ng Kong Ping Albert	548	-	-	-	-	-	-	-	548	142
Jin Li	548	-	-	-	-	-	-	-	548	142
Wang Guangqian (viii)	244	-	-	-	-	-	-	-	244	66
Michael Guo (ix)	-	1,506	641	-	9	16	-	-	2,172	1,358
Sun Jianyi	-	2,130	1,940	2	7	-	-	-	4,079	2,930
Wang Zhiliang	-	1,383	735	34	15	75	-	-	2,242	1,191
Zhu Xinrong (x)	548	-	-	-	-	-	-	-	548	142
Liew Fui Kiang (xi)	548	-	-	-	-	-	-	-	548	142
Hung Ka Hai Clement (xii)	548	-	-	-	-	-	-	-	548	142

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

For the year ended 31 December 2022:

	2022									
(in RMB thousand)	Fees	Salaries	Discretionary bonuses(ii)	Housing allowance	Other employee benefits	Employer's contribution to a retirement benefit scheme	Remunerations received or receivable in respect of accepting office as director	Emoluments received or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total	Individual income tax
Ma Mingzhe (iii)	-	2,850	1,099	2	8	-	-	-	3,959	2,821
Xie Yonglin	-	4,091	233	31	49	79	-	-	4,483	2,966
Tan Sin Yin	-	5,708	2,500	-	25	42	-	-	8,275	6,172
Yao Jason Bo (iv)	-	5,708	1,246	-	21	42	-	-	7,017	5,146
Cai Fangfang	-	3,000	769	31	46	68	-	-	3,914	2,602
Soopakij Chearavanont	520	-	-	-	-	-	-	-	520	110
Yang Xiaoping	520	-	-	-	-	-	-	-	520	110
He Jianfeng (v)	255	-	-	-	-	-	-	-	255	65
Cai Xun (vi)	255	-	-	-	-	-	-	-	255	65
Ouyang Hui (vii)	535	-	-	-	-	-	-	-	535	115
Ng Sing Yip	520	-	-	-	-	-	-	-	520	110
Chu Yiyun	510	-	-	-	-	-	-	-	510	130
Liu Hong	503	-	-	-	-	-	-	-	503	127
Ng Kong Ping Albert	520	-	-	-	-	-	-	-	520	110
Jin Li	510	-	-	-	-	-	-	-	510	130
Huang Wei (xiii)	248	-	-	-	-	-	-	-	248	62
Sun Jianyi	-	2,130	1,940	2	8	-	-	-	4,080	2,930
Wang Zhiliang	-	1,201	464	111	13	70	-	-	1,859	787
Gu Liji (xiv)	270	-	-	-	-	-	-	-	270	67
Zhang Wangjin (xv)	287	-	-	-	-	-	-	-	287	51
Huang Baokui (xvi)	270	-	-	-	-	-	-	-	270	67
Zhu Xinrong (x)	234	-	-	-	-	-	-	-	234	58
Liew Fui Kiang (xi)	236	-	-	-	-	-	-	-	236	57
Hung Ka Hai Clement (xii)	236	-	-	-	-	-	-	-	236	57

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54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(i) Other non-monetary benefits include the Key Employee Share Purchase Plan and the Long-Term Service Plan

The participation of the Company's directors and supervisors in the Key Employee Share Purchase Plan is as follows:

Period of purchase	Average price of shares purchased	Name	Unvested as at 1 January 2023	Addition during the year	Vested during the year	Unvested as at 31 December 2023
From 24 February 2020 to 27 February 2020	RMB80.17 per share	Ma Mingzhe	100,000	–	100,000	–
		Xie Yonglin	119,705	–	119,705	–
		Cai Fangfang	39,901	–	39,901	–
		Yao Jason Bo	59,853	–	59,853	–
		Tan Sin Yin	74,816	–	74,816	–
		Wang Zhiliang	2,495	–	2,495	–
From 26 April 2021 to 29 April 2021	RMB73.13 per share	Ma Mingzhe	333,334	–	166,666	166,668
		Xie Yonglin	307,643	–	153,821	153,822
		Cai Fangfang	109,365	–	54,682	54,683
		Yao Jason Bo	153,111	–	76,555	76,556
		Tan Sin Yin	174,984	–	87,491	87,493
		Wang Zhiliang	5,468	–	2,734	2,734
From 18 March 2022 to 25 March 2022	RMB47.56 per share	Ma Mingzhe	777,593	–	259,197	518,396
		Xie Yonglin	741,021	–	247,007	494,014
		Cai Fangfang	264,074	–	88,024	176,050
		Yao Jason Bo	447,689	–	149,229	298,460
		Tan Sin Yin	455,256	–	151,752	303,504
		Wang Zhiliang	17,445	–	5,815	11,630
From 16 March 2023 to 23 March 2023	RMB46.13 per share	Ma Mingzhe	–	832,946	–	832,946
		Xie Yonglin	–	798,619	–	798,619
		Cai Fangfang	–	302,440	–	302,440
		Yao Jason Bo	–	205,441	–	205,441
		Tan Sin Yin	–	536,227	–	536,227
		Wang Zhiliang	–	15,546	–	15,546

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(i) Other non-monetary benefits include the Key Employee Share Purchase Plan and the Long-Term Service Plan (continued)

The participation of the Company's directors and supervisors in the Long-term Service Plan is as follows:

Period of purchase	Average price of shares purchased	Name	Unvested as at 1 January 2023	Addition during the year	Vested during the year	Unvested as at 31 December 2023
From 7 May 2019 to 14 May 2019	RMB79.10 per share	Ma Mingzhe	252,762	–	–	252,762
		Xie Yonglin	189,571	–	–	189,571
		Cai Fangfang	126,381	–	–	126,381
		Yao Jason Bo	126,381	–	–	126,381
		Tan Sin Yin	189,571	–	–	–
		Sun Jianyi	126,381	–	–	126,381
		Wang Zhiliang	12,638	–	–	12,638
From 24 February 2020 to 28 February 2020	RMB80.15 per share	Ma Mingzhe	249,504	–	–	249,504
		Xie Yonglin	187,128	–	–	187,128
		Cai Fangfang	124,752	–	–	124,752
		Yao Jason Bo	124,752	–	–	124,752
		Tan Sin Yin	187,128	–	–	–
		Wang Zhiliang	18,712	–	–	18,712
From 26 April 2021 to 29 April 2021	RMB72.92 per share	Ma Mingzhe	274,224	–	–	274,224
		Xie Yonglin	205,668	–	–	205,668
		Cai Fangfang	137,112	–	–	137,112
		Yao Jason Bo	137,112	–	–	137,112
		Tan Sin Yin	205,668	–	–	–
		Wang Zhiliang	13,985	–	–	13,985
From 18 March 2022 to 25 March 2022	RMB47.56 per share	Ma Mingzhe	420,446	–	–	420,446
		Xie Yonglin	315,335	–	–	315,335
		Cai Fangfang	210,223	–	–	210,223
		Yao Jason Bo	210,223	–	–	210,223
		Tan Sin Yin	315,335	–	–	–
		Wang Zhiliang	23,124	–	–	23,124
From 16 March 2023 to 23 March 2023	RMB46.06 per share	Ma Mingzhe	–	434,102	–	434,102
		Xie Yonglin	–	325,576	–	325,576
		Cai Fangfang	–	217,051	–	217,051
		Tan Sin Yin	–	325,576	–	–
		Wang Zhiliang	–	23,875	–	23,875

(ii) Discretionary bonuses for the Group's executive directors and senior management are determined on the bonus scheme approved by the Board of Directors and the personal performance of senior management.

(iii) MA Mingzhe is the Founder, Chairman (Executive Director) of the Company.

(iv) Yao Jason Bo was re-designated from an Executive Director to a Non-executive Director of the Company on 26 April 2023.

(v) He Jianfeng was appointed as a Non-executive Director of the Company on 1 July 2022.

(vi) Cai Xun was appointed as a Non-executive Director of the Company on 1 July 2022.

(vii) Ouyang Hui resigned as an Independent Non-executive Director on 20 July 2023 since his term of office exceed six years.

(viii) Wang Guangqian was appointed as an Independent Non-executive Director of the Company on 20 July 2023.

(ix) Michael Guo took office as a Co-CEO of the Company on 27 September 2023 and as a Senior Vice President of the Company on 20 December 2023. Pursuant to Paragraph 24.5 of Appendix 16 to the SEHK Listing Rules, persons disclosed in this table include Mr. Michael Guo.

54. COMPENSATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

(3) DIRECTORS' AND SUPERVISORS' EMOLUMENTS (CONTINUED)

(x) Zhu Xinrong was appointed as an Independent Supervisor of the Company on 18 July 2022.

(xi) Liew Fui Kiang was appointed as an Independent Supervisor of the Company on 18 July 2022.

(xii) Hung Ka Hai Clement was appointed as an Independent Supervisor of the Company on 18 July 2022.

(xiii) Huang Wei ceased to be a Non-executive Director of the Company on 1 July 2022 due to the change of his personal work arrangements.

(xiv) Gu Liji resigned as an Independent Supervisor on 18 July 2022 since his term of office exceed six years.

(xv) Zhang Wangjin resigned as a Shareholder Representative Supervisor on 18 July 2022 due to personal work arrangements.

(xvi) Huang Baokui resigned as an Independent Supervisor on 18 July 2022 since his term of office exceed six years.

55. FIVE HIGHEST PAID INDIVIDUALS

The total emoluments of the five highest paid individuals in the Group, except for key management personnel whose emoluments were reflected in Note 54, are as follows:

(in RMB million)	2023	2022
Salaries and other short-term employee benefits after tax	**91**	122

The number of five highest paid individuals in the Group whose emoluments after tax fell within the following bands is as follows:

	2023	2022
RMB5,000,001 – RMB10,000,000	**2**	1
RMB10,000,001 – RMB15,000,000	**1**	1
RMB15,000,001 – RMB20,000,000	**–**	–
RMB20,000,001 – RMB25,000,000	**–**	1
RMB25,000,001 – RMB30,000,000	**–**	–
RMB30,000,001 – RMB35,000,000	**2**	–
RMB35,000,001 – RMB40,000,000	**–**	2

The five highest paid individuals in the Group pay individual income tax in strict accordance with the local tax rules. The tax rate is between 15% and 45%.

56. SIGNIFICANT RELATED PARTY TRANSACTIONS

(1) SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S SHARE ARE AS SET OUT BELOW:

Name of related parties	Relationship with the Company
Charoen Pokphand Group Co., Ltd. ("CP Group")	Parent of shareholders
Shenzhen Investment Holdings Co., Ltd. ("SIHC")	Shareholder

As at 31 December 2023, CP Group indirectly held 5.84% (31 December 2022: 6.52%) equity interests in the Company and is the largest shareholder of the Company.

56. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(2) THE SUMMARY OF SIGNIFICANT MAJOR RELATED PARTY TRANSACTIONS IS AS FOLLOWS:

(in RMB million)	**2023**	2022
CP Group		
Premiums received	**60**	63
Claims paid	**33**	29
Rental revenue from	**27**	26
Interest expenses to	**2**	–
Other revenues from	**5**	–
Other expenses to	**6**	10
SIHC		
Rental revenue from	**-**	1
Premiums received	**4**	5
Claims paid	**3**	–
Interest revenue from	**33**	7
Interest expenses to	**59**	62
Other expenses to	**6**	2
Lufax Holding		
Interest revenue from	**11**	21
Interest expenses to	**464**	624
Other revenues from	**1,998**	2,948
Other expenses to	**1,609**	2,879
Ping An Health		
Interest expenses to	**71**	144
Other revenues from	**578**	440
Other expenses to	**1,772**	2,071
Ping An HealthKonnect		
Interest revenue from	**28**	32
Interest expenses to	**51**	27
Other revenues from	**104**	306
Other expenses to	**9**	47
OneConnect		
Interest revenue from	**-**	3
Interest expenses to	**18**	10
Other revenues from	**1,407**	1,708
Other expenses to	**2,233**	2,598

56. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(3) THE SUMMARY OF BALANCES OF THE GROUP WITH MAJOR RELATED PARTIES IS AS FOLLOWS:

(in RMB million)	31 December 2023	31 December 2022
CP Group		
Customer deposits	**117**	101
SIHC		
Customer deposits	**2,657**	3,266
Loans and advances to customers	**745**	590
Lufax Holding		
Customer deposits	**10,880**	14,316
Loans and advances to customers	**-**	821
Derivative financial liabilities	**-**	447
Accounts payable and other payables	**2,698**	4,457
Accounts receivable and other receivables	**147**	4,304
Ping An Health		
Customer deposits	**2,704**	4,083
Accounts payable and other payables	**1,211**	2,885
Accounts receivable and other receivables	**93**	82
Ping An HealthKonnect		
Customer deposits	**667**	1,286
Loans and advances to customers	**871**	818
Accounts payable and other payables	**126**	213
Accounts receivable and other receivables	**177**	5,289
OneConnect		
Customer deposits	**785**	788
Derivative financial assets	**-**	10
Derivative financial liabilities	**38**	56
Accounts payable and other payables	**1,302**	1,511
Accounts receivable and other receivables	**866**	1,110

In addition to transactions and balances stated above, the Group transferred 100% shareholding of Gem Alliance Limited to Lufax Holding, which issued convertible bonds amounting to USD1,953.8 million to the Group as the consideration in 2016, and pay interest to the Group every six months at an annual rate of 0.7375%. In December 2022, Lufax Holding entered into an amended and supplemental agreement with the Group pursuant to which the maturity date of 50% of the outstanding principal amount of the convertible bonds was extended from October 2023 to October 2026 and the remaining 50% outstanding principal amount was redeemed. As at 31 December 2023, the par value of these convertible bonds held by the Group amounted to USD976.9 million.

57. COMMITMENTS

(1) CAPITAL COMMITMENTS

The Group had the following capital commitments relating to investments and property development projects.

(in RMB million)	31 December 2023	31 December 2022
Contracted, but not provided for	**9,751**	10,031
Authorized, but not contracted for	**6,469**	9,517
	16,220	19,548

(2) CREDIT COMMITMENTS

(in RMB million)	31 December 2023	31 December 2022
Bank acceptances	**744,855**	703,902
Guarantees issued	**92,852**	111,005
Letters of credit issued	**148,823**	122,487
Subtotal	**986,530**	937,394
Unused limit of credit cards	**960,439**	889,566
Total	**1,946,969**	1,826,960
Credit risk weighted amounts of credit commitments	**594,788**	506,034

Credit commitments disclosed in the table above do not include the financial guarantees accounted for as insurance contracts by the Group.

(3) INVESTMENT COMMITMENTS

The Group's investment commitments to associates and joint ventures are as follows:

(in RMB million)	31 December 2023	31 December 2022
Contracted but not provided for	**7,839**	11,784

58. EMPLOYEE BENEFITS

(1) PENSION

The employees of the Group are mainly covered by various defined contribution pension plans. The Group makes and accrues contributions on a monthly basis to the pension plans, which are mainly sponsored by relevant government authorities that are responsible for the pension liability to retired employees. Under such plans, the Group has no other significant legal or constructive obligations for retirement benefits beyond the said contributions, which are expensed as incurred. Certain employees are also provided with group life insurance but the amounts involved are insignificant.

58. EMPLOYEE BENEFITS (CONTINUED)

(2) HOUSING BENEFITS

The employees of the Group are entitled to participate in and make contributions to various government sponsored funds for housing purposes. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees. The Group's liability in respect of these funds is limited to the contributions payable in each period.

(3) MEDICAL BENEFITS

The Group makes monthly contributions for medical benefits to the local authorities in accordance with relevant local regulations for the employees. The Group's liability in respect of employee medical benefits is limited to the contributions payable in each period.

(4) KEY EMPLOYEE SHARE PURCHASE PLAN

The Group has adopted a Key Employee Share Purchase Plan for the key employees of the Company and its subsidiaries. Refer to Note 38 for more details.

(5) LONG-TERM SERVICE PLAN

The Company has adopted a Long-term Service Plan for the employees of the Company and its subsidiaries. Refer to Note 39 for more details.

59. CONTINGENT LIABILITIES

Owing to the nature of the insurance, bank and other related business, the Group is involved in contingencies and legal proceedings in the ordinary course of business, including, but not limited to, being the plaintiff or the defendant in litigations and arbitrations. Legal proceedings mostly involve claims on the Group's insurance policies and other claims. Provision has been made for probable losses to the Group, including those claims where management can reasonably estimate the outcome of the lawsuits taking into account any applicable legal advice.

No provision has been made for pending assessments, lawsuits or possible violations of contracts when the outcome cannot be reasonably estimated or management believes the probability is low or remote. For pending lawsuits, management also believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group or any of its subsidiaries.

60. EVENTS AFTER THE REPORTING PERIOD

(1) PROFIT DISTRIBUTION

On 21 March 2024, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for 2023, and declared a final cash dividend of 2023 in the amount of RMB1.50 (tax inclusive) per share as disclosed in Note 17.

61. COMPARATIVE FIGURES

As stated in Note 2.(2), due to the adoption of IFRS 17, the accounting treatment and presentation of certain items and balances in the consolidated financial statements have been revised to comply with the new requirements. Accordingly, certain prior year adjustments have been made, and certain comparative amounts have been restated to conform with the current year's presentation and accounting treatment, and a third statement of financial position as at 1 January 2022 has been presented.

62. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(1) STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(in RMB million)	31 December 2023	31 December 2022
Assets		
Cash and amounts due from banks and other financial institutions	**20,627**	31,324
Financial assets purchased under reverse repurchase agreements	**2,440**	1,770
Financial assets at fair value through profit or loss	**9,070**	8,452
Financial assets at amortized cost	**30,654**	1,214
Debt financial assets at fair value through other comprehensive income	**8,000**	8,531
Investments in subsidiaries and associates	**238,113**	236,919
Investment properties	**1,055**	1,020
Property and equipment	**28**	27
Intangible assets	**995**	995
Right-of-use assets	**169**	31
Other assets	**456**	11,335
Total assets	**311,607**	301,618
Equity and liabilities		
Equity		
Share capital	**18,210**	18,280
Reserves	**139,075**	144,503
Treasury shares	**(5,001)**	(10,996)
Retained profits	**137,648**	128,895
Total equity	**289,932**	280,682
Liabilities		
Due to banks and other financial institutions	**20,011**	19,417
Income tax payable	**-**	10
Lease liabilities	**172**	31
Other liabilities	**1,492**	1,478
Total liabilities	**21,675**	20,936
Total equity and liabilities	**311,607**	301,618

The statement of financial position of the Company was approved by the Board of Directors on 21 March 2024 and was signed on its behalf.

MA Mingzhe
Director

XIE Yonglin
Director

62. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(2) RESERVE MOVEMENT OF THE COMPANY

	For the year ended 31 December 2023						
(in RMB million)	**Share premium**	**Financial assets at FVOCI reserves**	**Others**	**Surplus reserve fund**	**General reserve**	**Retained profits**	**Total**
As at 1 January	**128,737**	**215**	**2,992**	**12,164**	**395**	**128,895**	**273,398**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**52,755**	**52,755**
Other comprehensive income	**–**	**32**	**7**	**–**	**–**	**–**	**39**
Dividend declared	**–**	**–**	**–**	**–**	**–**	**(44,002)**	**(44,002)**
Employee Share Purchase Plan	**–**	**–**	**456**	**–**	**–**	**–**	**456**
Cancellation of repurchased shares	**(5,925)**	**–**	**–**	**–**	**–**	**–**	**(5,925)**
Others	**–**	**–**	**2**	**–**	**–**	**–**	**2**
As at 31 December	**122,812**	**247**	**3,457**	**12,164**	**395**	**137,648**	**276,723**

	For the year ended 31 December 2022						
(in RMB million)	Share premium	Financial assets at FVOCI reserves	Others	Surplus reserve fund	General reserve	Retained profits	Total
As at 1 January	128,737	211	2,976	12,164	395	108,854	253,337
Profit for the year	–	–	–	–	–	63,861	63,861
Other comprehensive income	–	4	(36)	–	–	–	(32)
Dividend declared	–	–	–	–	–	(43,820)	(43,820)
Employee Share Purchase Plan	–	–	44	–	–	–	44
Others	–	–	8	–	–	–	8
As at 31 December	128,737	215	2,992	12,164	395	128,895	273,398

According to the Company's articles of association, the Company shall set aside 10% of its net profit determined in its statutory financial statements, prepared in accordance with PRC Accounting Standards, to a statutory surplus reserve fund. The Company can cease such profit appropriation to this fund if its balance reaches 50% of the Company's registered share capital. The Company may also make appropriations from its net profit to the discretionary surplus reserve fund provided the appropriation is approved by a resolution of the shareholders. These reserves cannot be used for purposes other than those for which they are created. Profits are used to offset prior year losses before allocations to such reserves.

Subject to resolutions passed in shareholders' meetings, the statutory surplus reserve fund, discretionary surplus reserve fund and capital reserve can be transferred to share capital. The balance of the statutory surplus reserve fund after transfers to share capital shall not be less than 25% of the registered capital.

In accordance with the relevant regulations, general reserves should be set aside to cover catastrophic or other losses as incurred by companies operating in the insurance, banking, trust, securities, futures and fund businesses. The Group's respective entities engaged in such businesses would need to make appropriations for such reserves based on their respective year-end profit or risk assets, as determined in accordance with PRC Accounting Standards, and based on the applicable PRC financial regulations, in their annual financial statements. Such reserves are not available for profit distribution or transfer to capital.

In accordance with the relevant regulations, the net profit after tax of the Company for profit distribution is deemed to be the lower of (i) the retained profits determined in accordance with PRC Accounting Standards and (ii) the retained profits determined in accordance with IFRSs.

Ping An Milestones

1988	Founding of the Company	Ping An Insurance Company was established as the first joint-stock insurance company in China.
1992	Expanding nationwide	The Company was renamed Ping An Insurance Company of China, becoming a national insurance company.
1994	Foreign investors	Ping An brought on board Morgan Stanley and Goldman Sachs as its shareholders, becoming the first financial institution in China to have foreign investors.
1995	Founding of Ping An Securities	Ping An made a breakthrough in non-insurance financial business by establishing Ping An Securities Co., Ltd.
1996	Building trust business presence	Ping An acquired ICBC Pearl River Delta Financial Trust Joint Company, which was then renamed Ping An Trust & Investment Company.
2002	Stake acquired by HSBC	HSBC Group took a stake in Ping An, becoming its single largest shareholder.
2003	Founding of the Group	Ping An Insurance (Group) Company of China, Ltd. was established, becoming a pilot company for integrated operations in China's financial industry.
2004	H-share listing	Ping An Group enhanced its capital strength by going public in Hong Kong, which was the largest initial public offering ("IPO") in Hong Kong that year.
2007	A-share listing	Ping An Group was listed on the Shanghai Stock Exchange, which was the world's largest IPO of an insurance company by then.
2011	Acquiring SDB	Ping An became the controlling shareholder of Shenzhen Development Bank, which later merged with the original Ping An Bank, was renamed Ping An Bank, and built banking business presence across the country.
2012	Founding of Lufax	Lufax was established as Ping An began to build its technology business.
2016	Record high written premium	Ping An Life's written premium exceeded RMB300 billion, and new business premium exceeded RMB100 billion.
2017	Market cap exceeded RMB1 trillion	Ping An hit a record high with a market cap of over RMB1 trillion, ranking first among insurance groups and becoming one of the top 10 financial services groups across the world. Ping An's brand value ranked first in the global insurance industry in several international ratings.
2018	Ping An Rural Communities Support	In response to the government's call for poverty alleviation, Ping An launched "Ping An Rural Communities Support" (comprising Village Industry Program, Village Doctor Program, and Village Teacher Program) in nine provinces or autonomous regions across China at its 30th anniversary.
2019	OneConnect's listing	OneConnect completed its IPO on the New York Stock Exchange, being the first U.S.-listed technology company incubated by Ping An.
2020	Fighting COVID-19	Ping An fought the global pandemic promptly by providing insurance protection, healthtech, charitable donations and so on.
2021	Implementing healthcare ecosystem strategy	Ping An built a closed loop of supply, demand and payment by exploring an innovative Chinese "managed care model" to provide customers with "worry-free, time-saving, and money-saving" healthcare services.
2022	Upgrading the logo slogan	Ping An returned its logo slogan to "Expertise Creates Value" to highlight its commitment to providing the most professional financial advisory, family doctor and elderlycare concierge services, aiming to build a century-old trusted, first-choice service brand.
2023	35th Anniversary	In celebration of its 35th anniversary, Ping An provided numerous customers with "worry-free, time-saving, and money-saving" "integrated finance + healthcare and elderlycare" services via thanksgiving programs, and gave back to society via charitable activities.

Honors and Awards

In 2023, Ping An maintained its leading brand value, received wide recognition and praise, and won various honors and awards from domestic and foreign rating agencies and media in respect of comprehensive strength, corporate governance, corporate social responsibility, and so on.

CORPORATE STRENGTH

- *Fortune*
  Ranked No. 33 on the *Fortune* Global 500 list, and No. 5 among global financial services companies

- *Fortune China*
  Ranked No. 9 on the *Fortune* China 500 list

- *Forbes*
  Ranked No. 16 on the *Forbes* Global 2000 list

CORPORATE GOVERNANCE

- *The Hong Kong Institute of Directors*
  Chairman Ma Mingzhe received the Directors Of The Year Award 2023

- *Institutional Investor*
  Most Respected Enterprise in Asia
  Best Board of Directors

SUSTAINABILITY

- *MSCI ESG Ratings*
  Maintaining "A" and remaining No. 1 in the multi-line insurance and brokerage industry in the Asia-Pacific region

- *S&P's Sustainability Yearbook (China) 2023*
  Top 1% S&P Global ESG Score among Chinese companies

CORPORATE SOCIAL RESPONSIBILITY

- *Ministry of Civil Affairs of the PRC*
  The 12th China Charity Award

BRAND

- *Kantar BrandZ*
  Ranked No. 85 on the BrandZ™ Top 100 Most Valuable Global Brands list
  Ranked No. 11 on the BrandZ™ Top 100 Most Valuable Chinese Brands list

- *Brand Finance*
  Ranked No. 1 on the Brand Finance Insurance 100 list
  Ranked No. 30 on the Brand Finance Global 500 list

Glossary

In this Report, unless the context otherwise indicates, the following expressions shall have the following meanings:

Ping An, Company, the Company, Group, the Group, Ping An Group	Ping An Insurance (Group) Company of China, Ltd.
Ping An Life	Ping An Life Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Health Insurance	Ping An Health Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Annuity	Ping An Annuity Insurance Company of China, Ltd., a subsidiary of the Company
Ping An P&C, Ping An Property & Casualty	Ping An Property & Casualty Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Bank	Ping An Bank Co., Ltd., a subsidiary of the Company
SDB, Shenzhen Development Bank	Shenzhen Development Bank Co., Ltd., an associate of the Company since May 2010, became a subsidiary of the Company in July 2011. It was renamed "Ping An Bank Co., Ltd." on July 27, 2012
Ping An Wealth Management	Ping An Wealth Management Co., Ltd., a subsidiary of Ping An Bank
Ping An Trust	Ping An Trust Co., Ltd., a subsidiary of the Company
Ping An Securities	Ping An Securities Co., Ltd., a subsidiary of Ping An Trust
Ping An Financial Leasing	Ping An International Financial Leasing Co., Ltd., a subsidiary of the Company
Ping An Asset Management	Ping An Asset Management Co., Ltd., a subsidiary of the Company
Ping An Overseas Holdings	China Ping An Insurance Overseas (Holdings) Limited, a subsidiary of the Company
Ping An Financial Technology	Shenzhen Ping An Financial Technology Consulting Co., Ltd., a subsidiary of the Company
Ping An Technology	Ping An Technology (Shenzhen) Co., Ltd., a subsidiary of Ping An Financial Technology
Ping An Finserve	Shenzhen Ping An Finserve Co., Ltd., a subsidiary of Ping An Financial Technology
Lufax Holding	Lufax Holding Ltd., an associate of Ping An Financial Technology

Glossary

Lufax	Shanghai Lufax Information Technology Co., Ltd., a subsidiary of Lufax Holding
E-wallet	Ping An E-wallet Electronic Commerce Co., Ltd., a subsidiary of Ping An Financial Technology
Ping An Health	Ping An Healthcare and Technology Company Limited, an associate of Ping An Financial Technology
OneConnect	OneConnect Financial Technology Co., Ltd., an associate of Ping An Financial Technology
Autohome	Autohome Inc., a subsidiary of the Company
New Founder Group	New Founder Holding Development Company Limited, a subsidiary of Ping An Life
Founder Securities	Founder Securities Co., Ltd., a subsidiary of New Founder Group
CP Group Ltd.	Charoen Pokphand Group Company Limited, a parent company of C.P. Group
RMB	Chinese Renminbi unless otherwise specified
CAS	The *Accounting Standards for Business Enterprises* and other relevant regulations issued by the Ministry of Finance of the People's Republic of China
IFRS	The *International Financial Reporting Standards* issued by the International Accounting Standards Board
Written premium	All premiums received from insurance polices underwritten by the Company, which are prior to the significant insurance risk testing and separation of hybrid contracts
HKEX	Hong Kong Exchanges and Clearing Limited
SEHK	The Stock Exchange of Hong Kong Limited
SEHK Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
SSE	Shanghai Stock Exchange
SSE Listing Rules	The Rules Governing the Listing of Stocks on Shanghai Stock Exchange

Corporate Governance Code	The Corporate Governance Code as contained in Appendix C1 to the SEHK Listing Rules
SFO	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Model Code	The Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the SEHK Listing Rules
Articles of Association	The Articles of Association of Ping An Insurance (Group) Company of China, Ltd.
PBC	The People's Bank of China
Ministry of Finance	The Ministry of Finance of the People's Republic of China
CBIRC	The former China Banking and Insurance Regulatory Commission
NFRA	The National Financial Regulatory Administration
CSRC	China Securities Regulatory Commission

Corporate Information

REGISTERED NAMES

Full name of the Company (Chinese/English)

中國平安保險（集團）股份有限公司
Ping An Insurance (Group) Company of China, Ltd.

Short name of the Company (Chinese/English)

中國平安
Ping An

LEGAL REPRESENTATIVE

Ma Mingzhe

TYPES OF SECURITIES AND LISTING PLACES

A share	The Shanghai Stock Exchange
H share	The Stock Exchange of Hong Kong Limited

STOCK SHORT NAMES AND CODES

A share	中國平安	601318
H share	Ping An	2318 (HKD counter)
	Ping An-R	82318 (RMB counter)

AUTHORIZED REPRESENTATIVES

Tan Sin Yin
Sheng Ruisheng

SECRETARY OF THE BOARD OF DIRECTORS

Sheng Ruisheng

COMPANY SECRETARY

Sheng Ruisheng

REPRESENTATIVE OF SECURITIES AFFAIRS

Shen Xiaoxiao

TELEPHONE

+86 400 8866 338

FAX

+86 755 8243 1029

E-MAIL

IR@pingan.com.cn
PR@pingan.com.cn

REGISTERED ADDRESS

47th, 48th, 109th, 110th, 111th, 112th Floors,
Ping An Finance Center,
No.5033 Yitian Road,
Futian District,
Shenzhen

PLACE OF BUSINESS

47th, 48th, 108th, 109th, 110th, 111th, 112th Floors,
Ping An Finance Center,
No.5033 Yitian Road,
Futian District,
Shenzhen

POSTAL CODE

518033

COMPANY WEBSITE

www.pingan.cn

DESIGNATED MEDIA FOR A-SHARE INFORMATION DISCLOSURE

China Securities Journal
Shanghai Securities News
Securities Times
Securities Daily

WEBSITES FOR PUBLICATION OF REGULAR REPORTS

www.sse.com.cn
www.hkexnews.hk

LOCATION OF REGULAR REPORTS AVAILABLE FOR INSPECTION

Board Office of the Company

CONSULTING ACTUARY

Ernst & Young (China) Advisory Limited

AUDITORS AND PLACES OF BUSINESS

Domestic Auditor

Ernst & Young Hua Ming LLP
Level 17, Ernst & Young Tower, Oriental Plaza,
No.1 East Changan Avenue,
Dongcheng District, Beijing, P.R. China

Names of Certified Public Accountants

Huang Yuedong
Wu Cuirong

International Auditor

Ernst & Young (Registered PIE Auditor)
27/F, One Taikoo Place,
979 King's Road,
Quarry Bay, Hong Kong

LEGAL ADVISER

DLA Piper Hong Kong
25th Floor, Three Exchange Square,
8 Connaught Place,
Central, Hong Kong

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre,
183 Queen's Road East,
Wan Chai, Hong Kong

AMERICAN DEPOSITARY SHARES REGISTRAR

The Bank of New York Mellon