

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

**Summary of Solvency Report  
for 2023**

## Company Overview and Reporting Contact

Company name (Chinese): 中国平安保险（集团）股份有限公司

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

Legal representative: Ma Mingzhe

Registered address: 47th, 48th, 109th, 110th, 111th and 112th Floors,  
Ping An Finance Center,  
No.5033 Yitian Road,  
Futian District,  
Shenzhen

Registered capital: RMB18,210,234,607

Corporate license number of insurance institution: 000016

Business commencement date: March 21, 1988

Business scope: Investing in insurance enterprises, supervising and managing the domestic and international businesses of subsidiaries, engaging in insurance fund utilization, conducting domestic and international insurance business as approved by regulators, and other businesses approved by the insurance regulator and relevant government agencies

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### Note:

The *Summary of Solvency Report for 2023* is prepared in accordance with applicable regulations including the *Regulatory Rules on Solvency of Insurance Companies (II) (the "C-ROSS Phase II")* released by the former China Banking and Insurance Regulatory Commission (the "CBIRC") and the *National Financial Regulatory Administration's Circular on Improving Regulatory Standards for Solvency of Insurance Companies*.

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## **I. Statement by the Board of Directors and the Management**

This report has been approved by the Board of Directors of Ping An Insurance (Group) Company of China, Ltd. (hereinafter referred to as “Ping An,” the “Company” or the “Group”). The Board of Directors and the management of the Company warrant that the information contained in this report is true, accurate, complete and legally compliant and there are no false representations, misleading statements contained in or material omissions from this report, and severally and jointly accept legal responsibility for the above.

The statement is hereby given.

## II. Basic Information of the Group

### (I) Shareholding Structure, Shareholders and Their Changes

#### (1) Shareholding Structure and Its Changes

| 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 <sup>(1)</sup> | -70,006,803 <sup>(1)</sup> | 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 <sup>(1)</sup> | -70,006,803 <sup>(1)</sup> | 18,210,234,607   | 100.00         |
| III.Total number of shares                  | 18,280,241,410   | 100.00         | –                                   | –           | –                     | -70,006,803 <sup>(1)</sup> | -70,006,803 <sup>(1)</sup> | 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.

#### (2) Shareholdings of Top Ten Shareholders as at the End of the Reporting Period

| Name of shareholder  | Nature of shareholder <sup>(1)</sup> | 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 <sup>(2)</sup>                          | Overseas legal person                | 38.26                       | 6,966,685,599 <sup>(3)</sup>         | +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 <sup>(4)</sup>                                   | 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. <sup>(5)</sup>      | 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 Charoen Pokphand Group Company Limited (“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 centralized 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 Company’s total share capital 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.

### **(3) 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.

## (II) Shareholding or Control Relations between the Group Parent Company and Member Companies

The Group's member companies under the C-ROSS Phase II, with clear shareholding structures, engage in businesses including insurance, banking, investment, and technology. Shareholding or control relations with and basic information of Ping An Group's main member companies as of December 31, 2023 are as follows:

### (1) Shareholding or Control Relations with and Basic Information of the Subsidiaries of the Group

The Group had the following main consolidated subsidiaries as of December 31, 2023:

| Company name  | Principal place of business | Place of registration | Nature of business                            | Shareholding proportion |          | Registered capital (in RMB unless otherwise specified) |
|---|-----------------------------|-----------------------|---|-------------------------|----------|--|
|   |                             |                       |   | Direct                  | Indirect |  |
| Ping An Life Insurance Company of China, Ltd.                 | Shenzhen                    | Shenzhen              | Life insurance                                | 99.51%                  |          | 33,800,000,000   |
| Ping An Property & Casualty Insurance Company of China, Ltd.  | Shenzhen                    | Shenzhen              | Property and casualty insurance               | 99.55%                  |          | 21,000,000,000   |
| Ping An Bank Co., Ltd.  | Shenzhen                    | Shenzhen              | Banking                                       | 49.56%                  | 8.40%    | 19,405,918,198   |
| Ping An Trust Co., Ltd.                                       | Shenzhen                    | Shenzhen              | Investment and trust                          | 99.88%                  |          | 13,000,000,000   |
| Ping An Securities Co., Ltd.                                  | Shenzhen                    | Shenzhen              | Securities investment and brokerage           | 40.96%                  | 55.59%   | 13,800,000,000   |
| Ping An Annuity Insurance Company of China, Ltd.              | Shanghai                    | Shanghai              | Annuity insurance                             | 94.18%                  | 5.79%    | 11,603,419,173   |
| Ping An Asset Management Co., Ltd.                            | Shanghai                    | Shanghai              | Asset management                              | 98.67%                  | 1.33%    | 1,500,000,000  |
| Ping An Health Insurance Company of China, Ltd.               | Shanghai                    | Shanghai              | Health insurance                              | 74.33%                  | 0.68%    | 4,616,577,790  |
| China Ping An Insurance Overseas (Holdings) Limited           | Hong Kong                   | Hong Kong             | Investment holding                            | 100.00%                 |          | HKD7,085,000,000                                       |
| China Ping An Insurance (Hong Kong) Company Limited           | Hong Kong                   | Hong Kong             | Property and casualty insurance               |                         | 100.00%  | HKD490,000,000   |
| Ping An International Financial Leasing Co., Ltd.             | Shanghai                    | Shanghai              | Financial leasing                             | 69.44%                  | 30.56%   | 14,500,000,000   |
| Ping An of China Asset Management (Hong Kong) Company Limited | Hong Kong                   | Hong Kong             | Asset management                              |                         | 100.00%  | HKD395,000,000   |
| Shenzhen Ping An Innovation Capital Investment Co., Ltd.      | Shenzhen                    | Shenzhen              | Investment holding                            |                         | 99.88%   | 4,000,000,000  |
| Ping An Trendwin Capital Management Co., Ltd.                 | Shanghai                    | Shanghai              | Investment consulting                         |                         | 99.75%   | 100,000,000  |
| Ping An Real Estate Co., Ltd.                                 | Shenzhen                    | Shenzhen              | Property management and investment management |                         | 99.62%   | 21,160,523,628   |
| Ping An Technology (Shenzhen) Co., Ltd.                       | Shenzhen                    | Shenzhen              | IT services                                   | 37.66%                  | 62.34%   | 5,310,315,757  |
| Shenzhen Ping An Finserve Co., Ltd.                           | Shenzhen                    | Shenzhen              | IT and business process outsourcing services  |                         | 100.00%  | 598,583,070  |
| Ping An E-wallet Electronic Commerce Company Limited          | Shenzhen                    | Shenzhen              | Internet service                              |                         | 77.14%   | 1,000,000,000  |
| eLink Commerce Company Limited                                | Hong Kong                   | Hong Kong             | E-commerce trade                              |                         | 99.89%   | HKD25,124,600  |

**(II) Shareholding or Control Relations between the Group Parent Company and Member Companies (continued)**

| Company name  | Principal place of business | Place of registration  | Nature of business                            | Shareholding proportion |          | Registered capital (in RMB unless otherwise specified) |
|---|-----------------------------|------------------------|---|-------------------------|----------|--|
|   |                             |                        |   | Direct                  | Indirect |  |
| Shenzhen Wanlitong Network Information Technology Co., Ltd. | Shenzhen                    | Shenzhen               | Custom loyalty service                        |                         | 77.14%   | 200,000,000  |
| Shenzhen Ping An Commercial Property Investment Co., Ltd.   | Shenzhen                    | Shenzhen               | Property leasing and property management      |                         | 99.50%   | 1,810,000,000  |
| Ping An Futures Co., Ltd.                                   | Shenzhen                    | Shenzhen               | Futures brokerage                             |                         | 96.64%   | 721,716,042  |
| Shenzhen Ping An Real Estate Investment Co., Ltd.           | Shenzhen                    | Shenzhen               | Real estate investment management             |                         | 100.00%  | 1,310,000,000  |
| Shanghai Pingpu Investment Co., Ltd.                        | Shanghai                    | Shanghai               | Investment management                         |                         | 99.51%   | 9,130,500,000  |
| Anseng Investment Company Limited                           | British Virgin Islands      | British Virgin Islands | Project investment                            |                         | 99.51%   | USD50,000  |
| Shenzhen Ping An Financial Technology Consulting Co., Ltd.  | Shenzhen                    | Shenzhen               | Corporation management advisory services      | 100.00%                 |          | 30,406,000,000   |
| Ping An Tradition International Money Broking Company Ltd.  | Shenzhen                    | Shenzhen               | Currency brokerage                            |                         | 66.92%   | 50,000,000   |
| Pingan Haofang (Shanghai) E-commerce Co., Ltd.              | Shanghai                    | Shanghai               | Property agency                               |                         | 100.00%  | 1,930,000,000  |
| Ping An Wealthtone Investment Management Co., Ltd.          | Shenzhen                    | Shenzhen               | Asset management                              |                         | 68.11%   | 800,000,000  |
| Ping An Fund Management Company Limited                     | Shenzhen                    | Shenzhen               | Fund raising and distribution                 |                         | 68.11%   | 1,300,000,000  |
| Shenzhen Ping An Financial Center Development Company Ltd.  | Shenzhen                    | Shenzhen               | Property leasing and property management      |                         | 99.51%   | 6,688,870,000  |
| Ping An Insurance Sales Services Co., Ltd.                  | Shenzhen                    | Shenzhen               | Sales agency of insurance                     |                         | 75.10%   | 515,000,000  |
| Ping An Chuang Zhan Insurance Sales & Service Co., Ltd.     | Shenzhen                    | Guangzhou              | Insurance agent                               |                         | 99.55%   | 50,000,000   |
| Reach Success International Limited                         | British Virgin Islands      | British Virgin Islands | Project investment                            |                         | 99.51%   | USD50,000  |
| Jade Reach Investments Limited                              | British Virgin Islands      | British Virgin Islands | Project investment                            |                         | 99.51%   | USD50,000  |
| Shenyang Shengping Investment Management Co., Ltd.          | Shenyang                    | Shenyang               | Property management and investment management |                         | 99.51%   | 419,000,000  |
| Tongxiang Ping An Investment Co., Ltd.                      | Jiaxing                     | Jiaxing                | Investment management                         |                         | 99.62%   | 500,000,000  |
| Ping An Commercial Factoring Co., Ltd.                      | Shanghai                    | Shanghai               | Commercial factoring services                 |                         | 100.00%  | 2,700,000,000  |
| Shanxi Changjin Expressway Co., Ltd.                        | Jincheng                    | Taiyuan                | Expressway operation                          |                         | 59.71%   | 750,000,000  |
| Shanxi Jinjiao Expressway Co., Ltd.                         | Jincheng                    | Taiyuan                | Expressway operation                          |                         | 59.71%   | 504,000,000  |
| Ping An Caizhi Investment Management Company Limited        | Shenzhen                    | Shenzhen               | Equity investment                             |                         | 96.55%   | 300,000,000  |
| Ping An of China Securities (Hong Kong) Company Limited     | Hong Kong                   | Hong Kong              | Investment holding                            |                         | 96.55%   | HKD663,514,734   |
| Ping An of China Futures (Hong Kong) Company Limited        | Hong Kong                   | Hong Kong              | Futures brokerage                             |                         | 96.55%   | HKD20,000,000  |

**(II) Shareholding or Control Relations between the Group Parent Company and Member Companies (continued)**

| Company name   | Principal place of business | Place of registration  | Nature of business                        | Shareholding proportion |          | Registered capital (in RMB unless otherwise specified) |
|--|-----------------------------|------------------------|---|-------------------------|----------|--|
|  |                             |                        |   | Direct                  | Indirect |  |
| Ping An of China Capital (Hong Kong) Company Limited | Hong Kong                   | Hong Kong              | Investment management                     |                         | 96.55%   | HKD20,000,000  |
| China PA Securities (Hong Kong) Company Limited      | Hong Kong                   | Hong Kong              | Securities investment and brokerage       |                         | 96.55%   | HKD440,000,000   |
| Shanghai Lufax Fund Sales Co., Ltd.                  | Shanghai                    | Shanghai               | Fund sales                                |                         | 95.43%   | 20,000,000   |
| Fuer Insurance Broker Co., Ltd.                      | Shanghai                    | Shanghai               | Insurance brokerage service               |                         | 100.00%  | 50,000,000   |
| Beijing Shuangronghui Investment Co., Ltd.           | Beijing                     | Beijing                | Property leasing                          |                         | 99.51%   | 256,323,143  |
| Chengdu Ping An Property Investment Co., Ltd.        | Chengdu                     | Chengdu                | Real estate investment and management     |                         | 99.51%   | 840,000,000  |
| Hangzhou Pingjiang Investment Co., Ltd.              | Hangzhou                    | Hangzhou               | Real estate development and management    |                         | 99.51%   | 1,430,000,000  |
| Beijing Jingxinlize Investment Co., Ltd.             | Beijing                     | Beijing                | Investment management                     |                         | 99.51%   | 1,160,000,000  |
| Anbon Allied Investment Company Limited              | United Kingdom              | Hong Kong              | Real estate investment and management     |                         | 99.51%   | GBP90,000,160  |
| Talent Bronze Limited                                | United Kingdom              | Hong Kong              | Real estate investment and management     |                         | 99.51%   | GBP133,000,000   |
| Ping An Pioneer Capital Co., Ltd.                    | Shenzhen                    | Shenzhen               | Financial products and equity investment  |                         | 96.55%   | 1,000,000,000  |
| Shenzhen Pingke Information Consulting Co., Ltd.     | Shenzhen                    | Shenzhen               | Management consulting                     |                         | 100.00%  | 5,092,341,943  |
| Beijing Jingping Shangdi Investment Co., Ltd.        | Beijing                     | Beijing                | Property leasing                          |                         | 99.51%   | 45,000,000   |
| Guangzhou Xinping Property Investment Co., Ltd.      | Guangzhou                   | Guangzhou              | Property leasing                          |                         | 99.51%   | 50,000,000   |
| Shanghai Jahwa (Group) Company Ltd.                  | Shanghai                    | Shanghai               | Production and sale of consumer chemicals |                         | 99.51%   | 5,268,261,234  |
| Shanghai Jahwa United Co., Ltd.                      | Shanghai                    | Shanghai               | Industry                                  |                         | 51.56%   | 678,873,194  |
| Falcon Vision Global Limited                         | Shanghai                    | British Virgin Islands | Investment management                     |                         | 99.51%   | USD50,000  |
| Shanghai Zean Investment Management Company Limited  | Shanghai                    | Shanghai               | Property leasing                          |                         | 99.51%   | 4,810,000,000  |
| PA Dragon LLC  | USA                         | USA                    | Logistics and real estate                 |                         | 99.52%   | USD143,954,940   |
| Shanghai Pingan Automobile E-commerce Co., Ltd.      | Shanghai                    | Shanghai               | E-commerce                                |                         | 94.74%   | 63,330,000   |
| Shanghai Gezhouba Yangming Property Co., Ltd.        | Shanghai                    | Shanghai               | Real estate development and management    |                         | 99.51%   | 20,000,000   |
| Shanghai Jinyao Investment Management Co., Ltd.      | Shanghai                    | Shanghai               | Investment management                     |                         | 99.05%   | 1,290,000,000  |
| Shanghai Pingxin Asset Management Co., Ltd.          | Shanghai                    | Shanghai               | Asset management                          |                         | 100.00%  | 1,010,000,000  |
| Shenzhen Qianhai Credit Service Centre Co., Ltd.     | Shenzhen                    | Shenzhen               | Credit Information services               |                         | 100.00%  | 345,075,000  |
| Pingan Real Estate Capital Limited                   | Hong Kong                   | Hong Kong              | Investment platform                       |                         | 99.62%   | 2,536,129,600  |
| Shenzhen Pulian Consulting Co., Ltd.                 | Shenzhen                    | Shenzhen               | Investment consulting                     |                         | 100.00%  | 100,000,000  |

**(II) Shareholding or Control Relations between the Group Parent Company and Member Companies (continued)**

| Company name   | Principal place of business | Place of registration | Nature of business                              | Shareholding proportion |          | Registered capital (in RMB unless otherwise specified) |
|--|-----------------------------|-----------------------|---|-------------------------|----------|--|
|  |                             |                       |   | Direct                  | Indirect |  |
| Guangzhou Ping An Good Loan Microfinance Co., Ltd.                   | Guangzhou                   | Guangzhou             | Micro loan                                      |                         | 100.00%  | 600,000,000  |
| An Ke Technology Company Limited                                     | Hong Kong                   | Hong Kong             | Investment management and investment consulting |                         | 100.00%  | USD582,996,000   |
| Ping An Pay Technology Service Co., Ltd.                             | Shenzhen                    | Shenzhen              | Internet service                                |                         | 77.14%   | 680,000,000  |
| Ping An Pay Electronic Payment Co., Ltd.                             | Shanghai                    | Shanghai              | Internet service                                |                         | 77.14%   | 489,580,000  |
| Tongxiang Anhao Investment Management Co., Ltd.                      | Jiaxing                     | Jiaxing               | Investment management                           |                         | 99.81%   | 300,000,000  |
| Ping An Infrastructure Investment Fund Management Co., Ltd.          | Shenzhen                    | Shenzhen              | Investment management                           |                         | 98.02%   | 1,000,000,000  |
| Ping An Fortune Management Co., Ltd.                                 | Shanghai                    | Shanghai              | Consulting services                             |                         | 100.00%  | 100,000,000  |
| Shenzhen Dingshunton Investment Co., Ltd.                            | Shenzhen                    | Shenzhen              | Investment consulting                           |                         | 100.00%  | 100,000,000  |
| Shenzhen Ping An Evergreen Investment Development Holding Co., Ltd.  | Shenzhen                    | Shenzhen              | Investment consulting                           |                         | 100.00%  | 1,500,100,000  |
| Ping An International Financial Leasing (Tianjin) Co., Ltd.          | Tianjin                     | Tianjin               | Financial leasing                               |                         | 100.00%  | 10,400,000,000   |
| Shenzhen Anpu Development Co., Ltd.                                  | Shenzhen                    | Shenzhen              | Logistics and warehousing                       |                         | 79.61%   | 5,625,000,000  |
| China PA Asset Management (Hong Kong) Company Limited                | Hong Kong                   | Hong Kong             | Asset management                                |                         | 96.55%   | HKD10,000,000  |
| Shanghai Tianhe Insurance Brokerage Co., Ltd.                        | Shanghai                    | Shanghai              | Insurance brokerage                             |                         | 42.52%   | 50,000,000   |
| Helios P.A. Company Limited  | Hong Kong                   | Hong Kong             | Project investment                              |                         | 99.51%   | USD677,161,910   |
| Ping An Urban-Tech (Shenzhen) Co., Ltd.                              | Shenzhen                    | Shenzhen              | IT services                                     |                         | 79.21%   | 50,000,000   |
| Shenzhen Ping An Chuangke Investment Management Co., Ltd.            | Shenzhen                    | Shenzhen              | Investment management                           |                         | 99.81%   | 100,000,000  |
| Shenzhen Anchuang Investment Management Co., Ltd.                    | Shenzhen                    | Shenzhen              | Investment management                           |                         | 99.81%   | 100,000,000  |
| Lianxin (Shenzhen) Investment Management Co., Ltd.                   | Shenzhen                    | Shenzhen              | Investment management                           |                         | 99.72%   | 5,100,000,000  |
| Autohome Inc.  | Beijing                     | Cayman Islands        | Automotive internet platform                    |                         | 42.52%   | USD1,273,469   |
| Mayborn Group Limited  | United Kingdom              | United Kingdom        | Infant products                                 |                         | 51.56%   | GBP1,154,873   |
| Jiaxing Ping An Cornerstone I Equity Investment Management Co., Ltd. | Shanghai                    | Jiaxing               | Investment management                           |                         | 99.51%   | 1,000,000  |
| Ping An Wealth Management Co., Ltd.                                  | Shenzhen                    | Shenzhen              | Asset management                                |                         | 57.96%   | 5,000,000,000  |
| TTP Car Inc.   | Shanghai                    | Cayman Islands        | Second-hand car platform                        |                         | 21.69%   | USD15,753  |
| Shenzhen Shengjun Investment Management Co., Ltd.                    | Shenzhen                    | Shenzhen              | Investment management                           |                         | 99.72%   | 5,000,000  |
| Overseas W.H. Investment Company Limited                             | Cayman Islands              | Cayman Islands        | Investment holding                              |                         | 100.00%  | USD5,038,967,126                                       |
| Shenzhen Pingjia Investment Management Co., Ltd.                     | Shenzhen                    | Shenzhen              | Investment platform                             |                         | 99.81%   | 5,000,000  |

**(II) Shareholding or Control Relations between the Group Parent Company and Member Companies (continued)**

| Company name   | Principal Place of business | Place of registration | Nature of business                       | Shareholding proportion |          | Registered capital (in RMB unless otherwise specified) |
|--|-----------------------------|-----------------------|--|-------------------------|----------|--|
|  |                             |                       |  | Direct                  | Indirect |  |
| Chongqing Youshengda Real Estate Consulting Co., Ltd.                | Chongqing                   | Chongqing             | Real estate consulting                   |                         | 99.51%   | 12,537,286,000   |
| Hangzhou Xiaoshan Ping An Cornerstone II Equity Investment Co., Ltd. | Shanghai                    | Hangzhou              | Investment management                    |                         | 99.51%   | 10,000,000   |
| Shenzhen Hengchuang Investment Management Co., Ltd.                  | Shenzhen                    | Shenzhen              | Investment platform                      |                         | 99.62%   | 5,000,000  |
| Global Voyager Fund (HK) Company Limited                             | Hong Kong                   | Hong Kong             | Asset management                         |                         | 100.00%  | USD14,794,701  |
| China PA Wealth Management (Hong Kong) Company Limited               | Hong Kong                   | Hong Kong             | Insurance brokerage                      |                         | 96.55%   | HKD1,000,000   |
| Ping An Commodities Trading Co., Ltd.                                | Shenzhen                    | Shenzhen              | Commodity trade                          |                         | 96.64%   | 1,000,000,000  |
| Shanghai Raffles Kaixuan Commercial Management Service Co., Ltd.     | Shanghai                    | Shanghai              | Property leasing and property management |                         | 69.66%   | 2,208,601,418  |
| Shanghai Huaqing Real Estate Management Co., Ltd.                    | Shanghai                    | Shanghai              | Property leasing and property management |                         | 59.71%   | USD30,000,000  |
| Beijing Xinjie Real Estate Development Co., Ltd.                     | Beijing                     | Beijing               | Property leasing and property management |                         | 69.66%   | USD24,500,000  |
| Chengdu Raffles City Industry Co., Ltd.                              | Chengdu                     | Chengdu               | Property leasing and property management |                         | 69.66%   | USD217,700,000   |
| Raffles City (Hangzhou) Real Estate Development Co., Ltd.            | Hangzhou                    | Hangzhou              | Property leasing and property management |                         | 69.66%   | USD299,740,000   |
| Ningbo Xinyin Business Management Service Co., Ltd.                  | Ningbo                      | Ningbo                | Property leasing and property management |                         | 69.66%   | 800,000,000  |
| Beijing Jinkunlize Property Co., Ltd.                                | Beijing                     | Beijing               | Property leasing and property management |                         | 99.51%   | 3,380,000,000  |
| New Founder (Beijing) Enterprise Management Development Co., Ltd.    | Beijing                     | Beijing               | Corporation management                   |                         | 99.51%   | 50,000,000   |
| New Founder Holding Development Company Limited                      | Beijing                     | Zhuhai                | Investment and technical service         |                         | 66.18%   | 7,250,000,000  |
| Founder Securities Co., Ltd.   | Changsha                    | Changsha              | Securities brokerage                     |                         | 19.00%   | 8,232,101,395  |
| PKU Healthcare Management Co., Ltd.                                  | Beijing                     | Zhuhai                | Hospital management                      |                         | 66.18%   | 3,000,000,000  |
| Founder Cifco Futures Co., Ltd.                                      | Beijing                     | Beijing               | Futures brokerage                        |                         | 17.56%   | 1,005,000,000  |
| Founder Financing Securities Co., Ltd.                               | Beijing                     | Beijing               | Securities underwriting and sponsorship  |                         | 19.00%   | 1,400,000,000  |
| Shanghai Jifeng Investment Management Co., Ltd.                      | Shanghai                    | Shanghai              | Investment management                    |                         | 17.56%   | 500,000,000  |
| Beijing Founder Fubon Crown Asset Management Co., Ltd.               | Beijing                     | Beijing               | Customer-specific asset management       |                         | 12.67%   | 130,000,000  |
| Founder Securities (Hong Kong) Limited                               | Hong Kong                   | Hong Kong             | Securities trading and consulting        |                         | 19.00%   | HKD410,000,000   |
| Founder Asset Management (Hong Kong) Limited                         | Hong Kong                   | Hong Kong             | Asset management                         |                         | 19.00%   | HKD22,000,000  |
| Founder Fubon Fund Management Co., Ltd.                              | Beijing                     | Beijing               | Fund raising and distribution            |                         | 12.67%   | 660,000,000  |

Note: The shareholding proportion, as shown in the above table, is the sum of direct holding by the Company and indirect holding calculated via the multiplication of shareholding proportions at various holding layers.

## (2) Shareholding Structures and Basic Information of Joint Ventures

The Group had the following main joint ventures as of December 31, 2023:

| <b>Company name</b>                            | <b>Principal place of business</b> | <b>Place of registration</b> | <b>Nature of business</b> | <b>Shareholding proportion</b> | <b>Registered capital (in RMB unless otherwise specified)</b> |
|--|------------------------------------|------------------------------|---------------------------|--------------------------------|---|
| Beijing Zhaotai Property Development Co., Ltd. | Beijing                            | Beijing                      | Property development      | 25.00%                         | 5,000,000,000   |
| Wuhan DAJT Property Development Co., Ltd.      | Wuhan                              | Wuhan                        | Property development      | 50.00%                         | 500,000,000   |
| Founder Meiji Yasuda Life Insurance Co., Ltd.  | Shanghai                           | Shanghai                     | Life insurance            | 51.00%                         | 2,880,000,000   |

### **III. Operation of Major Member Companies**

#### **(I) Ping An Life Insurance Company of China, Ltd. (“Ping An Life”)**

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. Ping An Life’s premium income increased 6.2% year on year to RMB466,540 million in 2023.

In respect of 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. In respect of the 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. 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. 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 respect of the 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. 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. In respect of the Community Grid and other channels, Ping An Life continued to roll out Community Grid, focusing on “retained customers” 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. In addition, Ping An Life continuously promoted sales via the lower-tier channel in seven provinces in 2023, further exploring innovative development models.

In respect of 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 eldercare and healthcare solutions. Ping An Life also introduced “Yu Xiang Cai Fu Elderlycare 3.0,” an upgraded annuity product meeting customers’ demand for high-quality eldercare. 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 eldercare,” Ping An integrates internal and external service providers to offer one-stop, home-based eldercare 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 eldercare brand in China. Ping An’s home-based eldercare services covered 54 cities across China as of December 31, 2023. Over 80,000 customers have qualified for the home-based eldercare services, giving positive general feedback. In respect of “insurance + high-end eldercare,” Ping An is committed to developing the premium eldercare market and delivering innovative “one-stop” full-lifecycle eldercare solutions. Under the core philosophy of “seven-dimensional healthcare” and the value proposition of “prime life, exclusive services, and respectful care,” Ping An provides customized eldercare services and high-quality heartwarming eldercare experience to meet the growing demand for premium eldercare in China. Ping An has unveiled high-end eldercare 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.

Ping An Life’s core and comprehensive solvency margin ratios were 105.0% and 194.7% respectively as of December 31, 2023, both significantly above the regulatory requirements

## **(II) Ping An Property & Casualty Insurance Company of China, Ltd. (“Ping An P&C”)**

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’s premium income grew by 1.4% year on year to RMB302,160 million 2023.

Ping An P&C maintained stable business growth and good business quality, with a 100.7% overall combined ratio (“COR”) and a better-than-average 97.7% auto insurance COR in 2023. 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 by China Banking and Insurance Information Technology Management Co., Ltd., ranking among top players in the property and casualty insurance industry.

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.

Ping An P&C’s core and comprehensive solvency margin ratios were 169.4% and 207.8% respectively as of December 31, 2023, both significantly above the regulatory requirements.

## **(III) Ping An Bank Co., Ltd. (“Ping An Bank”)**

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, advances comprehensive 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.

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.

Regarding 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 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 assets under management ("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.

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. In respect of selected sectors, Ping An Bank builds sector-specific differential advantages and 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. In respect of 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. In respect of selected products, Ping An Bank focuses on core customer groups, 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 reached RMB1,333,185 million in 2023, up 14.1% year on year.

In 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.

In respect of asset quality, China’s macroeconomy stabilized and resumed an upward trend in 2023, but 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 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 cyclicity, stable growth and good asset quality, and reduced exposure to high-risk customers. As a result, corporate credit metrics remained good.

In respect of 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 were 9.22%, 10.90% and 13.43% respectively as of December 31, 2023, up 0.58 pps, 0.50 pps and 0.42 pps from the beginning of 2023 respectively.

#### **(IV) Ping An Trust Co., Ltd. (“Ping An Trust”)**

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.

## **(V) Ping An Securities Co., Ltd. (“Ping An Securities”)**

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) 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 volume and 6th in bond 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 in the fourth quarter of 2023.

## **(VI) Ping An International Financial Leasing Co., Ltd. (“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.

## **(VII) Ping An Asset Management Co., Ltd. (“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.

## IV. Opinions from External Institutions

### (I) Audit Opinions on the Group's Solvency Statements

Ernst & Young Hua Ming LLP, an auditor engaged by the Company, issued the Solvency Audit Report on Ping An for 2023, and was of the view that the Company's insurance group solvency statements as of December 31, 2023 were prepared, in all material respects, in accordance with the basis of preparation set forth in the *Regulatory Rules on Solvency of Insurance Companies (II)*, the *Circular of the CBIRC on 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*.

### (II) Audit Opinions on the Group's Financial Statements and Internal Controls

Ernst & Young Hua Ming LLP, an auditor engaged by the Company, issued the Independent Auditor's Report on Ping An for 2023, and was of the view that the consolidated and company's balance sheets as at December 31, 2023, as well as the consolidated and company's income statements, statements of changes in shareholders' equity, and cash flow statements for the year 2023 and the notes to the financial statements were prepared, in all material respects, in accordance with the *Enterprise Accounting Standards*, which gave a fair view of the consolidated and company's financial position as at December 31, 2023 and the consolidated and company's performance results and cash flows for the year 2023.

Ernst & Young Hua Ming LLP, an auditor engaged by the Company, issued the Internal Control Audit Report on Ping An for 2023, and was of the view that the Company maintained effective internal controls over financial reporting in all material respects as of December 31, 2023 in accordance with the *Basic Norms for Internal Controls of Enterprises* and applicable requirements.

### (III) Verification Report on the Group's Reduction in Registered Capital

Ernst & Young Hua Ming LLP, an auditor engaged by the Company, issued a verification report on the Company's reduction in registered capital. Based on the examination, the Company had paid a total share purchase price of RMB5,993,765,118.20 (exclusive of transaction costs) and transaction costs of RMB1,018,965.35 in cash as of March 15, 2023. The Company plans to reduce its registered capital and paid-in capital (share capital) by RMB70,006,803.00. Registered capital and paid-in capital (share capital) after the reduction will be RMB18,210,234,607.00.

### (IV) Opinions of Asset Valuation Agency

Engaged by the Company, Shenzhen Cushman & Wakefield Land and Property Valuation Co., Ltd. issued a valuation report on real estate assets held by the Company, taking January 1, 2023 as the valuation date. The valuation result is valid from February 10, 2023 to February 9, 2024.

### (V) Change of External Institutions during the Reporting Period

1. During the Reporting Period, did the Company replace an accounting firm that provided auditing services for the Company? (Yes  No )

2. During the Reporting Period, did the Company replace an external institution that issued other independent opinions? (Yes  No )

## V. Solvency Statements

### (I) Solvency Statement of Insurance Holding Group

Insurance group name: Ping An Insurance (Group) Company of China, Ltd. December 31, 2023 (in RMB million)

| Item  | Line   | December 31, 2023 | December 31, 2022 |
|---|--|-------------------|-------------------|
| <b>Actual capital</b>                                       | (1) = (2) + (3) + (4) + (5)                        | 1,714,109.86      | 1,783,771.58      |
| Core tier 1 capital   | (2)  | 1,104,613.82      | 1,143,789.33      |
| Core tier 2 capital   | (3)  | 216,040.62        | 219,623.60        |
| Supplementary tier 1 capital                                | (4)  | 381,991.21        | 409,088.08        |
| Supplementary tier 2 capital                                | (5)  | 11,464.21         | 11,270.57         |
| <b>Minimum Capital</b>                                      | (6) = (7) + (21) + (22)                            | 823,985.20        | 819,568.21        |
| Minimum capital for quantifiable risks                      | (7) = (8) + (9) + (10) + (11) + (12) + (13) - (20) | 836,575.67        | 819,568.21        |
| Minimum capital of the parent company                       | (8)  | -                 | -                 |
| Minimum capital of insurance member companies               | (9)  | 466,342.19        | 467,089.04        |
| Minimum capital of banking member companies                 | (10)   | 333,923.50        | 318,014.61        |
| Minimum capital of securities member companies              | (11)   | 30,232.67         | 28,785.35         |
| Minimum capital of trust member companies                   | (12)   | 6,077.31          | 5,679.21          |
| Minimum capital for group-level quantifiable specific risks | (13) = (14) + (15)                                 | -                 | -                 |
| Minimum capital for risk contagion                          | (14)   | -                 | -                 |
| Minimum capital for concentration risk                      | (15) = (16) + (17) + (18) - (19)                   | -                 | -                 |
| Minimum capital for counterparty concentration risk         | (16)   | -                 | -                 |
| Minimum capital for industry concentration risk             | (17)   | -                 | -                 |
| Minimum capital for customer concentration risk             | (18)   | -                 | -                 |
| Risk diversification effect                                 | (19)   | -                 | -                 |
| Capital requirement decrease due to risk diversification    | (20)   | -                 | -                 |
| Minimum capital for control risks                           | (21)   | (12,590.47)       | -                 |
| Additional capital buffer                                   | (22)   | -                 | -                 |
| <b>Core solvency margin surplus</b>                         | (23) = (2) + (3) - (6) × 50%                       | 908,661.84        | 953,628.83        |
| <b>Core solvency margin ratio</b>                           | (24) = [(2) + (3)] / (6) × 100%                    | 160.28%           | 166.36%           |
| <b>Comprehensive solvency margin surplus</b>                | (25) = (1) - (6)                                   | 890,124.66        | 964,203.37        |
| <b>Comprehensive solvency margin ratio</b>                  | (26) = (1) / (6) × 100%                            | 208.03%           | 217.65%           |

Note: The group-level capital requirement decrease due to risk diversification and additional capital buffer will be separately stipulated by the CBIRC.

## (II) Actual Capital Statement of Insurance Holding Group

Insurance group name: Ping An Insurance (Group) Company of China, Ltd. December 31, 2023 (in RMB million)

| Item  | Line  | December 31, 2023 | December 31, 2022 |
|---|---|-------------------|-------------------|
| <b>Core tier 1 capital</b>  | (1) = (2) + (3) + (12) + (13) + (14) + (15) + (16)    | 1,104,613.82      | 1,143,789.33      |
| Net assets in group consolidated financial statements   | (2)   | 1,228,964.00      | 1,175,298.00      |
| Adjustment for insurance member companies   | (3) = (4) + (5) + (6) + (7) + (8) + (9) + (10) + (11) | 59,760.21         | 130,535.20        |
| Book value of unadmitted assets   | (4)   | (42,466.06)       | (27,249.83)       |
| Difference between admitted value and book value of long-term equity investments  | (5)   | (5,143.93)        | (4,456.95)        |
| Difference between admitted value and book value (exclusive of the effect of income tax) of investment property (including investment property held by insurance companies through property rights or subsidiaries, etc.) | (6)   | -                 | -                 |
| Deferred income tax assets (excluding deferred income tax assets caused by operating losses)  | (7)   | (29,877.14)       | (29,394.23)       |
| Catastrophe risk reserves for agricultural insurance  | (8)   | 294.75            | 71.91             |
| Policy future surplus included in core tier 1 capital   | (9)   | 263,403.88        | 191,659.88        |
| Amount of capital instruments attributable to liabilities that meet the core tier 1 capital standards and may be included in core tier 1 capital  | (10)  | -                 | -                 |
| Other adjustments stipulated by the CBIRC   | (11)  | (126,451.29)      | (95.58)           |
| Adjustment for banking member companies   | (12)  | (73,177.37)       | (76,421.05)       |
| Adjustment for trust member companies   | (13)  | (6,448.02)        | (5,842.24)        |
| Adjustment for securities and futures member companies  | (14)  | (31,968.71)       | (32,559.18)       |
| Goodwill  | (15)  | (36,547.70)       | (36,491.70)       |
| Other adjustments stipulated by the CBIRC   | (16)  | (35,968.59)       | (10,729.70)       |
| <b>Core tier 2 capital</b>  | (17) = (18) + (23) + (24)                             | 216,040.62        | 219,623.60        |
| Core tier 2 capital of insurance member companies   | (18) = (19) + (20) + (21) - (22)                      | 51,725.77         | 57,568.29         |
| Preferred stock   | (19)  | -                 | -                 |
| Policy future surplus included in core tier 2 capital   | (20)  | 51,725.77         | 57,614.57         |
| Other core tier 2 capital   | (21)  | -                 | -                 |
| Less: the amount that should be deducted for exceeding the limit  | (22)  | -                 | 46.28             |
| Other tier 1 capital of banking member companies  | (23)  | 58,371.20         | 58,371.20         |
| Tier 2 capital instruments of banking member companies  | (24)  | 105,943.65        | 103,684.11        |
| <b>Supplementary tier 1 capital</b>   | (25) = (26) + (27) + (28) + (29) + (30) + (31) - (32) | 381,991.21        | 409,088.08        |
| Subordinated term debt  | (26)  | -                 | -                 |
| Capital supplementary bonds   | (27)  | 30,000.00         | 30,000.00         |
| Convertible subordinated debt   | (28)  | -                 | -                 |
| Deferred income tax assets (excluding deferred income tax assets caused by operating losses)  | (29)  | 29,877.14         | 29,394.23         |
| Policy future surplus included in supplementary tier 1 capital  | (30)  | 314,579.58        | 342,455.95        |
| Other supplementary tier 1 capital  | (31)  | 7,534.49          | 7,482.10          |
| Less: the amount that should be deducted for exceeding the limit  | (32)  | -                 | 244.20            |
| <b>Supplementary tier 2 capital</b>   | (33) = (34) + (35) - (36)                             | 11,464.21         | 11,270.57         |
| Contingent capital and other supplementary tier 2 capital   | (34)  | -                 | -                 |
| Policy future surplus included in supplementary tier 2 capital  | (35)  | 11,464.21         | 11,270.57         |
| Less: the amount that should be deducted for exceeding the limit  | (36)  | -                 | -                 |
| <b>Total actual capital</b>   | (37) = (1) + (17) + (25) + (33)                       | 1,714,109.86      | 1,783,771.58      |

## **VI. Management Discussion and Analysis**

### **(I) Changes in Solvency Margins**

Ping An's core solvency margin ratio and comprehensive solvency margin ratio were 160.28% and 208.03% respectively as of December 31, 2023, down 6.08 pps and 9.62 pps from the beginning of 2023 respectively, both well above regulatory requirements.

### **(II) Changes in Integrated Risk Ratings**

Not applicable. The CBIRC has not yet conducted the integrated risk rating of insurance groups.

### **(III) Risk Analysis of the Group**

The Group's overall risk profile was stable in 2023, with all types of risks meeting the risk appetite. However, in view of a complex external environment, the Group still needs to focus on the management and control of relevant risk areas. In respect of credit risk, the default risk of some industries and customer segments involving investment and financing continued to increase. In respect of market risk, the risk limit indicators were generally under control despite wide fluctuations in equity markets. In respect of liquidity risk, the Group paid attention to and managed the impact of changes in the external environment on the business and financing of some member companies. In respect of insurance risk, the overall risk profile was stable, and all the insurance member companies kept their risk limit indicators within the normal range. There was no major solvency risk event in respect of strategic risk, brand and reputation risk, and compliance and operational risk. In respect of group-level specific risk management, the Group proactively implemented applicable regulatory requirements, and enhanced the management of group-level specific risks including risk contagion, organizational structure non-transparency risk, concentration risk, and risks in non-insurance areas. Among them, the Group focused on strengthening the concentration management of counterparties and industries, and continued to enhance position monitoring and risk management for the key industries and large-value transaction counterparties. Moreover, the Group continued to improve the related party transaction management, and enhanced the management of the equity structure as well as equity investments in non-financial subsidiaries.

The Group continuously optimized its comprehensive risk management system, conducted rectification as required by regulators after the Solvency Aligned Risk Management Requirements and Assessment ("SARMRA"), and enhanced its management of various risks in accordance with C-ROSS Phase II regulatory requirements and in line with internal management needs in 2023. The Group's solvency risk management system was further improved.

## VII. Significant Events

### (I) Major Investments

During the Reporting Period, the Group made two investments in subsidiaries which shall be reported as major investments in accordance with the *Regulatory Rules on Solvency of Insurance Companies (II)*. Details are as follows:

The parent company signed the Share Purchase Agreement with Shandong Province Service Outsourcing & Training Base Co., Ltd. (“Shandong Service Outsourcing”) on December 31, 2022 to purchase 192,030 shares in Ping An Property & Casualty Insurance Company of China, Ltd. (“Ping An Property & Casualty”) from Shandong Service Outsourcing for RMB1,440,225, and completed the payment of the full transaction price on January 5, 2023 (pending regulatory approval).

The parent company signed the Share Purchase Agreement with Guangdong Telecom Industry Group Co., Ltd. (“Guangdong Telecom”) on February 23, 2023 to purchase 48,000 shares in Ping An Property & Casualty from Guangdong Telecom for RMB250,000, and completed the payment of the full transaction price on March 1, 2023 (pending regulatory approval).

The parent company made no new investment in its associates and joint ventures during the Reporting Period.

### (II) Material Guarantees

During the Reporting Period, there was no material guarantee by the parent company as stipulated under the regulatory rules on solvency.

### (III) Major Financing Activities

During the Reporting Period, there was no major financing activity by the parent company as stipulated under the regulatory rules on solvency.

### (IV) Material Related Party Transactions

The Group had one material related party transaction during the Reporting Period. The related party transaction was deliberated and approved at the first meeting of the Company’s Related Party Transaction Control and Consumer Rights Protection Committee for 2023 held on March 14, 2023, deliberated and approved at the 13th meeting of the 12th Board of Directors held by the Company on March 15, 2023, and announced at the Shanghai Stock Exchange (announcement number: Lin 2023-008).

### (V) Significant Lawsuits

The parent company had no significant lawsuit as stipulated under the regulatory rules on solvency during the Reporting Period. For insurance subsidiaries’ significant lawsuits in the Reporting Period, refer to their respective solvency reports.

### (VI) Material Reinsurance Contracts

Not applicable to the parent company. For insurance subsidiaries’ material reinsurance contracts in the Reporting Period, refer to their respective solvency reports.

## **(VII) Material Investment Losses**

During the Reporting Period, there was no material investment loss as stipulated under the regulatory rules on solvency.

## **(VIII) The Group's Member Companies Facing Financial Crises or Being Taken Over by Other Regulators**

During the Reporting Period, no member company of the Group faced financial crises or was taken over by other regulators.

## **(IX) Other Significant Events**

The 2022 profit distribution plan of the Company 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 (tax inclusive) per share, 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 A shares of the Company in the repurchased securities account).

The 2023 interim profit distribution plan of the Company was deliberated and approved at the 17th meeting of the 12th Board of Directors held on August 29, 2023, pursuant to which the Company paid in cash the 2023 interim dividend of RMB0.93 (tax inclusive) per share, 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 A shares of the Company in the repurchased securities account).

The implementation of the distribution plan has been completed.

The Board of Directors proposed to pay a final dividend of RMB1.50 per share (tax inclusive) in cash for 2023. 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.

## VIII. Risk Management Capability

### (I) Solvency Risk Governance

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. The Group 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. Its functions include:

(1) To review and approve overall objectives of the Group's comprehensive risk management, risk appetites and tolerance, and risk management policies.

(2) To review and approve the organizational structure and responsibilities of the Group's comprehensive risk management;

(3) To supervise whether the management effectively manages and controls the Group's overall risk;

(4) To review and approve the Group's comprehensive risk management reports, including the Group's solvency reports, risk assessment reports, and other risk-related reports; and

(5) To review and approve other significant events related to comprehensive risk management.

The Audit and Risk Management Committee under the Board of Directors conducts relevant tasks authorized by the Board of Directors, deliberates matters related to comprehensive risk management, and gives opinions and recommendations to the Board of Directors. Its functions include:

(1) To deliberate overall objectives of the Group's comprehensive risk management, risk appetites and tolerance, and risk management policies;

(2) To deliberate the organizational structure and responsibilities of the Group's comprehensive risk management;

(3) To deliberate the Group's solvency reports and submit them to the Board of Directors for review and approval;

(4) To deliberate comprehensive risk management reports, including the Group's risk assessment reports and other special risk reports, and have a thorough understanding of the Group's and its member companies' risk exposures and management situations;

(5) To assess the operational effectiveness of the Group's comprehensive risk management framework;

(6) To assess risks in the Group's significant business activities, and deliberate solutions to significant events related to comprehensive risk management;

(7) Other tasks arranged by the Board of Directors.

The Group Executive Committee leads all the aspects of the Group's risk management. The Risk Management

Executive Committee (RMEC), as a specialized committee under the Group Executive 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 design and implementation of risk management frameworks, 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 Group's executives in charge of different risk categories, each of whom has clearly-defined responsibilities for managing various risks.

## **(II) Introduction to and Implementation of Risk Management Strategies**

### **(1) Risk Management Strategies**

Ping An Group has developed effective solvency risk management strategies by continuing to strengthen its enterprise risk management system and improve its organizational structure. Meanwhile, the Group requires its member companies to formulate risk management strategies according to their actual conditions and features and align them with the Group's.

In respect of risk appetites, tolerance, and limits, Ping An Group set a risk appetite framework covering all kinds of general risks and insurance group-specific risks in line with regulatory policies, strategic business plans, overall capital position, market landscapes, and business features of member companies. This framework constitutes a core part of the Group's solvency risk management strategies.

In respect of risk identification, evaluation, and monitoring, Ping An Group introduced a solvency risk warning mechanism with matched comprehensive risk monitoring indicators to identify, evaluate and monitor risks in a timely manner.

In respect of risk responses and crisis management, Ping An Group continued to improve its risk warning mechanism, providing effective alerts on industry developments, regulatory information and risk events. The Group also enhanced its risk emergency management mechanism, effectively guarding against potential risks.

In respect of assessment of the effectiveness of risk management, Ping An Group conducted holistic management of member companies' risks, reviewing and assessing the overall risk management to improve the risk management system.

In respect of mechanisms for preventing risk contagion and transmission, Ping An Group strengthened the rules and management mechanisms against risk contagion, conducted relevant education and training, set appetite limits for risk contagion, and monitored and reported risks on a regular basis.

In respect of resource allocation of risk management in human resources, finance and organizations, Ping An put in place a Chief Risk Officer responsible for solvency risk management. As an independent risk management department, the Group's Risk Management Department headed up the Group's solvency risk management, being well-staffed and with necessary qualifications.

## **(2) Risk Appetite Rules and Objective**

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 general 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 early warning, so as to support business decision-making and strike a balance between risk management and business development.

Amid the internal and external pressure on the Company's business development and risk management in 2023, Ping An maintained a prudent risk appetite, operated in strict compliance with laws and regulations, took reasonable and appropriate risks, effectively controlled credit risk, market risk, asset quality risk and so on, prevented operational, compliance, IT and brand reputation risk events, and strengthened strategic risk management. Moreover, Ping An kept its solvency position in line with regulatory requirements, and maintained a stable overall risk status.

## **(3) Risk Management Tools**

Ping An Group stepped up the use of risk management tools including comprehensive budget, asset-liability management, capital planning and allocation, and stress testing, to manage inherent risks of the Group and its main member companies within the scope of business. Ping An Group clarified the management plans and main processes of the Group and member companies, and provided regular monitoring and supervision to ensure the effective implementation and application of risk management tools.

In respect of comprehensive budget, Ping An Group assisted in the Group's major business management through comprehensive budget by taking into account risk appetites and risk limits. Member companies promoted the implementation of comprehensive budget in combination with risk appetites under the guidance of the Group.

In respect of asset-liability management, Ping An Group adopted a prudent asset-liability risk management policy, focusing on improving asset quality and operating performances. Member companies are responsible for making independent decisions on asset-liability risk management within their own jurisdiction, and establishing and improving a robust asset-liability risk management system.

In respect of capital planning and allocation, Ping An Group developed a forward-looking program for capital planning and allocation management in line with factors including strategic goals, business development and industry landscapes, to keep improving the Company's capability for risk prevention.

Member companies organized and implemented related capital management work in accordance with the Group's management requirements, their own development strategies and business plans, and other requirements.

In respect of stress testing, Ping An Group conducted sensitivity and scenario stress testing to keep a close eye on the changes in solvency. Member companies carried out stress testing as required by the Group.

### **(III) Identification and Evaluation of 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, the concentration risk, and risks in non-insurance areas.

#### **(1) Risk Contagion**

Risk contagion refers to a situation where the risk created by a member of the Group spreads to another member of the Group by means of related party transactions or other activities, causing unexpected losses to such other member or the Group. As the Group promotes 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 enhanced management of related party transactions in strict accordance with laws, regulations and regulatory requirements on related party transactions and the management principles of good faith, fairness and equity, penetration verification and clear structures. The Group has constantly optimized the management systems, structures and mechanisms, improved the management procedures, and enhanced related party transaction identification, review and fair value-based pricing to ensure the compliance and fairness of related party transactions. The Group continued to increase 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) 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.

### **(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 high-risk industry management plans based on its macroeconomic and industry analysis on a yearly basis to exercise total-amount control 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 in 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 concentration risk management of insurance groups' insurance and non-insurance businesses. Regarding the concentration of insurance business, the Group has enhanced the framework of concentration risk limits for insurance business and reinsurance counterparties as well as 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 in businesses through regular evaluation, monitoring, and warning of the concentration risk in insurance and non-insurance businesses.

#### **(4) Non-insurance Risk**

Non-insurance risk refers to the impact of the business activities of an insurance group's non-insurance member companies on the solvency of the insurance group and its insurance member companies.

The Group is an integrated financial services group authorized by the State Council to engage in separate operations under a listed holding group subject to separate regulation. While focusing on its core insurance 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 insurance 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 regularly to evaluate investment targets and the risk-return profiles of various businesses.

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.

#### **(IV) Results of Regulatory Assessment**

The CBIRC issued the *Circular on Carrying out the Assessment of the Solvency Risk Management of Insurance Companies for 2022* (Yin Bao Jian Fa [2022] No.17) in 2022. The former CBIRC Guangdong Office conducted the SARMRA of the Group in the third quarter of 2022. The regulator released the assessment results in April 2023, and the Group's assessment score was 81.53, including 13.28 for solvency risk governance, 11.01 for risk management strategy and implementation management, 9.65 for risk contagion management, 8.97 for organizational structure non-transparency management, 9.48 for concentration risk management, 8.85 for non-insurance risk management,

8.83 for other risk management, and 11.46 for capital management.

## **IX. Integrated Risk Rating**

### **(I) Two Recent Integrated Risk Ratings**

Not applicable. The CBIRC has not yet conducted the Integrated Risk Rating of insurance groups.

### **(II) Improvement Measures Adopted or to Be Adopted by the Group**

Not applicable. The CBIRC has not yet conducted the Integrated Risk Rating of insurance groups.