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PING AN

Expertise Creates Value

中国平安保险(集团)股份有限公司

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

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

Stock Code: 2318 (HKD counter) and 82318 (RMB counter)
(Debt Stock Code: 5131)

ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2024

The board of directors (the “**Board**”) of Ping An Insurance (Group) Company of China, Ltd. (“**Ping An**” or the “**Company**”) hereby announces the unaudited results of the Company and its subsidiaries for the six months ended June 30, 2024. This announcement, containing the full text of the 2024 Interim Report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in relation to the information to accompany preliminary announcements of interim results.

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

By order of the Board
Ma Mingzhe
Chairman

Shenzhen, the PRC, August 22, 2024

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

Contents

ABOUT US

- 1 Introduction
- 4 Chairman's Statement
- 9 Financial Highlights

MANAGEMENT DISCUSSION AND ANALYSIS

- 10 Business Analysis
 - 10 Performance Overview
 - 14 Life and Health Insurance Business
 - 22 Property and Casualty Insurance Business
 - 28 Insurance Funds Investment Portfolio
 - 34 Banking Business
 - 40 Asset Management Business
 - 44 Technology Business
- 48 Integrated Finance
- 56 Health and Senior Care as a New Driver of Value Growth
- 60 Analysis of Embedded Value
- 71 Liquidity and Capital Resources
- 76 Sustainability

CORPORATE GOVERNANCE

- 82 Changes in the Share Capital and Shareholders' Profile
- 85 Directors, Supervisors, Senior Management and Employees
- 88 Significant Events

FINANCIAL STATEMENTS

- 104 Report on Review of Interim Condensed Consolidated Financial Information
- 105 Interim Consolidated Income Statement
- 106 Interim Consolidated Statement of Comprehensive Income
- 107 Interim Consolidated Statement of Financial Position
- 109 Interim Consolidated Statement of Changes in Equity
- 111 Interim Consolidated Statement of Cash Flows
- 112 Notes to the Interim Condensed Consolidated Financial Information

OTHER INFORMATION

- 165 Glossary
- 168 Corporate Information

Cautionary Statements Regarding Forward-Looking Statements

To the extent any statements made in this Report contain information that is not historical, these statements are essentially forward-looking. These forward-looking statements include but are not limited to projections, targets, estimates and business plans that the Company expects or anticipates may or may not occur in the future. Words such as "potential", "estimates", "expects", "anticipates", "objective", "intends", "plans", "believes", "will", "may", "should", variations of these words and similar expressions are intended to identify forward-looking statements.

These forward-looking statements are subject to known and unknown risks and uncertainties that may be general or specific. Readers should be cautioned that a variety of factors, many of which are beyond the Company's control, affect the performance, operations and results of the Company, and could cause actual results to differ materially from the expectations expressed in any of the Company's forward-looking statements. These factors include, but are not limited to, exchange rate fluctuations, market shares, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions and other risks and factors beyond our control. The forward-looking statements herein do not constitute a material commitment by the Company to investors, and investors and related persons should maintain an adequate understanding of the risks and should understand the differences between commitments and forward-looking statements such as plans and forecasts. These and other factors should be considered carefully; readers should not place undue reliance on the Company's forward-looking statements, and should pay attention to investment risks. In addition, the Company undertakes no obligation to publicly update or revise any forward-looking statement that is contained in this Report as a result of new information, future events or otherwise. Neither the Company nor any of its employees or affiliates is responsible for, or is making, any representations concerning the future performance of the Company.

Introduction

Ping An strives to become a world-leading integrated financial, health and senior care services group. Ping An actively responds to China's 14th Five-Year Plan, focuses on core financial businesses under a people-centered approach, and strengthens the insurance protection function to serve the real economy and support national strategies including "Digital China" and "Healthy China." Ping An develops TechFin, green finance, inclusive finance, pension finance, and digital finance. Ping An also develops the "integrated finance + health and senior care" service framework to provide professional "financial advisory, family doctor, and senior care concierge" services. Ping An advances comprehensive digital transformation to pursue high-quality business development and improve the quality and efficiency of financial businesses. Moreover, Ping An accelerates ecosystem development to "empower financial services with technologies, empower financial services with ecosystems, and advance development with technologies." Remaining customer needs-oriented, Ping An continuously develops its integrated finance model of "one customer, multiple accounts, multiple products, and one-stop services" under the people-centered philosophy. Ping An provides diverse products and convenient services to 236 million retail customers under the "worry-free, time-saving, and money-saving" value proposition.

Introduction

- **Stable cash dividends amid steady business results.** The Group delivered a 16.4% annualized operating ROE, with operating profit attributable to shareholders of the parent company reaching RMB78,482 million in the first half of 2024. Three core businesses, namely life and health insurance (“Life & Health” or “L&H”), property and casualty insurance (“Ping An P&C”), and banking, achieved growth and delivered RMB79,565 million in operating profit attributable to shareholders of the parent company, up 1.7% year on year. Attaching importance to shareholder returns, Ping An will pay an interim dividend of RMB0.93 per share in cash.
- **Life & Health grew continuously and achieved high-quality development in its agent channel.** New business value (“NBV”) amounted to RMB22,320 million in the first half of 2024, up 11.0% year on year. Agent productivity continued to increase with NBV of the agent channel up 10.8% and NBV per agent up 36.0% year on year. The number of Ping An Life’s individual life insurance sales agents was about 340,000 as of June 30, 2024.
- **Ping An P&C maintained good business quality with steady revenue growth.** Ping An P&C’s insurance revenue rose 3.9% year on year to RMB161,910 million in the first half of 2024. Ping An P&C maintained a healthy overall combined ratio (“COR”) at 97.8% through enhanced business management and risk screening.
- **Ping An Bank maintained steady business performance as well as adequate capital and risk provisions.** Net profit grew 1.9% year on year to RMB25,879 million in the first half of 2024. Core tier 1 capital adequacy ratio rose to 9.33% and provision coverage ratio was 264.26% as of June 30, 2024.
- **Ping An delivered excellent results in insurance funds investment.** In a complex and volatile market environment, Ping An’s insurance funds investment portfolio achieved an annualized comprehensive investment yield of 4.2% in the first half of 2024, up 0.1 pps year on year. The portfolio achieved a 5.4% average comprehensive investment yield over the past decade.
- **Ping An continued to develop integrated finance.** Retail customers increased to 236 million as of June 30, 2024; 24.9% of them held four or more contracts within the Group, with a retention rate of 97.8%.
- **Ping An continued to implement its health and senior care ecosystem strategy, achieving significant results with differential advantages.** By integrating providers, Ping An partnered with all top 100 hospitals and 3A hospitals, and accumulated about 50,000 in-house doctors and contracted external doctors in China as of June 30, 2024. Ping An partnered with approximately 233,000 pharmacies as of June 30, 2024, up by over 2,500 year to date. Customers entitled to service benefits in the health and senior care ecosystem accounted for over 68% of Ping An Life’s NBV in the first half of 2024.
- **Ping An actively fulfilled its social responsibilities and supported the real economy.** Ping An cumulatively invested nearly RMB9.46 trillion as of June 30, 2024 to bolster the real economy. Green investment of insurance funds and green loan balance reached RMB124,877 million and RMB164,634 million respectively as of June 30, 2024. Ping An’s green insurance premium income amounted to RMB23,605 million and funds provided for rural industrial vitalization via “Ping An Rural Communities Support” totaled RMB17,024 million in the first half of 2024. Ping An made its debut in the *Fortune* China ESG Impact List in 2024.
- **Ping An further increased its brand value.** In 2024, Ping An ranked 53rd in the *Fortune* Global 500 list (1st among global insurers again and 5th among Chinese financial services companies), 14th in the *Fortune* China 500 list, 29th in the *Forbes* Global 2000 list (1st among Chinese insurers), and 1st in the Brand Finance Insurance 100 list in relation to global insurance brand value for the 8th consecutive year.

Total Assets (in RMB million)

Jun 30, 2024	12,226,666
Dec 31, 2023	11,583,417

Operating Profit Attributable to Shareholders of the Parent Company⁽¹⁾ (in RMB million)

1H 2024	78,482
1H 2023	78,950

Basic Operating Earnings per Share⁽¹⁾ (in RMB)

1H 2024	4.43
1H 2023	4.46

NBV of Life and Health Insurance Business⁽²⁾ (in RMB million)

1H 2024	22,320
1H 2023	20,112

Notes: (1) The computation of operating profit for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%).

Total Revenue (in RMB million)

1H 2024	554,097
1H 2023	546,134

Equity Attributable to Shareholders of the Parent Company (in RMB million)

Jun 30, 2024	931,208
Dec 31, 2023	899,011

Interim Dividend per Share (in RMB)

1H 2024	0.93
1H 2023	0.93

Embedded Value (“EV”) of Life and Health Insurance Business⁽²⁾ (in RMB million)

Jun 30, 2024	916,230
Dec 31, 2023	830,974

(2) The computation of NBV for the current period and the same period last year and EV as of the end of the current period and the end of last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).

Chairman's Statement

Seventy-five years on from its founding, China is still in its prime. Thirty-six years on from its founding, Ping An remains true to its original aspiration. The year 2024 marks the 75th anniversary of the founding of the People's Republic of China, and is crucial to the implementation of China's 14th Five-Year Plan (2021-2025). Such five-year plans are highly relevant for people's livelihoods, guiding all aspects of our economy and society. The year 2024 also marks the 36th anniversary of Ping An. In traditional Chinese culture, every 12 years constitute a cycle. As an old saying goes, "Gain momentum over a cycle to go far." At this critical juncture, Ping An remains true to its original aspiration, remembers the past, and is planning a new journey.

We never forget our past. What has been Ping An's original aspiration since it was founded in Shekou in 1988? We always remember the inculcation from Mr. Yuan Geng, founder of the Shekou Industrial Zone and former honorary chairman of Ping An: "The innovative and pioneering spirit is a gene shared by people and enterprises from Shekou, and Ping An is one of the best inheritors of the gene." The slogan "Time is money, efficiency is life" is the most famous epitome of the gene. Chairman Yuan also declared, "Customer is king." Back then, this declaration served as an extremely forward-looking and enlightening reform manifesto. Why did we start a business? To meet customer needs wholeheartedly. Our operations must be oriented by what our customers think about, care about, and dream about. Over the past 36 years, Ping An has always upheld Chairman Yuan's instruction as its business philosophy: service first, customer first. **Ultimately, Ping An realizes both customer value and its own corporate value by delivering the most cost-effective "worry-free, time-saving, and money-saving" professional services.**

Ping An adheres to its original aspiration and founding mission of providing people-centered financial services. At our anniversary ceremony on May 27, 2024, we pledged to comprehensively upgrade and promote our "worry-free, time-saving, and money-saving" value proposition under the "integrated finance + health and senior care" business strategy. We called on each of our employees and agents to "serve customers as the most professional financial adviser, family doctor

and senior care concierge." By leveraging our expertise and integrity, we strive to provide every customer with ultimate "worry-free, time-saving, and money-saving" experience in integrated financial, health and senior care services. This is our solemn, enduring commitment to our 236 million retail customers and the general public.



At its 36th anniversary ceremony at Ping An Finance Center, Shenzhen on May 27, 2024, Ping An called on employees and agents to implement the "worry-free, time-saving, and money-saving" value proposition.

What do we mean by "worry-free, time-saving, and money-saving"? It is a value proposition focused on details, especially those perceptible to customers. Firstly, in a financial industry featuring complicated rules, obscure terms and conditions, myriad accounts and cumbersome procedures, we make our offerings as standardized, understandable and simple as possible to deliver one-stop, turn-key solutions and "worry-free" experience. Secondly, consumers increasingly value instant, convenient products and services in today's fast-changing world because "time is money." Service speed and efficiency is one of the core dimensions of corporate competitiveness. Therefore, we seek tirelessly to relieve customers of anxious waiting by constantly pushing the boundaries in saving customers' time. Thirdly, the financial industry's value lies in satisfying people's aspirations for a better life, which means better quality of life and value for money. We strive to meet customer needs with highly cost-effective products and services so that customers will feel treasured and satisfied. This is what "money-saving" means. In short, the "worry-free, time-saving, and money-saving" value proposition

addresses consumers' most essential expectations and needs for financial services. Therefore, it is our pursuit and top priority to deliver "worry-free, time-saving, and money-saving" customer experience under a customer demand-driven approach. This is our inevitable choice in advancing the "integrated finance + health and senior care" strategy and fulfilling our original aspiration and founding mission.

How should we make our services "worry-free, time-saving, and money-saving"? By firmly upholding a problem-oriented, people-centered approach to finance, that is, by focusing on people's livelihoods and concerns. Ping An's "worry-free, time-saving, and money-saving" value proposition is an innovation of its financial service philosophy, a foothold for people-centered finance, a driver of strategic business transformation, and a brand-new starting point for boosting customer value and realizing its vision. In the first half of 2024, the Company established a group-level task force dedicated to promoting the "worry-free, time-saving, and money-saving" value proposition across all business lines in a comprehensive, in-depth and enduring manner. **Ping An provides worry-free services for customers.** We designed a universal login system "Ping An Integrated Accounts" and upgraded the online smart mini-program "Magic Gateway" to connect our 13 member companies' apps and enable one-click access to auto, home and insurance purchases, investments, savings, credit cards, and health and senior care. Ping An P&C expanded its service scope of one-stop "auto insurance, auto services and auto life" to 82 items including emergency assistance, annual inspection and designated driver services, making life simple for 200 million "Ping An Auto Owner" app users. **Ping An helps customers save time.** We continuously advance comprehensive digital transformation to further enhance the protection of personal information and consumer rights. Ping An Life launched the upgraded "1-1-1 Superfast Claim" services to deliver "worry-free, time-saving, and money-saving" superfast claim experience via "one-sentence reporting, one-click uploading, and one-minute validation." Ping An Life paid more than 2.58 million claims in the first half of 2024, accounting for over 99% of all claims, among which the largest payment amounted to RMB24.51 million

and the fastest payment took only 10 seconds. **Ping An helps customers save money.** By integrating the Group's insurance, banking and health care resources, Ping An Bank launched the "Credit Card for Overseas Students" offering comprehensive protection and various discounts in overseas students' study, consumption, health care, travel and so on, maybe the best value for money in the industry. Ping An Health upgraded its flagship "Ping An Family Doctor" services under a one-stop active health management service framework for Chinese families, providing integrated financial customers with one-stop value-added health and senior care benefits. The "worry-free, time-saving, and money-saving" service philosophy runs throughout consultation processes, with five-star reviews from over 98% of users.



Ping An Bank launched the unique "Credit Card for Overseas Students" in 2024 to deliver "worry-free, time-saving, and money-saving" experience based on insights into families' pain points.

With a positive long-term outlook, China's economy was generally stable with steady progress and continued to recover in the first half of 2024 despite short-term challenges, including lackluster domestic demand, travail in replacing old growth drivers with new ones, capital market fluctuations and mounting external uncertainties. **By continuously advancing the "integrated finance + health and senior care" strategy, we use the "worry-free, time-saving, and money-saving" value proposition to drive comprehensive improvements in business quality and efficiency. We serve the real economy by developing core financial businesses and pursue high-quality development by promoting digital transformation, thereby maintaining robust, resilient business results.** The Group delivered a 16.4% annualized operating ROE with operating profit attributable to shareholders of the parent company reaching RMB78,482 million in the first half

Chairman's Statement

of 2024. Net profit attributable to shareholders of the parent company rose 6.8% year on year to RMB74,619 million. Three core businesses, namely Life & Health, property and casualty insurance, and banking, maintained growth and delivered RMB79,565 million in operating profit attributable to shareholders of the parent company, up 1.7% year on year. Life & Health achieved high-quality development in the first half of 2024, with NBV climbing 11.0% year on year to RMB22,320 million. Ping An delivered excellent results in insurance funds investment, with a 4.2% annualized comprehensive investment yield on its insurance funds investment portfolio. Ping An attaches importance to shareholder returns and will pay an interim dividend of RMB0.93 per share in cash, keeping cash dividends stable.

Life & Health grows continuously and achieves high-quality development in its agent channel.

Ping An Life continued to enhance its channels and improve business quality under the “4 channels + 3 products” strategy in the first half of 2024. By upgrading “insurance + service” solutions, Ping An Life provides customers with excellent “worry-free, time-saving, and money-saving” services.

Reformed Life & Health business has gathered momentum.

Life & Health NBV grew 11.0% year on year to RMB22,320 million. Ping An Life significantly improved persistency ratios of insurance policies in the first half of 2024, with the 13-month persistency ratio up 2.8 pps year on year and the 25-month persistency ratio up 3.3 pps year on year. **Ping An Life continuously enhances sales channels via transformation.**

Ping An Life agent channel continued to improve the team structure with NBV and NBV per agent up 10.8% and 36.0% respectively year on year. The proportion of “Talent +” new agents increased by 10.2 pps year on year thanks to the focus on recruiting high-quality new agents through high-quality existing ones. The number of Ping An Life's individual life insurance sales agents was about 340,000 as of June 30, 2024. Bancassurance channel adhered to its value-oriented transformation strategy and boosted its NBV by 17.3% year on year. **“Insurance + service” offerings have gained traction.** Ping An Life provided health management services to nearly 16 million customers in the first half of 2024. Over 120,000 customers qualified for home-based senior care services, which covered 64 cities across China as of June 30, 2024. Ping An has unveiled premium health and senior care communities in five cities.



Ping An established “Ping An Concierge Senior Care Service Alliance” jointly with partners and launched “5-7-3 Home Safety Renovation Service” in March 2024 to facilitate worry-free home-based senior care.

Ping An P&C delivers steady revenue growth and maintains good business quality.

Ping An P&C's insurance revenue rose 3.9% year on year to RMB161,910 million in the first half of 2024. Ping An P&C maintained a healthy overall COR at 97.8% through enhanced business management and risk screening. **Ping An P&C advances data-driven online operations and services.** Committed to providing one-stop services covering “auto insurance, auto services and auto life,” the “Ping An Auto Owner” app accumulated over 218 million registered users and over 142 million vehicles linked to it as of June 30, 2024. **Under the “worry-free, time-saving, and money-saving” value proposition,** Ping An P&C launched “Hassle-free Repair and Worry-free Claims” services featuring “hassle-free auto repair, whole-process transparency, and concierge-style services.” With excellent claim service experience, Ping An P&C has ranked among the best in the Auto Insurance Service Quality Index evaluation by China Banking and Insurance Information Technology Management Co., Ltd. for consecutive years.

Ping An Bank maintains steady business performance and solid asset quality.

Net profit grew 1.9% year on year to RMB25,879 million in the first half of 2024. Core tier 1 capital adequacy ratio increased to 9.33% as of June 30, 2024. **Ping An Bank continuously strengthens risk management, and maintains adequate risk provisions.** Non-performing loan ratio and provision coverage ratio were 1.07% and 264.26% respectively as of June 30, 2024.

Ping An Bank promotes high-quality sustainable development of its retail business. Retail assets under management (“AUM”) rose 2.2% year to date to RMB4,120,630 million, and retail deposit balance grew 6.9% year to date to RMB1,290,345 million as of June 30, 2024. **Ping An Bank serves the real economy by continuously increasing financing support for key areas.** Corporate loan balance grew 11.4% year to date to RMB1,592,139 million as of June 30, 2024. New loans granted to four basic industries, namely infrastructure, the auto ecosystem, public utilities and real estate, grew 42.1% year on year in the first half of 2024. New loans granted to three major emerging industries, namely new manufacturing, new energy and new lifestyle, grew 47.1% year on year in the first half of 2024.

Ping An creates value for customers and shareholders by continuously developing its integrated finance model. Ping An focuses on retail customer development and strengthens cross-selling among customer segments, which brings about higher operational efficiency, reflected especially by lower customer acquisition cost, lower management and service costs, and higher customer retention rates. **Ping An builds a brand of heartwarming financial services by providing “worry-free, time-saving, and money-saving” one-stop integrated finance solutions.** Ping An accumulated 236 million retail customers as of June 30, 2024; 24.9% of them held four or more contracts within the Group, with a 97.8% retention rate. Contracts per retail customer reached 2.93. Over 87.92 million retail customers held multiple contracts with different subsidiaries. New customers acquired in the first half of 2024 totaled 13.92 million thanks to comprehensive integrated finance products, diverse customer contact channels, and continued implementation of the “worry-free, time-saving, and money-saving” value proposition. **Retail cross-selling deepens as Ping An adheres to long-term customer development and continuously gains customer insights.** Middle-class and above customers accounted for approximately 77.7% of the Group’s total retail customers, and high-net-worth individuals (“HNWIs”) held about 20.13 contracts per customer as of June 30, 2024.

Ping An develops health and senior care as a new driver of value growth, with customer development gradually yielding results. Ping An launched an innovative Chinese “managed care model” by seamlessly combining its online/offline health and senior care ecosystem with financial

businesses in which Ping An acts as a payer, leveraging its over ten years of operational and management experience in insurance and health care industries. Ping An Health, Ping An’s online flagship medical platform, achieved RMB2,093 million in revenue and RMB57 million in net profit in the first half of 2024. Ping An Health had approximately 40 million paying users over the 12 months ended June 30, 2024. **Ping An’s increasingly significant differential advantages** are reflected in “online, in-store and home-delivered” service capabilities, hundreds of extensive health and senior care service resources, and accessible high-quality proprietary resources. By integrating providers, Ping An partnered with all top 100 hospitals and 3A hospitals, accumulated approximately 50,000 in-house and contracted external doctors, and cooperated with approximately 233,000 pharmacies (up by over 2,500 year to date) across China as of June 30, 2024. **Ping An empowers core financial businesses through “Product + Service” offerings.** Customers entitled to service benefits in the health and senior care ecosystem accounted for over 68% of Ping An Life’s NBV in the first half of 2024. More than 63% of Ping An’s 236 million retail customers used services from the health and senior care ecosystem as of June 30, 2024. They held approximately 3.36 contracts and RMB57,500 in AUM per capita, 1.6 times and 3.8 times those held by non-users of these services respectively.



Ping An Health upgraded its “Ping An Family Doctor” service brand in June 2024 by launching a one-stop proactive health management service framework and promising to provide proactive health management, effective chronic disease management and whole-course disease management.

Chairman's Statement

Ping An continuously builds world-leading AI capabilities to empower core financial businesses at an increasing pace. Thanks to its long-term, in-depth focus on developing core technologies and securing proprietary intellectual property rights, Ping An ranked second in the world with 1,564 generative AI patent applications according to the latest ranking released by the World Intellectual Property Organization. Ping An had a first-class technology team of over 20,000 technology developers and over 3,000 scientists as of June 30, 2024. The Group's patent applications led most international financial institutions, totaling 52,185 as of June 30, 2024. From the perspective of transforming and upgrading Ping An's core businesses, technology benefits are reflected in higher sales, better business efficiency, and stronger risk management. The volume of services provided by AI service representatives reached about 870 million times, and claims savings via smart fraud risk identification grew 4.3% year on year to RMB6.1 billion in the first half of 2024.

Ping An actively pursues sustainable development and boosts brand value. Ping An cumulatively invested nearly RMB9.46 trillion to bolster the real economy, and its green investment of insurance funds and green loan balance reached RMB124,877 million and RMB164,634 million respectively as of June 30, 2024. Ping An's green insurance premium income amounted to RMB23,605 million and funds provided for rural industrial vitalization via "Ping An Rural Communities Support" totaled RMB17,024 million in the first half of 2024. Ping An ranked 53rd in the *Fortune* Global 500 list (1st among global insurers again and 5th among Chinese financial services companies), and made its debut in the *Fortune* China ESG Impact List in 2024. Ping An ranked 29th in the *Forbes* Global 2000 list (1st among Chinese insurers), and 1st in the Brand Finance Insurance 100 list in relation to global insurance brand value for the 8th consecutive year in 2024. Moreover, Ping An was honored as "China's Most Respected Company" by the *Economic Observer* for the 21st consecutive year in 2024.

Only by gaining momentum midway can we overcome future hurdles; only by riding the wind can we break the waves and brave the voyage. In the second half of 2024, China's household consumption and public expectations will continuously improve, growth momentum will gradually strengthen, and economic recovery will be further bolstered as the government deepens reform comprehensively, promotes innovation-driven development, and expands domestic demand proactively. Meanwhile, opportunities for

and challenges to high-quality development will coexist due to mounting complexity, severity and uncertainty of the external environment. **We shall keep calm and carry on amid the complexity, severity and uncertainty.** We firmly believe the fundamental trend of China's economic recovery and positive long-term outlook has not changed. While boosting confidence and morale, we shall keep in mind that it is crucial to maintain our strategic resolve and play our part.

In long-distance running, the last mile is often the toughest. We shall remain true to our original aspiration as we embark on a new journey. In the second half of 2024, Ping An will thoroughly study and implement the spirit of the Third Plenary Session of the 20th Central Committee of the Communist Party of China (the "CPC") as well as the Central Financial Work Conference's and the Central Economic Work Conference's decisions on financial work. Ping An will uphold the CPC Central Committee's centralized, unified leadership over financial work, adhere to a people-centered value orientation, relentlessly pursue high-quality development, and vigorously advance Chinese modernization. On the new journey, Ping An will continue to advance reforms in pursuit of sustainable, well-structured and high-quality resilient growth. Ping An will continue to implement its business policy of "focusing on core businesses, boosting revenue and cutting costs, optimizing structure, and enhancing quality and efficiency," advance its technology-driven "integrated finance + health and senior care" strategy, and develop toward an upgraded version of "Wells Fargo + UnitedHealth." Moreover, Ping An will relentlessly promote the "worry-free, time-saving, and money-saving" value proposition in 2024. Everyone at Ping An will take the "worry-free, time-saving, and money-saving" value proposition as his/her business guidance, service standard, and long-term commitment. By doing so, we will make greater efforts to serve the real economy and people's livelihoods, safeguard financial security, and develop TechFin, green finance, inclusive finance, pension finance and digital finance, thereby contributing to high-quality development of the financial industry with Chinese characteristics, Chinese modernization and the great rejuvenation of the Chinese nation.



Chairman

Shenzhen, PRC
August 22, 2024

Financial Highlights

(in RMB million)	For the six months ended June 30, 2024/ As at June 30, 2024	For the six months ended June 30, 2023/ As at December 31, 2023	Change
THE GROUP			
Operating profit attributable to shareholders of the parent company ⁽¹⁾	78,482	78,950	-0.6%, YoY
Operating ROE ⁽¹⁾ (annualized, %)	16.4	17.6	-1.2 pps, YoY
Basic operating earnings per share ⁽¹⁾ (in RMB)	4.43	4.46	-0.7%, YoY
Interim dividend per share (in RMB)	0.93	0.93	-, YoY
Net profit attributable to shareholders of the parent company	74,619	69,841	6.8%, YoY
Equity attributable to shareholders of the parent company	931,208	899,011	3.6%, YTD
Group comprehensive solvency margin ratio (%)	208.8	208.0	0.8 pps, YTD
Total assets	12,226,666	11,583,417	5.6%, YTD
Total liabilities	10,961,716	10,354,453	5.9%, YTD
LIFE AND HEALTH INSURANCE BUSINESS			
Operating ROE ⁽¹⁾ (annualized, %)	29.4	33.6	-4.2 pps, YoY
Operating profit ⁽¹⁾	56,301	55,564	1.3%, YoY
Value of first half year's new business ⁽²⁾	22,320	20,112	11.0%, YoY
Contractual service margin ("CSM")	774,399	768,440	0.8%, YTD
Comprehensive solvency margin ratio of Ping An Life (%)	208.8	194.7	14.1 pps, YTD
PROPERTY AND CASUALTY INSURANCE BUSINESS			
Net profit	9,954	9,285	7.2%, YoY
COR ⁽³⁾ (%)	97.8	98.0	-0.2 pps, YoY
Auto insurance COR ⁽³⁾ (%)	98.1	97.1	1.0 pps, YoY
Comprehensive solvency margin ratio (%)	205.0	207.8	-2.8 pps, YTD
BANKING BUSINESS			
Net profit	25,879	25,387	1.9%, YoY
Net interest margin (annualized, %)	1.96	2.55	-0.59 pps, YoY
Cost-to-income ratio (%)	27.37	26.45	0.92 pps, YoY
Non-performing loan ratio (%)	1.07	1.06	0.01 pps, YTD
Provision coverage ratio (%)	264.26	277.63	-13.37 pps, YTD
Core tier 1 capital adequacy ratio (%)	9.33	9.22	0.11 pps, YTD
ASSET MANAGEMENT BUSINESS			
Net profit	1,685	1,976	-14.7%, YoY
TECHNOLOGY BUSINESS			
Operating profit	872	2,250	-61.2%, YoY
INTEGRATED FINANCE, HEALTH AND SENIOR CARE			
Number of retail customers (in million)	236.05	231.57	1.9%, YTD
Number of contracts per customer (contract)	2.93	2.95	-0.7%, YTD
Number of customers holding ≥4 contracts within the Group (in million)	58.77	58.56	0.4%, YTD
Operating profit per customer ⁽¹⁾ (in RMB)	260.37	283.54	-8.2%, YoY
Number of retail customers who used our health and senior care ecosystem (in million)	149.22	147.13	1.4%, YTD

Notes: (1) The computation of operating profit for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%).
(2) The computation of NBV for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).
(3) COR = (insurance service expenses + (allocation of reinsurance premiums paid - amount recovered from reinsurer) + (net insurance finance expenses for insurance contracts issued - net reinsurance finance income for reinsurance contracts held) + changes in insurance premium reserves) / insurance revenue.

Business Analysis

Performance Overview

- Ping An delivered a 16.4% annualized operating ROE with operating profit attributable to shareholders of the parent company amounting to RMB78,482 million in the first half of 2024. Three core businesses, namely Life & Health, property and casualty insurance, and banking, maintained growth and delivered RMB79,565 million in operating profit attributable to shareholders of the parent company, up 1.7% year on year.
- Maintaining stable cash dividends, Ping An will pay an interim dividend of RMB0.93 per share in cash for 2024.

CONSOLIDATED RESULTS

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

For the six months ended June 30
(in RMB million)

	2024	2023	Change (%)
Operating profit attributable to shareholders of the parent company ⁽¹⁾	78,482	78,950	(0.6)
Basic operating earnings per share (in RMB) ⁽¹⁾	4.43	4.46	(0.7)
Operating ROE (annualized, %) ⁽¹⁾	16.4	17.6	-1.2 pps
Interim dividend per share (in RMB)	0.93	0.93	-
Net profit attributable to shareholders of the parent company	74,619	69,841	6.8
ROE (annualized, %)	16.2	15.4	0.8 pps

Note: (1) The computation of operating profit for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%).

OPERATING PROFIT OF THE GROUP

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

- Short-term investment variance applies to Life & Health business excluding the part subject to the variable fee approach (the "VFA")⁽¹⁾. This short-term investment variance is the variance between the actual investment return on the aforesaid business and the embedded value long-run investment return assumption. Net of the short-term investment variance, the investment return on the aforesaid Life & Health business is locked at 4.5%⁽²⁾. Debt investments at fair value through other comprehensive income backing such business are measured at cost.
- The impact of one-off material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses. Such impact in the first half of 2024 and the first half of 2023 comprised the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company.

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

(2) The computation of operating profit for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%).

China's economy recovered steadily in the first half of 2024, but still faced short-term challenges including economic restructuring, lackluster growth momentum, and mounting external uncertainty. Facing opportunities and challenges, Ping An focused on core financial businesses and strengthened the insurance protection function to serve the real economy. Ping An continued to implement its business policy of "focusing on core businesses, boosting revenue and cutting costs, optimizing structure, and enhancing quality and efficiency." Advancing the technology-driven "integrated finance + health and senior care" strategy, Ping An continuously consolidated its integrated finance advantages, remained customer needs-oriented, and pursued high-quality development.

The Group's operating profit attributable to shareholders of the parent company declined 0.6% year on year to RMB78,482 million and net profit attributable to shareholders of the parent company rose 6.8% year on year to RMB74,619 million in the first half of 2024. Three core businesses, namely Life & Health, property and casualty insurance, and banking, maintained growth and delivered RMB79,565 million in operating profit attributable to shareholders of the parent company, up 1.7% year on year.

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

For the six months ended June 30 (in RMB million)	2024						The Group
	Life and health insurance business	Property and casualty insurance business	Banking business	Asset management business	Technology business	Other businesses and elimination	
Operating profit attributable to shareholders of the parent company	54,657	9,909	14,999	1,296	291	(2,670)	78,482
Operating profit attributable to non-controlling interests	1,644	45	10,880	389	581	578	14,117
Operating profit (A)	56,301	9,954	25,879	1,685	872	(2,092)	92,599
Plus:							
Short-term investment variance (B)	(4,078)	-	-	-	-	-	(4,078)
Impact of one-off material non-operating items and others (C)	-	-	-	-	182	-	182
Net profit (D=A+B+C)	52,224	9,954	25,879	1,685	1,054	(2,092)	88,704
Net profit attributable to shareholders of the parent company	50,612	9,909	14,999	1,296	473	(2,670)	74,619
Net profit attributable to non-controlling interests	1,612	45	10,880	389	581	578	14,085

Business Analysis

Performance Overview

2023

For the six months ended June 30 (in RMB million)	Life and health insurance business	Property and casualty insurance business	Banking business	Asset management business	Technology business	Other businesses and elimination	The Group
Operating profit attributable to shareholders of the parent company	54,288	9,242	14,714	1,412	1,735	(2,441)	78,950
Operating profit attributable to non-controlling interests	1,276	43	10,673	564	515	576	13,647
Operating profit (A)	55,564	9,285	25,387	1,976	2,250	(1,865)	92,597
Plus:							
Short-term investment variance (B)	(9,229)	-	-	-	-	-	(9,229)
Impact of one-off material non-operating items and others (C)	-	-	-	-	58	-	58
Net profit (D=A+B+C)	46,335	9,285	25,387	1,976	2,308	(1,865)	83,426
Net profit attributable to shareholders of the parent company	45,121	9,242	14,714	1,412	1,793	(2,441)	69,841
Net profit attributable to non-controlling interests	1,214	43	10,673	564	515	576	13,585

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

(2) The computation of operating profit for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%).

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

OPERATING PROFIT AFTER TAX ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANYFor the six months ended June 30
(in RMB million)

	2024	2023	Change (%)
Life and health insurance business	54,657	54,288	0.7
Property and casualty insurance business	9,909	9,242	7.2
Banking business	14,999	14,714	1.9
Asset management business	1,296	1,412	(8.2)
Technology business	291	1,735	(83.2)
Other businesses and elimination	(2,670)	(2,441)	9.4
The Group	78,482	78,950	(0.6)

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

OPERATING ROE (ANNUALIZED)For the six months ended June 30
(%)

	2024	2023	Change (pps)
Life and health insurance business	29.4	33.6	(4.2)
Property and casualty insurance business	15.2	15.2	-
Banking business	11.9	12.7	(0.8)
Asset management business	2.8	2.4	0.4
Technology business	0.6	3.6	(3.0)
Other businesses and elimination	N/A	N/A	N/A
The Group	16.4	17.6	(1.2)

OPERATING EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY

(in RMB million)

	June 30, 2024	December 31, 2023	Change (%)
Life and health insurance business ⁽¹⁾	400,492	344,892	16.1
Property and casualty insurance business	134,882	124,647	8.2
Banking business	250,307	244,777	2.3
Asset management business	92,407	92,836	(0.5)
Technology business	93,683	97,250	(3.7)
Other businesses and elimination	(748)	13,090	N/A
The Group⁽¹⁾	971,023	917,492	5.8

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

Business Analysis

Life and Health Insurance Business

- Life & Health business grew continuously and achieved high-quality development in the agent channel. Life & Health NBV grew 11.0% year on year as agent channel NBV and NBV per agent increased by 10.8% and 36.0% respectively year on year in the first half of 2024.
- “Insurance + service” offerings gained traction. Ping An Life provided health management services to nearly 16 million customers in the first half of 2024. Over 120,000 customers qualified for home-based senior care services, which covered 64 cities across China as of June 30, 2024. Ping An unveiled premium health and senior care communities in five cities, which are currently under construction and will be open for business from 2025 onward.
- Business quality improved steadily. Ping An Life recorded a material improvement in its persistency ratios with the 13-month persistency ratio rising 2.8 pps year on year and 25-month persistency ratio rising 3.3 pps year on year in the first half of 2024.

BUSINESS OVERVIEW

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

Ping An Life continued to enhance its channels and improve business quality under the “4 channels + 3 products” strategy in the first half of 2024. By upgrading “insurance + service” solutions, Ping An Life continuously strengthened its presence in health and senior care sectors and provided customers with professional, heart-warming services, empowering high-quality development of the Company. Life & Health NBV grew 11.0% year on year to RMB22,320 million as agent channel NBV and NBV per agent increased by 10.8% and 36.0% respectively year on year in the first half of 2024.

Key Indicators

(in RMB million)	For the six months ended June 30, 2024/ June 30, 2024	For the six months ended June 30, 2023/ December 31, 2023	Change (%)
NBV ⁽¹⁾	22,320	20,112	11.0
NBV margin ⁽¹⁾ (based on first-year premium (“FYP”), %)	24.2	17.7	6.5 pps
NBV margin ⁽¹⁾ (based on annualized new premium (“ANP”), %)	29.9	24.8	5.1 pps
FYP used to calculate NBV	92,218	113,901	(19.0)
EV ⁽¹⁾	916,230	830,974	10.3
Operating ROEV ⁽²⁾ (annualized, %)	15.4	14.4	1.0 pps
New business CSM	23,737	27,157	(12.6)
New business CSM margin (%)	10.3	10.6	-0.2 pps
Present value of expected premiums from new business sold	229,530	257,100	(10.7)
Operating profit after tax ⁽³⁾	56,301	55,564	1.3
Operating ROE ⁽³⁾ (annualized, %)	29.4	33.6	-4.2 pps
Net profit	52,224	46,335	12.7

- Notes: (1) The computation of NBV for the current period and the same period last year and EV as of the end of the current period and the end of last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).
- (2) The computation of operating ROEV for the first half of 2023 is based on a 5% long-run investment return assumption and an 11% risk discount rate.
- (3) The computation of operating profit for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%).
- (4) Figures may not match the calculation due to rounding.

CHANNEL DEVELOPMENT

Under the value orientation of high-quality development, Ping An Life continued to deepen the transformation and build multichannel professional sales capabilities, significantly improving the development quality. Innovative channels including bancassurance and Community Grid accounted for 17.4% of Ping An Life's NBV in the first half of 2024.

- Agent channel.** Under the value orientation of high-quality development, Ping An Life continued to deepen the transformation and improve the team structure. Agent channel NBV grew 10.8% year on year in the first half of 2024. Ping An Life effectively improved agent productivity via hands-on training, scenario-based empowerment, benefit support and high-end customer services, boosting NBV per agent by 36.0% year on year. Ping An Life focused on recruiting high-quality new agents through high-quality existing ones, with the sources of new recruits constantly improving. The proportion of "Talent +" new agents increased by 10.2 pps year on year. The number of Ping An Life's individual life insurance sales agents was about 340,000 as of June 30, 2024.

For the six months ended June 30 (in RMB million)	2024	2023	Change (%)
Agent productivity and income			
Agent channel NBV ⁽¹⁾	18,106	16,340	10.8
Average number of agents per month (in thousand)	308	379	(18.7)
NBV per agent ⁽¹⁾ (RMB per agent per half year)	58,708	43,168	36.0
Activity rate of agents ⁽²⁾ (%)	55.9	54.1	1.8 pps
Agent income (RMB per agent per month)	11,962	10,887	9.9
Including: Income from Ping An Life's products (RMB per agent per month)	9,608	8,668	10.8

Notes: (1) The computation of NBV for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate assumption (9.5%).

(2) Activity rate of agents = annual total of monthly agents who issued insurance policies / annual total of monthly agents on board.

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

Number of individual life insurance sales agents

Ping An Life	June 30, 2024	December 31, 2023	Change (%)
Number of individual life insurance sales agents (in thousand)	340	347	(2.0)

Business Analysis

Life and Health Insurance Business

- **Bancassurance channel.** Ping An Life adhered to its value-oriented transformation strategy and focused on high-quality growth, continuously increasing the bancassurance channel's value contributions. Bancassurance channel NBV rose 17.3% year on year to RMB2,641 million in the first half of 2024. In respect of cooperation with banks, Ping An Life strengthened long-term mutual trust and cooperation by furthering the exclusive agency model with Ping An Bank, consolidating partnerships with large state-owned banks, and developing potential channels including major joint-stock banks and urban commercial banks. In respect of team development, Ping An Life built high-productivity teams by tightening recruitment rules, and promoted high-quality development of the teams via accelerated cultivation and upskilling. In respect of supporting services, Ping An Life improved customer service experience by advancing the centralized operation model, delivering efficient and convenient end-to-end enrollment services, and offering diverse value-added services.
- **Community Grid and other channels.** Ping An Life continuously rolled out Community Grid, focusing on "retained customers⁽¹⁾" and providing high-quality, sustainable and heartwarming services. Ping An Life has set up 126 Community Grid outlets in 90 cities as of June 30, 2024, an increase of 39 cities year to date, covering all core cities cross China. Ping An Life has built a team of approximately 15,000 highly competent specialists as of June 30, 2024, who perform effective service operations by implementing and upgrading the "Pre-sell, Soft-sell, Cross-sell and Up-sell" business model. As a result, Community Grid's 13-month policy persistency ratio of retained customers improved by 5.8 pps year on year in the first half of 2024, and FYP was 2.6 times that for the same period last year. In this way, Ping An Life made continuous breakthroughs in customer development. In respect of the lower-tier channel, Ping An Life continuously promoted sales in seven provinces, innovated and upgraded business models, and gradually built robust sales channels in the first half of 2024.

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

LIFE INSURANCE PRODUCTS

Ping An Life actively follows national strategies, serving as both an economic shock absorber and a social stabilizer. Under a customer-centric philosophy, Ping An Life continuously diversifies and upgrades its insurance product portfolio to provide more comprehensive products. By leveraging the Group's health and senior care ecosystem, Ping An Life rolls out "insurance + service" products in an orderly manner, providing customers with heartwarming services.

- **In respect of insurance products,** Ping An Life focuses on core customer demands for health protection, pension reserves, and wealth management amid increasing household wealth, accelerating population aging, and diverse insurance protection needs in China. Ping An Life constantly diversifies its offerings and optimizes its product portfolio to provide customers with worry-free and heartwarming insurance protection. **Ping An Life develops the insurance protection market.** For critical illness insurance, Ping An Life launched brand-new "Ping An Ru Yi" which combines wealth management and critical illness insurance, and upgraded flagship "Shou Hu Bai Fen Bai" to meet customers' multilevel protection needs. For non-critical illness insurance, Ping An Life responded to government policies on health insurance tax credits by launching more attractive protection products for taxpayers, including brand-new "Zhi Ying Bei Hu" long-term care insurance and "e Wan Jia" medical insurance. **Ping An Life expands the pension market.** In response to longer life expectancy in China, Ping An Life launched "Jin Yue Annuity 24," an upgraded version offering an extended age limit for enrollment and a more flexible means of receiving pension benefits. Ping An Life also launched "Yi Xiang Yan Nian 24," an upgraded annuity product which offers diverse optional pension plans. **Ping An Life strengthens the wealth management market.** Centering on "Jin Yue" products, Ping An Life continuously upgraded products by launching participating products based on traditional ones and diversifying premium payment periods to meet different customer demands and preferences.

- In respect of “insurance + health care,”** in the first half of 2024, Ping An Life provided nearly 16 million customers with 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 health care 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 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 health care experience in three main service scenarios, namely health, medical care and chronic disease.
- In respect of “insurance + home-based senior care,”** Ping An continuously develops its service framework covering scenarios including medical care, housing, nursing, and entertainment to optimize customer experience. Ping An established “Ping An Concierge Senior Care Service Alliance” jointly with partners and launched “5-7-3 Home Safety Renovation Service” in March 2024. Parties involved jointly set up service standards and a supervision framework to meet the elderly’s home safety needs. Moreover, Ping An launched the “Cheng Nuan Xia Ling” public welfare program in multiple cities to popularize knowledge about home safety and raise public awareness of aging-in-place renovation. Ping An’s home-based senior care services covered 64 cities across China as of June 30, 2024, and over 120,000 customers qualified for such services, giving positive general feedback.
- In respect of “insurance + high-end senior care,”** Ping An is committed to developing the premium senior care market and delivering innovative “one-stop” full-lifecycle senior care solutions. Under the core philosophy of “seven-dimensional health care⁽¹⁾” and the value proposition of “prime life, exclusive services, and respectful care,” Ping An provides customized health and senior care services and high-quality heartwarming health and senior care experience to meet the growing demand for premium senior care in China. Ping An unveiled premium health and senior care communities in five cities as of June 30, 2024, which are currently under construction and will be open for business from 2025 onward.

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

Business Analysis

Life and Health Insurance Business

Ping An Life's 13-month persistency ratio of insurance policies improved by 2.8 pps year on year to 96.6%, and 25-month persistency ratio improved by 3.3 pps year on year to 90.9% in the first half of 2024, indicating steadily improving business quality. Going forward, Ping An Life will boost persistency ratios and the efficiency of renewal premium collection by continuously enhancing smart, digital ex ante services and precise collection regarding policies to be renewed.

For the six months ended June 30	2024	2023	2022
Ping An Life			
13-month persistency ratio (%)	96.6	93.8	91.7
25-month persistency ratio (%)	90.9	87.6	80.6

ANALYSIS OF OPERATING PROFIT AND PROFIT SOURCES

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

- Short-term investment variance applies to Life & Health business excluding the part subject to the VFA⁽¹⁾. This short-term investment variance is the variance between the actual investment return on the aforesaid business and the embedded value long-run investment return assumption. Net of the short-term investment variance, the investment return on the aforesaid Life & Health business is locked at 4.5%⁽²⁾. Debt investments at fair value through other comprehensive income backing such business are measured at cost;

- The impact of one-off material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses.

Notes: (1) Insurance finance income or expenses of liabilities subject to the VFA match the changes in the fair value of the underlying items backing such business. Therefore, no adjustment is made when operating metrics are measured.
(2) The computation of operating profit for the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%).

For the six months ended June 30 (in RMB million)	2024	2023	Change (%)	For the six months ended June 30 (in RMB million)	2024	2023	Change (%)
Insurance service result and others	47,047	48,115	(2.2)	Opening CSM	768,440	818,683	(6.1)
Release of CSM	36,529	38,665	(5.5)	Contribution from new business ("New Business CSM")	23,737	27,157	(12.6)
CSM release base	810,928	856,159	(5.3)	Present value of expected premiums from new business sold	229,530	257,100	(10.7)
CSM release rate (annualized, %)	9.0	9.0	-	New business CSM margin (%)	10.3	10.6	-0.2 pps
Change in risk adjustment for non-financial risk	3,438	3,025	13.7	Expected interest growth	11,802	12,445	(5.2)
Opening risk adjustment	157,162	142,249	10.5	Changes in estimates that adjust CSM ⁽¹⁾	1,472	(7,840)	N/A
Risk adjustment release rate (annualized, %)	4.4	4.3	0.1 pps	Changes in financial risks of insurance contracts subject to the VFA	5,478	5,713	(4.1)
Operating variances and others	7,079	6,425	10.2	CSM release base	810,928	856,159	(5.3)
Investment service result⁽¹⁾	15,085	13,460	12.1	Release of CSM	(36,529)	(38,665)	(5.5)
Operating profit before tax	62,132	61,575	0.9	Closing CSM	774,399	817,494	(5.3)
Income tax	(5,831)	(6,012)	(3.0)	Notes: (1) Excluding changes in financial risks of insurance contracts subject to the VFA.			
Operating profit	56,301	55,564	1.3	(2) Figures may not match the calculation due to rounding.			
Short-term investment variance	(4,078)	(9,229)	(55.8)				
Impact of one-off material non- operating items and others	-	-	N/A				
Net profit	52,224	46,335	12.7				

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

SOLVENCY MARGIN

Solvency margin ratios of Ping An Life, Ping An Annuity, and Ping An Health Insurance were all significantly above the regulatory requirements as of June 30, 2024.

(in RMB million)	Ping An Life		Ping An Annuity		Ping An Health Insurance	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Core capital	495,009	415,458	11,453	9,509	8,928	7,829
Actual capital	836,420	770,771	16,247	14,368	10,666	9,631
Minimum capital	400,591	395,780	5,436	5,436	3,329	3,147
Core solvency margin ratio (%)	123.6	105.0	210.7	174.9	268.2	248.8
Comprehensive solvency margin ratio (%)	208.8	194.7	298.9	264.3	320.4	306.1

Notes: (1) Core solvency margin ratio = core capital / minimum capital. Comprehensive solvency margin ratio = actual capital / minimum capital.
(2) The minimum regulatory requirements for the core solvency margin ratio and comprehensive solvency margin ratio are 50% and 100% respectively.
(3) For details of subsidiaries' solvency margin, please visit the Company's website (www.pingan.cn).
(4) Figures may not match the calculation due to rounding.

Business Analysis

Life and Health Insurance Business

INSURANCE REVENUE AND INSURANCE SERVICE EXPENSES

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

For the six months ended June 30 (in RMB million)	2024	2023
Insurance revenue	112,856	113,611
Premium allocation approach ("PAA")	14,002	14,582
Non-PAA	98,854	99,029

Note: PAA insurance products mainly include insurance contracts with coverage periods of one year or less; non-PAA insurance products mainly include insurance contracts of long-term traditional, participating, universal, and investment-linked insurance.

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

For the six months ended June 30 (in RMB million)	2024	2023
Insurance service expenses	65,289	65,491
PAA	11,704	12,363
Non-PAA	53,585	53,128

INSURANCE CONTRACT LIABILITIES

(in RMB million)	June 30, 2024	December 31, 2023
Insurance contract liabilities	4,327,450	3,899,625
PAA	23,003	21,404
Non-PAA	4,304,447	3,878,221

WRITTEN PREMIUM

Written premium refers to all premium received from insurance policies issued. Life & Health's written premium amounted to RMB387,766 million in the first half of 2024.

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

For the six months ended June 30 (in RMB million)	2024	2023
Retail business	375,258	367,292
New business	117,760	126,365
Agent channel	94,581	101,072
Including: Regular premium	56,993	59,180
Bancassurance channel	13,096	15,419
Including: Regular premium	6,817	9,743
Community Grid, tele and others	10,083	9,874
Including: Regular premium	1,764	2,314
Renewed business	257,498	240,927
Agent channel	229,132	218,155
Bancassurance channel	17,153	11,424
Community Grid, tele and others	11,213	11,348
Group business	12,508	12,626
New business	12,383	12,499
Renewed business	125	127
Total	387,766	379,918

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

For the six months ended June 30 (in RMB million)	2024	2023
Participating insurance	35,420	33,601
Universal insurance	72,531	80,701
Traditional life insurance	125,009	96,633
Long-term health insurance	57,161	58,595
Accident & short-term health insurance	23,598	23,965
Annuity	73,897	86,252
Investment-linked insurance	150	171
Total	387,766	379,918

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

For the six months ended June 30 (in RMB million)	2024	2023
Guangdong	66,652	64,424
Beijing	27,284	26,550
Shandong	24,362	23,636
Jiangsu	24,239	22,820
Zhejiang	24,156	22,325
Subtotal	166,693	159,755
Total	387,766	379,918

LAPSE RATE

For the six months ended June 30	2024	2023	Change
Lapse rate (%)	1.00	1.13	-0.13 pps

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

Business Analysis

Property and Casualty Insurance Business

- Ping An P&C grew its insurance revenue by 3.9% year on year and improved its overall COR by 0.2 pps to 97.8% in the first half of 2024.
- As a one-stop service platform for auto owners, Ping An P&C's "Ping An Auto Owner" app accumulated as many as over 218 million registered users as of June 30, 2024, with over 142 million vehicles linked to it. Monthly active users of the app exceeded 37.88 million in June 2024.
- Ping An P&C offers leading online claims services. Ping An P&C scored 90.87 in the Auto Insurance Service Quality Index evaluation by CBIT, ranking among top players in the property and casualty insurance industry.

BUSINESS OVERVIEW

The Company conducts property and casualty insurance business mainly through Ping An P&C whose business scope covers all lawful property and casualty insurance business lines including auto, corporate property and casualty, engineering, hull, cargo, liability, guarantee, credit, special risk, home contents, and accident & health insurance, as well as international reinsurance business.

Ping An P&C maintained stable business growth, with insurance revenue up 3.9% year on year to RMB161,910 million in the first half of 2024. Ping An P&C's overall COR improved by 0.2 pps year on year to 97.8% in the first half of 2024 mainly due to a decrease in underwriting loss from guarantee insurance business. Auto insurance COR rose by 1.0 pps year on year to 98.1% mainly due to a year-on-year increase in natural disasters including rainstorms. 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 emergency assistance, annual inspection and designated driver services by integrating over 260,000 partners in the ecosystem. The "Ping An Auto Owner" app had over 218 million registered users as of June 30, 2024, with over 142 million vehicles linked to it. Monthly active users of the app exceeded 37.88 million in June 2024.

Ping An P&C continuously improved claims services and comprehensively upgraded basic services to meet customer needs under the "worry-free, time-saving, and money-saving" value proposition. Ping An P&C further improved customers' claims experience by launching "Hassle-free Repair and Worry-free Claims" services featuring "hassle-free auto repair, whole-process transparency, and concierge-style services." With excellent customer services, Ping An P&C scored 90.87 in the Auto Insurance Service Quality Index evaluation⁽¹⁾ by CBIT, ranking among top players in the property and casualty insurance industry.

Note: (1) From the Auto Insurance Service Quality Index evaluation results released by China Banking and Insurance Information Technology Management Co., Ltd. ("CBIT") in April 2024.

Key Indicators

For the six months ended June 30
(in RMB million)

	2024	2023	Change (%)
Operating profit	9,954	9,285	7.2
Operating ROE (annualized, %)	15.2	15.2	-
COR ⁽¹⁾ (%)	97.8	98.0	-0.2 pps
Including:			
Combined expense ratio ⁽²⁾ (%)	27.2	27.4	-0.2 pps
Combined loss ratio ⁽³⁾ (%)	70.6	70.6	-
Insurance revenue	161,910	155,899	3.9
Including:			
Auto insurance	108,390	102,275	6.0
Non-auto insurance	41,399	42,723	(3.1)
Accident and health insurance	12,121	10,901	11.2

Notes: (1) COR = (insurance service expenses + (allocation of reinsurance premiums paid - amount recovered from reinsurer) + (net insurance finance expenses for insurance contracts issued - net reinsurance finance income for reinsurance contracts held) + changes in insurance premium reserves)/insurance revenue.
(2) Combined expense ratio = (acquisition cost amortization + maintenance expenses)/insurance revenue.
(3) Combined loss ratio = (settled loss + outstanding loss + profit or loss of loss contracts + (allocation of reinsurance premiums paid - amount recovered from reinsurer) + (net insurance finance expenses for insurance contracts issued - net reinsurance finance income for reinsurance contracts held) + changes in insurance premium reserves)/insurance revenue.

(%)	1H 2024	2021-2023 average
COR	97.8	99.4
Combined loss ratio ⁽¹⁾	70.6	69.9

Note: (1) Combined loss ratio for the first half of 2024 is above the average for 2021-2023 due to frequent blizzards and rainstorms as well as increasing auto insurance claims driven by generally recovering customer travels in the first half of 2024.

Analysis of Profit Sources

For the six months ended June 30
(in RMB million)

	2024	2023	Change (%)
Insurance revenue	161,910	155,899	3.9
Insurance service expenses	(153,557)	(148,330)	3.5
Net expense from reinsurance contracts held ⁽¹⁾	(1,657)	(1,768)	(6.3)
Net insurance financial result and others ⁽²⁾	(3,164)	(2,748)	15.1
Underwriting profit	3,532	3,053	15.7
COR (%)	97.8	98.0	-0.2 pps
Total investment income ⁽³⁾	8,586	8,044	6.7
Other net revenue and expenses	(329)	(453)	(27.4)
Profit before tax	11,789	10,644	10.8
Income tax	(1,835)	(1,359)	35.0
Net profit	9,954	9,285	7.2
Operating profit	9,954	9,285	7.2

Notes: (1) Net expense from reinsurance contracts held = allocation of reinsurance premiums paid - amount recovered from reinsurer.
(2) Net insurance financial result and others = net insurance finance expenses for insurance contracts issued - net reinsurance finance income for reinsurance contracts held + changes in insurance premium reserves.
(3) Total investment income includes interest revenue from non-banking operations, investment income, share of profits and losses of associates and joint ventures, impairment losses on investment assets, and interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions.

Business Analysis

Property and Casualty Insurance Business

OPERATING DATA BY PRODUCT TYPE

Auto Insurance

Ping An P&C actively refines operations and continuously improves its sales and customer service capabilities. Overall operations are steady and healthy in good order. Auto insurance premium income rose 3.4% year on year to RMB104,824 million and vehicles insured increased 5.9% year on year in the first half of 2024. Moreover, Ping An P&C continuously improves its auto insurance profitability by actively promoting risk reduction and building an exclusive framework for pricing, services and claims for new energy vehicles. Auto insurance COR was 98.1% in the first half of 2024. Going forward, Ping An P&C will strengthen core technologies in new auto insurance segments including autonomous driving and usage-based insurance, and innovate products and services to meet diverse customer needs and drive the high-quality development of auto insurance business.

Liability Insurance

Liability insurance premium income declined 0.3% year on year to RMB14,179 million in the first half of 2024. Liability insurance COR improved by 1.5 pps year on year to 98.0% in the first half of 2024 and overall business risk was under control. Ping An P&C continuously improved the accuracy of its risk pricing model, and further expanded the model's scope of use. Regarding its underwriting capability, Ping An P&C improved its underwriting services by realizing 100% online middle-office support for liability insurance, centering on end-to-end business processes and requirements of customers and sales teams.

Health Insurance

Ping An P&C thoroughly implements the “Healthy China” strategy and actively develops health insurance, giving full play to health insurance’s role as a complement to China’s multi-layered medical security system. Health insurance premium income grew 43.5% year on year to RMB10,090 million in the first half of 2024. Health insurance COR remained good at 95.9%. Under a “health-centered” customer development approach, Ping An P&C continuously identifies needs of customer segments of different age ranges, regions and health status, and develops various insurance products and services to meet customers’ multilevel risk protection needs and diverse health management needs.

Agricultural Insurance

Ping An P&C’s agricultural insurance premium income climbed 32.9% year on year to RMB7,349 million in the first half of 2024, with a 95.9% agricultural insurance COR. Ping An P&C continuously expands and enhances insurance coverages for staple grains to safeguard national grain production. Moreover, Ping An P&C utilizes technologies proactively. In intelligent operations, Ping An P&C protects farmers’ interests by piloting precise underwriting and claim settlement of agricultural insurance with technologies including remote sensing and meteorological detection. In service innovation, Ping An P&C improves farmers’ satisfaction with its services by enabling functions including self-service payment and self-service claims as well as shortening underwriting and claim settlement cycles on the “Ai Nong Bao” online platform.

Corporate Property and Casualty Insurance

Ping An P&C's premium income from corporate property and casualty insurance business reached RMB6,202 million in the first half of 2024, up 7.6% year on year. COR of corporate property and casualty insurance business remained good at 94.7%. Going forward, Ping An P&C will continue to make efforts to serve national development strategies, the real economy, and people's livelihoods. Firstly, Ping An P&C will serve national strategies by developing TechFin, green finance, inclusive finance, pension finance and digital finance as well as increasing support for strategic emerging industries including semiconductors and new energy. Secondly, Ping An P&C will serve the real economy and people's livelihoods by improving risk reduction services, fulfilling its corporate social responsibilities, and safeguarding enterprises' high-quality development.

Guarantee Insurance

Guarantee insurance COR improved by 10.9 pps year on year to 106.8% in the first half of 2024. Ping An P&C has continuously reduced the size of guarantee insurance business in recent years, and suspended selling new financing guarantee insurance policies in the fourth quarter of 2023. The balance of outstanding guarantee insurance liabilities decreased continuously and the risk exposure was reduced rapidly in the first half of 2024. Underwriting loss and impact on Ping An P&C's overall business quality have decreased significantly year on year due to the gradual recovery of claims under existing insurance policies.

For the six months ended June 30, 2024 (in RMB million)	Insured amount	Premium income	Insurance revenue	Insurance service expenses	Underwriting profit	COR	Net insurance contract liabilities
Auto insurance	152,351,860	104,824	108,390	104,154	2,045	98.1%	186,849
Liability insurance	379,187,750	14,179	12,209	11,362	250	98.0%	24,071
Health insurance	102,040,544	10,090	6,821	6,464	277	95.9%	8,711
Agricultural insurance	262,016	7,349	3,763	3,368	155	95.9%	1,414
Corporate property and casualty insurance	13,207,240	6,202	4,839	3,793	255	94.7%	7,566
Guarantee insurance	20,620	(1,814)	8,051	8,459	(550)	106.8%	6,215

Note: Net insurance contract liabilities = insurance contract liabilities - insurance contract assets.

Business Analysis

Property and Casualty Insurance Business

SOLVENCY MARGIN

Ping An P&C's core and comprehensive solvency margin ratios were significantly above the regulatory requirements as of June 30, 2024.

(in RMB million)	June 30, 2024	December 31, 2023
Core capital	113,149	102,875
Actual capital	127,556	126,230
Minimum capital	62,208	60,734
Core solvency margin ratio (%)	181.9	169.4
Comprehensive solvency margin ratio (%)	205.0	207.8

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

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

(3) For details of Ping An P&C's solvency margin, please refer to the Company's website (www.pingan.cn).

PREMIUM INCOME

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

For the six months ended June 30 (in RMB million)	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Agencies	49,730	31.0	44,726	29.0
Car dealers	44,052	27.5	41,748	27.1
Direct selling	30,154	18.8	29,468	19.1
Cross-selling	18,206	11.4	19,648	12.7
Telemarketing and online channels	101	0.1	3,392	2.2
Others	18,154	11.2	15,154	9.9
Total	160,397	100.0	154,136	100.0

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

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

For the six months ended June 30 (in RMB million)	2024		2023	
	Amount	Percentage (%)	Amount	Percentage (%)
Auto insurance	104,824	65.4	101,348	65.8
Non-auto insurance	39,717	24.8	40,640	26.4
Accident and health insurance	15,856	9.8	12,148	7.8
Total	160,397	100.0	154,136	100.0

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

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

For the six months ended June 30 (in RMB million)	2024	2023
Guangdong	27,421	25,556
Jiangsu	11,420	11,951
Zhejiang	11,239	10,180
Shanghai	9,618	9,120
Sichuan	8,880	8,520
Subtotal	68,578	65,327
Total	160,397	154,136

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

REINSURANCE ARRANGEMENTS

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

For the six months ended June 30
(in RMB million)

	2024	2023
Premiums ceded to reinsurers	11,221	10,182
Auto insurance	2,811	2,539
Non-auto insurance	8,366	7,587
Accident and health insurance	44	56
Inward reinsurance premium	37	1
Auto insurance	1	-
Non-auto insurance	36	1

Note: Premiums ceded to reinsurers and inward reinsurance premium are premium data from the measurement of reinsurance arrangements in accordance with the *Circular on the Insurance Industry's Implementation of the No.2 Interpretation of Accounting Standards for Business Enterprises* (Bao Jian Fa [2009] No.1) and the *Circular on Issuing the Regulations regarding the Accounting Treatment of Insurance Contracts* (Cai Kuai [2009] No.15).

INSURANCE CONTRACT LIABILITIES

(in RMB million)	June 30, 2024	December 31, 2023
Insurance contract liabilities	263,209	261,153
PAA	249,825	244,892
Non-PAA	13,384	16,261

Business Analysis

Insurance Funds Investment Portfolio

- The Company's insurance funds investment portfolio grew 10.2% year to date to over RMB5.20 trillion as of June 30, 2024.
- The Company upheld a balanced and prudent approach to its insurance funds investment portfolio under the guidance of long-term strategic asset allocation in the first half of 2024. Via active and disciplined tactical operations, the portfolio achieved an annualized comprehensive investment yield of 4.2% in the first half of 2024, up by 0.1 pps year on year.

INVESTMENT PORTFOLIO OVERVIEW

The Company's insurance funds investment portfolio is comprised of investable funds from Life & Health and property and casualty insurance businesses. The Company's insurance funds investment portfolio grew 10.2% year to date to over RMB5.20 trillion as of June 30, 2024.

China's economy recovery continued in the first half of 2024 as economic structure continuously improved, GDP growth met expectations, fixed asset investment and import and export grew well, and new quality productive forces were becoming key drivers of economic growth at an increasing pace. However, China's economic development still faces challenges including significantly increasing complexity and severity of the external environment. The Company adheres to the philosophy of value investing through cycles. The Company's insurance funds investment portfolio achieved an annualized comprehensive investment yield of 4.2%, up by 0.1 pps year on year, and an annualized net investment yield of 3.3%, down by 0.2 pps year on year in the first half of 2024.

ASSET-LIABILITY MANAGEMENT

The Company is committed to creating stable investment incomes through macroeconomic cycles and meeting liability needs under a liability-driven approach, taking solvency as a core metric.

At the asset allocation level, the Company keeps a prudent risk appetite and continuously optimizes its 10-year strategic asset allocation through macroeconomic cycles. The Company strikes a two-dimensional balance between long-duration interest rate bonds and risk assets as well as between robust equity assets and growth equity assets. Moreover, by identifying trends of interest rates and structural

opportunities in equity markets, the Company carries out disciplined tactical asset allocation, diversifies investment risks, and selects excellent managers and high-quality assets to cope with various market environments.

In fixed income investment, the Company proactively responds to the risk of falling interest rates. The Company lengthened asset durations and locked in long-term returns by increasing allocation to long-duration low-risk bonds including central and local government bonds and policy bank bonds at a faster pace. Moreover, the Company seized market opportunities to boost investment returns by increasing allocation to fixed income assets held for trading.

In equity investment, the Company actively serves the real economy and increases long-term allocation to value-based equity assets under the portfolio management principles of balanced allocation and risk diversification. In this way, the Company seeks to outperform the market with robust long-term investment returns.

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

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

INVESTMENT PORTFOLIO (BY CATEGORY)

(in RMB million)	June 30, 2024		December 31, 2023	
	Carrying value	Percentage (%)	Carrying value	Percentage (%)
Cash and cash equivalents	148,712	2.9	121,613	2.6
Term deposits	221,949	4.3	206,076	4.4
Debt financial assets				
Bond investments	3,156,258	60.7	2,743,086	58.1
Bond funds	120,618	2.3	107,169	2.3
Preferred stocks	115,607	2.2	113,991	2.4
Perpetual bonds	78,899	1.5	50,388	1.1
Debt schemes	187,184	3.6	189,349	4.0
Wealth management products ⁽¹⁾	197,163	3.8	227,461	4.8
Equity financial assets				
Stocks	331,930	6.4	292,109	6.2
Equity funds	110,584	2.1	144,340	3.1
Wealth management products ⁽¹⁾	58,612	1.1	68,399	1.4
Unlisted equities	115,228	2.2	106,840	2.3
Long-term equity stakes	208,328	4.0	205,281	4.3
Investment properties	132,480	2.5	128,059	2.7
Other investments ⁽²⁾	19,699	0.4	18,067	0.3
Total investments	5,203,251	100.0	4,722,228	100.0

Notes: (1) Wealth management products include trust plans from trust companies, products from insurance asset management companies, and wealth management products from commercial banks.

(2) Other investments mainly include statutory deposits for insurance operations, three-month or longer-term financial assets purchased under reverse repurchase agreements, and derivative financial assets.

(3) Total investments exclude assets of investment-linked insurance.

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

INVESTMENT PORTFOLIO (BY ACCOUNTING MEASUREMENT)

(in RMB million)	June 30, 2024		December 31, 2023	
	Carrying value	Percentage (%)	Carrying value	Percentage (%)
Financial assets at fair value through profit or loss	1,291,200	24.8	1,114,074	23.6
Fixed income	880,849	16.9	676,958	14.3
Stocks	125,895	2.4	117,012	2.5
Equity funds	110,584	2.1	144,340	3.1
Other equity financial assets	173,872	3.4	175,764	3.7
Financial assets at fair value through other comprehensive income	2,902,840	55.8	2,645,104	56.0
Fixed income	2,695,825	51.8	2,469,121	52.3
Stocks	206,035	4.0	175,097	3.7
Other equity financial assets	980	-	886	-
Financial assets at amortized cost	667,231	12.8	629,160	13.3
Others ⁽¹⁾	341,980	6.6	333,890	7.1
Total investments	5,203,251	100.0	4,722,228	100.0

Notes: (1) Others include long-term equity stakes, investment properties, and derivative financial assets.

(2) Total investments exclude assets of investment-linked insurance.

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

Business Analysis

Insurance Funds Investment Portfolio

INVESTMENT INCOME

The Company's insurance funds investment portfolio achieved an annualized comprehensive investment yield of 4.2% in the first half of 2024, up by 0.1 pps year on year mainly due to a balanced asset allocation strategy and a year-on-year improvement in the performance of equity assets. Annualized net investment yield declined by 0.2 pps year on year to 3.3% mainly because existing assets matured partially and yields to maturity on newly added fixed income assets were lower.

For the six months ended June 30
(in RMB million)

	2024	2023	Change (%)
Net investment income ⁽¹⁾	88,273	85,217	3.6
Net realized and unrealized gains ⁽²⁾	10,577	(4,454)	N/A
Impairment losses on investment assets	(867)	(1,124)	(22.9)
Total investment income	97,983	79,639	23.0
Comprehensive investment income ⁽³⁾	126,724	109,086	16.2
Net investment yield ⁽⁴⁾ (annualized, %)	3.3	3.5	-0.2 pps
Total investment yield ⁽⁴⁾ (annualized, %)	3.5	3.4	0.1 pps
Comprehensive investment yield ⁽⁴⁾ (annualized, %)	4.2	4.1	0.1 pps

Average investment yields on the Company's insurance funds investment portfolio are as below:

	2021 – 2023	2014 – 2023
Average net investment yield (%)	4.5	5.2
Average total investment yield (%)	3.1	5.0
Average comprehensive investment yield (%)	3.4	5.4

Life & Health's and property and casualty insurance business's annualized investment yields in the first half of 2024 are as below:

For the six months ended June 30	2024	2023	Change (%)
Life & Health			
Net investment yield ⁽⁴⁾ (annualized, %)	3.4	3.5	-0.1 pps
Total investment yield ⁽⁴⁾ (annualized, %)	3.6	3.4	0.2 pps
Comprehensive investment yield ⁽⁴⁾ (annualized, %)	4.3	4.1	0.2 pps
Ping An P&C			
Net investment yield ⁽⁴⁾ (annualized, %)	3.0	3.6	-0.6 pps
Total investment yield ⁽⁴⁾ (annualized, %)	3.3	3.4	-0.1 pps
Comprehensive investment yield ⁽⁴⁾ (annualized, %)	3.4	3.5	-0.1 pps

Notes: (1) Net investment income includes interest income from deposits and debt financial assets, dividend income from equity financial assets, operating lease income from investment properties, and the share of profits and losses of associates and joint ventures.

(2) Net realized and unrealized gains include capital gains on securities investments and fair value gains or losses.

(3) Comprehensive investment income excludes a fair value change of RMB151,010 million in debt investments at fair value through other comprehensive income backing Life & Health business in the first half of 2024.

(4) Average investment assets used as the denominator are computed in line with principles of the Modified Dietz method. In the computation of annualized investment yields, only interest revenue from deposits and debt financial assets, and operating lease income from investment properties are annualized, while interest revenue from financial assets purchased under reverse repurchase agreements, interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions, dividend income, capital gains on investments, and fair value gains or losses are not annualized. Computation of investment yields excludes changes in fair values of debt investments at fair value through other comprehensive income backing Life & Health business.

CORPORATE BONDS

The Company held RMB107,534 million worth of corporate bonds in its insurance funds investment portfolio as of June 30, 2024, which accounted for 2.1% of the total investment assets, up by 0.4 pps year to date and unchanged from the beginning of 2023. Corporate bond portfolio enjoys high credit ratings with about 99.5% rated AA or higher externally and about 62.6% having AAA or higher external ratings. In terms of credit loss risk, corporate bonds in the portfolio are secure as their risks are under control. For risk management of corporate bonds, the Company ensures end-to-end assessment and management of investment risks through asset allocation, admittance management, and dynamic review. The Company established an internal credit rating team in 2003. Since then, the team has conducted admittance management of corporate bond investments in strict accordance with internal credit ratings, and enhanced the review and adjustment of ratings to ensure they reasonably reflect bond issuers' credit standings. Moreover, the Company carries out ex ante monitoring of potential risks in corporate bonds on the basis of a bond issuer list, and has put in place a rapid response mechanism that deals with public sentiment warnings. The Company effectively manages the review and reporting of corporate bonds to enhance the efficiency of risk warning and management.

DEBT SCHEMES AND DEBT WEALTH MANAGEMENT PRODUCTS

Debt schemes and debt wealth management products include debt investment schemes undertaken by insurance asset management companies, debt trust plans issued by trust companies, and debt wealth management products issued by commercial banks. Debt schemes and debt wealth management products in the Company's insurance funds investment portfolio totaled RMB384,347 million as of June 30, 2024, accounting for 7.4% of the portfolio, down by 1.4 pps year to date.

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

Business Analysis

Insurance Funds Investment Portfolio

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

Industry	Investment proportion (%)	Nominal yield (%)	Remaining maturity (year)
Infrastructure	61.5	4.59	4.01
Expressway	10.1	4.67	2.92
Electric power	7.4	4.67	4.66
Infrastructure and development zones	20.7	4.56	5.02
Others (water supply, environmental protection, railway, and so on)	23.3	4.55	3.40
Non-banking financial services⁽²⁾	13.9	4.93	2.12
Real estate industry⁽³⁾	12.6	4.70	2.54
Others	12.0	4.36	2.90
Total	100.0	4.62	3.43

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

The Company pays close attention to credit risk in the market, ensuring the overall risks of debt schemes and debt wealth management products held by Ping An in its insurance funds investment portfolio are under control. Debt schemes and debt wealth management products in the Company's insurance funds investment portfolio have good credit ratings. Over 96.4% of the debt schemes and trust schemes held by Ping An have AAA external ratings, and about 0.9% of them have AA+ external ratings. Aside from some high-credit entities which do not need credit enhancement for financing, the vast majority of the assets held by the Company have guarantees or collateral. In terms of industry and geographic distribution, Ping An proactively avoids high-risk industries and regions. Ping An's target assets are diversified, mainly in the non-banking financial services industry, the expressway industry and so on in economically developed and coastal areas including Beijing, Shanghai and Guangdong.

EQUITY WEALTH MANAGEMENT PRODUCTS

Equity wealth management products in the Company's insurance funds investment portfolio totaled RMB58,612 million as of June 30, 2024, accounting for 1.1% of the portfolio. The vast majority of equity wealth management products held by Ping An are from insurance asset managers. These products' underlying assets are mainly tradable shares of domestic and foreign high-quality companies in the secondary market, indicating no significant liquidity risk. Private equity funds account for a small proportion, and their underlying assets are mainly equities in central or local governments' partnerships, with risks under control.

REAL ESTATE INVESTMENTS

The balance of real estate investments in the Company's insurance funds investment portfolio was RMB207,425 million as of June 30, 2024, accounting for 4.0% of the portfolio. The real estate investments are mainly in real properties (including developer-owned real properties invested in directly or in the form of equity stakes in project companies) measured at cost, which represent 79.1% of real estate investments. Such investments were made primarily in rent-collecting properties including commercial and office properties, logistics real estate, industrial parks, and long-term rental apartments, to match the duration of liabilities. Such investments generate relatively stable incomes including rents and dividends as well as capital appreciation. Besides, debt investments and other equity investments account for 16.9% and 4.0% of real estate investments respectively.

INVESTMENT RISK MANAGEMENT

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

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

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

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

Business Analysis

Banking Business

- Ping An Bank maintained steady business performance. Net profit grew 1.9% year on year to RMB25,879 million in the first half of 2024. Core tier 1 capital adequacy ratio increased to 9.33% as of June 30, 2024.
- Ping An Bank continuously strengthened risk management, and maintained adequate risk provisions. Non-performing loan ratio and provision coverage ratio were 1.07% and 264.26% respectively as of June 30, 2024.
- Ping An Bank promoted the high-quality sustainable development of its retail business. Retail assets under management (“AUM”) rose 2.2% year to date to RMB4,120,630 million, and retail deposit balance grew 6.9% year to date to RMB1,290,345 million as of June 30, 2024.

BUSINESS OVERVIEW

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

Ping An Bank (excluding Ping An Wealth Management) had 109 branches and 1,180 business outlets as of June 30, 2024.

Key Indicators

Ping An Bank’s revenue totaled RMB77,132 million in the first half of 2024, down 13.0% year on year mainly due to ongoing support for the real economy and the adjusted asset portfolio. Ping An Bank improved operational cost-effectiveness via digital transformation, strengthened asset quality control and management, and enhanced non-performing asset recovery and disposal, boosting net profit by 1.9% year on year to RMB25,879 million in the first half of 2024.

For the six months ended June 30 (in RMB million)			
	2024	2023	Change (%)
Operating results			
Revenue	77,132	88,610	(13.0)
Net profit	25,879	25,387	1.9
Cost-to-income ratio (%)	27.37	26.45	0.92 pps
Average return on total assets (annualized, %)	0.91	0.94	-0.03 pps
Weighted average ROE (annualized, %)	11.88	12.65	-0.77 pps
Net interest margin (annualized, %)	1.96	2.55	-0.59 pps

(in RMB million)	June 30, 2024	December 31, 2023	Change
Deposits and loans⁽¹⁾			
Deposits	3,570,812	3,407,295	4.8%
Including: Retail deposits	1,290,345	1,207,618	6.9%
Corporate deposits	2,280,467	2,199,677	3.7%
Total loans and advances	3,413,474	3,407,509	0.2%
Including: Retail loans	1,821,335	1,977,719	(7.9%)
Corporate loans	1,592,139	1,429,790	11.4%
Asset quality			
Non-performing loan ratio (%)	1.07	1.06	0.01 pps
Provision coverage ratio (%)	264.26	277.63	-13.37 pps
Deviation of loans more than 60 days overdue ⁽²⁾	0.79	0.74	0.05
Capital adequacy ratio			
Core tier 1 capital adequacy ratio ⁽³⁾ (%)	9.33	9.22	0.11 pps

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

Analysis of Profit Sources

For the six months ended June 30 (in RMB million)	2024	2023	Change (%)
Net interest revenue	49,086	62,634	(21.6)
Average balance of interest-earning assets	5,038,878	4,955,321	1.7
Net interest margin ⁽¹⁾ (annualized, %)	1.96	2.55	-0.59 pps
Net non-interest revenue	28,046	25,976	8.0
Including:			
Net fee and commission revenue	12,997	16,374	(20.6)
Other net non-interest revenue ⁽²⁾	15,049	9,602	56.7
Revenue	77,132	88,610	(13.0)
General and administrative expenses	(21,109)	(23,438)	(9.9)
Cost-to-income ratio ⁽³⁾ (%)	27.37	26.45	0.92 pps
Tax and surcharges	(783)	(874)	(10.4)
Operating profit before impairment losses on assets	55,240	64,298	(14.1)
Impairment losses on credit and other assets	(23,153)	(32,361)	(28.5)
Including:			
Loan impairment loss	(23,775)	(27,663)	(14.1)
Average balance of loans and advances	3,420,025	3,379,434	1.2
Credit cost ⁽⁴⁾ (annualized, %)	1.40	1.65	-0.25 pps
Other expenses	(110)	(4)	2,650.0
Profit before tax	31,977	31,933	0.1
Income tax	(6,098)	(6,546)	(6.8)
Net profit	25,879	25,387	1.9

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

Business Analysis

Banking Business

Ping An Bank's net interest margin narrowed by 0.59 pps year on year to 1.96% in the first half of 2024. Net interest margin narrowed as Ping An Bank continued to support the real economy and adjusted the asset portfolio amid falling market interest rates, lackluster effective demand for credit loans, and the repricing of loans.

Ping An Bank boosted its net non-interest revenue by 8.0% year on year to RMB28,046 million in the first half of 2024 mainly by seizing market opportunities to increase net non-interest revenues from bond investment and other businesses. Meanwhile, net non-interest revenues from credit card and bancassurance businesses declined driven by factors including the macroeconomic environment.

RETAIL BUSINESS

Ping An Bank adheres to its retail business strategy and continuously promotes its business transformation. In response to changes in the external environment, Ping An Bank drives high-quality, sustainable development of retail business by adjusting structure, improving quality, increasing profitability, and upgrading two main business sectors.

For the six months ended June 30 (in RMB million)			
	2024	2023	Change (%)
Retail business operating results			
Revenue from retail business	39,091	52,631	(25.7)
Proportion of revenue from retail business (%)	50.7	59.4	-8.7 pps
Operating profit from retail business before impairment losses on assets	26,644	36,362	(26.7)
Proportion of operating profit from retail business before impairment losses on assets (%)	48.2	56.6	-8.4 pps
Net profit from retail business	1,804	8,658	(79.2)
Proportion of net profit from retail business (%)	7.0	34.1	-27.1 pps

Note: Revenue and net profit from retail business declined year on year due to Ping An Bank's ongoing support for the real economy, adjustment of the asset portfolio, commission reduction in the bancassurance channel, and continued retail asset write-offs and provisioning because some retail customers' debt repayment capacity remained under pressure.

- In lending business, Ping An Bank proactively rebalanced its loan portfolio by increasing home mortgage loans, collateral mortgage loans and new energy vehicle loans. Moreover, Ping An Bank upgraded risk management strategies and optimized risk models to improve the quality of new assets, striking a balance between "volumes, prices and risks." Retail loan balance decreased 7.9% year to date to RMB1,821,335 million as of June 30, 2024, in which the proportion of secured loans rose to 60.6%. Newly-granted retail new energy vehicle loans grew 38.4% year on year in the first half of 2024.

- In deposit and wealth management business, Ping An Bank grew retail deposits and improved the business portfolio by developing core business scenarios such as investment & wealth management, payroll, and payment settlement. Retail deposit balance grew 6.9% year to date to RMB1,290,345 million as of June 30, 2024. Moreover, Ping An Bank improved customer experience by continuously upgrading private banking products, services and team capabilities as well as building a professional, competitive benefit service system. Retail AUM rose 2.2% year to date to RMB4,120,630 million as of June 30, 2024, including RMB1,944,879 million in AUM of private banking customers, up 1.5% year to date.

	June 30, 2024	December 31, 2023	Change (%)
Number of retail customers ⁽¹⁾ (in thousand)	126,190.8	125,432.0	0.6
Including:			
Wealth management customers (in thousand)	1,424.3	1,377.5	3.4
Including:			
Private banking customers ⁽²⁾ (in thousand)	93.5	90.2	3.7
Retail AUM (in RMB million)	4,120,630	4,031,177	2.2

Notes: (1) Retail customers include debit and credit cardholders, with duplicates removed.

(2) A qualified private banking customer refers to a customer who has over RMB6 million in average daily assets for any one of the past three months.

CORPORATE BUSINESS

In corporate business, Ping An Bank closely follows national strategies, and continuously increases 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 develops and strengthens strategic customer groups to serve the real economy. Corporate loan balance grew 11.4% year to date to RMB1,592,139 million as of June 30, 2024. Corporate deposit balance grew 3.7% year to date to RMB2,280,467 million.

- Selected sectors: Building sector-specific differential advantages, Ping An Bank granted new loans of RMB200,540 million to four basic industries, namely infrastructure, the auto ecosystem, public utilities and real estate in the first half of 2024, up 42.1% year on year. Meanwhile, Ping An Bank granted new loans of RMB106,142 million to three emerging industries, namely new manufacturing, new energy and new lifestyle in the first half of 2024, up 47.1% year on year.
- Selected customers: Ping An Bank builds a tiered development framework for customers from strategic ones to small and micro-enterprises and develops “long-term” operational capabilities. Ping An Bank had 802.7 thousand corporate customers as of June 30, 2024, up by 48.7 thousand or 6.5% year to date.
- Selected products: Focusing on core customer groups, Ping An Bank enhances its sector-specific, differentiated and comprehensive product portfolio, and develops innovative business models with its “finance + technology” strength to offer comprehensive services. Ping An Bank’s supply chain financing amounted to RMB725,318 million in the first half of 2024, up 30.6% year on year.

Business Analysis

Banking Business

INTERBANK BUSINESS

In interbank business, Ping An Bank continuously develops financial services as a new growth driver and enhances market competitiveness through an “investment trading + customer business” strategy.

- In respect of investment trading, Ping An Bank continuously strengthens macroeconomic analysis and enhances the research and development (“R&D”) of trading strategies to obtain sustainable, steady investment income while ensuring the liquidity and security of assets. Ping An Bank’s market share measured by bond trading volume increased 0.6 pps year on year to 3.5% in the first half of 2024.
- In respect of customer business, Ping An Bank optimizes financial products and service processes, meets interbank and corporate customers’ financial service demands, and promotes financial markets’ high-quality development by leveraging its strengths in comprehensive customer services and proactively engaging in the fund ecosystem, asset custody, bond market making, corporate hedging and so on. The AUM balance of asset management products distributed under the “ET-Bank” climbed 43.8% year to date to RMB287,816 million as of June 30, 2024. Net assets under custody grew 3.6% year to date to RMB9.01 trillion as of June 30, 2024. RMB1.67 trillion worth of cash bonds were sold by domestic and foreign institutions in the first half of 2024, up 9.2% year on year. The number of customers that conducted spot and derivative foreign exchange hedging at Ping An Bank increased 12.8% year on year to 11,058 in the first half of 2024.

ASSET QUALITY

China’s macroeconomy kept an upward trend in the first half of 2024. However, the foundations of continuous recovery still needed to be consolidated, and repayment capacity of retail customers and small and medium-sized enterprises remained under pressure. In line with national strategies, Ping An Bank actively served the real economy, supported non-state-owned enterprises and MSMEs, enhanced non-performing asset disposal, and kept overall asset quality stable.

(in RMB million)	June 30, 2024	December 31, 2023	Change (%)
Loan quality			
Pass	3,314,048	3,311,741	0.1
Special mention	63,030	59,732	5.5
Non-performing loans	36,396	36,036	1.0
Total loans and advances	3,413,474	3,407,509	0.2
Non-performing loan ratio (%)	1.07	1.06	0.01 pps
Percentage of special mention loans (%)	1.85	1.75	0.10 pps
Provision coverage ratio (%)	264.26	277.63	-13.37 pps
Provision to loan ratio (%)	2.82	2.94	-0.12 pps
Percentage of loans more than 60 days overdue (%)	0.84	0.78	0.06 pps
Non-performing loan ratios			
Retail loans	1.42	1.37	0.05 pps
Corporate loans	0.66	0.63	0.03 pps

In respect of retail asset quality, Ping An Bank's retail non-performing loan ratio rose by 0.05 pps year to date to 1.42% as of June 30, 2024. China's macroeconomy recovered in the first half of 2024, but structural differences still existed. Retail non-performing loan ratio rose as some retail customers' debt repayment capacity was still recovering. Ping An Bank continuously upgraded risk models to improve its customer identification capability, thereby achieving more precise customer segmentation. Moreover, Ping An Bank proactively adjusted its customer mix and asset portfolio, implemented differentiated risk management policies, steadily invested in high-quality assets, proactively expanded loan collection channels, and enhanced non-performing loan disposal.

In respect of corporate asset quality, Ping An Bank's corporate non-performing loan ratio was 0.66% as of June 30, 2024, up 0.03 pps year to date. Ping An Bank continuously upgraded its risk policies and improved its asset quality management mechanisms. As a result, corporate credit risk metrics remained good.

CAPITAL ADEQUACY

Benefiting from net profit growth and refined capital management, Ping An Bank's core tier 1 capital adequacy ratio rose to 9.33% as of June 30, 2024.

(%)	June 30, 2024	December 31, 2023	Change
Capital adequacy ratio			
Core tier 1 capital adequacy ratio	9.33	9.22	0.11 pps
Tier 1 capital adequacy ratio	10.97	10.90	0.07 pps
Capital adequacy ratio ⁽³⁾	12.76	13.43	-0.67 pps

Notes: (1) Ping An Bank and its wholly-owned subsidiary Ping An Wealth Management Co., Ltd. ("Ping An Wealth Management") are included in the computation of the above capital adequacy ratios. For the measurement of capital adequacy ratios, the method specified in the *Administrative Measures for Capital of Commercial Banks* promulgated by the NFRA is adopted from 2024 onward. The capital adequacy ratios as of December 31, 2023 were still calculated by the method specified in the *Administrative Measures for Capital of Commercial Banks (Trial)* promulgated by the former China Banking Regulatory Commission on June 7, 2012.

(2) According to the *Additional Regulations for Systematically Important Banks (Trial)* and the 2023 List of Systematically Important Banks in China, Ping An Bank is included in the first group on the list, and shall meet conditions including a 0.25% supplementary capital ratio, which means the minimum regulatory requirements for its core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio are 7.75%, 8.75% and 10.75% respectively.

(3) After RMB30 billion worth of tier 2 capital bonds issued by Ping An Bank in 2019 were fully redeemed in April 2024, the capital adequacy ratio as of June 30, 2024 declined. Since Ping An Bank replenished capital by issuing RMB30 billion worth of tier 2 capital bonds on July 9, 2024, the capital adequacy ratio has remained stable.

OVERVIEW OF PING AN WEALTH MANAGEMENT

Ping An Wealth Management, a wholly-owned subsidiary of Ping An Bank, ensures strict risk and compliance management, continuously develops channels, implements prudent investment strategies, diversifies its product portfolio, and fulfills its social responsibilities. The balance of wealth management products managed by Ping An Wealth Management increased by 3.2% year to date to RMB1,045,116 million as of June 30, 2024.

Business Analysis

Asset Management Business

- Ping An's AUM increased steadily to over RMB7.6 trillion as of June 30, 2024.
- The Company continuously enhances its capabilities of making asset allocation, achieving stable long-term returns, and managing multi-asset portfolios to deliver robust and sustainable returns to customers.

BUSINESS OVERVIEW

The Company conducts asset management business primarily through companies including Ping An Securities, Ping An Trust, Ping An Financial Leasing, and Ping An Asset Management. Ping An's AUM⁽¹⁾ increased steadily to over RMB7.6 trillion as of June 30, 2024.

China's macroeconomy continued to recover steadily in the first half of 2024. However, it still faces short-term challenges including economic restructuring, lackluster growth momentum, and mounting external uncertainties. Facing the complex environment, the Company proactively mitigated risks to lay the solid foundations for future high-quality development of asset management business.

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

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

SECURITIES BUSINESS

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

Ping An Securities specified its "worry-free, time-saving, and money-saving" value proposition focused on customer needs in the first half of 2024. Centering on quality, differentiation and efficiency, Ping An Securities improved business efficiency and developed sustainable competitiveness by advancing five strategic initiatives, comprehensively upgrading service systems, and building service and brand moats.

- In brokerage business, Ping An Securities continuously furthers the transformation of wealth management. Ping An Securities built a closed-loop customer acquisition and development system centered on customer journeys for brokerage business. Moreover, Ping An Securities built a professional and heartwarming 24/7 advisory service system for customers through a unified product and service framework, data-driven investment advisory capabilities, and an industry-leading smart brokerage service platform. As a result, Ping An Securities realized steady growth in both the number of customers and market share. Ping An Securities had over 24.05 million retail customers and ranked among top three brokers firmly by app user activeness as of June 30, 2024. The market share of Ping An Securities in terms of equity and fund trading volume (excluding seat leasing)⁽¹⁾ reached 3.76% in the first half of 2024, up 18 bps year on year.
- Ping An Securities adheres to its business strategy of selective investment banking. In investment banking business, Ping An Securities effectively serves the real economy by promoting the modernization, transformation and upgrading of industries. Ping An Securities thoroughly implements the philosophy of “customer-centricity, full product coverage, and one-stop services” and continuously advances systematic strategies. In equity business, Ping An Securities develops private equity business by pursuing breakthroughs in key sectors and regions. In debt business, Ping An Securities focuses on key regions and products, ensures business sustainability, and exploits synergies among sourcing, underwriting and sales. Ping An Securities remained among top players in the industry by debt underwriting scale, ranking 2nd in asset-backed securities⁽²⁾ volume and 6th in bond⁽²⁾ underwriting respectively in the first half of 2024.
- Ping An Securities continuously enhances its professional capabilities in trading and asset management businesses. In trading business, Ping An Securities continuously upgrades its “human + machine” platform to empower trading capabilities and enhance competitive advantages with technologies. Yield of trading outperformed the market benchmark in the first half of 2024. In asset management business, Ping An Securities improves its investment research management framework under the value proposition of seeking absolute returns, focusing on investment needs of institutional clients including insurers and bank wealth managers. Ping An Securities ranked 9th by average monthly AUM⁽³⁾ in the industry in the first half of 2024, up one place year to date.

Notes: (1) The computation of the market share in terms of equity and fund trading volume (excluding seat leasing) excludes the Northbound Stock Connect market.
 (2) Asset-backed securities (“ABS”) refer to ABS products regulated by the CSRC, and bonds refer to corporate bonds and bonds issued by state-owned enterprises.
 (3) The ranking in the asset management industry is from the Asset Management Association of China, exclusive of ABSs.

Business Analysis

Asset Management Business

TRUST BUSINESS

Ping An Trust focuses on asset service trust business including family trusts and insurance trusts in 2024. For direct selling, Ping An Trust strictly implements the requirements regarding accredited investor identification, product suitability, audio and video recording, and risk disclosure. For distribution, Ping An Trust partners with licensed financial institutions only, strictly controls channel admittance, and carries out stringent ex post supervision. In respect of management, Ping An Trust builds systems, establishes mechanisms, and controls risks. By developing Comprehensive Risk Management System 2.0, an extensive risk management network, Ping An Trust strengthens business risk management and improves risk prediction and mitigation. Moreover, Ping An Trust advances transformation and development in accordance with the new regulation on trust classification.

Total assets held in trust amounted to RMB838,158 million as of June 30, 2024.

PING AN FINANCIAL LEASING

Ping An Financial Leasing engages in financial leasing via a nationwide business network as an industry leader by comprehensive strength. Ping An Financial Leasing has built its 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, strategic channels, 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. By doing so, Ping An Financial Leasing will strive to become a world-leading innovative financial leasing expert focusing on industries, serving the real economy, and adopting unique 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 dropped significantly year to date to 1.04% as of June 30, 2024. 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, improving leased asset management, enhancing risk assessment, business operations and asset monitoring, building the anti-fraud system, and continuously strengthening risk asset disposal and recovery.

(in RMB million)	June 30, 2024	December 31, 2023	Change (%)
Total assets	265,922	240,024	10.8
Non-performing asset ratio (%)	1.04	1.22	-0.18 pps

PING AN ASSET MANAGEMENT

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

Adhering 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 nearly RMB5.52 trillion as of June 30, 2024, including stocks, bonds, funds, debts, and equity stakes on open and non-open capital markets as well as money markets. Moreover, Ping An Asset Management possesses capabilities of cross-market asset allocation and full-spectrum asset investment.

(in RMB million)	June 30, 2024	December 31, 2023	Change (%)
AUM	5,519,107	5,033,945	9.6
Including: Third-party AUM	518,737	528,427	(1.8)

Business Analysis

Technology Business

- Ping An remains focused on technological empowerment to build leading technological capabilities and empower its ecosystems.
- The Company engages in technology business through member companies including Lufax Holding, OneConnect, Ping An Health and Autohome, providing diverse products and services for ecosystem users, with significant synergies.

TECHNOLOGICAL EMPOWERMENT

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

Ping An remains focused on developing core technologies and securing proprietary intellectual property rights. Ping An had a first-class technology team of over 20,000 technology developers and over 3,000 scientists as of June 30, 2024. The Group's patent applications led most international financial institutions, totaling 52,185. Of the patent applications, nearly 95% were for inventions, and 9,347 were made under the Patent Cooperation Treaty and abroad. From the perspective of transforming and upgrading Ping An's core businesses, technology benefits are reflected in higher sales, better business efficiency, and stronger risk management. The volume of services provided by Ping An's AI service representatives⁽¹⁾ reached about 870 million times, accounting for 80% of Ping An's total customer service volume in the first half of 2024. The AI service representatives responded to and handled customer inquiries and complaints swiftly. Via smart underwriting and smart claim settlement, 93% of Ping An Life's policies were underwritten within seconds, and it took an average of 7.4 minutes to close a claim with Smart Quick Claim. Moreover, claims savings via smart fraud risk identification grew 4.3% year on year to RMB6.1 billion in the first half of 2024 as Ping An continuously strengthened risk management.

Note: (1) The volume of services provided by AI service representatives refers to the total times of inbound and outbound call services provided by speech robots and text robots for credit card and insurance business lines.

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

LUFAX HOLDING

Lufax Holding (NYSE: LU; SEHK: 06623.HK) is a leading financial services enabler for small business owners ("SBOs") in China. Lufax Holding is committed to providing SBOs with comprehensive, convenient financial products and services as well as enabling financial institutions to reach and serve SBOs efficiently. Lufax Holding continued to advance its quality-first prudent business strategy and reduced its lending business in the first half of 2024. As a result, total income decreased 33.1% year on year to RMB12,940 million. Moreover, tax expense increased due to a special dividend paid by Lufax Holding. As a result, net loss amounted to RMB1,663 million in the first half of 2024.

Lufax Holding integrates high-quality resources in the financial services ecosystem as a leading financial services enabler for SBOs in China. With proprietary data accumulated over 18 years and AI-driven dynamic risk modeling, Lufax Holding has provided 23.17 million SBOs and retail customers with offline-to-online credit enablement services from offline consultation to online application. In addition, Lufax Holding continuously promotes technology application and enhances its capabilities of empowering borrowers and identifying risks by applying AI in areas including borrower acquisition, customer risk identification and loan management.

Financial Data

For the six months ended June 30
(in RMB million)

	2024	2023	Change (%)
Total income	12,940	19,348	(33.1)
Net profit ⁽¹⁾	(1,663)	1,637	N/A

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

Operational Data

	June 30, 2024	December 31, 2023	Change (%)
Cumulative number of borrowers (in million)	23.17	20.94	10.7
Outstanding balance of loans enabled (in RMB million)	235,212	315,395	(25.4)

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

ONECONNECT

OneConnect (NYSE: OCFT; SEHK: 06638.HK) is a technology-as-a-service provider for the financial services industry. OneConnect provides “full-stack” integrated technology solutions to financial institutional customers, including digital banking solutions and digital insurance solutions. OneConnect also provides digital infrastructure for financial institutions through Gamma Platform. Under the “business + technology” model, OneConnect’s solutions enable its customers’ digital transformations, which help them improve efficiency, enhance service quality, and reduce costs and risks. OneConnect’s revenue reached RMB1,416 million in the first half of 2024, and its net loss narrowed to RMB70 million.

OneConnect focused on upgrading products and acquiring new customers in the first half of 2024. In digital banking, OneConnect provides financial institutions in the banking industry with three holistic solutions, namely digital retail banking, digital credit management, and digital operation to facilitate their digital transformations. Such solutions help them expand banking business, reduce operational risks, enhance management quality and efficiency, and realize high-quality development. In digital insurance, OneConnect helps insurers digitize their whole processes. For property & casualty insurance, OneConnect’s end-to-end digital solution covers the underwriting, claim settlement and ecosystem-based services of auto insurance, and is gradually extended to non-auto insurance, helping insurers cut costs, prevent frauds and improve services. For life insurance, OneConnect’s “Omnichannel Agent Solution” offers modules including digital sales, services and management to help insurers improve quality and efficiency in scenarios including customer development, agent management, multichannel business development and smart application. In terms of Gamma Platform, OneConnect integrates a range of digital solutions that can be extensively applied to financial services, including AI customer services and digital fintech infrastructure. AI customer services standardize AI financial scenarios, processes and training methodologies, enabling financial institutions to promote AI remote services more quickly and improve AI application more effectively while cutting operating costs.

Centering on Hong Kong and Southeast Asia, OneConnect continuously develops overseas markets to enhance its global influence, focusing on high-value customers in regions including the Middle East and South Africa. In Hong Kong, OneConnect continuously advances collaboration with the government and financial institutions in digitization. In Southeast Asia, OneConnect focuses on upgrading digital banking solutions for local financial institutions and building end-to-end omnichannel digital platforms to improve the efficiency and quality of banking services as well as reduce risks and costs.

Business Analysis

Technology Business

Financial Data⁽¹⁾

For the six months ended June 30
(in RMB million)

	2024	2023	Change (%)
Revenue	1,416	1,833	(22.8)
Gross profit ⁽²⁾	558	735	(24.1)
Net loss ⁽³⁾	(70)	(114)	(38.0)

Notes: (1) The above is financial data of OneConnect's continuing operations.

(2) Gross profit is non-IFRS adjusted gross profit.

(3) Net loss refers to net loss attributable to OneConnect's shareholders of the parent company.

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

Operational Data

For the six months ended June 30

	2024	2023	Change (%)
Premium-plus customers ⁽¹⁾	93	121	(23.1)

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

PING AN HEALTH

Ping An Health (SEHK: 01833.HK; stock short name: PA GOODDOCTOR), centering on family doctor membership and leveraging a diversified, premium online-to-offline ("O2O") service network, has developed a specialized, comprehensive, high-quality and one-stop "health and senior care" services platform to provide users with "worry-free, time-saving, and money-saving" health and senior care services. Ping An Health achieved RMB2,093 million in revenue and RMB57 million in net profit in the first half of 2024. The number of cumulative paying users was approximately 40 million for the twelve months ended June 30, 2024.

- In respect of ecosystem development, as an integral part of the Group's "managed care model" and a flagship in the health and senior care ecosystem, Ping An Health facilitates the Group's "heartwarming financial services" by acting for payers, integrating providers and unlocking synergies in "integrated finance + health and senior care." Via the improving O2O network, Ping An Health provides large numbers of retail financial users, corporate clients, and retail consumers with full-scenario, high-quality health and senior care services in five scenarios, namely health, sub-health, disease, chronic disease and senior care management. Moreover, Ping An Health has developed health and senior care service capabilities for years to offer effective solutions to the industry's pain points, namely "unbalanced supply and demand, insufficient high-quality services, underutilization of resources, and fragmented market supply."
- In respect of medical service capabilities, Ping An Health positions family doctors as doctors, customer managers and navigators. While helping Ping An Health integrate supply-side health and senior care resources and improve O2O closed-loop services, family doctors also help users address breakpoints in online and offline services to meet full-lifecycle, pan-healthcare user needs with professional, efficient and heartwarming services.

- In respect of customer acquisition capabilities, Ping An Health seeks customers from payers by maintaining in-depth collaboration with the Group's core financial businesses and leveraging Ping An Health's own channels. Regarding integrated finance channels, Ping An Health maintains in-depth collaboration with the Group's core financial businesses through "product integration, benefit procurement, and value-added services." Regarding corporate clients, Ping An Health works to acquire large and medium-sized corporate clients to provide full-lifecycle health and senior care services for retail financial users and corporate clients' employees. Ping An Health cumulatively served 1,748 enterprises as of June 30, 2024.

For the six months ended June 30 (in RMB million)	2024	2023	Change (%)
Revenue	2,093	2,222	(5.8)
Gross profit	674	715	(5.8)
Net profit ⁽¹⁾	57	(245)	N/A

Notes: (1) Net profit refers to net profit attributable to Ping An Health's shareholders of the parent company.
(2) Figures may not match the calculation due to rounding.

AUTOHOME

Autohome (NYSE: ATHM; SEHK: 02518.HK), the leading online destination for automobile consumers in China, is committed to developing a smart auto ecosystem centered on data and technology. Within this ecosystem, Autohome provides auto consumers with diverse products and services across the full auto lifecycle. Autohome's mobile daily active users⁽¹⁾ increased 8.3% year on year to 67.91 million in June 2024. In addition, Autohome continuously upgrades its "ecosystem strategy," providing comprehensive services for consumers, automakers, and various players in the auto ecosystem. Autohome's revenue and net profit reached RMB3,482 million and RMB1,066 million respectively in the first half of 2024.

Autohome continuously makes breakthroughs in digitization and new energy vehicle ("NEV") marketing to seize development opportunities in the auto industry. In respect of digitization, Autohome enables the digital transformation of automakers and dealers in comprehensive marketing by upgrading the data product matrix and diversifying application scenarios for AI and large language models. In this way, Autohome maintained double-digit growth in data product revenue in the first half of 2024.

China's passenger car sales resumed growth driven by NEV sales in the first half of 2024, showing huge development potential and market space. Autohome not only provides NEV makers with traditional services including media and leads generation, but integrates different business models to upgrade NEV marketing practices, providing partners with new retail services through Autohome Energy Space. The expansion of Autohome Energy Space, which now has a presence in 21 cities across the country to help partners boost sales, helps Autohome build brand awareness among users. Autohome's NEV business revenue continued to grow faster than broader industry sales in the first half of 2024.

For the six months ended June 30 (in RMB million)	2024	2023	Change (%)
Revenue	3,482	3,367	3.4
Net profit ⁽²⁾	1,066	1,053	1.3

Notes: (1) The number of mobile daily active users is from Quest Mobile.
(2) Net profit refers to non-GAAP adjusted net income attributable to Autohome Inc.
(3) Figures may not match the calculation due to rounding.

Integrated Finance

- Integrated finance brings higher operational efficiency to Ping An, reflected especially by lower customer acquisition cost, lower management and service costs, and higher customer retention rates.
- The Group's retail customers increased by 1.9% year to date to 236 million as of June 30, 2024; 24.9% of them held four or more contracts within the Group, with a retention rate of 97.8%.
- Contracts per retail customer reached 2.93. Over 87.92 million retail customers held multiple contracts with different subsidiaries.

THE INTEGRATED FINANCE STRATEGY

Ping An's integrated finance strategy is focused on the development of retail customers⁽¹⁾ under a customer-centric philosophy. In retail business, Ping An leverages its ecosystems to build a brand of heartwarming financial services by providing "worry-free, time-saving, and money-saving" one-stop integrated finance solutions.

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

Ping An's Unique Advantages in Integrated Finance

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

- An integrated financial services group with a full suite of financial business licenses, extensive presence and strong synergies: Ping An is an integrated financial services group with a full suite of financial business licenses and a robust shareholding structure. The Group has multiple core member companies in sectors including insurance, banking, and asset management. Ping An has developed into a leading company that can provide customers with comprehensive financial services in China. Under the integrated finance model, member companies closely collaborate with each other to improve customer acquisition, activation, migration and retention, and reduce operational and risk costs.
- An industry leader focusing on Chinese markets and core financial businesses: The Chinese mainland is the key market for Ping An's integrated finance business. Ping An Life is the second largest life insurer in China by premium income. Ping An P&C is the second largest property and casualty insurer in China by premium income. Ping An Asset Management is the second largest insurance asset manager in China by AUM. Ping An Bank ranks firmly among top joint-stock commercial banks in China by a combination of assets, net profit and so on.
- Strong online-merge-offline channel networks: Offline, Ping An has over 1.3 million sales service agents for property & casualty insurance, life insurance and other businesses, and over 7,000 outlets for life insurance, property & casualty insurance, banking and other businesses, covering all provinces and cities across China. Online, Ping An has developed multiple apps including Ping An Jin Guan Jia, Ping An Pocket Bank, Ping An Auto Owner, and Ping An Health to provide customers with convenient services and premium products.

- **Robust ecosystem-based service capabilities:** The coupling of Ping An's breadth of business with its powerful online ecosystems enables the Group to provide diverse products and services in a full range of health and senior care scenarios. 28.6% of the Group's new retail customers were acquired from its health and senior care ecosystem in the first half of 2024. Retail customers who used services in the Group's health and senior care ecosystem held approximately 3.36 contracts and RMB57,500 in AUM per capita, 1.6 times and 3.8 times those held by non-users of these services respectively as of June 30, 2024.
- **Strong technology platform capabilities:** Ping An has a world-leading integrated operations center which is the largest in Asia. AI service representatives recorded a customer service volume of approximately 870 million times, covering 80% of Ping An's total customer service volume in the first half of 2024. Ping An advances comprehensive digital transformation, and employs technologies to improve the quality, efficiency, and risk management of its financial businesses. Claims savings from smart risk identification amounted to RMB6.1 billion in the first half of 2024. Moreover, by leveraging the technological strength of integrated finance, Ping An continuously enhances the capability and efficiency of cross-selling to meet customer needs for migration within the Group.
- **Highly synergistic organizational culture:** The "One Ping An" culture centering on value maximization encourages member companies to collaborate closely in various businesses under the common goal of boosting customer value and the philosophy of "one customer, multiple accounts, multiple products, and one-stop services." Ping An realizes synergies and coordination in customer development, risk management, investment operations, back-office centralization and operations, consumer rights protection, brand management, and the value system. This enables close cooperation and resource saving among businesses, driving steady growth in the Group's customer base, contracts per customer and profit per customer as well as value increases.

Integrated Finance Brings Benefits to Customers and Shareholders

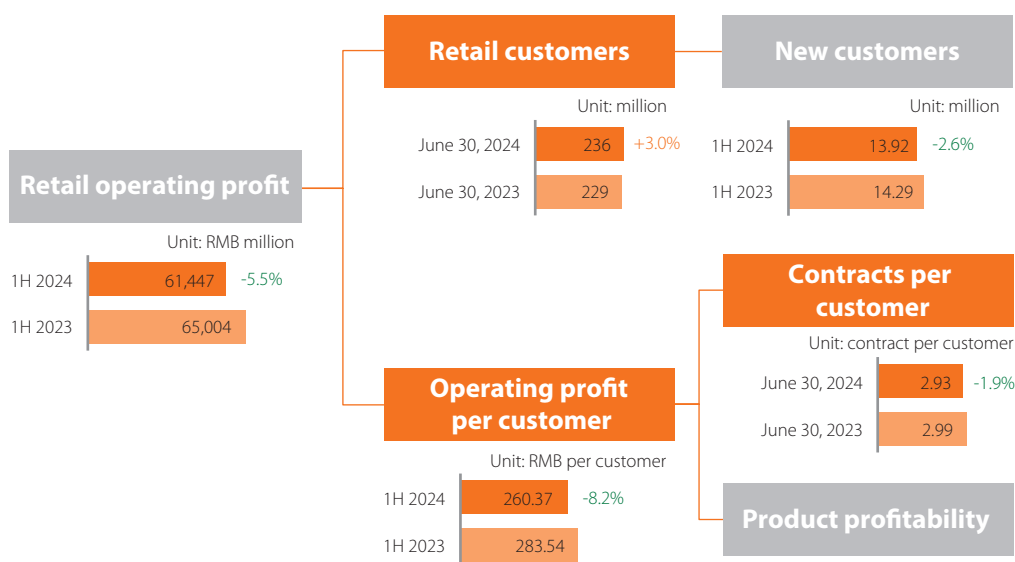
Benefits to customers. Ping An strives to become the most trusted integrated financial adviser to customers. Adhering to the "worry-free, time-saving, and money-saving" value proposition, Ping An provides comprehensive asset allocation and one-stop services. Ping An offers worry-free services to customers through professional advisers, who simplify complex concerns, popularize professional matters, and facilitate tedious issues. Ping An helps customers save time by integrating their multiple accounts through one-stop services, enabling one-stop allocation to multiple products and one-click access to multiple services. Ping An helps customers save money by customizing superior protection and allocation, achieving asset preservation and appreciation via professional services, realizing flexible redemption via connection of loyalty points and benefits, avoiding unnecessary expenditures, and meeting more potential needs of customers.

Benefits to shareholders. Integrated finance improves operational efficiency. This is shown by three metrics: 1) lower customer acquisition cost of integrated finance channels than that of external channels due to shorter customer acquisition paths and lower friction cost; 2) lower management and service costs as Ping An has a world-leading integrated operations center which is the largest in Asia, has built an integrated intelligent services system via back-office integration, rule management and tool empowerment, and improves quality and efficiency continuously; and 3) stronger customer retention as the retention rate of customers holding four or more contracts within the Group is as high as 97.8%.

Integrated Finance

Group Operating Profit Growth Drivers

Ping An's retail operating profit is driven by the number of retail customers, contracts per customer, and profit per customer. The number of retail customers stood at 236 million as of June 30, 2024, with 2.93 contracts per customer. Operating profit per customer amounted to RMB260.37 in the first half of 2024. The three numbers were under pressure in the first half of 2024 due to macroeconomic challenges including lackluster effective demand, declining consumer willingness to consume and invest, and heightening credit risk. However, markets are expected to recover further as macroeconomic control continues to take effect. Ping An has full confidence in the future, firmly optimistic about the positive long-term fundamentals of China's economy and the huge potential of domestic markets. Ping An will continue to advance its integrated finance strategy to meet customer needs, unlock value from existing customers, and drive steady value growth.



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

RETAIL INTEGRATED FINANCE

Retail Integrated Finance Strategy

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

- Accounts. Remaining customer-centric, Ping An combines information of customer demands for different businesses within the Group via integrated accounts to provide efficient, suitable one-stop financial services and deliver “worry-free, time-saving, and money-saving” ultimate customer experience. Integrated accounts, as a universal login system for customers to log in to Ping An’s online platforms, facilitate consistent brand perception and improve our capabilities of acquiring and activating customers and retaining customers’ funds and assets. Moreover, Ping An has upgraded its online smart mini-program “Magic Gateway” connecting 13 member companies’ apps to enhance its capabilities of customer activation and migration through personalized presentation of contents desired by customers.
- Data. Ping An further strengthens personal information protection and consumer rights protection under the customer-centric philosophy. Moreover, Ping An advances comprehensive digital development and develops group-wide customer, product and channel tagging in a strictly compliant manner. By continuously improving customer profiling and precisely understanding customer needs, Ping An provides customers with the most suitable products and services according to product and channel profiles. In this way, Ping An offers “demand-driven” targeted recommendations to continuously optimize customer experience.
- Products. Striving to provide products and services that are “perceptible to customers, innovative in the industry, and influential on the market,” Ping An builds an evaluation system which drives member companies to upgrade their flagship products and services to deliver “worry-free, time-saving, and money-saving” experience. Moreover, Ping An further strengthens its customer-centric business culture.

Integrated Finance

- **Benefits.** Ping An accelerates the development of its health and senior care ecosystem, and enhances its capabilities of “worry-free, time-saving, and money-saving” services. Ping An empowers customer development with various health and senior care benefits, effectively boosting Ping An Bank’s AUM and intermediary business revenue and Ping An Life’s policy conversion. For instance, Ping An Bank worked with Ping An Health and Ping An Healthcare Diagnostics Center to invite wealth management customers to high-end checkups, successfully developing family-based pension asset allocation and one-stop services. In close collaboration with Ping An Health, Ping An Life launched services including five highlights, namely unique checkups, blood sugar control, online consultation, outpatient appointment assistance and accompanying consultation, and critical illness management. In this way, Ping An provides customers with “worry-free, time-saving, and money-saving” one-stop value-added health and senior care benefits, with an overall satisfaction degree of 99%. Ping An Life provided health management services to nearly 16 million customers in the first half of 2024.
- **An intelligent marketing services platform.** The Group’s member companies coordinate the themes and launches of seasonal marketing campaigns based on the pace of business development to drive customer migration and product sales. Events including “Ping An January 8 Marketing Campaign” brought RMB3.07 trillion in total transaction volume in the first half of 2024, effectively empowering member companies to drive business growth.

Profit Drivers of Retail Integrated Finance

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

1. Number of retail customers

The Group’s retail customers increased 1.9% year to date to 236 million as of June 30, 2024. The Group has diverse integrated finance products and channels, which continuously drive customer acquisition. The number of new customers totaled 13.92 million in the first half of 2024.

Retail customer mix by product line

(in million)	June 30, 2024	December 31, 2023	Change (%)
Life insurance ⁽¹⁾	60.13	59.28	1.4
Auto insurance ⁽¹⁾	64.31	62.71	2.6
Retail banking ⁽²⁾	126.19	125.43	0.6
Securities, funds and trusts	48.56	49.20	(1.3)
Others ⁽³⁾	85.77	82.40	4.1
The Group	236.05	231.57	1.9

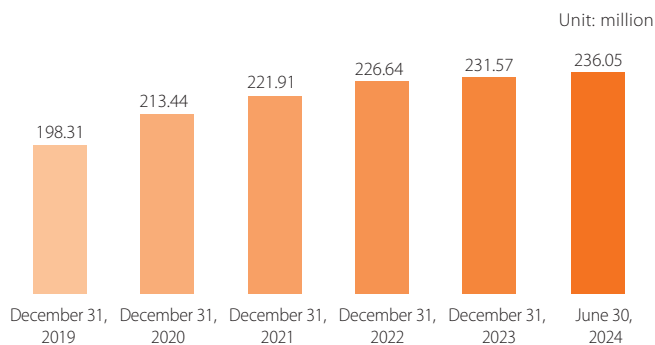
Notes: (1) The numbers of insurance companies’ customers are based on holders of in-force policies rather than policy beneficiaries.

(2) Retail banking includes debit and credit cardholders, with duplicates removed.

(3) Others include other investments, other loans, and other insurance products.

(4) Retail customers of separate product lines do not add up to the total due to the removal of duplicates.

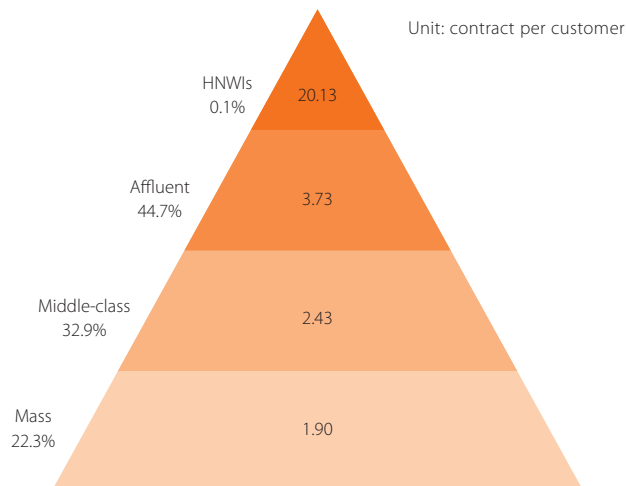
Retail customers increase steadily year by year



Ping An's retail customer structure

Ping An deepens its understanding of customers through long-term customer development. The wealthier the customers are, the more contracts they hold. Middle-class and above customers accounted for approximately 77.7% of the Group's total retail customers as of June 30, 2024. High-net-worth individuals ("HNWIs") held about 20.13 contracts per customer as of June 30, 2024, far more than affluent customers.

Retail customer structure and contracts per customer



Notes: (1) Mass customers are those with annual income below RMB100,000, middle-class customers between RMB100,000 and RMB240,000, and affluent customers above RMB240,000. HNWIs have personal assets of RMB10 million or more.
(2) Figures may not match the calculation due to rounding.

2. Contracts per customer

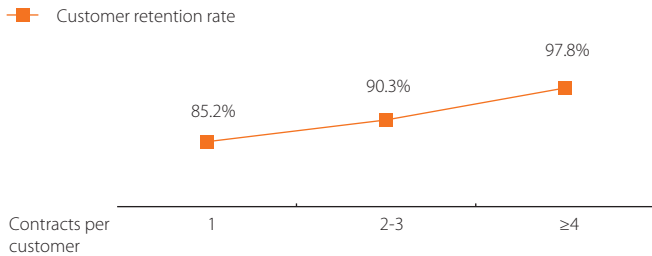
As Ping An advances its integrated finance strategy, retail cross-selling continues to deepen. Approximately 11.77 million customer migrations occurred within the Group in the first half of 2024. Over 87.92 million retail customers held multiple contracts with different subsidiaries of the Group as of June 30, 2024. Contracts per retail customer reached 2.93 as of June 30, 2024. Retail customers and contracts per retail customer have increased 19.0% and 9.7% respectively since December 31, 2019. The new customers are mainly auto, accident and health insurance policyholders, credit cardholders, and bank depositors.

Integrated Finance

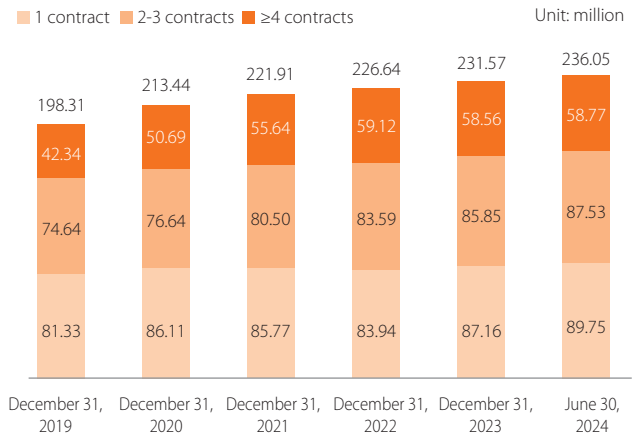
The higher the number of contracts per customer, the higher the customer retention rate

Increasing the number of contracts per customer is key to raising profit per customer and reducing customer churn. Continuous customer development leads to more contracts per customer and higher customer retention. As of June 30, 2024, 24.9% of our customers held four or more contracts within the Group, and their retention rate was 97.8%, 12.6 pps higher than that of those holding only one contract.

For the six months ended June 30, 2024



Number of retail customers by the number of contracts per customer



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

Proportion of customers by years with Ping An

Nearly 168 million or 71.0% of our customers have been with the Group for five or more years as of June 30, 2024, showing high customer retention.

Period	Number of customers (in million)	Proportion (%)
June 30, 2024		
5 or more years	167.53	71.0
2-5 years	43.03	18.2
Less than 2 years	25.49	10.8
The Group	236.05	100.0

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

3. Profit per customer

Integrated finance continued to make contributions to the Company's insurance businesses and Ping An Bank's retail business in the first half of 2024.

Cross-selling between the Company's insurance businesses steadily deepened. Ping An Health Insurance's premium income from cross-selling by Ping An Life's agents rose 10.0% year on year in the first half of 2024.

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

For the six months ended June 30, 2024
(in RMB million)

	Channel contribution	
	Amount	Percentage (%)
Ping An P&C	18,206	11.4
Ping An Annuity's short-term insurance	3,923	38.3
Ping An Health Insurance	6,337	67.2

Note: Premium income refers to original premium income.

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

For the six months ended June 30, 2024	Integrated finance's contribution percentage (%)
Net increase in wealth management customers	38.8
Net increase in retail AUM	61.7
Auto loans granted	16.8
New credit card customers	10.8

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

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

Health and Senior Care as a New Driver of Value Growth

- Ping An launched an innovative Chinese “managed care model” by seamlessly combining its online/offline health and senior care ecosystem with financial businesses in which Ping An acts as a payer, leveraging its over ten years of operational and management experience in insurance and health care industries.
- Over the past decade, Ping An has been building a health and senior care ecosystem in China with increasingly significant differential advantages including “online, in-store and home-delivered” service capabilities, wide coverage of hundreds of health and senior care service resources, and access to high-quality proprietary resources. This is very important for quality assurance purposes. Ping An had approximately 50,000 in-house doctors and contracted external doctors as of June 30, 2024. Moreover, Ping An partnered with over 36,000 hospitals (including all top 100 hospitals and 3A hospitals in China), over 104,000 health care management institutions, and approximately 233,000 pharmacies as of June 30, 2024.
- Ping An’s health and senior care ecosystem is creating both standalone direct value and also significant indirect value by empowering our core financial businesses through differentiated “Product + Service” offerings. More than 63% of Ping An’s 236 million retail customers used services from the health and senior care ecosystem as of June 30, 2024. They held approximately 3.36 contracts and RMB57,500 in AUM per capita, 1.6 times and 3.8 times those held by non-users of these services respectively.

“HEALTH AND SENIOR CARE ECOSYSTEM” STRATEGY

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

China’s per capita health expenditure⁽¹⁾ is over RMB5,400 (versus Japan’s approximately RMB28,000 and Singapore’s approximately RMB26,000), indicating huge room for growth. In addition, China’s elderly population⁽²⁾ exceeded 210 million in 2023 (and is forecast to be over 300 million by 2035), larger than Japan’s about 37.44 million and Singapore’s about 0.95 million, indicating significant room for the development of China’s medical resources supply. Ping An’s health and senior care ecosystem builds its service moat on three fronts, developing the Chinese “managed care model” by seamlessly combining differentiated health and senior care services with financial businesses in which Ping An acts as a payer to create unique business models:

- Firstly, Ping An's health and senior care ecosystem generates revenue as the Group's internal service provider by empowering retail financial customers of the Group's members including Ping An Life and Ping An Bank;
- Secondly, Ping An's health and senior care ecosystem generates revenue by offering employee health management services to corporate clients via integration with employee benefit products of companies including Ping An P&C, Ping An Annuity and Ping An Health Insurance; and
- Thirdly, Ping An's health and senior care ecosystem generates long-term revenue by developing an online flagship medical platform and proprietary medical institutions to meet domestic mid-market and high-end customers' health and senior care needs.

Notes: (1) Per capita health expenditure for 2021. Data on China is from the database of the National Bureau of Statistics of China. Data on Japan and Singapore is from the World Bank's database and estimated in RMB.
 (2) Elderly population data on China is from the database of the National Bureau of Statistics of China and the *Research Report on Aging in China 2023*. Elderly population data on Japan and Singapore is from the World Bank's database.

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

“HEALTH AND SENIOR CARE ECOSYSTEM” PROGRESS

Payers:

Ping An made significant progress in both retail and corporate customer development by effectively integrating insurance with health and senior care services. Ping An's health and senior care ecosystem had over 67 thousand paying corporate clients in the first half of 2024. Ping An Health had approximately 40 million paying users over the 12 months ended June 30, 2024. Ping An achieved over RMB70 billion in health insurance premium income, and customers entitled to service benefits in the health and senior care ecosystem accounted for over 68% of Ping An Life's NBV in the first half of 2024.

“Finance + health care”:

- **For mid-market and high-end retail customers,** Ping An provides “heartwarming services” by focusing on “insurance + health” products. Nearly 16 million customers of Ping An Life used services from the health and senior care ecosystem in the first half of 2024. Notably, nearly 70% of Ping An Life's newly-enrolled customers used health management services in the first half of 2024. The chronic disease prevention and control function served approximately 1.60 million users as of June 30, 2024, with a quarterly outcome within-range rate of 80% and a service satisfaction degree of 99%.
- **For large and medium-sized corporate clients,** Ping An provides employee health management services featuring comprehensive benefits, premium services and high cost-effectiveness via “commercial insurance + health care fund + health care service” products. Over 67 thousand corporate clients and their nearly 27 million employees were served in the first half of 2024.

“Finance + senior care services”:

- Ping An prioritizes the development of “insurance + home-based senior care” and “insurance + high-end senior care” products, providing convenient, premium senior care services up to international standards for middle- and high-income and ultra-high-net-worth customers. Ping An rolled out 602 ten-dimensional home-based senior care service benefits as of June 30, 2024, with over 120 thousand customers entitled to such benefits.

Membership manager:

- Ping An maintains exclusive health records for customers, and provides membership-based health and senior care services via family doctors and senior care concierges. Ping An guides members through an end-to-end “online, in-store and home-delivered” service network covering consultation, diagnosis, treatment and services under AI-enabled 24/7 seconds-level management.

Health and Senior Care as a New Driver of Value Growth

Providers:

- **In respect of proprietary flagships:** PKU Healthcare Group's revenue has continued to grow, driven by its robust operations and faster development since its takeover by Ping An in 2021. PKU Healthcare Group's revenue reached approximately RMB2.52 billion in the first half of 2024. Peking University International Hospital continuously strengthened discipline development, streamlined operations management, and comprehensively improved patient services. Peking University International Hospital's revenue exceeded RMB1.13 billion in the first half of 2024. Outpatient visits reached approximately 600 thousand, and the number of available beds reached a record high of 1,250 in the first half of 2024. Ping An had five general hospitals, one rehabilitation hospital, one cardiovascular and cerebrovascular hospital, 17 health management centers and 10 children's rehabilitation centers as of June 30, 2024.

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

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

- **In respect of partner networks:** Ping An provides services via an "online, in-store, and home-delivered" service network by integrating domestic and overseas premium resources including medical services, health services, commodities and medicines. Ping An had about 50,000 in-house doctors and contracted external doctors in China as of June 30, 2024. Ping An partnered with over 36,000 hospitals (including all top 100 hospitals and 3A hospitals), over 104,000 health care management institutions and approximately 233,000 pharmacies (nearly 35% of all pharmacies, up by over 2,500 year to date) in China as of June 30, 2024. Moreover, Ping An launched 602 ten-dimensional home-based senior care service benefits as of June 30, 2024. Overseas, Ping An partnered with over 1,300 health care institutions in 35 countries across the world as of June 30, 2024, including 8 of global top 10 and 54 of global top 100⁽¹⁾.

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

In addition, Ping An continuously advances healthtech R&D. As of June 30, 2024, Ping An had one of the world's largest health care databases, enabled precise diagnosis of nearly 5,000 diseases, and proactively built a leading remote consultation and treatment platform. In this way, Ping An effectively supports sustainable development of the health and senior care ecosystem by building technological capabilities in a forward-looking manner.

POSITIVE RESULTS FROM A PROPRIETARY “HEALTH AND SENIOR CARE ECOSYSTEM”

Ping An’s proprietary health and senior care ecosystem provides customers with excellent, efficient service experience. Ping An has built up a strong reputation by providing excellent, efficient and convenient services through the health and senior care ecosystem, enhancing its brand image by word of mouth. For instance, Ping An Health has established an online consultation and treatment platform which covers nine medical specialties including dermatology, pediatrics and traditional Chinese medicine. Patients can see a doctor remotely on a 24/7 basis and get responses within 60 seconds by means of images, texts, speeches, videos and so on, without a need to queue offline. For difficult and complicated diseases, remote consultations can be conducted. Moreover, Ping An Health helps users prevent diseases by maintaining health records for them and carrying out regular clinical follow-ups. There has been no major health care incident since the online specialty consultation and treatment platform was established, with five-star monthly reviews from over 98% of users.

Ping An’s health and senior care ecosystem empowers its core financial businesses through customer acquisition and retention. Synergies between integrated finance and the health and senior care ecosystem give Ping An Health and PKU Healthcare Group access to corporate and retail customers of Ping An’s financial businesses. Moreover, they also give companies including Ping An Life access to service benefits in the Group’s health and senior care ecosystem. Over 63% of Ping An’s 236 million retail customers used services from the health and senior care ecosystem as of June 30, 2024. They held approximately 3.36 contracts and RMB57,500 in AUM per capita, 1.6 times and 3.8 times those held by non-users of these services respectively.

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

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

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

Analysis of Embedded Value

- EV of L&H rose 10.3% year to date to RMB916,230 million as of June 30, 2024, with an annualized operating ROEV of 15.4%.
- NBV of L&H amounted to RMB22,320 million in the first half of 2024, up 11.0% year on year.

KEY INDICATORS

(in RMB million)	For the six months ended June 30, 2024/ June 30, 2024	For the six months ended June 30, 2023/ December 31, 2023	Change (%)
L&H EV ⁽¹⁾	916,230	830,974	10.3
L&H operating ROEV ⁽²⁾ (annualized, %)	15.4	14.4	1.0 pps
L&H value of first half year's new business after cost of capital (NBV) ⁽¹⁾	22,320	20,112	11.0
Long-run investment return assumption (%)	4.5	4.5	-
Risk discount rate (%)	9.5	9.5	-

Notes: (1) NBV and EV for both the current period and the same period last year are based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate (9.5%).

(2) Operating ROEV in the first half of 2023 is based on a 5% long-run investment return and an 11% risk discount rate.

ANALYSIS OF EMBEDDED VALUE

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

In accordance with the related provisions of the *Rules for the Compilation of Information Disclosures by the Companies Offering Securities to the Public (No. 4) - Special Provisions on Information Disclosures by Insurance Companies*, the Company has engaged Ernst & Young (China) Advisory Limited to review the reasonableness of the methodology, assumptions and calculation results of the Company's analysis of embedded value as of June 30, 2024.

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

The *Standards for Actuarial Practice: Valuation Standard for Embedded Value of Life Insurance* (the "Standards") issued by the China Association of Actuaries became effective in November 2016. The Company has disclosed the interim embedded value for 2024 in accordance with the Standards and China Risk Oriented Solvency System ("C-ROSS").

Components of Economic Value

(in RMB million)	June 30, 2024	December 31, 2023
L&H adjusted net asset value (ANA)	460,634	384,510
Value of in-force insurance business before cost of capital	564,595	550,593
Cost of capital	(108,999)	(104,128)
L&H EV	916,230	830,974
Other business ANA	559,878	559,152
Group EV	1,476,108	1,390,126

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

(in RMB million)	June 30, 2024	December 31, 2023
Value of one year's new business	37,980	37,614
Cost of capital	(4,693)	(6,534)
Value of one year's new business after cost of capital	33,288	31,080
Value of first half year's new business after cost of capital	22,320	20,112

Notes: (1) NBV for both the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate (9.5%).
(2) Figures may not match the calculation due to rounding.

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

Key Assumptions

The assumptions used in the embedded value calculation as at June 30, 2024 have been made on a "going concern" basis, assuming continuation of the economic and legal environment currently prevailing in China. The calculation is in line with the Standards and capital requirement under C-ROSS. Certain portfolio assumptions are based on the Company's own recent experience as well as considering the more general China market and other life insurance markets' experience. The principal bases and assumptions used in the calculation are described below:

1. Risk discount rate

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

2. Investment return

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

Analysis of Embedded Value

3. Taxation

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

4. Mortality

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

5. Other incident rates

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

6. Discontinuance

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

7. Expense

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

8. Policyholder dividend

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

New Business Value

The new business volumes measured at FYP and NBV by segment for the first half of 2024 are as follows:

For the six months ended June 30 (in RMB million)	FYP used to calculate New Business Value			New Business Value		
	2024	2023	Change (%)	2024	2023	Change (%)
Retail business	75,920	95,375	(20.4)	22,209	19,909	11.5
Agency	54,821	72,639	(24.5)	18,106	16,340	10.8
Bancassurance	11,746	14,342	(18.1)	2,641	2,251	17.3
Community Grid, tele and others	9,353	8,395	11.4	1,462	1,318	10.9
Group business	16,298	18,526	(12.0)	111	203	(45.3)
Total	92,218	113,901	(19.0)	22,320	20,112	11.0

Notes: (1) NBV for both the current period and the same period last year is based on the end-2023 long-run investment return assumption (4.5%) and risk discount rate (9.5%).
(2) Community Grid, tele and others include Community Grid, telemarketing and Ping An Health Insurance's retail business.
(3) The differences between FYP used to calculate NBV and FYP disclosed in Management Discussion and Analysis ("MD&A") are explained in the appendix.
(4) Figures may not match the calculation due to rounding.

The NBV margin by segment is as follows:

For the six months ended June 30	Based on FYP (%)		Based on ANP (%)	
	2024	2023	2024	2023
Retail business	29.3	20.9	36.0	29.3
Agency	33.0	22.5	40.0	32.8
Bancassurance	22.5	15.7	36.3	22.1
Community Grid, tele and others	15.6	15.7	15.1	16.7
Group business	0.7	1.1	0.9	1.5
Total	24.2	17.7	29.9	24.8

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

Analysis of Embedded Value

Embedded Value Movement

The table below shows how the Company's embedded value changed from the opening balance of RMB1,390,126 million as of December 31, 2023 to the closing balance of RMB1,476,108 million as of June 30, 2024.

For the six months ended June 30
(in RMB million)

		2024	Note
L&H Opening EV	[1]	830,974	
Expected return on opening EV	[2]	28,490	
Including: Unwinding of in-force value		21,645	In-force and NBV unwind at the 9.5% risk discount rate
ANA return		6,845	
NBV post-risk diversification benefits	[3]	26,087	
Including: NBV pre-risk diversified		22,320	Reported NBV based on a cost of capital calculated at policy level
Diversification effects within new business		1,537	Diversification within new business lowers cost of capital
Diversification effects with in-force		2,231	Diversification between new business and in-force lowers cost of capital
Operating assumptions and model changes	[4]	(31)	
Operating variances and others	[5]	9,568	Favorable operating experience, mostly from variance in mortality spread gain
L&H EV operating profit	[6]=[2+...+5]	64,114	
Economic assumptions changes	[7]	-	
Market value adjustment	[8]	13,436	Change in market value adjustment of free surplus during the Reporting Period
Investment return variance	[9]	7,940	
Non-operating one-off item and others	[10]	-	
L&H EV profit	[11]=[6+...+10]	85,490	
Shareholder dividends		(323)	Dividends upstreamed from Ping An Health Insurance to the Company
Employee stock ownership plan		89	L&H's Long-term Service Plan and Key Employee Share Purchase Plan, as well as the offset effect for the amortization during the Reporting Period
L&H Closing EV		916,230	
Other business opening ANA		559,152	
Operating profit of other business		23,826	
Non-operating profit of other business		182	Revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company
Market value adjustment and other variance		3,691	
Other business closing ANA before capital changes		586,851	

For the six months ended June 30
(in RMB million)

	2024	Note
Dividends received	323	Dividends upstreamed from Ping An Health Insurance to the Company
Dividends paid	(27,161)	Dividends paid by the Company to shareholders
Employee stock ownership plan	(135)	Long-term Service Plan and Key Employee Share Purchase Plan, as well as the offset effect for the amortization during the Reporting Period
Other business closing ANA	559,878	
Closing group EV	1,476,108	
Closing group EV per share (in RMB)	81.06	

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

EV operating profit of L&H in the first half of 2024 was RMB64,114 million, mainly comprised of the NBV and expected return on opening EV.

For the six months ended June 30
(in RMB million)

		2024	2023
L&H EV operating profit	[6]	64,114	63,155
L&H operating ROEV ⁽¹⁾ (unannualized, %)	[12]=[6]/[1]	7.7	7.2
L&H operating ROEV ⁽¹⁾ (annualized, %)	[13]=[12]*2	15.4	14.4

Notes: (1) Operating ROEV in the first half of 2023 is based on a 5% long-run investment return and an 11% risk discount rate.
(2) Figures may not match the calculation due to rounding.

SENSITIVITY ANALYSIS

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

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

Analysis of Embedded Value

Sensitivity to Key Assumptions

(in RMB million)

	Group EV	L&H EV	NBV
Base case	1,476,108	916,230	33,288
Investment return increased by 50 bps per annum	1,587,690	1,027,812	40,089
Risk discount rate increased by 50 bps per annum	1,454,319	894,441	31,880
Investment return decreased by 50 bps per annum	1,364,626	804,748	26,461
Risk discount rate decreased by 50 bps per annum	1,499,875	939,997	34,784
10% increase in mortality, morbidity and accident rates	1,449,114	889,237	30,636
10% increase in policy discontinuance rates	1,474,454	914,576	32,860
10% increase in maintenance expenses	1,472,365	912,487	33,066
5% increase in the policyholders' dividend payout ratio	1,467,641	907,764	33,139
10% decrease in the fair value of equity assets	1,449,373	895,914	N/A

ANALYSIS OF OPERATING PROFIT

This section contains the Group Operating Profit and Operating ROE, and Source of Earning and Contractual Service Margin Analysis of L&H. The Company has engaged Ernst & Young (China) Advisory Limited to review the reasonableness of the methodology and the calculation results of the Analysis of Operating Profit for the first half of 2024.

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

Operating Profit of the Group

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

- Short-term investment variance applies to Life & Health business excluding the part subject to the VFA⁽¹⁾. This short-term investment variance is the variance between the actual investment return on the aforesaid business and the embedded value long-run investment return assumption. Net of the short-term investment variance, the investment return on the aforesaid Life & Health business is locked at 4.5%⁽²⁾. Debt investments at fair value through other comprehensive income backing such business are measured at cost;
- The impact of one-off material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses. Such impact in the first half of 2024 and the first half of 2023 comprised the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company.

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

(2) Operating profit for the current period and the same period last year is calculated based on the end-2023 long-run investment return assumption (4.5%).

The Group's operating profit after tax attributable to shareholders of the parent company in the first half of 2024 was RMB78,482 million, down 0.6% year on year, with an annualized operation ROE of 16.4%. L&H operating profit after tax attributable to shareholders of the parent company was RMB54,657 million, up 0.7% year on year, with an annualized operation ROE of 29.4%.

Operating profit after tax attributable to shareholders of the parent company

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

	The Group		L&H	
	2024	2023	2024	2023
For the six months ended June 30 (in RMB million)				
Operating profit attributable to shareholders of the parent company	78,482	78,950	54,657	54,288
Operating profit attributable to non-controlling interests ⁽¹⁾	14,117	13,647	1,644	1,276
Operating profit [1]	92,599	92,597	56,301	55,564
Plus:				
Short-term investment variance of L&H ⁽²⁾	[2] (4,078)	(9,229)	(4,078)	(9,229)
Impact of one-off material non-operating items and others ⁽²⁾	[3] 182	58	-	-
Net profit [4]=[1+2+3]	88,704	83,426	52,224	46,335
Net profit attributable to shareholders of the parent company	74,619	69,841	50,612	45,121
Net profit attributable to non-controlling interests	14,085	13,585	1,612	1,214

Notes: (1) Operating profit attributable to non-controlling interests = net profit attributable to non-controlling interests in the consolidated financial statements - (1 - proportion of shares held by the Company) * the above adjusted items.

(2) The short-term investment variance is based on the long-run investment return assumption (4.5%), and data for the comparative period has been retrospectively adjusted as per the adjusted investment return assumption. The short-term investment variance and impact of one-off material non-operating items and others set out above are net of tax.

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

Analysis of Embedded Value

For the six months ended June 30
(in RMB million)

	2024	2023	Change (%)
Life and health insurance business	54,657	54,288	0.7
Property and casualty insurance business	9,909	9,242	7.2
Banking business	14,999	14,714	1.9
Asset management business	1,296	1,412	(8.2)
Technology business	291	1,735	(83.2)
Other businesses and elimination	(2,670)	(2,441)	9.4
The Group	78,482	78,950	(0.6)

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

Operating ROE (annualized)

For the six months ended June 30
(%)

	2024	2023	Change (pps)
Life and health insurance business	29.4	33.6	(4.2)
Property and casualty insurance business	15.2	15.2	-
Banking business	11.9	12.7	(0.8)
Asset management business	2.8	2.4	0.4
Technology business	0.6	3.6	(3.0)
Other businesses and elimination	N/A	N/A	N/A
The Group	16.4	17.6	(1.2)

Operating equity attributable to shareholders of the parent company

(in RMB million)

	June 30, 2024	December 31, 2023	Change (%)
Life and health insurance business ⁽¹⁾	400,492	344,892	16.1
Property and casualty insurance business	134,882	124,647	8.2
Banking business	250,307	244,777	2.3
Asset management business	92,407	92,836	(0.5)
Technology business	93,683	97,250	(3.7)
Other businesses and elimination	(748)	13,090	N/A
The Group⁽¹⁾	971,023	917,492	5.8

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

Source of Earning and Residual Margin Analysis of L&H

The breakdown by source of earnings of L&H operating profit has been shown as below:

For the six months ended June 30
(in RMB million)

		2024	2023
Insurance service result and others	[1]= [2]+ [5]+ [8]	47,047	48,115
Release of CSM	[2]	36,529	38,665
CSM release base	[3]	810,928	856,159
CSM release rate (annualized, %)	[4]=[2]/[3]*2	9.0	9.0
Change in risk adjustment for non-financial risk	[5]	3,438	3,025
Opening risk adjustment	[6]	157,162	142,249
Risk adjustment release rate (annualized, %)	[7]=[5]/[6]*2	4.4	4.3
Operating variances and others	[8]	7,079	6,425
Investment service result⁽¹⁾	[9]	15,085	13,460
Operating profit before tax	[10]=[1]+[9]	62,132	61,575
Income tax	[11]	(5,831)	(6,012)
Operating profit	[12]=[10]+[11]	56,301	55,564

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

As of June 30, 2024, the contractual service margin of life and health insurance business was RMB774,399 million. The movement of L&H contractual service margin in the first half of 2024 is presented below:

For the six months ended June 30
(in RMB million)

		2024	2023	Note
Opening CSM	[1]	768,440	818,683	
Contribution from new business ("New Business CSM")	[2]	23,737	27,157	
Present value of expected premiums from new business sold	[3]	229,530	257,100	
New business CSM margin (%)	[4]= [2]/[3]	10.3	10.6	
Expected interest growth	[5]	11,802	12,445	
Changes in estimates that adjust CSM ⁽¹⁾	[6]	1,472	(7,840)	Mainly due to continuation rate improvement and the increase in insurance protection fund rates last year.
Changes in financial risks of insurance contracts subject to the VFA	[7]	5,478	5,713	
CSM release base	[8]= [1]+[2]+[5]+[6]+[7]	810,928	856,159	
Release of CSM	[9]=X%*[8]	(36,529)	(38,665)	
Closing CSM	[10]=[8]+[9]	774,399	817,494	

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

Analysis of Embedded Value

Appendix

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

For the six months
ended June 30, 2024
(in RMB million)

	FYP used to calculate NBV	FYP disclosed in MD&A	Difference	Reasons
Retail business	75,920	117,760	(41,840)	The FYP disclosed in MD&A includes survival benefits and dividends transferred into universal insurance accounts as premiums of products sold in previous periods, while the FYP used to calculate NBV excludes them.
Group business	16,298	12,383	3,915	In compliance with current accounting standards, group investment contracts are not included in FYP disclosed in MD&A, but included in FYP used to calculate value of new business due to their contribution to value of new business.
Total of L&H	92,218	130,143	(37,925)	

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

Liquidity and Capital Resources

- Ping An's comprehensive solvency margin ratio and core solvency margin ratio under the C-ROSS Phase II were 208.8% and 164.9% respectively as of June 30, 2024, both well above regulatory requirements.
- Free cash of the parent company remained reasonable at RMB45,835 million as of June 30, 2024.
- As approved by the Board of Directors, Ping An will pay an interim dividend of RMB0.93 per share in cash for 2024.

OVERVIEW

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

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

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

(in RMB million)	June 30, 2024	December 31, 2023	Change (%)
Total assets	12,226,666	11,583,417	5.6
Total liabilities	10,961,716	10,354,453	5.9
Total liabilities to total assets ratio (%)	89.7	89.4	0.3 pps

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

CAPITAL STRUCTURE

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

Liquidity and Capital Resources

The following table shows the balances of capital bonds issued by the Group and main subsidiaries as of June 30, 2024:

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

FREE CASH OF THE PARENT COMPANY

Free cash of the parent company includes bonds, bank deposits and cash equivalents that the parent company holds. Free cash of the parent company is mainly invested in subsidiaries or used for daily operations or dividend distribution. Free cash of the parent company remained reasonable at RMB45,835 million as of June 30, 2024.

For the six months ended June 30
(in RMB million)

Opening balance of free cash	37,407
Dividends from subsidiaries	9,489
Dividends paid out to shareholders	-
Others	(1,061)
Closing balance of free cash	45,835

The major free cash inflows were the dividends of RMB9,489 million from subsidiaries as detailed below:

For the six months ended June 30
(in RMB million)

	2024
Ping An Bank	6,916
Ping An Financial Leasing	556
Ping An Trust	1,205
Ping An Securities	492
Ping An Health Insurance	320
Total	9,489

DIVIDEND DISTRIBUTION

According to Article 216 of the *Articles of Association*, the Company shall attach importance to reasonable investment returns to investors in terms of profit distribution. The profit distribution policy of the Company shall maintain its continuity and stability. The accumulated profit to be distributed in cash for the past three years shall not be less than 30% of the average yearly distributable profit realized in the past three years, provided that the annual distributable profit of the Company (namely the profit after tax of the Company after covering losses and making contributions to the revenue reserve) is positive in value and such distributions are in compliance with prevailing laws and regulations and the requirements of regulatory authorities for solvency margin ratios. In determining the specific cash dividend payout ratio, the Company shall consider its profitability, cash flows, solvency position, and operational and business development needs. The Board of Directors of the Company is responsible for formulating and implementing a profit distribution proposal in accordance with the *Articles of Association*. The Board of Directors will ensure the continuity and stability of the profit distribution policy so that the Group can seize opportunities for future growth while maintaining financial flexibility. As approved by the Board of Directors, Ping An will pay an interim dividend of RMB0.93 per share (tax inclusive) in cash for 2024.

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

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

Notes: (1) For 2022, the cash dividend payout ratio based on restated operating profit attributable to shareholders of the parent company was 29.8%, and the cash dividend payout ratio based on restated net profit attributable to shareholders of the parent company (inclusive of share repurchases) was 40.5%.

(2) Cash dividend per share includes the interim dividend and final dividend for the year. Pursuant to the *Shanghai Stock Exchange's Guidelines for Self-regulation of Listed Companies No.7 - Repurchase of Shares* promulgated by the SSE, the Company's A shares in the Company's repurchased securities account are not entitled to dividend distribution.

CAPITAL ALLOCATION

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

Liquidity and Capital Resources

GROUP SOLVENCY MARGIN

Ping An Group's solvency margin ratios were significantly above the regulatory requirements as of June 30, 2024. Stable solvency margin ratios ensure that the Company meets capital requirements specified by external institutions including regulators and rating agencies, and support the Company in developing business and continuously creating value for shareholders.

(in RMB million)	June 30, 2024	December 31, 2023
Core capital	1,381,483	1,320,654
Actual capital	1,749,657	1,714,110
Minimum capital	837,981	823,985
Core solvency margin ratio (%)	164.9	160.3
Comprehensive solvency margin ratio (%)	208.8	208.0

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

Test results showing the impacts of declines in interest rates and equity assets on solvency margin ratios of Ping An Group, Ping An Life, and Ping An P&C as at June 30, 2024 are disclosed below:

June 30, 2024	Core solvency margin ratio			Comprehensive solvency margin ratio		
	Ping An Group	Ping An Life	Ping An P&C	Ping An Group	Ping An Life	Ping An P&C
Base case	164.9%	123.6%	181.9%	208.8%	208.8%	205.0%
50 bps decline in current interest rates	161.2%	112.7%	183.2%	203.8%	194.7%	206.4%
10% decrease in fair value of equity assets	160.7%	115.6%	179.7%	205.8%	204.1%	203.0%

LIQUIDITY RISK MANAGEMENT

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

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

CASH FLOW ANALYSIS

For the six months ended June 30

(in RMB million)

	2024	2023	Change (%)
Net cash flows from operating activities	304,883	162,297	87.9
Net cash flows from investing activities	(148,497)	(37,876)	292.1
Net cash flows from financing activities	(155,035)	(104,160)	48.8

Net cash inflows from operating activities increased year on year mainly due to an increase in cash inflows from Ping An Bank's deposits and bond borrowing/lending, a decrease in cash outflows from loans and advances, and an increase in cash outflows from financial assets held for trading.

Net cash outflows from investing activities increased year on year mainly due to an increase in net cash outflows from Ping An Life's investing activities.

Net cash outflows from financing activities increased year on year mainly due to an increase in cash paid by Ping An Bank to repay interbank certificates of deposit and tier 2 capital bonds.

CASH AND CASH EQUIVALENTS

(in RMB million)

	June 30, 2024	December 31, 2023	Change (%)
Cash	356,658	317,130	12.5
Bonds of original maturities within 3 months	12,768	3,995	219.6
Financial assets purchased under reverse repurchase agreements of original maturities within 3 months	113,282	159,347	(28.9)
Total	482,708	480,472	0.5

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

Sustainability

- Ping An continuously serves the real economy by leveraging its integrated finance advantages. Ping An cumulatively invested nearly RMB9.46 trillion as of June 30, 2024 to bolster the real economy.
- Ping An contributes to China's carbon peak and neutrality goals by upgrading its green finance initiative. Ping An's green investment of insurance funds totaled RMB124,877 million, and green loan balance reached RMB164,634 million as of June 30, 2024. Green insurance premium income totaled RMB23,605 million in the first half of 2024.
- Ping An actively promotes rural vitalization by supporting industries, health care and education. Ping An provided RMB17,024 million for rural industrial vitalization through "Ping An Rural Communities Support" in the first half of 2024.

SUSTAINABLE STRATEGIC MANAGEMENT

Sustainable development is Ping An's development strategy as well as the basis for maximizing the Company's long-term value. Based on sustainability-related planning, Ping An carried out related work around 13 key initiatives in an orderly manner, and completed the work review for the first half of 2024.

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

- Strategy: The Board of Directors and its Strategy and Investment Committee oversee all ESG issues, in charge of the Company's sustainability-related strategic planning, risk management, policy making, performance review and so on.
- Management: The Sustainable Development Committee under the Group Executive Committee supervises the practice management of green finance, rural vitalization and other key ESG initiatives, external communications for the Company's sustainability issues and so on.

- Execution: The Group ESG Office works with the Group's various functional centers as execution task forces to coordinate sustainability work within and outside the Group.
- Practice: A matrix consisting of the Group's functional units and member companies is responsible for ESG practices.

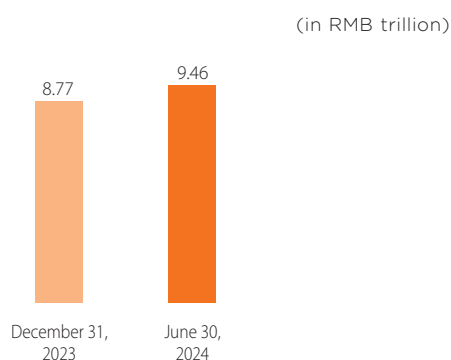
In addition, Ping An's member companies, including Ping An Life, Ping An P&C, Ping An Annuity, Ping An Health Insurance, Ping An Bank and Ping An Asset Management, have all established sustainability-related committees or task forces responsible for the development and implementation of relevant plans.

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

SUPPORT FOR REAL ECONOMY

Ping An continuously serves the real economy by leveraging its integrated finance advantages. Ping An cumulatively invested nearly RMB9.46 trillion as of June 30, 2024 to bolster the real economy. Ping An P&C provided over RMB4.3 trillion worth of insurance coverage for over 1,700 key engineering projects across China as of June 30, 2024. Moreover, Ping An provided over RMB1.5 trillion worth of insurance coverage for public facilities in 127 countries and regions under the Belt and Road Initiative as of June 30, 2024. Ping An Asset Management cumulatively invested over RMB1.5 trillion directly in the real economy as of June 30, 2024 to serve national strategies through debt investment plans, asset funding plans, insurance private equity funds and so on, including over RMB27 billion invested in the first half of 2024.

Cumulative investments supporting real economy



In respect of inclusive finance, Ping An provides credit, insurance and other financial services for key customer segments such as small and micro-enterprises and new urban citizens via member companies including Ping An P&C, Ping An Bank and Lufax Holding. Ping An conducted the “Month of Inclusive Finance” campaign under the theme of “Inclusive Financial Services Benefiting Enterprises and Households” in March 2024 to meet various sectors’ and groups’ demands with dedicated innovative product solutions. During the campaign, Ping An communicated inclusive finance policies via its branches nationwide, and conducted extensive demand surveys and business communications by holding 7,142 exchange events which reached 31,416 market entities. Ping An Bank cumulatively provided inclusive loans for over 888,500 small and

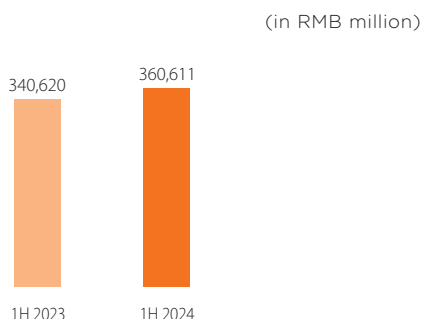
micro-enterprises, with a loan balance of about RMB515,051 million as of June 30, 2024. Lufax Holding cumulatively served about 23.17 million customers, with a facilitated loan balance of RMB235.2 billion. Ping An P&C provided over RMB90 trillion worth of comprehensive insurance coverage for nearly 1.43 million small and micro-enterprises, and cumulatively paid over 170,000 claims totaling over RMB760 million as of June 30, 2024.

SUSTAINABLE INSURANCE

Ping An continuously advances the R&D and promotion of sustainable insurance products. In respect of green insurance, Ping An focuses on developing products and services in areas including green industries, green living and ecological agriculture to facilitate comprehensive green transformation of the economy and society. These products and services include chemical battery attenuation compensation liability insurance and arable land productivity index insurance. In respect of social insurance, Ping An increases support for people’s livelihoods and meets diverse needs of social development by launching products including scientific research project R&D expense insurance, “e Hui Bao” million-cover insurance, and children’s tax-credit long-term medical insurance. In respect of inclusive insurance, Ping An constantly innovates insurance products and upgrades services to develop inclusive insurance products for small and micro-enterprises, agricultural workers, “new urban citizens” and groups with special needs, providing risk protection for their business development, production, operations, employment and livelihoods. Ping An had launched 8,708 sustainable insurance products as of June 30, 2024. Premium income of sustainable insurance increased 5.9% year on year to RMB360,611 million in the first half of 2024.

Sustainability

Premium income of sustainable insurance



For the six months ended June 30
(in RMB million)

	2024	2023
Premium income of sustainable insurance	360,611	340,620
Including: Green insurance ⁽¹⁾	23,605	17,735
Social insurance ⁽²⁾	327,638	312,506
Inclusive insurance ⁽³⁾	9,368	10,379

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

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

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

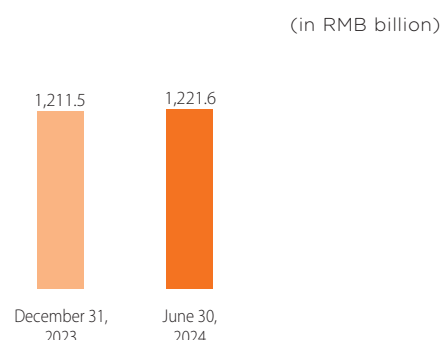
RESPONSIBLE BANKING

Ping An promotes economic development, social progress and environmental improvement via responsible banking. Ping An embeds the sustainability philosophy and the ESG risk management philosophy in banking business development and operations to actively support various economic activities with environmental and social benefits. Ping An Bank formulated and published the *Environmental (Climate), Social and Governance Risk Management Procedure for Corporate Credit Customers*, and developed and operated the “ESG (Including Climate) Risk

Assessment and Classification System” in the first half of 2024. By doing so, Ping An Bank realized bank-wide ESG (including climate) risk management of corporate credit customers in all credit management processes before, during and after lending.

The scale of Ping An’s responsible banking business grew by 0.8% year to date to RMB1.22 trillion as of June 30, 2024, including RMB179,069 million in green banking business⁽¹⁾ (including a green loan balance of RMB164,634 million), RMB689.6 billion in inclusive banking business⁽²⁾ and RMB353.0 billion in social banking business⁽³⁾.

Scale of responsible banking business



Notes: (1) Green banking business includes the issuance and underwriting of green loans, green bonds, green trust loans, green leasing, green asset securitization and so on. The statistics are based on the *Special Statistical Rules on Green Loans*, the *Green Bond Endorsed Projects Catalog (2021 Edition)* and so on.

(2) Inclusive banking business includes banking services for small and micro-enterprises, agriculture, rural areas, farmers and so on. According to the *Notice on Promoting High-Quality Development of the Banking Industry’s Financial Services for Small and Micro-Enterprises in 2018* issued by the General Office of the former China Banking Regulatory Commission, loans to small and micro-enterprises refer to inclusive loans to small and micro-enterprises that are each subject to a credit limit of RMB10 million or less. Agriculture-related loans are defined in accordance with the *Special Statistical Rules on Agriculture-related Loans*. This indicator includes related businesses of Ping An Bank and Ping An Financial Leasing.

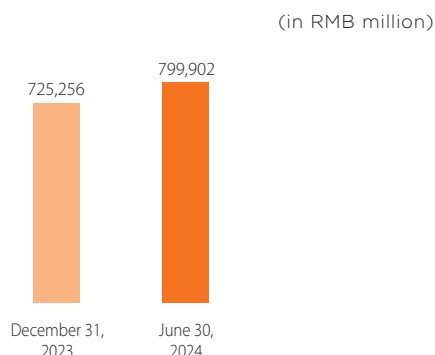
(3) Social banking business includes Ping An Bank’s loans for infrastructure construction, pharmaceutical and health care sectors, education and culture, and rural vitalization as well as related businesses of Ping An Trust and Ping An Financial Leasing.

RESPONSIBLE INVESTMENT

Leveraging the long-term advantage of insurance funds, Ping An has incorporated ESG requirements into its investment decision-making processes to promote economic development, social progress and environmental improvement. Ping An has established a robust organizational structure and policies for responsible investment. In respect of investment process management, Ping An has incorporated ESG factors into investment due diligence, compliance review, investment approval management, contract drafting, investment fund disbursement management, and post-investment management.

Ping An's responsible investment of insurance funds⁽¹⁾ has amounted to RMB799,902 million as of June 30, 2024, including RMB124,877 million in green investment⁽²⁾, RMB652,562 million in social investment⁽³⁾, and RMB22,463 million in inclusive investment⁽⁴⁾.

Responsible investment of insurance funds



- Notes: (1) Responsible investment of insurance funds refers to investments with insurance funds of Ping An Life, Ping An P&C, Ping An Annuity, and Ping An Health Insurance. (2) Green investment includes specific industries and green themes such as environmental protection, clean energy, pollution control, and so on. (3) Social investment includes specific industries and social responsibility themes such as infrastructure construction, senior and health care, education and culture, and so on, with ESG ratings as selection criteria. (4) Inclusive investment includes specific industries and inclusive finance themes such as supporting agriculture, rural areas, and farmers, promoting rural vitalization, and improving conditions in housing and shantytowns.

RESPONSIBLE PRODUCTS

Ping An continuously develops diverse products to meet new customer needs for health and senior care. Ping An participates in the construction of elderly-friendly communities at multiple levels, enabling more people to benefit from health and senior care innovation and pension finance development. Ping An officially launched the "Ping An Concierge Senior Care Service Alliance" jointly with partners in March 2024 to continuously build its home-based senior care service system and help the elderly improve their home environment. Ping An upgraded its family doctor service brand "Ping An Family Doctor" in June 2024 by promising to provide users with proactive health management, effective chronic disease management and whole-course disease management in support of the systematization, standardization and high-quality development of "Internet + Family Doctor."

SUPPORTING RURAL VITALIZATION

Ping An proactively supports China's rural vitalization strategy, leveraging its advantages in "integrated finance + health and senior care" to continuously advance "Ping An Rural Communities Support." Focusing on "Village Industry, Village Doctor and Village Teacher" programs, Ping An supports rural vitalization in three key areas, namely industries, health care and education, by delivering insurance, finance and health care to rural areas. Ping An provided RMB17,024 million for industrial vitalization through financial services such as "revitalization insurance" and "agricultural loans" in the first half of 2024. Under the "Village Doctor Program" which promotes health care, Ping An upgraded 17 village clinics and provided 13 sessions of complimentary medical consultations in rural areas. Committed to education public welfare, Ping An launched the "Together with Hope" initiatives to provide one-on-one support and grants to financially-challenged hardworking rural students. Under the "Juvenile Science and Technology Literacy Enhancement" program, Ping An provided Ping An Hope Elementary Schools and other rural schools with a series of scenario-based courses, which were taken by learners 21,838 thousand times.

Sustainability

VOLUNTEER SERVICES

Ping An continuously conducted volunteer activities including first aid and disaster prevention/mitigation. The China Volunteer Service Federation designated Ping An as a “Caring for Your Health” volunteer training base in the first half of 2024. Under the “Ping An Guardian” initiative, the Ping An Volunteers Association held over 2,300 public welfare events and actively organized first aid training sessions in various places, reaching over 1,000 persons in the first half of 2024. Ping An conducted multiple public welfare initiatives on the “San Cun Hui” public welfare platform, and cumulatively sponsored over 600 “Beside You” public welfare initiatives, in which Ping An’s employees participated as volunteers over 3,330 times. The “San Cun Hui” public welfare platform had nearly 3.51 million registered users, including nearly 500 thousand employees and agents of Ping An as of June 30, 2024.

CONSUMER PROTECTION AND EXPERIENCE

Remaining customer needs-oriented, Ping An leverages its unique integrated finance advantages and constantly upgrades, optimizes and innovates its services to meet consumers’ diverse financial needs. Ping An launched “2024 Customer Listening Day” in May 2024 by coordinating efforts of its member companies including Ping An Life, Ping An P&C, Ping An Bank, Ping An Health, Ping An Health Insurance, and Ping An Securities. A series of events such as “front-line listening by senior executives” and “customer listening and survey at 1,000 outlets in 100 cities” were held to understand customer needs and facilitate “worry-free, time-saving, and money-saving” customer experience.

Ping An constantly explores digital measures to protect financial consumer rights. Ping An adopts a daily reporting mechanism for consumer rights protection, conducts training on consumer rights protection, and builds a knowledge base sharing platform to develop an internal culture of fair and honest consumer rights protection. All new junior employees finished their online courses on consumer rights protection as of June 30, 2024. Moreover, Ping An coordinated its member companies including Ping An Life, Ping An P&C, Ping An Bank, and Ping An Financial Leasing to carry out financial consumer education activities in the first half of 2024. These

activities aimed to promote consumers’ financial literacy and security awareness under an annual theme of “Protecting Rights and Preventing Risks via Financial Consumer Protection.” In addition, Ping An provides 24/7 customer services through a dedicated national service hotline 95511 and 24/7 complaint channels on platforms including its official websites and WeChat accounts. There were 338 million inbound calls via 95511 in the first half of 2024, with an average of about 1.86 million inquiries per day and a connection rate of 98.0%.

DEVELOPMENT AND WELFARE OF EMPLOYEES

Excellent talent is the primary productive force that drives the development of enterprises. Ping An builds a high-quality talent pool via systematic, planned and hierarchical selection and development of reserve talent as well as rational and standardized performance management. Ping An promotes the exchange and development of high-potential talent through actual practice, job rotation, and training. Ping An continuously optimizes diverse training resources and its smart learning platform to meet the learning and development needs of employees at all levels. Ping An fully implemented and promoted a “learning credit system” in the first half of 2024 to link employees’ learning outcomes with their career development. Moreover, Ping An proactively promoted a “learning passport” model, under which all employees received and used their learning passports as Ping An developed itself as a learning organization. Ping An upholds a principle of fair, equitable and transparent remuneration and continuously rationalizes and optimizes remuneration management to provide competitive remuneration. Meanwhile, Ping An establishes and improves long-term incentive and restraint mechanisms to retain key talent. In addition, Ping An provides diverse employee benefits to promote employees’ physical and mental health, creates various complaint and feedback channels and trade unions to actively protect employees’ rights and interests, and maintains a fair, equitable, harmonious and healthy work environment for employees. Ping An initiated the “Employee Listening Mailbox” program in the first half of 2024 to encourage employees to give suggestions on business development, products, brand culture, employee life and so on in a real-name manner or anonymously.

BUSINESS CODE OF CONDUCT

Adhering to its moral codes, Ping An continuously standardizes business conduct, employee conduct and product responsibilities, and effectively improves its management practices in line with the “Regulation +1” standard. All of Ping An’s employees received anti-corruption education as of June 30, 2024. In addition to business ethics, Ping An strictly complies with laws, regulations and industry norms regarding information security and AI governance, and always implements the Company’s information security norms to the highest standard possible. Moreover, Ping An focuses on the prevention and control of technology-related ethical risks in AI and other areas, promotes responsible innovation, and continuously improves internal control policies and processes to ensure operational compliance with laws and regulations.

CLIMATE CHANGE AND CARBON NEUTRALITY

Ping An proactively embraces challenges and opportunities from climate change by leveraging its integrated finance advantages. Ping An gives full play to green finance, advances green operations, and takes strong measures to support green development, contributing to China’s carbon peak and neutrality goals. In reducing operational carbon emissions, Ping An had 152 thousand employees covered by the carbon account, who cumulatively reduced carbon dioxide emissions 1,084 thousand times by 20,240 tons as of June 30, 2024. On this basis, the Group’s 1+N carbon account system not only supports its own operational carbon emission management internally, but also enables multiple businesses externally to provide individual and corporate clients with services related to green living and carbon emission management.

Changes in the Share Capital and Shareholders' Profile

CHANGES IN SHARE CAPITAL

There was no change in the total number of shares and shareholding structure of the Company during the six months ended June 30, 2024 (the "Reporting Period").

Unit: Shares	January 1, 2024		Changes during the Reporting Period					June 30, 2024	
	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	10,762,657,695	59.10	-	-	-	-	-	10,762,657,695	59.10
2. Domestically listed foreign shares	-	-	-	-	-	-	-	-	-
3. Overseas listed foreign shares	7,447,576,912	40.90	-	-	-	-	-	7,447,576,912	40.90
4. Others	-	-	-	-	-	-	-	-	-
Subtotal	18,210,234,607	100.00	-	-	-	-	-	18,210,234,607	100.00
III. Total number of shares	18,210,234,607	100.00	-	-	-	-	-	18,210,234,607	100.00

SHAREHOLDERS' INFORMATION

Number of Shareholders

Unit: Shareholder

June 30, 2024

Total number of shareholders	909,331 (including 905,085 domestic shareholders)
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Shareholdings of Top Ten Shareholders as at the End of the Reporting Period

Name of shareholder	Nature of shareholder ⁽¹⁾	Shareholding percentage (%)	Total number of shares held (shares)	Changes during the Reporting Period (shares)	Type of shares	Number of selling-restricted shares held (shares)	Number of pledged, marked or frozen shares (shares)
Hong Kong Securities Clearing Company Nominees Limited ⁽²⁾	Overseas legal person	38.26	6,966,786,564 ⁽³⁾	+100,965	H Share	-	Unknown
Shenzhen Investment Holdings Co., Ltd.	State-owned legal person	5.29	962,719,102	-	A Share	-	67,550,000 pledged shares
Hong Kong Securities Clearing Company Limited ⁽⁴⁾	Others	3.18	578,422,247	+92,633,107	A Share	-	-
China Securities Finance Corporation Limited	Others	3.01	547,459,258	-	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	2.52	459,466,189	-369,891	H Share	-	385,136,584 pledged shares
Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd. ⁽⁵⁾	Others	1.93	350,550,894	-355,869	A Share	-	-
Shum Yip Group Limited	State-owned legal person	1.42	257,728,008	-	A Share	-	-
Dacheng Fund - Agricultural Bank of China - Dacheng Zhongzheng Financial Asset Management Plan	Others	1.11	201,948,582	-	A Share	-	-
Huaxia Fund - Agricultural Bank of China - Huaxia Zhongzheng Financial Asset Management Plan	Others	1.10	199,511,462	-	A Share	-	-

- Notes: (1) Nature of the holders of A shares represents the nature of accounts held by the holders of A shares registered on the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
- (2) Hong Kong Securities Clearing Company Nominees Limited ("HKSCC Nominees Limited") is the nominee holder of the shares held by non-registered H shareholders of the Company.
- (3) Business Fortune Holdings Limited is an indirect wholly-owned subsidiary of CP Group Ltd., and the shares owned by Business Fortune Holdings Limited have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by Business Fortune Holdings Limited have been deducted from the shares held by HKSCC Nominees Limited.
- (4) The shares held by Hong Kong Securities Clearing Company Limited refer to the shares held by non-registered shareholders of the Northbound Trading of the Shanghai-Hong Kong Stock Connect Program.
- (5) Participants in the Long-term Service Plan of the Company are the employees of the Company and its subsidiaries. Over 140,000 employees have participated in the Long-term Service Plan cumulatively throughout the years. The source of funding is the remunerations payable to employees.
- (6) The above A shareholders do not participate in securities margin trading or securities lending.

Changes in the Share Capital and Shareholders' Profile

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 964,427,077 H shares of the Company, representing approximately 5.30% of the total share capital of the Company as of June 30, 2024, through Business Fortune Holdings Limited and other subsidiaries.

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

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

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

Particulars of Controlling Shareholder and De Facto Controlling Party

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

Directors, Supervisors, Senior Management and Employees

APPOINTMENT OR REMOVAL OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Gender	Age	Period of appointment
Guo Shibang ⁽¹⁾	Newly-appointed Senior Management	Male	59	Since March 2024
Yao Jason Bo ⁽²⁾	Retired Non-executive Director	Male	53	June 2009 - May 2024
Tan Sin Yin ⁽²⁾	Retired Non-executive Director	Female	47	April 2020 - May 2024

Notes: (1) Mr. Guo Shibang took office as an Assistant President and the Chief Risk Officer of the Company on March 26, 2024.
(2) Mr. Yao Jason Bo and Ms. Tan Sin Yin retired as Non-executive Directors of the Company on May 30, 2024.

SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Change in the Number of Shares Held in the Company

As of June 30, 2024, the interests of the Company's current Directors, Supervisors and senior management and those who vacated office during the Reporting Period in the Company's shares which shall be disclosed pursuant to the *Standard No. 3 Concerning the Contents and Formats of Information Disclosed by Listed Companies - The Contents and Formats of Interim Report* issued by the CSRC, were as follows:

Name	Capacity	H/A shares	Number of shares held at the beginning of the period	Number of shares held at the end of the period	Change (shares)	Reason for the change	Nature of interest	Percentage of total issued H/A shares (%)	Percentage of total issued shares (%)
Ma Mingzhe	Beneficial owner	A	2,524,802	2,922,749	+ 397,947	Key Employee Share Purchase Plan	Long position	0.02716	0.01605
Sun Jianyi	Beneficial owner	A	5,048,596	5,048,596	-	-	Long position	0.04691	0.02772
Xie Yonglin	Beneficial owner	A	942,767	1,320,296	+ 377,529	Key Employee Share Purchase Plan	Long position	0.01227	0.00725
Michael Guo	Beneficial owner	A	22,993	70,123	+47,130	Key Employee Share Purchase Plan	Long position	0.00065	0.00039
Cai Fangfang	Beneficial owner	A	477,260	617,741	+ 140,481	Key Employee Share Purchase Plan	Long position	0.00574	0.00339
Fu Xin	Beneficial owner	A	42,474	78,509	+ 36,035	Key Employee Share Purchase Plan	Long position	0.00073	0.00043
Yang Xiaoping	Beneficial owner	H	100,000	100,000	-	-	Long position	0.00134	0.00055
Wang Zhiliang	Beneficial owner	A	76,840	87,756	+ 10,916	Key Employee Share Purchase Plan	Long position	0.00082	0.00048
Huang Baoxin	Beneficial owner	A	114,707	136,744	+ 22,037	Key Employee Share Purchase Plan	Long position	0.00127	0.00075
Sheng Ruisheng	Beneficial owner	A	453,412	551,948	+ 98,536	Key Employee Share Purchase Plan	Long position	0.00513	0.00303
Zhang Zhichun	Beneficial owner	A	106,370	122,304	+ 15,934	Key Employee Share Purchase Plan	Long position	0.00114	0.00067
Zhang Xiaolu	Beneficial owner	A	46,535	118,123	+ 71,588	Key Employee Share Purchase Plan	Long position	0.00110	0.00065
	Beneficial owner	H	10,000	10,000	-	-	Long position	0.00013	0.00005
Deng Bin	Beneficial owner	A	5,328	19,083	+ 13,755	Key Employee Share Purchase Plan	Long position	0.00018	0.00010
Huang Yuqiang	Beneficial owner	A	-	4,518	+ 4,518	Key Employee Share Purchase Plan	Long position	0.00004	0.00002
Yao Jason Bo	Beneficial owner	A	837,826	1,004,620	+ 166,794	Key Employee Share Purchase Plan	Long position	0.00933	0.00552
	Beneficial owner	H	24,000	24,000	-	-	Long position	0.00032	0.00013
Tan Sin Yin	Beneficial owner	A	714,249	950,293	+ 236,044	Key Employee Share Purchase Plan	Long position	0.00883	0.00522
	Beneficial owner	H	40,000	40,000	-	-	Long position	0.00054	0.00022

Note: During the Reporting Period, there were no share options held by or restricted shares granted to the current Directors, Supervisors and senior management of the Company and those who vacated office during the Reporting Period.

Directors, Supervisors, Senior Management and Employees

Save as disclosed above, as of June 30, 2024, the interests and short positions of the Company's Directors, Supervisors and chief executives in the Company's shares, underlying shares and debentures which shall have been notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Company's Directors, Supervisors or chief executives are taken as or deemed to have under such provisions of the SFO), or are recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or are otherwise required to be notified by the Directors, Supervisors and chief executives to the Company and the SEHK pursuant to the *Model Code*, were as follows:

Name	Capacity	H/A shares	Interests held at the beginning of the period (shares)	Interests held at the end of the period (shares)	Change (shares)	Reason for the change	Nature of interest	Percentage of total issued H/A shares (%)	Percentage of total issued shares (%)
Ma Mingzhe	Interest of his spouse	H	20,000	20,000	-	-	Long position	0.00027	0.00011
	Others ⁽¹⁾	A	1,631,038	1,631,038	-	-	Long position	0.01515	0.00896
Sun Jianyi	Others ⁽¹⁾	A	126,381	126,381	-	-	Long position	0.00117	0.00069
Xie Yonglin	Others ⁽¹⁾	A	1,223,278	1,223,278	-	-	Long position	0.01137	0.00672
Michael Guo	Others ⁽¹⁾	A	103,368	103,368	-	-	Long position	0.00096	0.00057
Cai Fangfang	Others ⁽¹⁾	A	815,519	815,519	-	-	Long position	0.00758	0.00448
Wang Zhiliang	Others ⁽¹⁾	A	92,334	92,334	-	-	Long position	0.00086	0.00051

Note: (1) Conditional interests that can be vested in future under the Long-term Service Plan, subject to terms and conditions in the *Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd.*

Number of Shares Held in Associated Corporations of the Company

Name	Associated corporation	Capacity	Interests held at the beginning of the period (shares)	Interests held at the end of the period (shares)	Change (shares)	Reason for the change	Nature of interest	Percentage of total issued shares in associated corporation (%)
Xie Yonglin	Ping An Bank	Beneficial owner	26,700	26,700	-	-	Long position	0.00014

Save as disclosed above, as of June 30, 2024, none of the Company's Directors, Supervisors and chief executives held or was deemed to hold any interests or short positions in the shares, underlying shares or debentures of the Company's associated corporations (as defined in the SFO), which shall have been notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO, or are recorded in the register required to be kept under Section 352 of the SFO, or are otherwise required to be notified by the Directors, Supervisors and chief executives to the Company and the SEHK pursuant to the *Model Code*.

CHANGES IN INFORMATION OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES

1. Mr. Xie Yonglin, an Executive Director of the Company, took office as a Non-executive Director of Ping An Asset Management in March 2024.
2. Mr. Ng Sing Yip, an Independent Non-executive Director of the Company, ceased to be an Independent Non-executive Director of Hang Seng Bank Limited in May 2024.
3. Mr. Hung Ka Hai Clement, an Independent Supervisor of the Company, took office as an Independent Non-executive Director of Capital Estate Limited in April 2024.
4. Mr. Liew Fui Kiang, an Independent Supervisor of the Company, ceased to be an Independent Non-executive Director of Gilston Group Limited (previously known as China Apex Group Limited) in June 2024.
5. Mr. Wang Zhiliang, an Employee Representative Supervisor of the Company, ceased to be a Director and the Chairman of Ping An Financial Leasing in June 2024.
6. Mr. Michael Guo, a Co-CEO and a Senior Vice President of the Company, took office as a Non-executive Director of Ping An Life and Ping An Property & Casualty in May 2024 and August 2024, respectively.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the SEHK Listing Rules.

EMPLOYEES

As of June 30, 2024, there has been no material change to the information disclosed in the Company's 2023 Annual Report relating to the number of Ping An's current employees.

Significant Events

IMPLEMENTATION OF PROFIT DISTRIBUTION PLAN DURING THE REPORTING PERIOD

The 2023 profit distribution plan of the Company was deliberated and approved at the 2023 Annual General Meeting, pursuant to which the Company paid in cash the 2023 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). As of the date of this Report, the implementation of the distribution plan had been completed.

INTERIM RESULTS AND PROFIT DISTRIBUTION

The Group's business results for the first half of 2024 are set out in the section headed "FINANCIAL STATEMENTS."

The Board of Directors hereby declares that the 2024 interim dividend of RMB0.93 (tax inclusive) per share in cash will be distributed to the shareholders of the Company. 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 will not be entitled to the interim dividend distribution. The actual total amount of the interim dividend distribution is subject to the total number of shares that will be entitled to the dividend distribution on the record date. The total amount of the interim dividend distribution in 2024 is estimated at RMB16,840,107,055.35 (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 June 30, 2024. The interim dividend distribution will have no material impact on the Group's solvency margin ratios. After the interim dividend distribution, the Group's solvency margin ratios will still meet the relevant regulatory requirements.

The decision-making procedures and mechanisms of the above profit distribution plans are complete, and the dividend payout standards and ratios are clear. The above profit distribution plans are in line with the *Articles of Association* and the applicable deliberation procedures, with full protection for the legitimate interests of minority shareholders.

GENERAL ANALYSIS OF EXTERNAL INVESTMENT

The Company is an integrated financial services group, and investment is one of its core businesses. The investment of insurance funds represents the major part of the Company's investment. The utilization of insurance funds is subject to applicable laws and regulations. For details of the asset allocation of the Company's insurance funds investment portfolio, please refer to the section headed "Business Analysis."

Material Equity Investment

During the Reporting Period, there was no material equity investment that shall be disclosed.

Material Non-Equity Investment

During the Reporting Period, there was no material non-equity investment that shall be disclosed.

Financial Instruments Measured at Fair Value

The Company's financial instruments measured at fair value are detailed in Note 40 to the financial statements.

SALE OF MAJOR ASSETS AND EQUITIES

During the Reporting Period, there was no sale of major assets and equities that shall be disclosed.

Material Acquisitions and Disposals of Subsidiaries, Joint Ventures or Associates

A consortium formed by Zhuhai Huafa Group Co., Ltd. (“Huafa Group” representing the state-owned enterprises of Zhuhai Municipality), the Company, and Shenzhen SDG Co., Ltd. participated in the substantive consolidated restructuring (the “Founder Group Restructuring”) of Peking University Founder Group Company Limited, Peking University Founder Information Industry Group Co., Ltd., PKU Healthcare Industry Group Co., Ltd., Peking University Resources Group Limited, and Founder Industry Holdings Co., Ltd. (collectively the “Restructuring Entities”). Ping An Life participated on behalf of the Company in the Founder Group Restructuring, and entered into a restructuring investment agreement for the Founder Group Restructuring (the “Restructuring Investment Agreement”). The *Restructuring Plan (Draft) of Five Companies Including Peking University Founder Group Company Limited*, which was formulated on the basis of the Restructuring Investment Agreement, was resolved and approved at the creditors’ meeting held by the Restructuring Entities, and was approved by the civil order of the First Intermediate People’s Court of Beijing Municipality and came into effect on June 28, 2021.

In accordance with the terms of the Restructuring Investment Agreement and the selection of the debt repayment plan by the creditors of the Restructuring Entities, New Founder Group is held as to 66.51% and 28.50% by Ping An Life and Huafa Group (representing the state-owned enterprises of Zhuhai Municipality) through their shareholding platforms respectively, and a 4.99% equity interest in New Founder Group is held by the equity interest platform of Founder Group’s creditors. New Founder Group has completed corresponding change of business registration procedures.

For more information, please refer to the announcements published by the Company on the websites of SSE (www.sse.com.cn) and HKEX (www.hkexnews.hk).

MAJOR SUBSIDIARIES AND ASSOCIATES OF THE COMPANY

The Company’s major subsidiaries and associates are detailed in Note 3 and Note 26 to the financial statements respectively.

Significant Events

IMPLEMENTATION OF SHARE PURCHASE PLANS OF THE COMPANY

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

Key Employee Share Purchase Plan

The Company has implemented the Key Employee Share Purchase Plan, which has a duration of six years, since 2015 as deliberated at the 16th meeting of the ninth Board held on October 28, 2014 and approved at the first extraordinary general meeting for 2015 held on February 5, 2015. The duration of the Key Employee Share Purchase Plan has been extended by six years to February 4, 2027 as deliberated at the 13th meeting of the 11th Board held on April 23, 2020. Participants in the Key Employee Share Purchase Plan are key employees of the Company and its subsidiaries, including directors, employee representative supervisors and senior management. The sources of funding are the employees' legitimate incomes and performance bonuses. The amount that must be paid for each share by participants in the Key Employee Share Purchase Plan is the market price of such share at the time of purchase by the Company.

Ten phases of the Key Employee Share Purchase Plan were implemented as of the end of the Reporting Period. Shares under each phase are subject to a one-year lock-up period after the purchase. After the lock-up period expires, one third of the shares for each phase are unlocked each year and vested in phases in accordance with the Key Employee Share Purchase Plan. All the shares under the six phases for 2015-2020 were unlocked, and the four phases for 2021-2024 were implemented as follows:

There were 1,754 participants in the Key Employee Share Purchase Plan for 2021. A total of 9,162,837 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB670,258,495.86 (expenses inclusive), accounting for approximately 0.050% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Key Employee Share Purchase Plan and applicable agreed rules, 1,393 employees qualified and 92 employees did not qualify for vesting under this phase. For the duration, 98,263 shares were forfeited.

There were 1,703 participants in the Key Employee Share Purchase Plan for 2022. A total of 12,518,547 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB595,602,067.09 (expenses inclusive), accounting for approximately 0.068% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Key Employee Share Purchase Plan and applicable agreed rules, 1,514 employees qualified and 87 employees did not qualify for vesting under this phase. For the duration, 313,209 shares were forfeited.

There were 3,095 participants in the Key Employee Share Purchase Plan for 2023. A total of 15,030,180 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB693,562,104.08 (expenses inclusive), accounting for approximately 0.082% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Key Employee Share Purchase Plan and applicable agreed rules, 2,909 employees qualified and 186 employees did not qualify for vesting under this phase. For the duration, 780,200 shares were forfeited.

There were 2,207 participants in the Key Employee Share Purchase Plan for 2024. A total of 13,606,921 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB583,805,974.96 (expenses inclusive), accounting for approximately 0.075% of the Company's total share capital at that time. For details of the share purchase, please refer to the *Announcement Regarding the Completion of Share Purchase under the 2024 Key Employee Share Purchase Plan* published by the Company on the websites of the Hong Kong Exchanges and Clearing Limited (the "HKEX") and the Shanghai Stock Exchange (the "SSE") on June 14, 2024 and June 15, 2024 respectively. During the Reporting Period, no change was made in equity under the Key Employee Share Purchase Plan for 2024.

The manager of the Key Employee Share Purchase Plan remained unchanged during the Reporting Period.

The Key Employee Share Purchase Plan held a total of 27,067,120 A shares of the Company as at the end of the Reporting Period, accounting for approximately 0.149% of the Company's total share capital at that time.

The Long-term Service Plan

The Company has implemented the Long-term Service Plan, which has a duration of ten years, since 2019 as deliberated at the third meeting of the 11th Board held on October 29, 2018 and approved at the second extraordinary general meeting for 2018 held on December 14, 2018. Participants in the Long-term Service Plan are the employees of the Company and its subsidiaries, including directors, employee representative supervisors and senior management. The source of funding is the remunerations payable to employees. The amount that must be paid for each share by participants in the Long-term Service Plan is the market price of such share at the time of purchase by the Company. Participants in the Long-term Service Plan may apply for vesting only when they are retiring from the Company, and will be awarded the shares after their applications have been approved and relevant taxes have been paid.

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

There were 31,026 participants in the Long-term Service Plan for 2019. A total of 54,294,720 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,296,112,202.60 (expenses inclusive), accounting for approximately 0.297% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 43 employees qualified and applied for vesting, and their shares were vested; 481 employees were disqualified due to reasons including their resignation; and 880,560 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 32,022 participants in the Long-term Service Plan for 2020. A total of 49,759,305 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB3,988,648,517.41 (expenses inclusive), accounting for approximately 0.272% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 24 employees qualified and applied for vesting, and their shares were vested; 569 employees were disqualified due to reasons including their resignation; and 945,365 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 90,960 participants in the Long-term Service Plan for 2021. A total of 57,368,981 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,184,093,674.69 (expenses inclusive), accounting for approximately 0.314% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 9 employees qualified and applied for vesting, and their shares were vested; 2,517 employees were disqualified due to reasons including their resignation; and 1,535,393 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

Significant Events

There were 90,960 participants in the Long-term Service Plan for 2022. A total of 93,314,482 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,438,825,366.37 (expenses inclusive), accounting for approximately 0.510% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 10 employees qualified and applied for vesting, and their shares were vested; 3,368 employees were disqualified due to reasons including their resignation; and 3,071,041 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 83,651 participants in the Long-term Service Plan for 2023. A total of 96,608,364 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,450,946,615.20 (expenses inclusive), accounting for approximately 0.528% of the Company's total share capital at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 5 employees qualified and applied for vesting, and their shares were vested; 3,814 employees were disqualified due to reasons including their resignation; and 3,864,204 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

The manager of the Long-term Service Plan remained unchanged during the Reporting Period.

The Long-term Service Plan held a total of 350,550,894 A shares of the Company as at the end of the Reporting Period, accounting for approximately 1.925% of the Company's total share capital.

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

IMPLEMENTATION OF SHARE INCENTIVE SCHEME OF THE COMPANY AND ITS EFFECTS

The Company did not implement any share incentive scheme based on the Company's shares during the Reporting Period.

CONNECTED TRANSACTIONS

In respect of connected transactions and continuing connected transactions, the Company has complied with requirements under the *SEHK Listing Rules* as amended from time to time. During the Reporting Period, the Company had no connected transaction that shall be disclosed under the *SEHK Listing Rules*. The Company's related party transactions stated in accordance with the accounting standards used in the preparation of financial statements for the six months ended June 30, 2024 are presented in Note 43 to the financial statements.

MATERIAL CONTRACTS AND THEIR PERFORMANCE

Guarantee

(in RMB million)	External guarantee of the Company and its subsidiaries (excluding the guarantee in favor of its subsidiaries)
Total external guarantee incurred during the Reporting Period	-
Total external guarantee balance as at the end of the Reporting Period	-
Guarantee of the Company and its subsidiaries in favor of its subsidiaries	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period	267
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	9,029
Total guarantee of the Company (including the guarantee in favor of its subsidiaries)	
Total guarantee	9,029
Total guarantee as a percentage of the Company's net assets (%)	1.0
Including: Direct or indirect guarantee for the companies with a total liabilities to total assets ratio over 70% (as of June 30, 2024)	8,303
The amount by which the total guarantee balance of the Company and its subsidiaries exceeded 50% of the Company's net assets	-

Notes: (1) The data set out in the table above does not include those arising from financial guarantee businesses conducted by the Company's controlled subsidiaries including Ping An Bank in strict compliance with the scope of business approved by regulatory authorities.
(2) The total guarantee incurred during the Reporting Period was the guarantee withdrawal of RMB783 million less the guarantee repayment of RMB516 million.

Entrustment, Underwriting, Lease, Entrusted Asset Management, Entrusted Lending and Other Material Contracts

During the Reporting Period, the Company had no matter relating to entrustment, underwriting, lease or other material contracts that shall be disclosed.

The Company engaged in no entrusted asset management or entrusted lending outside its ordinary business scope during the Reporting Period. For details of the Company's entrusted asset management and entrusted lending, refer to the "Notes to Consolidated Financial Statements."

SEIZURE, DISTRAINMENT OR FREEZE OF MAJOR ASSETS

During the Reporting Period, the Company had no event of seizure, distraintment or freeze of major assets that shall be disclosed.

MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, the Company had no material litigation or arbitration that shall be disclosed.

CHANGES IN ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES, OR CORRECTIONS OF MATERIAL ACCOUNTING ERRORS

During the Reporting Period, there was no change in accounting policies, material change in accounting estimates, or correction of material accounting errors made by the Company.

Significant Events

FOREIGN EXCHANGE RISK

Foreign currency-denominated assets held by the Group are exposed to foreign exchange risks. These assets include monetary assets and non-monetary assets, such as cash and deposits, bonds, stocks and funds denominated in foreign currencies. The Group's foreign currency-denominated liabilities are also exposed to risks as a result of fluctuations in exchange rates. These liabilities include monetary liabilities and non-monetary liabilities, such as borrowings, customers' deposits, bonds payable and insurance contract liabilities denominated in foreign currencies.

The Group formulates its allocation strategies for assets including foreign currency assets based on the Company's risk appetite, risk profiles of the asset classes, and stress test results. Through measures including limits management, risk diversification and hedging, the Group keeps foreign exchange risk under control by continuously optimizing the aggregate foreign currency-denominated assets and liabilities as well as their structures, enhancing overseas asset management, and monitoring the indicator of sensitivity to foreign exchange risk.

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

June 30, 2024 (in RMB million)	Increase/(decrease) in equity before tax
Net exposure to fluctuations in exchange rates assuming a simultaneous and uniform depreciation of 5% of all foreign currency-denominated monetary assets and liabilities and non-monetary assets and liabilities measured at fair value against the Renminbi	(6,871)

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

ENGAGEMENT OF ACCOUNTING FIRMS

According to the resolution passed at the Company's 2023 Annual General Meeting, the Company re-appointed Ernst & Young Hua Ming LLP and Ernst & Young ("E&Y") as the auditors of the Company's financial statements under CAS and IFRS respectively for the year 2024. The Company's interim financial reports are unaudited.

PENALTIES AND RECTIFICATION

During the Reporting Period, neither the Company nor its Directors, Supervisors or senior management were investigated or subjected to coercive measures by competent authorities, detained by disciplinary inspection and supervisory authorities, transferred to judicial authorities or held accountable for criminal liabilities, investigated or subjected to administrative punishment by the CSRC, subjected to major administrative punishment by other competent authorities, or subjected to disciplinary action by any securities exchanges.

INTEGRITY CONDITIONS OF THE COMPANY

The Company had neither failure to abide by any effective judicial ruling, nor default on any substantial debt due during the Reporting Period.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities or sold any of the Company's treasury shares during the six months from January 1, 2024 to June 30, 2024.

CORPORATE GOVERNANCE

The Company implemented corporate governance measures in strict accordance with the applicable laws, including the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the applicable regulations, and the principles set out in the *Corporate Governance Code*, taking into account the Company's specific needs and circumstances. The general meetings of shareholders, the Board of Directors, the Supervisory Committee and the Executive Committee of the Company exercised their rights and performed their obligations conferred by the *Articles of Association*, respectively.

General Meetings

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

The annual general meeting of the Company for 2023 held on May 30, 2024 deliberated and approved 12 proposals including the *Report of the Board of Directors of the Company for the Year 2023*, the *Report of the Supervisory Committee of the Company for the Year 2023*, the Annual Report of the Company for the Year 2023 and its summary, the *Report on Final Accounts of the Company for the Year 2023*, the *Profit Distribution Plan of the Company for the Year 2023*, the *Re-appointment of Auditors of the Company for the Year 2024* and the *Election of Non-independent Directors of the 13th Session of the Board of Directors*. The resolutions of the above general meeting have been published on the websites of SSE (www.sse.com.cn) and HKEX (www.hkexnews.hk).

Audit and Risk Management Committee

The Board of Directors of the Company has established the Audit and Risk Management Committee according to the *Corporate Governance Code*. The Audit and Risk Management Committee and the management have reviewed the accounting standards and practices adopted by the Company and discussed internal control and financial reporting matters, including reviewing the Company's unaudited interim report.

Compliance with the *Corporate Governance Code*

None of the Directors is aware of any information that would reasonably indicate that the Company did not meet the applicable Code Provisions set out in the *Corporate Governance Code* for any part of the six-month period from January 1, 2024 to June 30, 2024.

Compliance with the *Model Code by Directors and Supervisors of the Company*

In August 2007, the Company adopted a code of conduct regarding securities transactions by Directors and Supervisors of the Company ("Code of Conduct"), which was amended in August 2022, on terms no less exacting than the required standard as set out in the *Model Code*. Specific inquiries have been made to all the Directors and Supervisors of the Company, who have confirmed that they complied with the required standards set out in the *Model Code* and the Code of Conduct for the six-month period from January 1, 2024 to June 30, 2024.

INFORMATION OF TAX DEDUCTION FOR HOLDERS OF LISTED SECURITIES

Enterprise Income Tax of Overseas Non-Resident Enterprise Shareholders

Pursuant to the tax laws and regulations of the Chinese mainland, the Company is required to withhold 10% enterprise income tax when it distributes dividends to non-resident enterprise holders of H shares as listed on the Company's register of members on the record date, including Hong Kong Securities Clearing Company Nominees Limited.

Significant Events

If any resident enterprise (as defined in the *Enterprise Income Tax Law of the People's Republic of China*) listed on the Company's register of members of H shares on the record date which is duly incorporated in the Chinese mainland or under the laws of an overseas country (or region) but with a Chinese mainland-based de facto management body does not want the Company to withhold the said enterprise income tax, it shall submit to Computershare Hong Kong Investor Services Limited a legal opinion, at or before 4:30 p.m. one business day before closure of register of the H shareholders for the dividend, issued by a lawyer qualified to practice law in the Chinese mainland and inscribed with the seal of the applicable law firm, that verifies its resident enterprise status. The legal opinion shall be submitted by the Company to the applicable tax authorities for approval, and then excess portions of the tax amounts withheld can be refunded.

Individual Income Tax of Overseas Individual Shareholders

Pursuant to the applicable tax laws and regulations of the Chinese mainland, the individual resident shareholders outside the Chinese mainland shall pay individual income tax upon their receipt of the distributed dividends in respect of the shares issued by domestic non-foreign investment enterprises in Hong Kong, which shall be withheld by the Company on behalf of such individual shareholders at the tax rate of 10% in general. However, if the tax laws and regulations and relevant tax agreements state otherwise, the Company will withhold and pay the individual income tax based on the amount of the dividend at the relevant tax rate and in accordance with the procedures as stipulated.

Those individual resident shareholders outside the Chinese mainland who hold the shares issued by domestic non-foreign investment enterprises in Hong Kong may enjoy preferential treatments (if any) in accordance with the provisions of applicable tax agreements signed between the countries or regions where they belong by virtue of residential identification and the People's Republic of China as well as the tax arrangements made between the Chinese mainland and Hong Kong (Macao). Qualified shareholders are required to submit to Computershare Hong Kong Investor Services Limited a written authorization and relevant evidencing documents, at or before 4:30 p.m. one business day before closure of register of the H shareholders for the dividend, which shall be submitted by the Company to the applicable tax authorities for approval, and then excess portions of the tax amounts withheld can be refunded.

The Company will withhold the enterprise income tax and the individual income tax for shareholders as required by law on the basis of the Company's register of members of H shares on the record date. The Company assumes no liability and will not deal with any dispute over income tax withholding triggered by failure to submit proof materials within the stipulated time frame, and holders of the Company's H shares shall either personally or appoint a representative to attend to the procedures in accordance with the applicable tax laws and regulations of the Chinese mainland.

Income Tax of H Shareholders via the Hong Kong Stock Connect Program

For the Chinese mainland investors (including enterprises and individuals) investing in the Company's H shares via the Hong Kong Stock Connect Program, China Securities Depository and Clearing Corporation Limited, as the nominee holding H shares for investors via the Hong Kong Stock Connect Program, will receive the dividend distributed by the Company and distribute such dividend to the relevant investors through its depository and clearing system. The dividend to be distributed to the investors via the Hong Kong Stock Connect Program will be paid in RMB. Pursuant to the applicable tax laws and regulations of the Chinese mainland:

- For the Chinese mainland individual investors who invest in the Company's H shares via the Hong Kong Stock Connect Program, the Company will withhold individual income tax at the rate of 20% in the distribution of the dividend. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Corporation Limited for tax refund relating to the withholding tax already paid abroad.

- For the Chinese mainland securities investment funds that invest in the Company's H shares via the Hong Kong Stock Connect Program, the Company will withhold individual income tax in the distribution of the dividend pursuant to the above provisions.
- For the Chinese mainland enterprise investors that invest in the Company's H shares via the Hong Kong Stock Connect Program, the Company will not withhold income tax in the distribution of the dividend, and such investors shall declare and pay the tax on their own.

Income Tax of A Shareholders via the Shanghai Stock Connect Program

For Hong Kong investors (including enterprises and individuals) investing in the Company's A shares via the Shanghai Stock Connect Program, pursuant to the applicable tax laws and regulations of the Chinese mainland, the dividend will be paid in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited to Hong Kong Securities Clearing Company Limited, and the Company will withhold income tax at the rate of 10%.

For investors via the Shanghai Stock Connect Program who are tax residents of other countries or regions (excluding Hong Kong) which have entered into a tax treaty with the Chinese mainland stipulating a dividend tax rate of less than 10%, those enterprises or individuals may, or may appoint a withholding agent to, apply to the competent tax authorities of the Company for the entitlement to the rate under such tax treaty. Upon approval by the tax authorities, the paid amount in excess of the tax payable based on the tax rate under such tax treaty will be refunded.

All investors are requested to read this part carefully. Shareholders are recommended to consult their tax advisers on tax effects in the Chinese mainland, Hong Kong and other countries and regions regarding the holding and disposal of the Company's shares.

PROGRESS IN INTERNAL CONTROL ASSESSMENT

The Company actively implemented the spirit of the 20th National Congress of the CPC, China's Central Economic Work Conference and Central Financial Work Conference in the first half of 2024. In line with various requirements of regulators, the Company continuously enhances its ability to serve the real economy, dedicated to developing TechFin, green finance, inclusive finance, pension finance, and digital finance. The Company effectively prevents and mitigates financial risks, comprehensively improves its rule formulation and internal control system, and consolidates the accountability for compliant operations. In this way, the Company continuously enhances its ability to achieve organic growth in pursuit of high-quality financial business development.

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

Significant Events

Regarding the formulation and implementation of internal control rules, the Company continuously consolidated outcomes of the upgrade of basic management policies and procedures, adopted exacting standards, strict accountability and firm discipline, enhanced implementation of policies and procedures, and promoted operational compliance in the first half of 2024. Firstly, the Company embedded external regulations in internal rules and prioritized the formulation of policies and procedures. The Company systematically reviewed policies, rules, regulations and important regulatory documents, and internalized them into its own policies, procedures and requirements in time to ensure internal controls are rules-based and evidence-based. Secondly, the Company cleaned up existing policies and procedures and planned new ones under the overall framework of its basic management policies and procedures. The Company continuously improved a three-level framework comprising policies, procedures and guidelines, standardized the formation of policies and procedures, and developed key processes and guidelines. Thirdly, the Company enhanced the digital management of its policies and procedures, classifying policies and procedures in a scientific way. The Company kept policies and procedures independent of human will by embedding them in processes and embedding processes in systems, laying the solid foundations for high-quality development.

Regarding internal control operations and assessment, the Company strictly complied with applicable laws and regulations. In response to the calls of regulators at all levels for strengthening compliance management and preventing compliance risks, the Company continuously optimized its governance structure and strengthened internal control management. Firstly, the Company's internal control operations and assessment covered all businesses, focusing on the development of internal control mechanisms in key areas. The Company adhered to the principles of comprehensiveness, materiality and objectivity in internal control operations and assessment. The Company focused on important business units, major matters and high-risk businesses on the basis of comprehensive and objective assessments of the Group's headquarters and member companies of different business types and sizes. In this way, the Company continuously improved its internal control systems and mechanisms. Secondly, the Company linked compliance management tools to continuously enhance the effectiveness of internal controls. The Company strengthened linkages among compliance management tools centering on internal control processes. The Company updated internal control processes in time according to new regulatory rules, internal policies and procedures, and business changes to ensure compliance with regulations and company rules. Moreover, during internal control tests, the Company conducted adequate assessments based on past regulatory circulars, risk incidents and self-inspection findings. The Company analyzed the cruxes of issues to eliminate potential risks and continuously improve the effectiveness of internal controls. Thirdly, the Company conducted classified supervision to oversee the fulfillment of responsibilities for internal controls. In accordance with internal control assessment plans and in combination with operational risk management, the Company put forward requirements for classified supervision of its member companies, focusing on "key business lines, processes and positions." The Company created a list of responsibilities for issues to oversee the fulfillment of responsibilities for internal controls. Fourthly, under an issue-oriented approach, the Company gave full play to the role of internal controls in "addressing existing issues and preventing potential ones." Regarding pervasive, predisposing and emerging significant issues and deficiencies identified in previous internal control assessments, regulatory inspections, violation risk reviews, self-inspections and self-corrections, the Company thoroughly analyzed their backgrounds and causes, and took strong measures to address them. With the aim of "addressing existing issues and preventing potential ones", the Company established long-term preventative mechanisms to better support its high-quality development. Ernst & Young Hua Ming LLP audited the effectiveness of the Company's internal controls over financial reporting for 2023, and issued the *Internal Control Audit Report*, opining that the Company

maintained effective internal controls over financial reporting in all material aspects in accordance with the *Basic Norms for Internal Controls of Enterprises* and relevant rules. Regarding the monitoring of major risks, the Company reviewed business processes and conducted risk monitoring focused on key areas. Firstly, the Company checked the underlying risk profile by closely monitoring “key matters, personnel and actions” in key areas and organizing risk reviews and behavior monitoring, and coordinated risk disposal and accountability among internal parties concerned. Secondly, the Company strengthened risk governance by thoroughly analyzing the backgrounds and root causes of risk incidents, creating risk heat maps, and reviewing work flows. In this way, the Company drew inferences from existing incidents to prevent risk contagion. Thirdly, the Company strengthened supervision of its member companies in early intervention and prevention to ensure compliance with the minimum requirement of “preventing major incidents and minimizing minor ones” and enhance their ability to tackle impacts of internal and external events. Fourthly, the Company improved mechanisms to ensure the penetration of operational risk management and violation prevention into branches, processes, employees (positions), products and systems, providing important support and solid assurance for its steady development.

Regarding the management of money laundering and terrorist financing risks and sanctions compliance (collectively the “money laundering risk”), the Company strictly abided by applicable laws and regulations, and implemented the State’s decision to promote high-quality financial business development and prevent and mitigate financial risks. The Company improved its ability to fulfill anti-money laundering (“AML”) responsibilities and gave full play to the role of AML in preventing risks and promoting development under the “risk-based” principle. Firstly, in response to the State’s call to “improve the AML framework for a new era,” the Company continuously improved AML rules on money laundering risk assessment, monitoring, reporting and AML information systems and data management to develop more systematic, standardized and effective money laundering risk management rules. Secondly, regarding core AML obligations, the Company explored the establishment of an AML quality certification system for financial groups, creating a whole process from the establishing of standards, the implementation of standards, and certification to the application of outcomes, focusing on significant risks, major branches, important business lines, and key employees. Moreover, the Company strengthened independent tests in key areas and conducted special tests in information security to verify common problems among member companies and the rectification of their root causes, promoting high-quality development of member companies’ money laundering risk management. Thirdly, the Company improved AML information sharing systems, norms and platforms. The Company developed a shared library of over one million pieces of AML risk information with core tags of customer money laundering risks while ensuring lawfulness, compliance and information security. In this way, the Company provided multi-dimensional risk information to help its member companies deal with AML-related core businesses, enabling them to precisely classify customers and manage risks, and preventing contagion of money laundering risk within the Group. Fourthly, the Company kept a close eye on the latest sanctions policies and information, improved its sanctions compliance management rules, optimized existing monitoring approaches and measures, conducted sanctions risk assessments, reviews and relevant training, and strengthened whole-process management of sanctions risk monitoring to prevent relevant risks. Fifthly, the Company actively fulfilled its social responsibilities by assisting regulators in improving mechanisms and operations of the industry’s AML self-discipline organization, supporting the self-discipline organization in delivering and sharing its professional work outcomes to promote AML information exchange, cooperation and innovation in the financial industry and across industries. The Company made contributions to an “AML safety net” by participating in projects in collaboration with regulators and enhancing education for the public on preventing illegal fundraising in light of the current situation of money laundering risk.

Significant Events

Regarding the management framework for internal audit and supervision, the Company established a highly independent, vertical audit and supervision framework. The Company established the Audit and Risk Management Committee under the Board in accordance with applicable laws and regulations concerning the corporate governance structure and internal rules including the *Articles of Association*. The committee, comprising mostly of the Independent Non-executive Directors and chaired by an Independent Non-executive Director, is responsible for comprehensive review and supervision of the Company's financial reporting, internal audit and control procedures. The Company's Person-in-charge of Auditing is responsible for assisting the Audit and Risk Management Committee under the Board in establishing and improving the internal audit and supervision framework, and guiding and supervising the effective implementation of audit and supervision policies and procedures. Audit and supervision departments are led by the Person-in-charge of Auditing. To ensure objectivity and fairness, audit and supervision departments are independent of business operations and management departments, and are not directly involved in or responsible for risk management or the design and implementation of internal control systems. Audit and supervision departments organize internal control monitoring every year to independently assess whether internal controls are robust, rational and effective and fully cover the Company's main risk points. Audit and supervision departments also provide forward-looking suggestions for improvement against audit findings. The results of internal control audits are reported by the Person-in-charge of Auditing to the Audit and Risk Management Committee under the Board, and shared with management and compliance departments. In this way, the Company ensures that internal control deficiencies are rectified in a timely manner and that the Company's internal controls are robust and effective.

The Company will conduct internal control effectiveness tests, audit independence tests, and internal control assessments as planned in the second half of 2024. Adhering to the "risk-based" principle, the Company will specify internal control requirements for key businesses and processes, and oversee the fulfillment of responsibilities for internal controls at each level of the organization. The Company will supervise and strengthen internal control and compliance appraisal to enhance the effectiveness of internal control and compliance management. The Company will supervise the implementation of internal control and compliance requirements, and promote compliance awareness among employees through precise education and communication. By doing so, the Company will continuously improve its internal control management.

CORPORATE SUSTAINABILITY AND ENVIRONMENTAL PROTECTION

The Company actively fulfilled its social responsibilities, and was not a key pollutant discharging unit designated by the environmental protection authority of the PRC during the Reporting Period. For more information on environmental protection, please refer to the section headed "Sustainability."

No administrative penalty was imposed on the Company due to environmental problems during the Reporting Period.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As far as is known to any Directors or Supervisors of the Company, as of June 30, 2024, the following persons (other than the Company's Directors, Supervisors and chief executives) had interests or short positions in the Company's shares and underlying shares which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO:

Name of substantial shareholder	H/A shares	Capacity	Notes	Number of H/A shares	Nature of interest	Percentage of total number of H/A shares in issue (%)	Percentage of total shares in issue (%)
CP Group Ltd.	H	Interest of controlled corporations	(1)	964,427,077	Long position	12.95	5.30
UBS Group AG	H	Interest of controlled corporations	(2)	583,292,650	Long position	7.83	3.20
		Interest of controlled corporations	(2)	434,442,132	Short position	5.83	2.39
JPMorgan Chase & Co.	H	Interest of controlled corporations	(3)	132,188,185	Long position	1.77	0.73
		Investment manager		78,693,268	Long position	1.06	0.43
		Person having a security interest in shares		1,538,266	Long position	0.02	0.01
		Trustee		10,056	Long position	0.00	0.00
		Approved lending agent	(3)	226,946,132	Lending pool	3.05	1.25
		Total:	(3)	439,375,907		5.90	2.41
		Interest of controlled corporations	(3)	109,496,022	Short position	1.47	0.60
Investment manager		273,321	Short position	0.00	0.00		
Total:	(3)	109,769,343		1.47	0.60		
BlackRock, Inc.	H	Interest of controlled corporations	(4)	400,205,478	Long position	5.37	2.20
		Interest of controlled corporations	(4)	1,190,000	Short position	0.02	0.01
Shenzhen Investment Holdings Co., Ltd.	A	Beneficial owner		962,719,102	Long position	8.94	5.29

Significant Events

Notes: (1) According to the disclosure form filed by CP Group Ltd. on May 21, 2024, CP Group Ltd. was deemed to be interested in a total of 964,427,077 H shares (long position) of the Company by virtue of its control over several wholly-owned corporations.

(2) According to the disclosure form filed by UBS Group AG on July 3, 2024, UBS Group AG was deemed to be interested in a total of 583,292,650 H shares (long position) and 434,442,132 H shares (short position) of the Company by virtue of its controlled corporations.

The entire interests and short positions of UBS Group AG in the Company included 387,073,182 H shares (long position) and 363,721,019 H shares (short position) held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Listed derivatives - Cash settled	Long position	136,700
Listed derivatives - Convertible instruments	Long position Short position	1,358,175 13,899,390
Unlisted derivatives - Physically settled	Long position Short position	343,496,919 231,773,051
Unlisted derivatives - Cash settled	Long position Short position	42,081,388 118,048,578

(3) According to the disclosure form filed by JPMorgan Chase & Co. on June 5, 2024, JPMorgan Chase & Co. was deemed to be interested in a total of 439,375,907 H shares (long position) and 109,769,343 H shares (short position) of the Company. The entire interests and short positions of JPMorgan Chase & Co. in the Company included a lending pool of 226,946,132 H shares (long position). In addition, 63,101,344 H shares (long position) and 92,324,303 H shares (short position) were held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Listed derivatives - Physically settled	Long position Short position	27,586,500 28,702,000
Listed derivatives - Cash settled	Long position Short position	1,897,900 17,325,029
Unlisted derivatives - Physically settled	Long position Short position	21,493,327 22,430,747
Unlisted derivatives - Cash settled	Long position Short position	12,123,617 23,866,527

(4) According to the disclosure form filed by BlackRock, Inc. on July 3, 2024, BlackRock, Inc. was deemed to be interested in a total of 400,205,478 H shares (long position) and 1,190,000 H shares (short position) of the Company by virtue of its controlled corporations.

The entire interests and short positions of BlackRock, Inc. in the Company included 2,799,000 H shares (long position) and 1,190,000 H shares (short position) held through derivatives as follows:

Derivatives	Nature of interest	Number of H shares
Unlisted derivatives - Cash settled	Long position Short position	2,799,000 1,190,000

(5) The percentage figures may not add up to the presented totals due to rounding. The percentage figures are based on the number of shares of the Company as of June 30, 2024.

Save as disclosed above, to the best knowledge of the Directors and Supervisors, as of June 30, 2024, no person (other than the Company's Directors, Supervisors and chief executives) had any interest or short position in the Company's shares or underlying shares which shall be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or recorded in the register required to be kept under Section 336 of the SFO.

OTHER SIGNIFICANT EVENTS

No other significant events of the Company were required to be disclosed during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

As of June 30, 2024, the Company held a total of 41.40% equity interest in Lufax Holding through its wholly-owned subsidiaries An Ke Technology and PAOH. Pursuant to Lufax Holding's special dividend plan approved at its 2023 annual general meeting, its eligible shareholders may elect to receive the special dividend wholly in the form of new shares (the "Scrip Dividend"). An Ke Technology and PAOH elected for the Scrip Dividend as per the special dividend plan. According to the final allotment result of Lufax Holding's special dividend plan, the Group's aggregate shareholding in Lufax Holding through An Ke Technology and PAOH increased to 56.82%, and Lufax Holding became a subsidiary of the Group with effect from July 30, 2024. Furthermore, in accordance with the *Code on Takeovers and Mergers* issued by the Securities and Futures Commission of Hong Kong, a possible mandatory unconditional general offer would be made by An Ke Technology and PAOH (the "Mandatory General Offer") since their aggregate shareholding in Lufax Holding increased by more than 2% as a result of their election for the Scrip Dividend as per the special dividend plan. Depending on the level of acceptance of the Mandatory General Offer, the Group's aggregate shareholding in Lufax Holding through An Ke Technology and PAOH may further increase. The consolidation of Lufax Holding into the consolidated financial statements will not have material impact on the Company's financial position and operating results.

On July 16, 2024, the Company announced the proposed issue of an aggregate principal amount of USD3.5 billion 0.875% convertible bonds (convertible into the Company's H shares) due 2029 under a general mandate, with an initial conversion price of HKD43.71 per H share (subject to adjustments). The convertible bonds were issued on July 22, 2024 and have been listed and traded on the SEHK since July 23, 2024.

For more information, please refer to the announcements published by the Company on the websites of SSE (www.sse.com.cn) and HKEX (www.hkexnews.hk).

Report on Review of Interim Condensed Consolidated Financial Information

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

(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial information set out on pages 105 to 164, which comprises the interim consolidated statement of financial position of Ping An Insurance (Group) Company of China, Ltd. (the "Company") and its subsidiaries as at 30 June 2024 and the interim consolidated income statement, the interim consolidated statement of comprehensive income, the interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants

Hong Kong
22 August 2024

Interim Consolidated Income Statement

For the six-month period ended 30 June 2024

For the six-month period ended 30 June (in RMB million)	Notes	2024 (Unaudited)	2023 (Unaudited)
Insurance revenue	5	274,608	269,305
Interest revenue from banking operations	6	103,908	116,427
Interest revenue from non-banking operations	7	58,060	59,708
Fees and commission revenue from non-insurance operations	8	21,114	23,903
Investment income	9	65,839	39,869
Share of profits and losses of associates and joint ventures		(891)	2,309
Other revenues and other gains	10	31,459	34,613
Total revenue		554,097	546,134
Insurance service expenses	11	(218,832)	(213,910)
Allocation of reinsurance premiums paid		(7,513)	(7,091)
Less: Amount recovered from reinsurer		5,577	5,251
Net insurance finance expenses for insurance contracts issued		(79,351)	(70,109)
Less: Net reinsurance finance income for reinsurance contracts held		477	301
Interest expenses on banking operations	6	(54,602)	(53,295)
Fees and commission expenses on non-insurance operations	8	(3,628)	(4,368)
Net impairment losses on financial assets	12	(26,530)	(35,872)
Net impairment losses on other assets		(84)	(393)
Foreign exchange gains/(losses)		(508)	543
General and administrative expenses	13	(38,604)	(40,135)
Changes in insurance premium reserves		(254)	(144)
Interest expenses on non-banking operations		(9,074)	(12,407)
Other expenses	13	(18,016)	(18,555)
Total expenses		(450,942)	(450,184)
Profit before tax	13	103,155	95,950
Income tax	14	(14,451)	(12,524)
Profit for the period		88,704	83,426
Attributable to:			
- Owners of the parent		74,619	69,841
- Non-controlling interests		14,085	13,585
		88,704	83,426
Earnings per share attributable to ordinary equity holders of the parent:		RMB	RMB
- Basic	16	4.21	3.94
- Diluted	16	4.12	3.87

Interim Consolidated Statement of Comprehensive Income

For the six-month period ended 30 June 2024

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Profit for the period	88,704	83,426
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Changes in the fair value of debt instruments at fair value through other comprehensive income	113,501	44,700
Credit risks provision of debt instruments at fair value through other comprehensive income	(75)	90
Insurance finance expenses for insurance contracts issued	(135,033)	(54,164)
Reinsurance finance income for reinsurance contracts held	302	170
Reserve from cash flow hedging instruments	318	121
Exchange differences on translation of foreign operations	333	1,720
Share of other comprehensive income of associates and joint ventures	250	(583)
Items that will not be reclassified to profit or loss:		
Changes in the fair value of equity instruments at fair value through other comprehensive income	21,151	21,994
Insurance finance expenses for insurance contracts issued	(16,227)	(15,026)
Share of other comprehensive income of associates and joint ventures	694	516
Other comprehensive income for the period, net of tax	(14,786)	(462)
Total comprehensive income for the period	73,918	82,964
Attributable to:		
- Owners of the parent	59,595	69,339
- Non-controlling interests	14,323	13,625
	73,918	82,964

Interim Consolidated Statement of Financial Position

As at 30 June 2024

(in RMB million)	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Cash and amounts due from banks and other financial institutions	17	831,850	804,077
Balances with the Central Bank	18	302,660	270,976
Financial assets purchased under reverse repurchase agreements	19	117,255	167,660
Accounts receivable		39,661	35,636
Derivative financial assets		51,305	44,978
Insurance contract assets	36	-	3
Reinsurance contract assets		23,314	22,215
Finance lease receivable	20	202,939	180,674
Loans and advances to customers	21	3,314,656	3,318,122
Financial assets at fair value through profit or loss	22	2,145,964	1,803,047
Financial assets at amortized cost	23	1,227,296	1,243,353
Debt financial assets at fair value through other comprehensive income	24	2,845,591	2,637,008
Equity financial assets at fair value through other comprehensive income	25	299,356	264,877
Investments in associates and joint ventures	26	249,628	258,877
Statutory deposits for insurance operations	27	14,986	14,903
Investment properties		122,843	121,406
Property and equipment		49,987	50,401
Intangible assets		97,651	99,078
Right-of-use assets		8,576	9,794
Deferred tax assets		99,306	101,337
Other assets	28	181,842	134,995
Total assets		12,226,666	11,583,417

Interim Consolidated Statement of Financial Position

As at 30 June 2024

(in RMB million)	Notes	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Equity and liabilities			
Equity			
Share capital	29	18,210	18,210
Reserves	30	248,301	263,752
Treasury shares	33	(5,001)	(5,001)
Retained profits	30	669,698	622,050
Equity attributable to owners of the parent		931,208	899,011
Non-controlling interests	30	333,742	329,953
Total equity		1,264,950	1,228,964
Liabilities			
Due to banks and other financial institutions	34	976,006	963,718
Financial liabilities at fair value through profit or loss		144,568	48,619
Derivative financial liabilities		44,550	44,531
Assets sold under agreements to repurchase	35	254,978	241,803
Accounts payable		7,536	8,858
Income tax payable		5,648	7,117
Insurance contract liabilities	36	4,589,750	4,159,801
Reinsurance contract liabilities		392	53
Customer deposits and payables to brokerage customers	37	3,697,182	3,534,539
Bonds payable	38	823,691	964,007
Lease liabilities		8,995	10,234
Deferred tax liabilities		14,254	14,148
Other liabilities		394,166	357,025
Total liabilities		10,961,716	10,354,453
Total equity and liabilities		12,226,666	11,583,417

MA Mingzhe
Director

XIE Yonglin
Director

Interim Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2024

(in RMB million)	For the six-month period ended 30 June 2024 (Unaudited)											
	Reserves											Total equity
	Share capital	Share premium	Financial assets at FVOCI reserves	Insurance finance expenses for insurance contracts issued	Others	Surplus reserve funds	General reserves	Exchange differences on translation of foreign operations	Treasury shares	Retained profits	Non-controlling interests	
As at 1 January	18,210	123,739	195,899	(214,296)	13,092	12,164	130,353	2,801	(5,001)	622,050	329,953	1,228,964
Profit for the period	-	-	-	-	-	-	-	-	-	74,619	14,085	88,704
Other comprehensive income for the period	-	-	133,689	(150,524)	1,497	-	-	314	-	-	238	(14,786)
Total comprehensive income for the period	-	-	133,689	(150,524)	1,497	-	-	314	-	74,619	14,323	73,918
Dividends declared (Note 15)	-	-	-	-	-	-	-	-	-	(27,161)	-	(27,161)
Appropriations to general reserves	-	-	-	-	-	-	349	-	-	(349)	-	-
Disposal of equity investments at fair value through other comprehensive income	-	-	(962)	423	-	-	-	-	-	539	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,520)	(8,520)
Equity transactions with non-controlling interests	-	-	-	-	(123)	-	-	-	-	-	111	(12)
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	7	7
Key Employee Share Purchase Plan (Note 31)	-	-	-	-	(314)	-	-	-	-	-	-	(314)
Long-term Service Plan (Note 32)	-	-	-	-	267	-	-	-	-	-	-	267
Other equity instruments issued/redeemed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,771)	(2,771)
Others	-	-	-	-	(67)	-	-	-	-	-	639	572
As at 30 June	18,210	123,739	328,626	(364,397)	14,352	12,164	130,702	3,115	(5,001)	669,698	333,742	1,264,950

Interim Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2024

(in RMB million)	For the six-month period ended 30 June 2023 (Unaudited)											
	Reserves											Total equity
	Share capital	Share premium	Financial assets at FVOCI reserves	Insurance finance expenses for insurance contracts issued	Others	Surplus reserve funds	General reserves	Exchange differences on translation of foreign operations	Treasury shares	Retained profits	Non-controlling interests	
As at 1 January	18,280	118,095	84,966	(84,153)	17,738	12,164	117,868	2,046	(10,996)	593,183	316,805	1,185,996
Profit for the period	-	-	-	-	-	-	-	-	-	69,841	13,585	83,426
Other comprehensive income for the period	-	-	66,501	(68,842)	199	-	-	1,640	-	-	40	(462)
Total comprehensive income for the period	-	-	66,501	(68,842)	199	-	-	1,640	-	69,841	13,625	82,964
Dividends declared (Note 15)	-	-	-	-	-	-	-	-	-	(27,161)	-	(27,161)
Appropriations to general reserves	-	-	-	-	-	-	360	-	-	(360)	-	-
Disposal of equity investments at fair value through other comprehensive income	-	-	2,556	(2,016)	-	-	-	-	-	(540)	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,865)	(4,865)
Equity transactions with non-controlling interests	-	-	-	-	(230)	-	-	-	-	-	(1,285)	(1,515)
Contributions from non-controlling interests	-	-	-	-	-	-	-	-	-	-	20	20
Key Employee Share Purchase Plan (Note 31)	-	-	-	-	(335)	-	-	-	-	-	-	(335)
Long-term Service Plan (Note 32)	-	-	-	-	(4,237)	-	-	-	-	-	-	(4,237)
Cancellation of repurchased shares	(70)	(5,925)	-	-	-	-	-	-	5,995	-	-	-
Other equity instruments issued/redeemed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(3,202)	(3,202)
Others	-	11,569	-	-	9	-	-	-	-	-	492	12,070
As at 30 June	18,210	123,739	154,023	(155,011)	13,144	12,164	118,228	3,686	(5,001)	634,963	321,590	1,239,735

Interim Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2024

For the six-month period ended 30 June (in RMB million)	Note	2024 (Unaudited)	2023 (Unaudited)
Net cash flows from operating activities		304,883	162,297
Cash flows from investing activities			
Purchases of property and equipment, intangibles and other long-term assets		(1,794)	(2,881)
Proceeds from disposal of property and equipment, intangibles and other long-term assets, net		106	240
Proceeds from disposal of investments		929,495	1,012,810
Purchases of investments		(1,177,729)	(1,151,315)
Disposal of subsidiaries, net		(73)	5
Interest received		75,888	71,850
Dividends received		25,610	31,415
Net cash flows used in investing activities		(148,497)	(37,876)
Cash flows from financing activities			
Capital injected into subsidiaries by non-controlling interests		222	1,670
Proceeds from bonds issued		511,589	530,997
Increase/(decrease) in assets sold under agreements to repurchase of insurance operations, net		40,069	(19,197)
Proceeds from borrowings		55,808	70,760
Repayment of borrowings		(731,391)	(622,472)
Interest paid		(10,484)	(13,997)
Dividends paid		(8,826)	(20,817)
Decrease in insurance placements from banks and other financial institutions, net		(1,700)	(6,866)
Payment of shares purchased for Long-term Service Plan		-	(4,451)
Repayment of lease liabilities		(2,328)	(2,784)
Payment of redemption for other equity instruments by subsidiaries		(2,800)	(4,850)
Others		(5,194)	(12,153)
Net cash flows used in financing activities		(155,035)	(104,160)
Net increase in cash and cash equivalents		1,351	20,261
Net foreign exchange differences		885	4,856
Cash and cash equivalents at the beginning of the period		480,472	444,202
Cash and cash equivalents at the end of the period	42	482,708	469,319

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

1. CORPORATE INFORMATION

Ping An Insurance (Group) Company of China, Ltd. (the “Company”) was registered in Shenzhen, the People’s Republic of China (the “PRC”) on 21 March 1988. The business scope of the Company includes investing in insurance enterprises, supervising and managing various domestic and overseas businesses of subsidiaries, conducting insurance funds investment, domestic and overseas insurance and other business approved by regulators. The Company and its subsidiaries are collectively referred to as the Group. The Group mainly provides integrated financial products and services and is engaged in life insurance, property and casualty insurance, trust, securities, banking and other businesses.

The registered office address of the Company is 47th, 48th, 109th, 110th, 111th and 112th Floors, Ping An Finance Center, No. 5033 Yitian Road, Futian District, Shenzhen, Guangdong Province, China.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

This unaudited interim condensed consolidated financial information for the six-month period ended 30 June 2024 has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited consolidated annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the consolidated annual financial statements for the year ended 31 December 2023, as described in those annual financial statements.

3. CHANGES IN PRINCIPAL SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

For the six-month period ended 30 June 2024, there was no significant change in principal subsidiaries, associates and joint ventures of the Group.

4. SEGMENT REPORTING

The segment businesses are separately presented as the insurance segment, the banking segment, the asset management segment, the technology business segment and the other businesses, based on the products and service offerings. The insurance segment is divided into the life and health insurance and the property and casualty insurance segment which are in line with the nature of products, risk and asset portfolios. The types of products and services from which reportable segments derive revenue are listed below:

- The life and health insurance segment offers a comprehensive range of life insurance products to individual and corporate customers, including term, whole-life, endowment, annuity, investment-linked, universal life and health care and medical insurance, reflecting performance summary of Ping An Life Insurance Company of China, Ltd. (“Ping An Life”), Ping An Annuity Insurance Company of China, Ltd. (“Ping An Annuity”) and Ping An Health Insurance Company of China, Ltd. (“Ping An Health Insurance”)⁽ⁱ⁾;
- The property and casualty insurance segment offers a wide variety of insurance products to individual and corporate customers, including auto insurance, non-auto insurance, accident and health insurance, reflecting performance of Ping An Property & Casualty Insurance Company of China, Ltd. (“Ping An Property & Casualty”);
- The banking segment undertakes loan and intermediary business with corporate customers and retail customers as well as wealth management and credit card services with individual customers, reflecting performance of Ping An Bank Co., Ltd. (“Ping An Bank”);
- The asset management segment provides trust products services, brokerage services, trading services, investment banking services, investment management services, finance lease business and other asset management services, reflecting performance summary of Ping An Trust Co., Ltd., Ping An Securities Co., Ltd. (“Ping An Securities”), Ping An Asset Management Co., Ltd. and Ping An International Financial Leasing Co., Ltd. (“Ping An Financial Leasing”) and the other asset management subsidiaries;
- The technology business segment provides various financial and daily-life services through internet platforms such as financial transaction information service platform, health care service platform, reflecting performance summary of the technology business subsidiaries, associates and joint ventures.

Except for the above business segments, the other segments did not have a material impact on the Group’s operating outcome, and as such are not separately presented.

(i) The company holds a total direct and indirect shareholding of 75.01%, while DISCOVERY LIMITED holds a shareholding of 24.99%.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

4. SEGMENT REPORTING (CONTINUED)

The segment analysis for the six-month period ended 30 June 2024 is as follows:

(in RMB million)	Life and health insurance (Unaudited)	Property and casualty insurance (Unaudited)	Banking (Unaudited)	Asset management (Unaudited)	Technology business (Unaudited)	Other businesses and elimination (Unaudited)	Total (Unaudited)
Insurance revenue	112,856	161,910	-	-	-	(158)	274,608
Interest revenue from banking operations	-	-	104,129	-	-	(221)	103,908
Fees and commission revenue from non-insurance operations	2,800	-	14,932	4,269	-	(887)	21,114
Including: Inter-segment fees and commission revenue from non-insurance operations	(2)	-	771	60	-	(829)	-
Interest revenue from non-banking operations	49,298	3,468	-	6,084	374	(1,164)	58,060
Including: Inter-segment interest revenue from non-banking operations	41	17	-	1,342	34	(1,434)	-
Investment income	43,635	5,142	14,693	2,982	388	(1,001)	65,839
Including: Inter-segment investment income	2,241	215	(8)	23	-	(2,471)	-
Including: Operating lease income from investment properties	4,078	280	30	26	-	(710)	3,704
Share of profits and losses of associates and joint ventures	1,985	301	-	(450)	(566)	(2,161)	(891)
Other revenues and other gains	17,118	445	320	14,057	8,290	(8,771)	31,459
Including: Inter-segment other revenues	4,860	26	7	1,337	2,307	(8,537)	-
Including: Non-operating gains	261	85	20	24	3	-	393
Total revenue	227,692	171,266	134,074	26,942	8,486	(14,363)	554,097

4. SEGMENT REPORTING (CONTINUED)

The segment analysis for the six-month period ended 30 June 2024 is as follows (continued):

(in RMB million)	Life and health insurance (Unaudited)	Property and casualty insurance (Unaudited)	Banking (Unaudited)	Asset management (Unaudited)	Technology business (Unaudited)	Other businesses and elimination (Unaudited)	Total (Unaudited)
Insurance service expenses	(65,289)	(153,557)	-	-	-	14	(218,832)
Allocation of reinsurance premiums paid	(1,542)	(6,355)	-	-	-	384	(7,513)
Less: Amount recovered from reinsurer	1,102	4,698	-	-	-	(223)	5,577
Net insurance finance expenses for insurance contracts issued	(76,002)	(3,331)	-	-	-	(18)	(79,351)
Less: Net reinsurance finance income for reinsurance contracts held	40	421	-	-	-	16	477
Interest expenses on banking operations	-	-	(55,043)	-	-	441	(54,602)
Fees and commission expenses on non-insurance operations	(831)	-	(1,935)	(889)	-	27	(3,628)
Net impairment losses on financial assets and other assets	(1,184)	(60)	(23,153)	(2,411)	181	13	(26,614)
Including: Loan impairment losses, net	-	-	(23,775)	-	-	-	(23,775)
Including: Impairment losses on investment assets	(835)	(9)	431	(1,599)	-	13	(1,999)
Including: Impairment losses on receivables and others	(349)	(51)	191	(812)	181	-	(840)
Foreign exchange gains/(losses)	(6)	(17)	56	(350)	-	(191)	(508)
General and administrative expenses	(9,271)	(307)	(21,892)	(6,233)	(5,699)	4,798	(38,604)
Changes in insurance premium reserves	-	(254)	-	-	-	-	(254)
Interest expenses on non-banking operations	(3,169)	(280)	-	(7,369)	(28)	1,772	(9,074)
Including: Financial costs	(2,321)	36	-	(6,835)	(28)	1,799	(7,349)
Including: Interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions	(848)	(316)	-	(534)	-	(27)	(1,725)
Other expenses	(14,844)	(435)	(130)	(6,235)	(1,638)	5,266	(18,016)
Total expenses	(170,996)	(159,477)	(102,097)	(23,487)	(7,184)	12,299	(450,942)
Profit before tax	56,696	11,789	31,977	3,455	1,302	(2,064)	103,155
Income tax	(4,472)	(1,835)	(6,098)	(1,770)	(248)	(28)	(14,451)
Profit for the period	52,224	9,954	25,879	1,685	1,054	(2,092)	88,704
- Attributable to owners of the parent	50,612	9,909	14,999	1,296	473	(2,670)	74,619

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

4. SEGMENT REPORTING (CONTINUED)

The segment analysis for the six-month period ended 30 June 2023 is as follows:

(in RMB million)	Life and health insurance (Unaudited)	Property and casualty insurance (Unaudited)	Banking (Unaudited)	Asset management (Unaudited)	Technology business (Unaudited)	Other businesses and elimination (Unaudited)	Total (Unaudited)
Insurance revenue	113,611	155,899	-	-	-	(205)	269,305
Interest revenue from banking operations	-	-	116,467	-	-	(40)	116,427
Fees and commission revenue from non-insurance operations	2,689	-	19,283	4,835	-	(2,904)	23,903
Including: Inter-segment fees and commission revenue from non-insurance operations	-	-	2,738	140	-	(2,878)	-
Interest revenue from non-banking operations	49,660	4,013	-	6,911	401	(1,277)	59,708
Including: Inter-segment interest revenue from non-banking operations	40	18	-	1,630	41	(1,729)	-
Investment income	25,468	3,859	8,329	3,142	190	(1,119)	39,869
Including: Inter-segment investment income	1,504	157	(1)	76	-	(1,736)	-
Including: Operating lease income from investment properties	3,662	215	27	24	-	(718)	3,210
Share of profits and losses of associates and joint ventures	2,693	467	-	248	906	(2,005)	2,309
Other revenues and other gains	19,490	542	595	14,243	8,987	(9,244)	34,613
Including: Inter-segment other revenues	5,124	34	7	1,466	2,550	(9,181)	-
Including: Non-operating gains	124	80	22	3	2	-	231
Total revenue	213,611	164,780	144,674	29,379	10,484	(16,794)	546,134

4. SEGMENT REPORTING (CONTINUED)

The segment analysis for the six-month period ended 30 June 2023 is as follows (continued):

(in RMB million)	Life and health insurance (Unaudited)	Property and casualty insurance (Unaudited)	Banking (Unaudited)	Asset management (Unaudited)	Technology business (Unaudited)	Other businesses and elimination (Unaudited)	Total (Unaudited)
Insurance service expenses	(65,491)	(148,330)	-	-	-	(89)	(213,910)
Allocation of reinsurance premiums paid	(1,397)	(6,104)	-	-	-	410	(7,091)
Less: Amount recovered from reinsurer	1,037	4,336	-	-	-	(122)	5,251
Net insurance finance expenses for insurance contracts issued	(67,249)	(2,898)	-	-	-	38	(70,109)
Less: Net reinsurance finance income for reinsurance contracts held	26	294	-	-	-	(19)	301
Interest expenses on banking operations	-	-	(53,833)	-	-	538	(53,295)
Fees and commission expenses on non-insurance operations	(583)	-	(2,909)	(902)	-	26	(4,368)
Net impairment losses on financial assets and other assets	(1,284)	(7)	(32,361)	(2,502)	14	(125)	(36,265)
Including: Loan impairment losses, net	-	-	(27,663)	-	-	-	(27,663)
Including: Impairment losses on investment assets	(1,134)	10	(3,836)	(1,274)	-	(127)	(6,361)
Including: Impairment losses on receivables and others	(150)	(17)	(862)	(1,228)	14	2	(2,241)
Foreign exchange gains/(losses)	356	(16)	700	(273)	(25)	(199)	543
General and administrative expenses	(10,087)	(318)	(24,312)	(6,353)	(6,192)	7,127	(40,135)
Changes in insurance premium reserves	-	(144)	-	-	-	-	(144)
Interest expenses on non-banking operations	(3,911)	(754)	-	(9,519)	(103)	1,880	(12,407)
Including: Financial costs	(2,094)	(449)	-	(8,998)	(103)	1,893	(9,751)
Including: Interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions	(1,817)	(305)	-	(521)	-	(13)	(2,656)
Other expenses	(15,757)	(195)	(26)	(6,164)	(1,868)	5,455	(18,555)
Total expenses	(164,340)	(154,136)	(112,741)	(25,713)	(8,174)	14,920	(450,184)
Profit before tax	49,271	10,644	31,933	3,666	2,310	(1,874)	95,950
Income tax	(2,936)	(1,359)	(6,546)	(1,690)	(2)	9	(12,524)
Profit for the period	46,335	9,285	25,387	1,976	2,308	(1,865)	83,426
- Attributable to owners of the parent	45,121	9,242	14,714	1,412	1,793	(2,441)	69,841

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

4. SEGMENT REPORTING (CONTINUED)

The segment assets, liabilities and equity analysis as at 30 June 2024 is as follows:

(in RMB million)	Life and health insurance (Unaudited)	Property and casualty insurance (Unaudited)	Banking (Unaudited)	Asset management (Unaudited)	Technology business (Unaudited)	Other businesses and elimination (Unaudited)	Total (Unaudited)
Segment assets	5,134,266	484,126	5,754,033	886,107	136,288	(168,154)	12,226,666
Segment liabilities	4,703,905	348,426	5,272,164	778,411	23,700	(164,890)	10,961,716
Segment equity	430,361	135,700	481,869	107,696	112,588	(3,264)	1,264,950
- Attributable to owners of the parent	360,677	134,882	250,307	92,407	93,683	(748)	931,208

Other information of life and health insurance segment subject to general model as at 30 June 2024 is as follows:

Other segment information

(in RMB million)	Life and health insurance (Unaudited)
Accumulated changes in the fair value and credit risks provision of debt financial assets at fair value through other comprehensive income, net of tax	122,451
Accumulated insurance finance expenses for insurance contracts issued in other comprehensive income that may be reclassified subsequently to profit or loss, net of tax	(162,266)

4. SEGMENT REPORTING (CONTINUED)

The segment assets, liabilities and equity analysis as at 31 December 2023 is as follows:

(in RMB million)	Life and health insurance (Audited)	Property and casualty insurance (Audited)	Banking (Audited)	Asset management (Audited)	Technology business (Audited)	Other businesses and elimination (Audited)	Total (Audited)
Segment assets	4,653,433	476,023	5,587,116	865,111	138,447	(136,713)	11,583,417
Segment liabilities	4,259,715	350,605	5,114,788	754,078	22,685	(147,418)	10,354,453
Segment equity	393,718	125,418	472,328	111,033	115,762	10,705	1,228,964
- Attributable to owners of the parent	326,411	124,647	244,777	92,836	97,250	13,090	899,011

Other information of life and health insurance segment subject to general model as at 31 December 2023 is as follows:

Other segment information

(in RMB million)	Life and health insurance (Audited)
Accumulated changes in the fair value and credit risks provision of debt financial assets at fair value through other comprehensive income, net of tax	74,638
Accumulated insurance finance expenses for insurance contracts issued in other comprehensive income that may be reclassified subsequently to profit or loss, net of tax	(93,119)

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

5. INSURANCE REVENUE

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Insurance contracts not measured under the premium allocation approach		
Insurance revenue relating to the changes in the liability for remaining coverage		
Amount of contractual service margin recognized in profit or loss	37,351	41,229
Change in the risk adjustment for non-financial risk	3,921	3,756
Expected insurance service expenses incurred in the period	43,322	46,368
Others	(17)	59
Amortization of insurance acquisition cash flows	23,970	23,499
Subtotal	108,547	114,911
Insurance contracts measured under the premium allocation approach	166,061	154,394
	274,608	269,305

6. NET INTEREST INCOME FROM BANKING OPERATIONS

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Interest revenue from banking operations		
Due from the Central Bank	1,722	1,915
Due from and placements with banks and other financial institutions and financial assets purchased under reverse repurchase agreements	5,284	4,104
Loans and advances to customers	81,324	94,734
Financial investments	15,578	15,674
Subtotal	103,908	116,427
Interest expenses on banking operations		
Due to the Central Bank	1,615	1,970
Due to and placements from banks and other financial institutions and assets sold under agreements to repurchase	7,012	6,100
Customer deposits	36,753	36,869
Bonds payable	9,222	8,356
Subtotal	54,602	53,295
Net interest income from banking operations	49,306	63,132

7. INTEREST REVENUE FROM NON-BANKING OPERATIONS

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Financial assets at amortized cost	15,604	15,992
Debt financial assets at fair value through other comprehensive income	42,456	43,716
	58,060	59,708

8. NET FEES AND COMMISSION INCOME FROM NON-INSURANCE OPERATIONS

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Fees and commission revenue from non-insurance operations		
Brokerage commission	4,435	4,600
Underwriting commission	393	509
Trust service fees	286	661
Fees and commission from the banking business	14,161	16,544
Others	1,839	1,589
Subtotal	21,114	23,903
Fees and commission expenses on non-insurance operations		
Brokerage commission	1,135	1,227
Fees and commission on the banking business	1,935	2,908
Others	558	233
Subtotal	3,628	4,368
Net fees and commission income from non-insurance operations	17,486	19,535

9. INVESTMENT INCOME

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Net investment income	42,879	39,896
Realized gains/(losses)	(23,231)	(18,779)
Unrealized gains/(losses)	46,191	18,752
Total investment income	65,839	39,869

(1) NET INVESTMENT INCOME

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Financial assets at fair value through profit or loss	30,731	29,820
Equity financial assets at fair value through other comprehensive income	8,444	6,866
Operating lease income from investment properties	3,704	3,210
	42,879	39,896

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

9. INVESTMENT INCOME (CONTINUED)

(2) REALIZED GAINS/(LOSSES)

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Financial instruments at fair value through profit or loss	(31,833)	(18,816)
Debt financial assets at fair value through other comprehensive income	1,835	140
Financial assets at amortized cost	729	(296)
Derivative financial instruments	2,618	(1,192)
Gains on disposals of loans and advances at fair value through other comprehensive income	1,749	1,247
Precious metal transactions investment gains	298	167
Investment in subsidiaries, associates and joint ventures	486	(29)
Gains on debt restructuring	887	-
	(23,231)	(18,779)

(3) UNREALIZED GAINS/(LOSSES)

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Financial assets at fair value through profit or loss		
Bonds	15,955	5,507
Funds	12,353	4,887
Stocks	8,886	748
Wealth management investments, debt schemes and other investments	8,053	5,068
Financial liabilities at fair value through profit or loss	(138)	1,276
Derivative financial instruments	1,082	1,266
	46,191	18,752

10. OTHER REVENUES AND OTHER GAINS

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Sales revenue	13,207	15,367
Expressway toll fee	360	433
Annuity management fee	805	882
Management fee and consulting fee income	2,863	3,791
Finance lease income	8,616	8,422
Others	5,608	5,718
	31,459	34,613

11. INSURANCE SERVICE EXPENSES

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Claims and other expenses	152,504	149,986
Amortization of insurance acquisition cash flows	60,026	58,796
Losses on onerous contracts and reversal of those losses	6,302	5,128
	218,832	213,910

12. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Accounts receivable	313	147
Loans and advances to customers	23,775	27,663
Debt financial assets at fair value through other comprehensive income	492	638
Financial assets at amortized cost	5,119	(1,709)
Finance lease receivable	523	144
Placements with banks and other financial institutions	451	1,373
Credit commitments	(3,977)	6,044
Due from banks and other financial institutions	(134)	(452)
Others	(32)	2,024
	26,530	35,872

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

13. PROFIT BEFORE TAX

(1) PROFIT BEFORE TAX IS ARRIVED AT AFTER CHARGING THE FOLLOWING ITEMS:

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
General and administrative expenses (Note 13.(2))	38,604	40,135
Other expenses (Note 13.(3))	18,016	18,555
Net impairment losses on financial assets (Note 12)	26,530	35,872
Net impairment losses on other assets	84	393

(2) GENERAL AND ADMINISTRATIVE EXPENSES

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Employee costs	37,730	39,862
Including: Wages, salaries and bonuses	28,697	30,522
Retirement benefits, social security contributions and welfare benefits	8,195	8,410
Property and equipment costs	8,536	9,831
Including: Depreciation of property and equipment	3,021	3,654
Amortization of intangible assets	1,281	1,204
Depreciation of right-of-use assets	2,045	2,418
Operation expenses and regulatory charges	24,587	27,498
Administrative costs	1,149	1,425
Taxes and surcharges	1,762	1,823
Others	3,435	3,787
	77,199	84,226
Less: Expenses directly attributable to insurance contracts		
Insurance acquisition cash flows recognized in liabilities for remaining coverage	(21,826)	(27,035)
Amounts recognized in insurance service expenses	(16,769)	(17,056)
	(38,595)	(44,091)
	38,604	40,135

(3) OTHER EXPENSES

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Cost of sales	7,296	9,052
Depreciation of investment properties	2,267	2,343
Interest expenses on finance lease operations	3,478	3,440
Others	4,975	3,720
	18,016	18,555

14. INCOME TAX

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
Current income tax	7,265	11,102
Deferred income tax	7,186	1,422
	14,451	12,524

Certain subsidiaries enjoy tax preferential treatments. These subsidiaries are not material to the Group. Except for those subsidiaries enjoying tax preferential treatments, the applicable corporate income tax rate of the Group for 2024 was 25%.

The amendments to IAS 12 introduce a temporary mandatory exemption from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development. The Pillar Two legislation has been enacted or substantively enacted by 31 December 2023 in certain jurisdictions in which the Group operates, and such legislation will successively become effective from 1 January 2024. The Group has adopted the amendments to IAS 12 and the temporary mandatory exemptions.

According to the rules of Pillar Two legislation, low-tax jurisdictions with effective tax rate below 15% may have a top-up tax impact. There are differences in the computation of effective tax rate between Pillar Two legislation and IFRS Accounting Standards. The Group is currently in the process of analyzing the potential impact of the Pillar Two legislation on future financial performance.

15. DIVIDENDS

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
2023 final dividend – RMB1.50 (2022: RMB1.50) per ordinary share ⁽ⁱ⁾	27,161	27,161
2024 interim dividend – RMB0.93 (2023: RMB0.93) per ordinary share ⁽ⁱⁱ⁾	16,840	16,840

(i) On 21 March 2024, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for 2023, agreeing to declare a cash dividend in the amount of RMB1.50 (tax inclusive) per share. The total amount of the cash dividend for 2023 was RMB27,161 million (tax inclusive).

On 30 May 2024, the above profit distribution plan was approved by the shareholders of the Company at the annual general meeting.

(ii) On 22 August 2024, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for Interim Dividend of 2024, and declared an interim cash dividend of RMB0.93 (tax inclusive) per share. Pursuant to the *Shanghai Stock Exchange's Guidelines for Self-regulation of Listed Companies No. 7 - Repurchase of Shares* and other applicable regulations, the Company's A shares in the Company's repurchased securities account after trading hours on the record date of A shareholders will not be entitled to the interim dividend distribution. The actual total amount of the interim dividend distribution is subject to the total number of shares that will be entitled to the dividend distribution on the record date. The total amount of the interim dividend distribution in 2024 is estimated at RMB16,840,107,055.35 (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 30 June 2024, which was not recognized as a liability as at 30 June 2024.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

16. EARNINGS PER SHARE

(1) BASIC

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the six-month period ended 30 June 2024 excluding ordinary shares purchased by the Group.

For the six-month period ended 30 June	2024 (Unaudited)	2023 (Unaudited)
Profit attributable to owners of the parent (in RMB million)	74,619	69,841
Weighted average number of ordinary shares in issue (million shares)	17,729	17,704
Basic earnings per share (in RMB)	4.21	3.94

(2) DILUTED

Diluted earnings per share was computed by dividing the adjusted profit attributable to owners of the parent based on assuming conversion of all dilutive potential shares for the period by the adjusted weighted average number of ordinary shares in issue. The shares granted by the Company under the Key Employee Share Purchase Plan (Note 31) and Long-term Service Plan (Note 32) have a potential dilutive effect on the earnings per share.

For the six-month period ended 30 June	2024 (Unaudited)	2023 (Unaudited)
Earnings (in RMB million)		
Profit attributable to owners of the parent	74,619	69,841
Weighted average number of ordinary shares (million shares)		
Weighted average number of ordinary shares in issue	17,729	17,704
Adjustments for:		
Assumed vesting of Key Employee Share Purchase Plan	27	27
Assumed vesting of Long-term Service Plan	351	310
Weighted average number of ordinary shares for diluted earnings per share in issue (million shares)	18,107	18,041
Diluted earnings per share (in RMB)	4.12	3.87

17. CASH AND AMOUNTS DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash on hand	3,342	3,690
Term deposits	245,244	259,756
Due from banks and other financial institutions	323,443	319,924
Placements with banks and other financial institutions	259,821	220,707
	831,850	804,077

17. CASH AND AMOUNTS DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS (CONTINUED)

Details of placements with banks and other financial institutions are as follows:

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Measured at amortized cost		
Placements with banks	56,326	68,410
Placements with other financial institutions	204,880	153,229
Gross	261,206	221,639
Less: Provision for impairment losses	(1,385)	(932)
Net	259,821	220,707

As at 30 June 2024, cash and amounts due from banks and other financial institutions of RMB6,050 million (31 December 2023: RMB7,961 million) were restricted from use.

18. BALANCES WITH THE CENTRAL BANK

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Statutory reserve deposits with the Central Bank for banking operations	209,558	227,324
Including: Statutory reserve deposits with the Central Bank for banking operations - RMB	207,429	225,304
Statutory reserve deposits with the Central Bank for banking operations - foreign currencies	2,129	2,020
Surplus reserve deposits with the Central Bank	92,974	43,450
Fiscal deposits with the Central Bank	128	202
	302,660	270,976

In accordance with relevant regulations, subsidiaries of the Group engaged in bank operations are required to place mandatory reserve deposits with the People's Bank of China for customer deposits in both local currency and foreign currencies. As at 30 June 2024, the mandatory deposits are calculated at 6.5% (31 December 2023: 7.0%) of customer deposits denominated in RMB and 4.0% (31 December 2023: 4.0%) of customer deposits denominated in foreign currencies. Mandatory reserve deposits are not available for use by the Group in its day-to-day operations.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

19. FINANCIAL ASSETS PURCHASED UNDER REVERSE REPURCHASE AGREEMENTS

Classified by collateral:

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Bonds	107,406	156,011
Bills	7,127	8,787
Stocks and others	2,973	3,112
Gross	117,506	167,910
Less: Provision for impairment losses	(251)	(250)
Net	117,255	167,660

20. FINANCE LEASE RECEIVABLE

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Finance lease receivables, net of unrealized financial gains	207,615	185,658
Less: Provision for impairment losses	(4,676)	(4,984)
	202,939	180,674

The Group's finance lease receivables are the net amount offsetting the unrealized financial gains.

21. LOANS AND ADVANCES TO CUSTOMERS

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Measured at amortized cost		
Corporate customers		
Loans	1,100,944	973,872
Individual customers		
Mortgage loans	306,576	303,568
Credit card receivables	470,999	514,092
Consumer loans	488,478	545,291
Business loans	555,282	614,768
Gross	2,922,279	2,951,591
Add: Interest receivable	9,448	9,954
Less: Provision for impairment losses	(94,127)	(97,353)
Net	2,837,600	2,864,192
Measured at fair value through other comprehensive income		
Corporate customers		
Loans	296,214	239,131
Discounted bills	180,842	214,799
Subtotal	477,056	453,930
Carrying amount	3,314,656	3,318,122

As at 30 June 2024, discounted bills with a carrying amount of RMB5,136 million (31 December 2023: RMB26 million) were pledged for amounts due to the Central Bank.

Loan impairment provision is as follows:

(in RMB million)	For the six-month period ended 30 June 2024 (Unaudited)	For the year ended 31 December 2023 (Audited)
Measured at amortized cost		
As at 1 January	97,353	97,919
Charge for the period/year	24,445	62,973
Write-off and transfer during the period/year	(37,418)	(80,727)
Recovery of loans written off previously	9,780	17,779
Unwinding of discount of impairment provisions recognized as interest income	(34)	(83)
Others	1	(508)
As at 30 June/31 December	94,127	97,353
Measured at fair value through other comprehensive income		
As at 1 January	2,692	3,277
Recover for the period/year	(670)	(140)
Write-off and transfer during the period/year	-	(445)
Recovery of loans written off previously	30	-
As at 30 June/31 December	2,052	2,692
As at 30 June/31 December	96,179	100,045

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Bonds		
Government bonds	250,394	200,566
Finance bonds	509,638	307,378
Corporate bonds	112,202	78,485
Funds	503,628	475,511
Stocks	153,676	156,514
Preferred shares	23,522	22,929
Unlisted equity investments	134,829	127,304
Debt schemes	73,161	72,237
Wealth management investments	253,601	258,313
Other investments	131,313	103,810
Total	2,145,964	1,803,047
Listed	305,982	316,044
Unlisted	1,839,982	1,487,003
	2,145,964	1,803,047

23. FINANCIAL ASSETS AT AMORTIZED COST

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Bonds		
Government bonds	899,310	892,641
Finance bonds	29,421	32,113
Corporate bonds	40,747	47,433
Debt schemes	15,315	14,196
Wealth management investments	122,958	117,172
Other investments	169,723	186,775
Gross	1,277,474	1,290,330
Less: Provisions for impairment losses	(50,178)	(46,977)
Net	1,227,296	1,243,353
Listed	60,841	62,757
Unlisted	1,166,455	1,180,596
	1,227,296	1,243,353

24. DEBT FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Bonds		
Government bonds	2,193,695	1,973,152
Finance bonds	385,650	352,063
Corporate bonds	79,796	75,772
Debt schemes	104,307	108,515
Wealth management investments	82,143	127,506
Total	2,845,591	2,637,008
Listed	369,229	364,740
Unlisted	2,476,362	2,272,268
	2,845,591	2,637,008

As at 30 June 2024, the total provision for impairment losses recognized in debt financial assets at fair value through other comprehensive income is RMB9,358 million (31 December 2023: RMB8,818 million).

25. EQUITY FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Stocks	210,056	177,686
Preferred shares	83,067	81,893
Other equity investments	6,233	5,298
Total	299,356	264,877
Listed	293,400	259,579
Unlisted	5,956	5,298
	299,356	264,877

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

26. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The Group's investments in the principal associates and joint ventures as at 30 June 2024 are as follows:

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Associates		
Veolia Water (Kunming) Investment Co., Ltd.	313	305
Shanxi Taichang Expressway Co., Ltd.	1,235	1,147
Beijing-Shanghai High-Speed Railway Equity Investment Scheme	10,574	9,493
Massive Idea Investments Limited	1,115	1,102
Guangzhou Jinglun Property Development Co., Ltd.	644	644
Lufax Holding Ltd. ("Lufax Holding")	47,458	52,465
Ping An Healthcare and Technology Co., Ltd. ("Ping An Health")	18,706	18,673
HealthKonnnect Medical and Health Technology Management Company Limited ("Ping An HealthKonnnect")	3,381	3,236
OneConnect Financial Technology Co., Ltd. ("OneConnect")	1,997	1,913
Shenzhen China Merchants-Ping An Asset Management Co., Ltd.	1,043	992
ZhongAn Online P&C Insurance Co., Ltd.	2,051	2,008
Beijing Beiqi Penglong Automobile Service Co., Ltd.	1,825	1,768
China Yangtze Power Co., Ltd.	16,491	16,141
China Traditional Chinese Medicine Holdings Co., Ltd.	3,036	2,905
China Fortune Land Development Co., Ltd.	1,066	1,740
China Jinmao Holding Group Co., Ltd.	5,756	5,606
Ping An Consumer Finance Co., Ltd.	1,640	1,533
Vivid Synergy Limited	10,289	10,216
Shanghai Yibin Property Co., Ltd.	13,326	13,329
Guangzhou Futures Exchange Co., Ltd.	609	495
Others	29,490	31,473
Subtotal	172,045	177,184
Joint ventures		
Beijing Zhaotai Property Development Co., Ltd.	1,287	1,278
Wuhan DAJT Property Development Co., Ltd.	462	460
Founder Meiji Yasuda Life Insurance Co., Ltd.	2,872	2,982
Others	72,962	76,973
Subtotal	77,583	81,693
Total	249,628	258,877

The Group has no significant contingent liabilities relating to the associates and joint ventures listed above.

27. STATUTORY DEPOSITS FOR INSURANCE OPERATIONS

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Ping An Life	6,760	6,760
Ping An Property & Casualty	4,200	4,200
Ping An Annuity	2,322	2,322
Ping An Health Insurance	940	1,100
Others	19	18
Subtotal	14,241	14,400
Less: Provision for impairment losses	(5)	(5)
Add: Interest receivable	750	508
Total	14,986	14,903

Statutory deposits for insurance operations are placed with PRC national commercial banks in accordance with the *Insurance Law* and relevant regulations issued by regulatory authorities based on 20% of the registered capital for the insurance company subsidiaries and 5% of the registered capital for insurance sales agency subsidiaries within the Group, respectively. Statutory deposits for insurance operations can only be utilized to settle liabilities during liquidation of insurance companies, insurance sales agency companies and insurance brokerage companies.

28. OTHER ASSETS

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Other receivables	81,033	76,052
Foreclosed assets	4,956	1,804
Prepayments	2,579	2,211
Precious metals held for trading	11,352	10,043
Dividends receivable	5,362	378
Amounts in the processing clearance and settlement	70,890	39,036
Others	18,644	18,987
Gross	194,816	148,511
Less: Impairment provisions	(12,974)	(13,516)
Including: Other receivables	(9,401)	(9,530)
Foreclosed assets	(1,504)	(1,587)
Precious metals held for trading	(172)	(363)
Others	(1,897)	(2,036)
Net	181,842	134,995

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

29. SHARE CAPITAL

(million shares)	Domestic listed A shares, par value RMB 1.00 per share	Overseas listed H shares, par value RMB 1.00 per share	Total
30 June 2024 (Unaudited)	10,762	7,448	18,210
31 December 2023 (Audited)	10,762	7,448	18,210

30. RESERVES, RETAINED PROFITS AND NON-CONTROLLING INTERESTS

In accordance with the relevant regulations, general reserves should be set aside to cover catastrophic or other losses as incurred by companies operating in the insurance, banking, trust, securities, futures and fund businesses. The Group's respective entities engaged in such businesses would need to make appropriations for such reserves based on their respective year-end profit or risk assets, the companies operating in insurance should make appropriations for general reserves based on 10% of net profit, the company operating in banking should make appropriations based on 1.5% of risk assets, the company operating in securities should make appropriations based on 10% of net profit, the companies operating in trust should make appropriations based on 5% of trust claim reserves, the companies operating in futures should make appropriations based on 10% of net profit, and the companies operating in fund should make appropriations based on 10% of fund management fees as determined in accordance with PRC Accounting Standards, and based on the applicable PRC financial regulations, in their annual financial statements. Such reserves are not available for dividend distribution or transfer to share capital.

In accordance with the relevant regulations, the net profit after tax of the Company for profit distribution is deemed to be the lower of (i) the retained profits determined in accordance with PRC Accounting Standards and (ii) the retained profits determined in accordance with IFRS Accounting Standards.

31. KEY EMPLOYEE SHARE PURCHASE PLAN

The Company has adopted a Key Employee Share Purchase Plan for the key employees (including executive directors and senior management) of the Company and its subsidiaries. Shares shall be vested and awarded to the key employees approved for participation in the plan, subject to the achievement of certain performance targets.

Movement of reserves relating to the Key Employee Share Purchase Plan is as follows:

For the six-month period ended 30 June 2024 (in RMB million)	Cost of shares held for Key Employee Share Purchase Plan (Unaudited)	Value of employee services (Unaudited)	Total (Unaudited)
As at 1 January	(1,261)	861	(400)
Purchased ⁽ⁱ⁾	(584)	-	(584)
Share-based compensation expenses ⁽ⁱⁱ⁾	-	212	212
Exercised	564	(564)	-
Lapsed	58	-	58
As at 30 June	(1,223)	509	(714)

For the six-month period ended 30 June 2023 (in RMB million)	Cost of shares held for Key Employee Share Purchase Plan (Unaudited)	Value of employee services (Unaudited)	Total (Unaudited)
As at 1 January	(1,137)	767	(370)
Purchased ⁽ⁱ⁾	(694)	-	(694)
Share-based compensation expenses ⁽ⁱⁱ⁾	-	304	304
Exercised	515	(515)	-
Lapsed	55	-	55
As at 30 June	(1,261)	556	(705)

(i) During the period from 13 May 2024 to 13 June 2024, 13,606,921 ordinary A shares were purchased from the market. The average price of shares purchased was RMB42.89 per share. The total purchasing cost was RMB584 million (transaction expenses included).

During the period from 16 March 2023 to 23 March 2023, 15,030,180 ordinary A shares were purchased from the market. The average price of shares purchased was RMB46.13 per share. The total purchasing cost was RMB694 million (transaction expenses included).

(ii) The share-based compensation expenses of the Key Employee Share Purchase Plan and the total value of employee services were RMB212 million during the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: RMB304 million).

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

32. LONG-TERM SERVICE PLAN

The Company has adopted a Long-term Service Plan for the employees of the Company and its subsidiaries. Shares shall be vested and awarded to the employees participated in the Long-term Service Plan, subject to the confirmation of their applications made when they retire from the Company.

Movement of reserves relating to the Long-term Service Plan is as follows:

For the six-month period ended 30 June 2024 (in RMB million)	Cost of shares held for Long-term Service Plan (Unaudited)	Value of employee services (Unaudited)	Total (Unaudited)
As at 1 January	(21,324)	1,429	(19,895)
Purchased	-	-	-
Share-based compensation expenses ⁽ⁱⁱ⁾	-	267	267
Exercised	28	(28)	-
As at 30 June	(21,296)	1,668	(19,628)

For the six-month period ended 30 June 2023 (in RMB million)	Cost of shares held for Long-term Service Plan (Unaudited)	Value of employee services (Unaudited)	Total (Unaudited)
As at 1 January	(16,886)	970	(15,916)
Purchased ⁽ⁱ⁾	(4,451)	-	(4,451)
Share-based compensation expenses ⁽ⁱⁱ⁾	-	214	214
Exercised	8	(8)	-
As at 30 June	(21,329)	1,176	(20,153)

(i) From 16 March 2023 to 23 March 2023, 96,608,364 ordinary A shares were purchased from the market. The average price of shares purchased was RMB46.06 per share. The total purchasing cost was RMB4,451 million (transaction expenses included).

(ii) The share-based compensation expenses and the total value of employee services of the Long-term Service Plan were RMB267 million during the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: RMB214 million).

33. TREASURY SHARES

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Treasury shares	5,001	5,001

34. DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Deposits from other banks and financial institutions	614,874	526,452
Due to the Central Bank	126,298	208,783
Short-term borrowings	95,470	93,322
Long-term borrowings	139,364	135,161
	976,006	963,718

35. ASSETS SOLD UNDER AGREEMENTS TO REPURCHASE

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Bonds	248,062	228,250
Others	6,916	13,553
	254,978	241,803

As at 30 June 2024, bonds with a carrying amount of RMB197,782 million (31 December 2023: RMB171,868 million) were pledged as collateral for financial assets sold under agreements to repurchase resulted from repurchase transactions entered into by the Group in the inter-bank market. The collaterals are restricted from trading during the period of the repurchase transactions.

As at 30 June 2024, the carrying amount of bonds deposited in the collateral pool was RMB273,044 million (31 December 2023: RMB304,409 million). The collaterals are restricted from trading during the period of the repurchase transactions. The Group can withdraw the exchange-traded bonds from the collateral pool in short time provided that the value of the bonds is no less than the balance of related repurchase transactions.

For bonds repurchase transactions through stock exchange, the Group is required to deposit certain exchange traded bonds and/or bonds transferred under new pledged repurchase transactions with fair value converted at a standard rate pursuant to stock exchange's regulation no less than the balance of related repurchase transactions into a collateral pool.

36. INSURANCE CONTRACT ASSETS AND LIABILITIES

(1) The analysis of liabilities for remaining coverage and liabilities for incurred claims is as follows:

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Insurance contract liabilities		
Liabilities for remaining coverage	4,379,900	3,959,695
Including: Excluding loss component	4,366,625	3,947,571
Loss component	13,275	12,124
Liabilities for incurred claims	209,850	200,106
	4,589,750	4,159,801
Insurance contract assets		
Liabilities for remaining coverage	-	(8)
Including: Excluding loss component	-	(8)
Liabilities for incurred claims	-	5
	-	(3)
Net insurance contract liabilities	4,589,750	4,159,798

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

36. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(2) The analysis by measurement component of contracts not measured under the premium allocation approach is as follows:

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Insurance contract liabilities		
Estimates of the present value of future cash flows	3,375,545	2,964,209
Risk adjustment for non-financial risk	165,685	158,628
Contractual service margin	776,431	771,438
	4,317,661	3,894,275
Insurance contract assets	-	-
Net insurance contract liabilities	4,317,661	3,894,275

(3) The effect on the measurement components of insurance contracts arising from the initial recognition of contracts not measured under the premium allocation approach that were initially recognized in the period is as follows:

(in RMB million)	For the six-month period ended 30 June 2024 (Unaudited)		
	Onerous contracts	Others	Total
Insurance acquisition cash flows	2,585	23,715	26,300
Other cash outflows	15,314	165,924	181,238
Estimates of the present value of future cash outflows	17,899	189,639	207,538
Estimates of the present value of future cash inflows	(17,444)	(214,643)	(232,087)
Risk adjustment for non-financial risk	314	1,036	1,350
Contractual service margin	-	23,968	23,968
Losses recognized on initial recognition	769	-	769

(in RMB million)	For the six-month period ended 30 June 2023 (Unaudited)		
	Onerous contracts	Others	Total
Insurance acquisition cash flows	1,700	30,061	31,761
Other cash outflows	7,544	194,554	202,098
Estimates of the present value of future cash outflows	9,244	224,615	233,859
Estimates of the present value of future cash inflows	(8,979)	(255,959)	(264,938)
Risk adjustment for non-financial risk	239	1,374	1,613
Contractual service margin	-	29,970	29,970
Losses recognized on initial recognition	504	-	504

37. CUSTOMER DEPOSITS AND PAYABLES TO BROKERAGE CUSTOMERS

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Current and savings accounts		
Corporate customers	792,052	868,022
Individual customers	389,591	290,352
Term deposits		
Corporate customers	1,474,303	1,321,068
Individual customers	923,554	938,713
Subtotal	3,579,500	3,418,155
Payables to brokerage customers		
Individual customers	84,628	90,301
Corporate customers	33,054	26,083
Subtotal	117,682	116,384
Total	3,697,182	3,534,539

As at 30 June 2024, bonds classified as financial assets carried at amortized costs with a carrying amount of RMB33,748 million (31 December 2023: RMB31,059 million) were pledged as main collaterals for term deposit with the Central Bank.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

38. BONDS PAYABLE

The information of the Group's main bonds payable is as follows:

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issue year	Interest type	Coupon rate (per annum)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	2,474	2019	Fixed	3.00%-3.45%	481	2,513
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	1,840	2020	Fixed	3.60%-3.70%	1,866	1,869
Ping An Financial Leasing	Corporate bonds	None	4 years	End of the second year	718	2020	Fixed	3.00%-3.10%	728	729
Ping An Financial Leasing	Corporate bonds	None	2-4 years	End of the second year	2,400	2021	Fixed	3.85%-4.40%	2,433	2,437
Ping An Financial Leasing	Corporate bonds	None	3-5 years	End of the third year	1,700	2021	Fixed	2.80%-4.08%	1,724	1,726
Ping An Financial Leasing	Corporate bonds	None	3-4 years	End of the second year	8,460	2022	Fixed	2.90%-3.70%	7,767	8,937
Ping An Financial Leasing	Corporate bonds	None	5 years	End of the third year	1,500	2022	Fixed	3.33%-3.80%	1,521	1,523
Ping An Financial Leasing	Corporate bonds	None	2 years	End of the first year	3,200	2022	Fixed	2.50%-3.15%	1,926	3,250
Ping An Financial Leasing	Corporate bonds	None	4 years	End of the second year	5,600	2023	Fixed	3.37%-4.35%	5,678	5,687
Ping An Financial Leasing	Corporate bonds	None	2 years	End of the first year	3,200	2023	Fixed	2.25%-3.30%	3,245	3,554
Ping An Financial Leasing	Private corporate bonds	None	5 years	End of the third year	629	2019	Fixed	3.70%	-	639
Ping An Financial Leasing	Medium term notes	None	2 years	End of the first year	1,000	2024	Fixed	2.85%	1,014	-
Ping An Financial Leasing	Corporate bonds	None	2 years	End of the first year	1,900	2024	Fixed	2.18%-2.55%	1,926	-
Ping An Financial Leasing	Corporate bonds	None	4 years	End of the second year	2,000	2024	Fixed	2.39%-2.92%	2,028	-
Ping An Bank	Tier-2 Capital bonds	None	10 years	End of the fifth year	30,000	2019	Fixed	4.55%	-	30,907
Ping An Bank	Financial bonds	None	3 years	None	20,000	2021	Fixed	3.45%	-	20,630
Ping An Bank	Tier-2 Capital bonds	None	10 years	End of the fifth year	30,000	2021	Fixed	3.69%	30,703	30,153
Ping An Bank	Financial bonds	None	3 years	None	20,000	2022	Fixed	2.45%	20,341	20,098
Ping An Bank	Financial bonds	None	3 years	None	5,000	2022	Fixed	2.45%	5,081	5,020
Ping An Bank	Financial bonds	None	3 years	None	5,000	2022	Fixed	2.45%	5,081	5,020

38. BONDS PAYABLE (CONTINUED)

The information of the Group's main bonds payable is as follows (continued):

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issue year	Interest type	Coupon rate (per annum)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Ping An Bank	Financial bonds	None	3 years	None	20,000	2022	Fixed	2.45%	20,312	20,069
Ping An Bank	Financial bonds	None	3 years	None	30,000	2023	Fixed	2.77%	30,180	30,598
Ping An Bank	Financial bonds	None	3 years	None	15,000	2024	Fixed	2.46%	15,145	-
Ping An Bank	Financial bonds	None	3 years	None	5,000	2024	Fixed	2.46%	5,048	-
Ping An Life	Capital supplement bonds	None	10 years	End of the fifth year	20,000	2020	Fixed	First 5 years: 3.58% Next 5 years: 4.58% (if not redeemed)	20,569	20,873
Ping An Property & Casualty	Capital supplement bonds	None	10 years	End of the fifth year	10,000	2019	Fixed	First 5 years: 4.64% Next 5 years: 5.64% (if not redeemed)	-	10,543
Ping An Securities	Corporate bonds	None	3 years	None	3,000	2021	Fixed	3.40%	-	3,060
Ping An Securities	Corporate bonds	None	3 years	None	2,400	2021	Fixed	3.48%	-	2,446
Ping An Securities	Corporate bonds	None	3 years	None	1,200	2021	Fixed	3.50%	-	1,222
Ping An Securities	Corporate bonds	None	3 years	None	1,800	2021	Fixed	3.25%	1,855	1,826
Ping An Securities	Corporate bonds	None	3 years	None	3,000	2021	Fixed	3.05%	3,081	3,035
Ping An Securities	Corporate bonds	None	5 years	None	2,000	2021	Fixed	3.47%	2,060	2,025
Ping An Securities	Corporate bonds	None	3 years	None	2,600	2021	Fixed	3.37%	2,661	2,617
Ping An Securities	Private corporate bonds	None	2 years	None	1,500	2022	Fixed	3.07%	-	1,544
Ping An Securities	Corporate bonds	None	3 years	None	2,300	2022	Fixed	3.00%	2,314	2,349
Ping An Securities	Corporate bonds	None	5 years	None	500	2022	Fixed	3.42%	503	512
Ping An Securities	Subordinated corporate bonds	None	3 years	None	1,900	2022	Fixed	3.10%	1,907	1,937
Ping An Securities	Subordinated corporate bonds	None	5 years	None	1,100	2022	Fixed	3.56%	1,105	1,124

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

38. BONDS PAYABLE (CONTINUED)

The information of the Group's main bonds payable is as follows (continued):

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issue year	Interest type	Coupon rate (per annum)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Ping An Securities	Corporate bonds	None	3 years	None	3,000	2022	Fixed	2.80%	3,077	3,035
Ping An Securities	Corporate bonds	None	3 years	None	500	2022	Fixed	2.75%	512	505
Ping An Securities	Corporate bonds	None	5 years	None	1,000	2022	Fixed	3.22%	1,028	1,012
Ping An Securities	Corporate bonds	None	3 years	None	2,500	2022	Fixed	2.65%	2,552	2,518
Ping An Securities	Corporate bonds	None	5 years	None	1,800	2023	Fixed	3.60%	1,823	1,855
Ping An Securities	Corporate bonds	None	3 years	None	1,200	2023	Fixed	3.33%	1,214	1,234
Ping An Securities	Corporate bonds	None	5 years	None	750	2023	Fixed	3.60%	758	772
Ping An Securities	Corporate bonds	None	3 years	None	500	2023	Fixed	3.39%	505	514
Ping An Securities	Corporate bonds	None	3 years	None	1,000	2023	Fixed	3.15%	1,006	1,021
Ping An Securities	Corporate bonds	None	2 years	None	2,000	2023	Fixed	3.02%	2,011	2,041
Ping An Securities	Corporate bonds	None	3 years	None	1,000	2023	Fixed	3.03%	1,003	1,018
Ping An Securities	Corporate bonds	None	2 years	None	1,500	2023	Fixed	2.90%	1,505	1,526
Ping An Securities	Corporate bonds	None	3 years	None	2,000	2023	Fixed	2.95%	2,002	2,031
Ping An Securities	Corporate bonds	None	2 years	None	1,000	2023	Fixed	2.78%	1,001	1,015
Ping An Securities	Corporate bonds	None	5 years	None	1,500	2023	Fixed	3.25%	1,546	1,521
Ping An Securities	Corporate bonds	None	3 years	None	500	2023	Fixed	2.95%	513	506
Ping An Securities	Corporate bonds	None	3 years	None	1,500	2023	Fixed	3.00%	1,527	1,504
Ping An Securities	Corporate bonds	None	3 years	None	800	2023	Fixed	3.00%	812	800
Ping An Securities	Corporate bonds	None	2 years	None	1,200	2023	Fixed	2.98%	1,218	1,200
Ping An Securities	Corporate bonds	None	2 years	None	500	2024	Fixed	2.75%	506	-
Ping An Securities	Corporate bonds	None	3 years	None	1,150	2024	Fixed	2.80%	1,164	-

38. BONDS PAYABLE (CONTINUED)

The information of the Group's main bonds payable is as follows (continued):

(in RMB million)

Issuer	Type	Guarantee	Maturity	Early redemption/ Selling back option	Par value	Issue year	Interest type	Coupon rate (per annum)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Ping An Real Estate Co., Ltd. ("Ping An Real Estate")	Corporate bonds	None	7 years	End of the fifth year	750	2019	Fixed	4.40%	783	766
Ping An Real Estate	Corporate bonds	None	7 years	End of the fifth year	940	2019	Fixed	4.30%	978	957
Shenzhen Ping An Financial Technology Consulting Co., Ltd.	Private corporate bonds	None	5 years	End of the third year	150	2020	Fixed	4.00%	150	153
Founder Securities Co., Ltd. ("Founder Securities")	Corporate bonds	None	2 years	None	1,000	2022	Fixed	3.49%	-	1,026
Founder Securities	Corporate bonds	None	2 years	None	700	2022	Fixed	3.40%	-	716
Founder Securities	Corporate bonds	None	2 years	None	600	2022	Fixed	3.18%	-	611
Founder Securities	Corporate bonds	None	3 years	None	1,000	2022	Fixed	2.95%	1,022	1,007
Founder Securities	Corporate bonds	None	2 years	None	700	2022	Fixed	2.75%	712	703
Founder Securities	Corporate bonds	None	3 years	None	1,300	2022	Fixed	2.94%	1,324	1,305
Founder Securities	Corporate bonds	None	2 years	None	400	2022	Fixed	4.30%	409	400
Founder Securities	Corporate bonds	None	2 years	None	1,600	2023	Fixed	3.56%	1,620	1,648
Founder Securities	Subordinated corporate bonds	None	3 years	None	1,200	2023	Fixed	4.10%	1,210	1,234
Founder Securities	Subordinated corporate bonds	None	2 years	None	1,500	2023	Fixed	3.68%	1,507	1,534
Founder Securities	Subordinated corporate bonds	None	3 years	None	500	2023	Fixed	3.80%	502	511
Founder Securities	Corporate bonds	None	3 years	None	3,000	2023	Fixed	3.23%	3,084	3,035
Founder Securities	Corporate bonds	None	3 years	None	500	2023	Fixed	3.28%	513	504
Founder Securities	Corporate bonds	None	3 years	None	3,000	2023	Fixed	3.50%	3,069	3,016
Founder Securities	Corporate bonds	None	2 years	None	2,000	2023	Fixed	3.14%	2,037	2,005
Founder Securities	Corporate bonds	None	2 years	None	2,000	2023	Fixed	3.20%	2,033	2,000
Founder Securities	Corporate bonds	None	2 years	None	3,000	2024	Fixed	2.90%	3,037	-
Founder Securities	Corporate bonds	None	2 years	None	3,000	2024	Fixed	2.59%	3,023	-
Founder Securities	Corporate bonds	None	2 years	None	2,000	2024	Fixed	2.40%	2,009	-
Founder Securities	Corporate bonds	None	3 years	None	1,500	2024	Fixed	2.40%	1,503	-

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

38. BONDS PAYABLE (CONTINUED)

The information of the Group's main bonds payable is as follows (continued):

As at 30 June 2024, the original terms of interbank certificates of deposit and certificates of deposit issued by Ping An Bank, but unmatured were from 6 months to 1 year, and the annual interest rates were from 1.99% to 4.81% (31 December 2023: the original terms were from 3 months to 1 year, and the annual interest rates were from 2.22% to 5.32%). The carrying amount was RMB476,041 million (31 December 2023: RMB565,833 million).

As at 30 June 2024, the original terms of short-term financial bonds issued by Ping An Securities, but unmatured were from 91 days to 274 days, and the annual interest rates were from 1.95% to 2.23% (31 December 2023: the original terms were from 91 days to 274 days, and the annual interest rates were from 2.20% to 2.79%). The carrying amount was RMB8,039 million (31 December 2023: RMB16,107 million).

As at 30 June 2024, the original terms of short-term financial bonds issued by Ping An Financial Leasing, but unmatured were from 118 days to 365 days, and the annual interest rates were from 1.81% to 3.40% (31 December 2023: the original terms were from 120 days to 365 days, and the annual interest rates were from 2.16% to 3.40%). The carrying amount was RMB11,559 million (31 December 2023: RMB12,745 million).

As at 30 June 2024, the original terms of short-term financial bonds issued by Founder Securities, but unmatured were from 182 days to 364 days, and the annual interest rates were from 2.03% to 2.10% (31 December 2023: the original terms were from 140 days to 365 days, and the annual interest rates were from 2.70% to 3.40%). The carrying amount was RMB2,506 million (31 December 2023: RMB7,711 million).

As at 30 June 2024, the original terms of income certificates issued by Ping An Securities, but unmatured were from 14 days to 90 days, and the annual interest rates were from 4.48% to 5.10% (31 December 2023: the original terms were from 14 days to 90 days, and the annual interest rates were from 2.30% to 5.10%). The carrying amount was RMB35 million (31 December 2023: RMB122 million).

As at 30 June 2024, the original terms of income certificates issued by Founder Securities, but unmatured were from 181 days to 687 days, and the annual interest rates were from 2.00% to 3.50% (31 December 2023: the original terms were from 366 days to 733 days, and the annual interest rates were from 3.00% to 4.40%). The carrying amount was RMB13,242 million (31 December 2023: RMB7,262 million).

39. FIDUCIARY ACTIVITIES

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Assets under trust schemes	828,265	650,133
Assets under annuity investments and annuity schemes	815,770	750,293
Assets under asset management schemes	2,051,887	1,800,776
Entrusted loans of banking operations	156,887	155,382
Entrusted investments of banking operations	1,045,116	1,013,060
	4,897,925	4,369,644

40. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments mainly consist of cash and amounts due from banks and other financial institutions, term deposits, bonds, funds, stocks, loans, borrowings, deposits from other banks and financial institutions, customer deposits and payables to brokerage customers, etc.

(1) CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table sets out the carrying amount and fair value of the Group's major financial instruments by classification:

(in RMB million)	Carrying amount		Fair value	
	30 June 2024 (Unaudited)	31 December 2023 (Audited)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Financial assets				
Cash and amounts due from banks and other financial institutions	831,850	804,077	831,850	804,077
Balances with the Central Bank and statutory deposits for insurance operations	317,646	285,879	317,646	285,879
Financial assets purchased under reverse repurchase agreements	117,255	167,660	117,255	167,660
Accounts receivable	39,661	35,636	39,661	35,636
Derivative financial assets	51,305	44,978	51,305	44,978
Finance lease receivable	202,939	180,674	202,939	180,674
Loans and advances to customers	3,314,656	3,318,122	3,314,656	3,318,122
Financial assets at fair value through profit or loss	2,145,964	1,803,047	2,145,964	1,803,047
Financial assets at amortized cost	1,227,296	1,243,353	1,285,093	1,272,437
Debt financial assets at fair value through other comprehensive income	2,845,591	2,637,008	2,845,591	2,637,008
Equity financial assets at fair value through other comprehensive income	299,356	264,877	299,356	264,877
Other assets	149,728	107,203	149,728	107,203
Financial liabilities				
Due to banks and other financial institutions	976,006	963,718	976,006	963,718
Financial liabilities at fair value through profit or loss	144,568	48,619	144,568	48,619
Derivative financial liabilities	44,550	44,531	44,550	44,531
Assets sold under agreements to repurchase	254,978	241,803	254,978	241,803
Accounts payable	7,536	8,858	7,536	8,858
Customer deposits and payables to brokerage customers	3,697,182	3,534,539	3,697,182	3,534,539
Bonds payable	823,691	964,007	825,154	962,802
Other liabilities	227,497	213,717	227,497	213,717

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

40. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY

The methods used to determine fair value of financial assets and liabilities and the breakdown of fair value hierarchy are disclosed in the 2023 annual report of the Group. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The main quoted market price used for financial assets held by the Group is the current closing price. Financial instruments included in Level 1 comprise primarily equity investments, fund investments and bond investments traded on stock exchanges and open-ended mutual funds;

Level 2: either directly (such as price) or indirectly (such as calculated based on price) other than quoted prices included within Level 1 that are observable for the asset or liability. This valuation method maximizes the use of observable market data and minimizes the use of unobservable inputs;

Level 3: inputs which are based on parameters other than observable market data (unobservable inputs).

The level of fair value measurement is determined by the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to the entire measurement requires judgement, taking into account factors specific to the asset or liability.

Valuation methods for Level 2 and Level 3 financial instruments

For Level 2 financial instruments, valuations are generally using observable market inputs, or recent quoted market prices. The valuation providers typically gather, analyse and interpret information related to market transactions and other key valuation model inputs from multiple sources, and through the use of widely accepted internal valuation models, provide a theoretical quote on various securities. Debt securities are classified as Level 2 when they are valued at recent quoted price from Chinese interbank market or from public valuation service providers. The fair value of debt investments denominated in RMB is determined based upon the valuation results by the China Central Depository & Clearing Co., Ltd. All significant inputs are observable in the market.

For Level 3 financial instruments, the consideration of being classified as Level 3 is mainly based on the significance of the unobservable factors to the overall fair value measurement.

40. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

(in RMB million)	30 June 2024 (Unaudited)			
	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Financial assets at fair value through profit or loss				
Bonds	10,971	860,748	515	872,234
Funds	280,700	218,103	4,825	503,628
Stocks	152,028	1,529	119	153,676
Wealth management investments, debt schemes and other investments	222	440,754	175,450	616,426
	443,921	1,521,134	180,909	2,145,964
Derivative financial assets				
Interest rate swaps	-	19,087	-	19,087
Currency forwards and swaps	-	26,415	-	26,415
Others	-	4,856	947	5,803
	-	50,358	947	51,305
Debt financial assets at fair value through other comprehensive income				
Bonds	12,267	2,646,293	581	2,659,141
Wealth management investments, debt schemes and other investments	-	183,289	3,161	186,450
	12,267	2,829,582	3,742	2,845,591
Equity financial assets at fair value through other comprehensive income				
Stocks	210,056	-	-	210,056
Preferred shares	-	83,067	-	83,067
Other equity investments	276	2,077	3,880	6,233
	210,332	85,144	3,880	299,356
Loans and advances to customers measured at fair value through other comprehensive income				
	-	477,056	-	477,056
Total financial assets	666,520	4,963,274	189,478	5,819,272
Financial liabilities				
Derivative financial liabilities				
Interest rate swaps	-	17,235	-	17,235
Currency forwards and swaps	-	22,240	-	22,240
Others	-	2,313	2,762	5,075
	-	41,788	2,762	44,550
Placements from banks and other financial institutions measured at fair value through profit or loss				
	3,299	-	-	3,299
Financial liabilities at fair value through profit or loss	3,034	140,356	1,178	144,568
Total financial liabilities	6,333	182,144	3,940	192,417

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

40. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy (continued):

(in RMB million)	31 December 2023 (Audited)			
	Level 1	Level 2	Level 3	Total fair value
Financial assets				
Financial assets at fair value through profit or loss				
Bonds	8,963	576,971	495	586,429
Funds	289,307	182,657	3,547	475,511
Stocks	155,131	1,269	114	156,514
Wealth management investments, debt schemes and other investments	1,519	416,420	166,654	584,593
	454,920	1,177,317	170,810	1,803,047
Derivative financial assets				
Interest rate swaps	-	14,070	-	14,070
Currency forwards and swaps	-	27,015	-	27,015
Others	-	3,575	318	3,893
	-	44,660	318	44,978
Debt financial assets at fair value through other comprehensive income				
Bonds	11,101	2,389,281	605	2,400,987
Wealth management investments, debt schemes and other investments	-	232,180	3,841	236,021
	11,101	2,621,461	4,446	2,637,008
Equity financial assets at fair value through other comprehensive income				
Stocks	177,673	-	13	177,686
Preferred shares	-	81,893	-	81,893
Other equity investments	-	2,021	3,277	5,298
	177,673	83,914	3,290	264,877
Loans and advances to customers measured at fair value through other comprehensive income				
	-	453,930	-	453,930
Total financial assets	643,694	4,381,282	178,864	5,203,840
Financial liabilities				
Derivative financial liabilities				
Interest rate swaps	-	12,718	-	12,718
Currency forwards and swaps	-	27,780	-	27,780
Others	-	3,973	60	4,033
	-	44,471	60	44,531
Placements from banks and other financial institutions measured at fair value through profit or loss				
	2,792	-	-	2,792
Financial liabilities at fair value through profit or loss	2,780	43,965	1,874	48,619
Total financial liabilities	5,572	88,436	1,934	95,942

40. CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(2) DETERMINATION OF FAIR VALUE AND THE FAIR VALUE HIERARCHY (CONTINUED)

During the six months ended 30 June 2024 and the six months ended 30 June 2023, there were no significant transfers between Level 1 and Level 2 fair value measurements.

41. RISK AND CAPITAL MANAGEMENT

(1) INSURANCE RISK

Type of insurance risk

Insurance risk refers to the risk that actual indemnity might exceed expected indemnity due to the frequency and severity of insurance accidents, as well as the possibility that insurance surrender rates are being underestimated. The principal risk the Group faces under such contracts is that the actual claims and benefit payments exceed the carrying amount of insurance contract liabilities. This could occur due to any of the following factors:

- (i) Occurrence risk - the possibility that the number of insured events will differ from those expected.
- (ii) Severity risk - the possibility that the cost of the events will differ from those expected.
- (iii) Development risk - the possibility that changes may occur in the amount of an insurer's obligation at the end of the contract period.

The variability of risks is improved by diversification of risk of loss to a large portfolio of insurance contracts as a more diversified portfolio is less likely to be affected across the board by change in any subset of the portfolio. The variability of risks is also improved by careful selection and implementation of underwriting strategies and guidelines.

The insurance business of the Group mainly comprises long-term life insurance contracts, property and casualty and short-term life insurance contracts. For contracts where death is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyles and natural disasters, resulting in earlier or more claims than expected. For contracts where survival is the insured risk, the most significant factor is continuing improvement in medical science and social conditions that would increase longevity. For property and casualty insurance contracts, claims are often affected by natural disasters, calamities, terrorist attacks, etc.

These risks currently do not vary significantly in relation to the location of the risk insured by the Group whilst undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

There would be no significant mitigating terms and conditions that reduce the insured risk accepted for contracts with fixed and guaranteed benefits and fixed future premiums. However, for contracts with discretionary participation features, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

Insurance risk is also affected by the policyholders' rights to terminate the contract, pay reduced premiums, refuse to pay premiums or exercise annuity conversion option, etc. Thus, the resultant insurance risk is subject to policyholders' behaviour and decisions.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

41. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(1) INSURANCE RISK (CONTINUED)

Concentration of insurance risks

The Group runs its insurance business primarily within the PRC. Hence the geographical insurance risk is concentrated primarily within the PRC.

Assumptions

(a) Long-term life insurance contracts

Significant judgements are required in determining and choosing discount rates/investment return, mortality, morbidity, lapse rates, policy dividend, and expenses assumptions relating to long-term life insurance contracts.

(b) Property and casualty and short-term life insurance contracts

The principal assumptions underlying the estimates includes assumptions in respect of average claim costs, claims handling costs, claims inflation factors and claim numbers for each accident year which are determined based on the Group's past claim experiences. Judgement is used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key assumptions include delays in settlement, etc.

(c) Reinsurance

The Group limits its exposure to losses from insurance operations mainly through participation in reinsurance arrangements. The majority of the business ceded is placed on the quota share basis and the surplus basis with retention limits varying by product lines. Amounts recoverable from reinsurers are estimated in a manner consistent with the assumptions used for ascertaining the underlying policy benefits and are presented in the statement of financial position as reinsurance contract assets or liabilities.

Even though the Group may have reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to reinsurance ceded, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements.

41. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK

Market risk is the risk of changes in fair value of financial instruments and future cash flows from fluctuation of market prices, which includes three types of risks from volatility of foreign exchange rates (foreign currency risk), market interest rates (interest rate risk) and market prices (price risk).

(a) Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in foreign currency exchange rates. Fluctuations in exchange rates between the RMB and other currencies in which the Group conducts business may affect its financial position and results of operations. The foreign currency risk facing the Group mainly comes from movements in the USD/RMB and HKD/RMB exchange rates. The Group sets limitation to its position of foreign currency, monitors the size of foreign currency position, and limits the foreign currency position within the threshold set by utilizing hedging strategy.

(b) Price risk

The Group's price risk exposure relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), which mainly include listed equity securities and security investment funds classified as equity financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, and related insurance contracts with direct participation features.

The above financial instruments and insurance contracts are exposed to price risk because of changes in market prices, where changes are caused by factors specific to the individual financial instruments or their issuers, or factors affecting all similar financial instruments traded in the market.

The Group manages price risks through balanced asset allocation, dynamic portfolio management and diversification of investments, etc.

(c) Interest rate risk

The interest rate risks facing the Group mainly comes from the insurance segment and the banking segment.

The insurance segment

Interest rate risk of the Group's insurance segment is the risk that the value/future cash flows of a financial instrument (mainly include debt investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income) will fluctuate because of changes in market interest rates, and the value of insurance contract liabilities will fluctuate because of changes in market interest rates (discount rate). Since most markets do not have assets of sufficient tenor to match insurance contract liabilities, an uncertainty arises around the reinvestment of maturing assets.

Floating rate instruments expose the Group to cash flow interest rate risk, whereas fixed rate instruments expose the Group to fair value interest risk. The Group's interest rate risk policy requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities by maintaining an appropriate mix of fixed and variable rate instruments. The Group manages the interest rate risk by extending assets duration, repricing products and adjusting the business structure to match the term structure and to match the cost and benefit.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

41. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(2) MARKET RISK (CONTINUED)

(c) Interest rate risk (Continued)

The banking segment

Interest rate risks of the Group's banking segment mainly consist of transaction account interest rate risk and bank account interest rate risk.

Transaction account interest rate risk arises from the change in interest rates and product price of the transaction account resulting from the change in market interest rates, which in turn affects the profit or loss for the year. The Group mainly manages the interest rate risk of transaction account by adopting measures such as the interest rate sensitive limit and daily and monthly stop-loss limit to ensure that the fluctuations of interest rate and market value of products are within the affordable scope of the Group.

Bank account interest rate risk arises from the mismatch of the maturity date or contract re-pricing date between interest-earning assets and interest-bearing liabilities. The Group manages bank account interest rate risk primarily by adjusting the asset/liability pricing structure, regularly monitoring sensitive gaps of interest rate, analysing characteristics of asset/liability re-pricing, and using an asset/liability management system to conduct scenario analysis on interest risk.

In respect of the financial assets and liabilities at fair value through profit or loss of the Group's banking segment, the interest rate risk arising from this portfolio is not significant. For other financial assets and liabilities, the Group mainly uses a gap analysis to measure and control the related interest rate risk.

41. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK

Credit risks refer to the risk of losses incurred by the inability of debtors or counterparties to fulfill their contractual obligations or by the adverse changes in their credit conditions. The Group is exposed to credit risks primarily associated with its deposit arrangements with commercial banks, loans and advances to customers, financial assets at amortized cost and debt financial assets at fair value through other comprehensive income, reinsurance arrangement with reinsurers, policy loans, margin financing, financial guarantee contracts and loan commitments, etc. The Group uses a variety of controls to identify, measure, monitor and report credit risk.

Credit risk management

Credit risk of banking business

The banking business of the Group has formulated a set of credit management processes and internal control mechanisms, so as to carry out the whole process management of credit business. Credit management procedures for its corporate and individual loans of comprise credit origination, credit review, credit approval, disbursement, post credit management. In addition, the banking business of the Group has formulated procedure manuals for credit management, which clarifies the duties of each part in the credit management processes, effectively monitoring credit risk and enhancing credit compliance.

Credit risks arising from credit commitments are similar to those of loans and advances. Therefore, financial guarantees and loan commitments are also subject to the same application, post credit management and collateral requirements as loan and advances business.

Credit risk of investment business

As to debt investment, the Group rates these investments by internal credit rating policies, selects counterparties with high credit quality and sets strict entry criteria.

The Group's debt investment mainly includes domestic government bonds, the Central Bank bills, financial institution bonds, corporate bonds and debt investment schemes, wealth management investments, etc. The Group manages the credit risk for these investments mainly through controlling the investment scales, selecting counterparties within the financial institutions with appropriate credit quality prudently, balancing the credit risks and rate of return of investment and considering the internal and external credit rating information comprehensively.

Credit risk of insurance business

The Group evaluated the credit rating of the reinsurance companies before signing the reinsurance contracts, and chose the reinsurance companies with higher credit quality to reduce the credit risk.

The limits of policy loans are based on the cash values of valid insurance policies, with appropriate discounts, and the validity periods of policy loans are within the validity periods of insurance policies. The credit risk associated with policy loans did not have material impact on the Group's consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

41. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(3) CREDIT RISK (CONTINUED)

The following table presents the credit risk exposure of the financial assets under the scope of expected credit loss. Without considering guarantee or any other credit enhancement measures, for on-balance sheet assets, the maximum credit risk exposure is presented as the net carrying amount of the financial assets:

Carrying amount (in RMB million)	30 June 2024 (Unaudited)			Maximum credit risk exposure
	Stage 1	Stage 2	Stage 3	
Cash and amounts due from banks and other financial institutions	831,850	-	-	831,850
Balances with the Central Bank and statutory deposits for insurance operations	317,646	-	-	317,646
Financial assets purchased under reverse repurchase agreements	116,868	-	387	117,255
Accounts receivable	39,615	26	20	39,661
Finance lease receivable	198,529	3,679	731	202,939
Loans and advances to customers	3,194,095	106,387	14,174	3,314,656
Financial assets at amortized cost	1,172,017	12,423	42,856	1,227,296
Debt financial assets at fair value through other comprehensive income	2,841,840	2,488	1,263	2,845,591
Other assets	138,903	926	9,899	149,728
Subtotal	8,851,363	125,929	69,330	9,046,622
Credit commitments	1,896,513	5,481	358	1,902,352
Total	10,747,876	131,410	69,688	10,948,974

Carrying amount (in RMB million)	31 December 2023 (Audited)			Maximum credit risk exposure
	Stage 1	Stage 2	Stage 3	
Cash and amounts due from banks and other financial institutions	804,077	-	-	804,077
Balances with the Central Bank and statutory deposits for insurance operations	285,879	-	-	285,879
Financial assets purchased under reverse repurchase agreements	167,073	200	387	167,660
Accounts receivable	35,528	46	62	35,636
Finance lease receivable	175,988	4,021	665	180,674
Loans and advances to customers	3,219,967	83,167	14,988	3,318,122
Financial assets at amortized cost	1,187,863	16,505	38,985	1,243,353
Debt financial assets at fair value through other comprehensive income	2,631,520	3,564	1,924	2,637,008
Other assets	95,640	676	10,887	107,203
Subtotal	8,603,535	108,179	67,898	8,779,612
Credit commitments	1,932,131	4,621	320	1,937,072
Total	10,535,666	112,800	68,218	10,716,684

41. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK

Liquidity risk is the risk of not having access to sufficient funds or being unable to realize an asset in a timely manner at a reasonable price to meet the Group's obligations as they become due.

The Group is exposed to liquidity risk on insurance policies that permit surrender, withdrawal or other forms of early termination. When surrender, withdrawal or other forms of early termination happens, the Group determines the amounts that are payable on demand to policyholders in accordance with the terms of insurance contracts, which are usually the unearned premiums or the cash values of the relevant part of contracts, after deducting the applicable early termination fees. The Group seeks to manage its liquidity risk by matching to the extent possible the duration of its investment assets with the duration of its insurance policies and to ensure that the Group is able to meet its payment obligations and fund its lending and investment operations on a timely basis.

The banking business of the Group is exposed to potential liquidity risk. The Group utilizes multiple regulatory methods, establish comprehensive liquidity risk management framework, effectively recognize, measure, monitor and control liquidity risk, maintain sufficient liquidity level to satisfy various funds requirement and to face adverse market status. In case of monitoring liquidity risks effectively, the Group pays attention to the funds resources and diversified utilization, keeps relatively high liquidity assets consistently. The Group monitors the sourcing and usage of funds, deposit to loan ratio, and quick ratio on a daily basis. Moreover, when adopting various benchmarks for management of liquidity risk, the Group compares the expected results against the ones derived from stress tests, critically assesses the potential impact to the future liquidity risk, and formulates remedial actions according to specific situations. The Group seeks to mitigate the liquidity risk of the banking business by optimizing the assets and liabilities structure, and maintaining stable deposits, etc.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

41. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

The table below summarizes the remaining contractual maturity profile of the financial assets, financial liabilities, insurance contract liabilities and reinsurance contract liabilities of the Group based on undiscounted contractual cash flows/expected cash flows:

(in RMB million)	30 June 2024 (Unaudited)						Total
	Undated	Repayable on demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Cash and amounts due from banks and other financial institutions	-	287,502	120,411	198,691	217,190	9,914	833,708
Balances with the Central Bank and statutory deposits for insurance operations	209,492	93,168	1,062	5,442	9,224	-	318,388
Financial assets purchased under reverse repurchase agreements	-	1,350	113,945	847	1,218	-	117,360
Accounts receivable	-	144	8,836	19,963	11,617	467	41,027
Reinsurance contract assets	-	-	(982)	6,673	13,479	36,858	56,028
Finance lease receivable	-	1,766	30,524	75,073	120,548	895	228,806
Loans and advances to customers	-	14,151	737,201	1,065,319	1,232,247	679,283	3,728,201
Financial assets at fair value through profit or loss	1,034,481	14,330	42,967	164,029	516,623	520,889	2,293,319
Financial assets at amortized cost	-	22,550	73,416	281,173	498,324	643,386	1,518,849
Debt financial assets at fair value through other comprehensive income	-	536	57,772	201,547	633,598	3,288,296	4,181,749
Equity financial assets at fair value through other comprehensive income	299,356	-	-	-	-	-	299,356
Other assets	-	107,679	32,870	30,116	4,026	1,323	176,014
	1,543,329	543,176	1,218,022	2,048,873	3,258,094	5,181,311	13,792,805
Due to banks and other financial institutions	-	464,706	160,087	286,051	78,225	1,385	990,454
Financial liabilities at fair value through profit or loss	105	2,827	139,658	1,527	103	338	144,558
Assets sold under agreements to repurchase	-	-	249,223	5,866	-	-	255,089
Accounts payable	-	3,313	629	2,960	632	2	7,536
Insurance contract liabilities	-	-	58,935	59,181	10,360	8,552,576	8,681,052
Reinsurance contract liabilities	-	-	(238)	62	630	-	454
Customer deposits and payables to brokerage customers	-	1,324,619	721,598	737,307	986,798	990	3,771,312
Bonds payable	-	-	98,708	493,290	228,569	29,662	850,229
Lease liabilities	-	215	1,003	2,950	5,533	313	10,014
Other liabilities	-	85,373	72,496	59,694	69,384	9,324	296,271
	105	1,881,053	1,502,099	1,648,888	1,380,234	8,594,590	15,006,969
Derivative cash flows							
Derivative financial instruments settled on a net basis	-	7	599	2,164	1,165	89	4,024
Derivative financial instruments settled on a gross basis							
Cash inflow	-	2,963	1,362,565	1,277,951	226,220	-	2,869,699
Cash outflow	-	(3,106)	(1,364,348)	(1,273,550)	(224,997)	-	(2,866,001)
	-	(143)	(1,783)	4,401	1,223	-	3,698

41. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

(in RMB million)	31 December 2023 (Audited)						Total
	Undated	Repayable on demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	
Cash and amounts due from banks and other financial institutions	-	269,825	235,400	116,808	177,595	108	799,736
Balances with the Central Bank and statutory deposits for insurance operations	227,230	43,746	648	1,610	13,650	-	286,884
Financial assets purchased under reverse repurchase agreements	-	728	161,088	5,356	622	-	167,794
Accounts receivable	-	277	7,695	18,493	9,804	461	36,730
Insurance contract assets	-	-	(1)	8	(3)	-	4
Reinsurance contract assets	-	-	3,112	7,244	9,396	37,733	57,485
Finance lease receivable	-	1,854	29,223	72,867	99,471	640	204,055
Loans and advances to customers	-	12,050	835,038	955,224	1,246,550	718,242	3,767,104
Financial assets at fair value through profit or loss	971,867	11,631	39,357	96,894	457,670	354,002	1,931,421
Financial assets at amortized cost	-	21,212	112,933	231,570	520,938	657,214	1,543,867
Debt financial assets at fair value through other comprehensive income	-	809	54,303	179,775	694,082	3,150,720	4,079,689
Equity financial assets at fair value through other comprehensive income	264,877	-	-	-	-	-	264,877
Other assets	-	75,107	25,703	24,523	4,580	1,298	131,211
	1,463,974	437,239	1,504,499	1,710,372	3,234,355	4,920,418	13,270,857
Due to banks and other financial institutions	-	285,004	363,817	256,511	70,989	1,628	977,949
Financial liabilities at fair value through profit or loss	120	2,190	44,337	1,857	146	-	48,650
Assets sold under agreements to repurchase	-	-	236,229	5,700	-	-	241,929
Accounts payable	-	3,815	713	3,560	768	2	8,858
Insurance contract liabilities	-	-	73,294	60,148	3,474	8,465,604	8,602,520
Reinsurance contract liabilities	-	-	-	82	100	-	182
Customer deposits and payables to brokerage customers	-	1,296,804	744,754	577,390	992,925	-	3,611,873
Bonds payable	-	-	300,756	436,516	216,078	41,389	994,739
Lease liabilities	-	225	1,022	3,048	6,897	367	11,559
Other liabilities	-	48,248	45,562	47,915	89,733	14,209	245,667
	120	1,636,286	1,810,484	1,392,727	1,381,110	8,523,199	14,743,926
Derivative cash flows							
Derivative financial instruments settled on a net basis	-	(8)	552	(376)	(119)	45	94
Derivative financial instruments settled on a gross basis							
Cash inflow	-	3,344	1,146,342	1,047,088	235,881	-	2,432,655
Cash outflow	-	(4,303)	(1,146,911)	(1,050,180)	(235,306)	-	(2,436,700)
	-	(959)	(569)	(3,092)	575	-	(4,045)

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

41. RISK AND CAPITAL MANAGEMENT (CONTINUED)

(4) LIQUIDITY RISK (CONTINUED)

The table below summarizes the remaining contractual maturity profile of the credit commitments of the Group:

(in RMB million)	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
30 June 2024						
Credit commitments (Unaudited)	1,051,598	223,668	579,748	42,668	7,965	1,905,647
31 December 2023						
Credit commitments (Audited)	1,127,398	285,355	482,993	43,555	7,668	1,946,969

Management expects the credit commitments will not be entirely used during the commitment period.

(5) MISMATCHING RISK OF ASSETS AND LIABILITIES

The objective of the Group's asset and liability management is to match the maturity and interest rates of assets and liabilities. Under the current constraints of the shortage of long-term interest rate bond market, however, the Group does not have sufficient long-duration assets for investment to match the duration of insurance and investment contract liabilities. As permitted by law regulations and market conditions, the Group actively invests in preferred stocks and other broad-term duration assets, and continuously improves the allocation of long-duration assets, considering the requirements for asset-liability duration matching and revenue-cost matching.

(6) OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failure of proper internal controls on business processes, employees and systems or from uncontrollable external events. Operational risk in this context includes legal risk, but does not include strategic risk and reputational risk. The Group is exposed to many types of operational risks in the conduct of its business. The Group manages operational risk by establishing and continuously improving risk management framework, formalizing policies and standards, using management tools and reporting mechanism, strengthening staff education and training.

(7) CAPITAL MANAGEMENT

The Group's capital requirements are primarily dependent on the scale, products of insurance business, and the type of business that it undertakes, as well as the industry and geographic location in which it operates. The primary objectives of the Group's capital management are to ensure that the Group complies with externally imposed capital requirements and to maintain healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital requirements by assessing shortfalls, if any, between the reported and the required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Group's activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital to ordinary shareholders or issue capital securities.

The Group computes solvency margin ratios and recognizes, assesses and manages related risks in accordance with the *Regulatory Rules on Solvency of Insurance Companies (II)*, the *Notice on the Implementation of Regulatory Rules on Solvency of Insurance Companies (II)*, and the *National Financial Regulatory Administration's Circular on Improving Regulatory Standards for Solvency of Insurance Companies*. The Group was compliant with the requirements of regulatory authorities for solvency margin ratios as of June 30, 2024.

42. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following items (original maturities within three months):

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Cash		
Cash and amounts due from banks and other financial institutions		
Cash on hand	3,342	3,690
Term deposits	2,466	20,158
Due from banks and other financial institutions	185,447	169,477
Placements with banks and other financial institutions	72,458	80,373
Balances with the Central Bank	92,945	43,432
Subtotal	356,658	317,130
Cash equivalents		
Bonds	12,768	3,995
Financial assets purchased under reverse repurchase agreements	113,282	159,347
Subtotal	126,050	163,342
Total	482,708	480,472

43. SIGNIFICANT RELATED PARTY TRANSACTIONS

(1) SHAREHOLDERS HOLDING MORE THAN 5% OF THE COMPANY'S SHARE ARE AS SET OUT BELOW:

Name of related parties	Relationship with the Company
Charoen Pokphand Group Co., Ltd. ("CP Group")	Parent of shareholders
Shenzhen Investment Holdings Co., Ltd. ("SIHC")	Shareholder

As at 30 June 2024, CP Group indirectly held 5.30% (31 December 2023: 5.84%) equity interests in the Company and is the largest shareholder of the Company.

(2) OTHER MAJOR RELATED PARTIES

Name of related parties	Relationship with the Company
Lufax Holding	Associate of subsidiaries
Ping An Health	Associate of subsidiaries
Ping An HealthKonnnect	Associate of subsidiaries
OneConnect	Associate of subsidiaries

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

43. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(3) THE SUMMARY OF SIGNIFICANT MAJOR RELATED PARTY TRANSACTIONS IS AS FOLLOWS:

For the six-month period ended 30 June (in RMB million)	2024 (Unaudited)	2023 (Unaudited)
CP Group		
Premiums received	53	14
Claims paid	17	2
Rental revenue from	13	13
Interest expenses to	1	-
Other revenues from	-	2
Other expenses to	2	-
SIHC		
Premiums received	1	2
Interest revenue from	19	10
Interest expenses to	25	22
Other expenses to	-	3
Lufax Holding		
Interest revenue from	6	11
Interest expenses to	162	282
Other revenues from	673	1,105
Other expenses to	706	916
Ping An Health		
Interest expenses to	26	46
Other revenues from	249	302
Other expenses to	549	687
Ping An HealthKonnnect		
Interest revenue from	12	13
Interest expenses to	46	25
Other revenues from	9	81
Other expenses to	2	4
OneConnect		
Interest expenses to	13	4
Other revenues from	719	741
Other expenses to	876	1,001

43. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(4) THE SUMMARY OF BALANCES OF THE GROUP WITH MAJOR RELATED PARTIES IS AS FOLLOWS:

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
CP Group		
Customer deposits	103	117
SIHC		
Customer deposits	3,298	2,657
Loans and advances to customers	1,607	745
Lufax Holding		
Customer deposits	16,154	10,880
Loans and advances to customers	806	-
Accounts payable and other payables	2,228	2,698
Accounts receivable and other receivables	4,219	147
Ping An Health		
Customer deposits	3,836	2,704
Accounts payable and other payables	646	1,211
Accounts receivable and other receivables	128	93
Ping An HealthKonnect		
Customer deposits	1,178	667
Loans and advances to customers	409	871
Accounts payable and other payables	95	126
Accounts receivable and other receivables	30	177
OneConnect		
Customer deposits	456	785
Derivative financial liabilities	53	38
Accounts payable and other payables	1,473	1,302
Accounts receivable and other receivables	1,111	866

In addition to transactions and balances stated above, the Group transferred 100% shareholding of Gem Alliance Limited to Lufax Holding, which issued convertible bonds amounting to USD1,953.8 million to the Group as the consideration in 2016, and pays interest to the Group every six months at an annual rate of 0.7375%. In December 2022, Lufax Holding entered into an amended and supplemental agreement with the Group pursuant to which the maturity date of 50% of the outstanding principal amount of the convertible bonds was extended from October 2023 to October 2026 and the remaining 50% outstanding principal amount was redeemed. As at 30 June 2024, the par value of these convertible bonds held by the Group amounted to USD976.9 million.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

44. COMMITMENTS

(1) CAPITAL COMMITMENTS

The Group had the following capital commitments relating to investments and property development projects:

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Contracted, but not provided for	8,848	9,751
Authorized, but not contracted for	6,535	6,469
	15,383	16,220

(2) CREDIT COMMITMENTS

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Bank acceptances	677,911	744,855
Guarantees issued	98,282	92,852
Letters of credit issued	170,294	148,823
Subtotal	946,487	986,530
Unused limit of credit cards and loan commitments	959,160	960,439
Total	1,905,647	1,946,969
Credit risk weighted amounts of credit commitments	661,178	594,788

Credit commitments disclosed in the table above do not include the financial guarantees accounted for as insurance contracts by the Group.

(3) INVESTMENT COMMITMENTS

The Group's investment commitments to associates and joint ventures are as follows:

(in RMB million)	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Contracted but not provided for	6,934	7,839

45. CONTINGENT LIABILITIES

Owing to the nature of the insurance, bank and other related business, the Group is involved in contingencies and legal proceedings in the ordinary course of business, including, but not limited to, being the plaintiff or the defendant in litigations and arbitrations. Legal proceedings mostly involve claims on the Group's insurance policies and other claims. Provision has been made for probable losses to the Group, including those claims where management can reasonably estimate the outcome of the lawsuits taking into account any applicable legal advice.

No provision has been made for pending assessments, lawsuits or possible violations of contracts when the outcome cannot be reasonably estimated or management believes the probability is low or remote. For pending lawsuits, management also believes that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group or any of its subsidiaries.

46. EVENTS AFTER THE REPORTING PERIOD

(1) PROFIT DISTRIBUTION

On 22 August 2024, the Board of Directors of the Company approved the Profit Distribution Plan of the Company for Interim Dividend of 2024, and declared an interim cash dividend of RMB0.93 (tax inclusive) per share for 2024 as disclosed in Note 15.

(2) SCOPE OF CONSOLIDATION

As of 30 June 2024, the Group held a total of 41.40% equity interest in Lufax Holding through its wholly-owned subsidiaries An Ke Technology Company Limited ("An Ke Technology") and China Ping An Insurance Overseas (Holdings) Limited ("PAOH").

Pursuant to Lufax Holding's special dividend plan approved at its 2023 annual general meeting, its eligible shareholders may elect to receive the special dividend wholly in the form of new shares (the "Scrip Dividend"). An Ke Technology and PAOH elected for the Scrip Dividend as per the special dividend plan, and received a total of 509,880,257 new shares allotted and issued by Lufax Holding on 30 July 2024. According to the final allotment result of Lufax Holding's special dividend plan, the Group's aggregate shareholding in Lufax Holding through An Ke Technology and PAOH increased to 56.82%, and Lufax Holding became a subsidiary of the Group with effect from 30 July 2024.

(3) CONVERTIBLE BONDS

On 16 July 2024, the Company announced the proposed issue of an aggregate principal amount of USD3.5 billion with interest rate of 0.875% convertible bonds (convertible into the Company's H shares) due 2029 under a general mandate, with an initial conversion price of HKD43.71 per H share (subject to adjustments). The convertible bonds were issued on 22 July 2024 and have been listed and traded on The Stock Exchange of Hong Kong Limited since 23 July 2024.

Notes to the Interim Condensed Consolidated Financial Information

For the six-month period ended 30 June 2024

47. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation.

48. APPROVAL OF THE FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorized for issue by the Board of Directors of the Company on 22 August 2024.

Glossary

In this Report, unless the context otherwise indicates, the following expressions shall have the following meanings:

Ping An, Company, the Company, Group, the Group, Ping An Group	Ping An Insurance (Group) Company of China, Ltd.
Ping An Life	Ping An Life Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Health Insurance	Ping An Health Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Annuity	Ping An Annuity Insurance Company of China, Ltd., a subsidiary of the Company
Ping An P&C, Ping An Property & Casualty	Ping An Property & Casualty Insurance Company of China, Ltd., a subsidiary of the Company
Ping An Bank	Ping An Bank Co., Ltd., a subsidiary of the Company
SDB, Shenzhen Development Bank	Shenzhen Development Bank Co., Ltd., an associate of the Company since May 2010, became a subsidiary of the Company in July 2011. It was renamed "Ping An Bank Co., Ltd." on July 27, 2012
Ping An Wealth Management	Ping An Wealth Management Co., Ltd., a subsidiary of Ping An Bank
Ping An Trust	Ping An Trust Co., Ltd., a subsidiary of the Company
Ping An Securities	Ping An Securities Co., Ltd., a subsidiary of Ping An Trust
Ping An Financial Leasing	Ping An International Financial Leasing Co., Ltd., a subsidiary of the Company
Ping An Asset Management	Ping An Asset Management Co., Ltd., a subsidiary of the Company
PAOH, Ping An Overseas Holdings	China Ping An Insurance Overseas (Holdings) Limited, a subsidiary of the Company
Ping An Financial Technology	Shenzhen Ping An Financial Technology Consulting Co., Ltd., a subsidiary of the Company
An Ke Technology	An Ke Technology Company Limited, a subsidiary of Ping An Financial Technology
Ping An Technology	Ping An Technology (Shenzhen) Co., Ltd., a subsidiary of Ping An Financial Technology
Ping An Finserve	Shenzhen Ping An Finserve Co., Ltd., a subsidiary of Ping An Financial Technology
Lufax Holding	Lufax Holding Ltd., an associate of Ping An Financial Technology during the Reporting Period

Glossary

Lufax	Shanghai Lufax Information Technology Co., Ltd., a subsidiary of Lufax Holding
E-wallet	Ping An E-wallet Electronic Commerce Co., Ltd., a subsidiary of Ping An Financial Technology
Ping An Health	Ping An Healthcare and Technology Company Limited, an associate of Ping An Financial Technology
OneConnect	OneConnect Financial Technology Co., Ltd., an associate of Ping An Financial Technology
Autohome	Autohome Inc., a subsidiary of the Company
New Founder Group	New Founder Holding Development Company Limited, a subsidiary of Ping An Life
Founder Securities	Founder Securities Co., Ltd., a subsidiary of New Founder Group
CP Group Ltd.	Charoen Pokphand Group Company Limited, a parent company of Charoen Pokphand Group
RMB	Chinese Renminbi unless otherwise specified
CAS	The <i>Accounting Standards for Business Enterprises</i> and other relevant regulations issued by the Ministry of Finance of the People's Republic of China
IFRS	The <i>International Financial Reporting Standards</i> issued by the International Accounting Standards Board
Written premium	All premiums received from insurance policies underwritten by the Company, which are prior to the significant insurance risk testing and separation of hybrid contracts
HKEX	Hong Kong Exchanges and Clearing Limited
SEHK	The Stock Exchange of Hong Kong Limited
SEHK Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
SSE	Shanghai Stock Exchange
SSE Listing Rules	The Rules Governing the Listing of Stocks on Shanghai Stock Exchange
Corporate Governance Code	The Corporate Governance Code as contained in Appendix C1 to the SEHK Listing Rules
SFO	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Model Code	The Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 to the SEHK Listing Rules
Articles of Association	The Articles of Association of Ping An Insurance (Group) Company of China, Ltd.
PBC	The People's Bank of China
Ministry of Finance	The Ministry of Finance of the People's Republic of China
CBIRC	The former China Banking and Insurance Regulatory Commission
NFRA	The National Financial Regulatory Administration
CSRC	China Securities Regulatory Commission

Corporate Information

REGISTERED NAMES

Full name of the Company (Chinese/English)

中國平安保險（集團）股份有限公司
Ping An Insurance (Group) Company of China, Ltd.

Short name of the Company (Chinese/English)

中國平安
Ping An

LEGAL REPRESENTATIVE

Ma Mingzhe

TYPES OF SECURITIES AND LISTING PLACES

A share The Shanghai Stock Exchange
H share The Stock Exchange of Hong Kong Limited

STOCK SHORT NAMES AND CODES

A share	中國平安	601318
H share	Ping An	2318 (HKD counter)
	Ping An-R	82318 (RMB counter)

AUTHORIZED REPRESENTATIVES

Cai Fangfang
Sheng Ruisheng

SECRETARY OF THE BOARD OF DIRECTORS

Sheng Ruisheng

COMPANY SECRETARY

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POSTAL CODE

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DESIGNATED MEDIA FOR A-SHARE INFORMATION DISCLOSURE

China Securities Journal
Shanghai Securities News
Securities Times
Securities Daily

WEBSITES FOR PUBLICATION OF REGULAR REPORTS

www.sse.com.cn
www.hkexnews.hk

LOCATION OF REGULAR REPORTS AVAILABLE FOR INSPECTION

Board Office of the Company

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