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# 中国平安保险(集团)股份有限公司

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

(A joint stock limited company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 2318)

### ANNOUNCEMENT OF UNAUDITED RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

The board of directors (the “Board of Directors”) of Ping An Insurance (Group) Company of China, Ltd. (“Ping An” or the “Company”) announces the unaudited results (the “Third Quarter Results”) of the Company and its subsidiaries (the “Group”) for the nine months ended September 30, 2019 (the “Reporting Period”). The Board of Directors and its Audit and Risk Management Committee have reviewed the Third Quarter Results.

#### 1. KEY BUSINESS PERFORMANCE

##### 1.1 Business Highlights

1. Operating profit attributable to shareholders of the parent company rose 21.5% year on year to RMB104,061 million. Net profit attributable to shareholders of the parent company rose 63.2% year on year to RMB129,567 million.
2. Customer development yielded strong results. Retail customers grew by 9.5% year to date to over 200 million. Internet users rose 10.4% year to date to 594 million. In the first nine months of 2019, the Group acquired 29.72 million new customers, of whom 11.58 million were sourced from internet users within the Group’s five ecosystems.
3. Operating profit of the life and health insurance business rose 30.5% year on year. New business value (NBV) margin rose 5.3 pps year on year to 48.1%; NBV increased by 4.5% year on year.
4. Ping An Property & Casualty’s operating profit grew by 75.5% year on year to RMB14,254 million. The combined ratio was 96.2%, indicating excellent business quality.

5. Ping An Bank maintained steady growth. Revenue increased by 18.8% year on year to RMB102,958 million. Net profit rose 15.5% year on year to RMB23,621 million. Ping An Bank furthered its retail transformation. As of September 30, 2019, retail assets under management (AUM) rose 32.1% year to date to RMB1,872,178 million. Ping An Bank continues to de-risk itself and improves its asset quality, while the provision coverage ratio of non-performing loans grew by 30.94 pps year to date to 186.18%. The risk compensation was further strengthened.
6. Ping An continued to develop technological capabilities. As of September 30, 2019, Ping An's technology patent applications increased by 7,977 year to date to 20,248, more than most international financial institutions. The applications include 4,396 filed under the Patent Cooperation Treaty (PCT) and abroad. Our technological capabilities received global recognition. Ping An's AI interview system HR-X and OneConnect's FiMAX Trade Finance Blockchain Network won the "Human Capital Innovation Award" and the "Best Application of Advanced Technology in a Product or Service Award" of the BAI Global Innovation Awards respectively.

## 1.2 Key Figures

<b>For the nine months ended September 30</b>	<b>2019</b>	2018	Change (%)
Operating profit attributable to shareholders of the parent company (in RMB million)	<b>104,061</b>	85,637	21.5
Basic operating earnings per share (in RMB)	<b>5.85</b>	4.80	21.9
Net profit attributable to shareholders of the parent company (in RMB million)	<b>129,567</b>	79,397	63.2
Life & Health NBV <sup>(1)</sup> (in RMB million)	<b>58,805</b>	56,267	4.5
Ping An Property & Casualty combined ratio (%)	<b>96.2</b>	96.0	0.2 pps
	<b>September 30, 2019</b>	December 31, 2018	Change (%)
Retail customers (in million)	<b>201.39</b>	183.96	9.5
Internet users (in million)	<b>594.39</b>	538.43	10.4
Proportion of customers holding multiple contracts with different subsidiaries (%)	<b>36.1</b>	34.6	1.5 pps

*Note:* (1) The computation of Life & Health NBV is based on the 11.0% risk discount rate. The assumptions and methodology used to calculate the NBV for the first nine months of 2018 are consistent with those used at the end of 2018. Under the valuation assumptions and methodology previously used for the first nine months of 2018, the NBV for the first nine months of 2018 was RMB55,425 million.

## 2. PERFORMANCE REVIEW FOR KEY BUSINESSES

### 2.1 Overview

Under the “finance + technology” and “finance + ecosystem” strategies, Ping An continued to expand its five ecosystems in the first nine months of 2019. The Company increased technological R&D investments, exported technologies, and developed innovative ecosystem services including smart city services. The Company maintained steady business growth and offered better one-stop integrated financial services by “empowering financial services with technologies, empowering ecosystems with technologies, and empowering financial services with ecosystems.”

In the first nine months of 2019, Ping An achieved an operating profit attributable to shareholders of the parent company of RMB104,061 million, up 21.5% year on year. Net profit attributable to shareholders of the parent company rose by 63.2% year on year to RMB129,567 million.

#### *Operating profit*

Operating profit after tax is based on net profit from financial statements, excluding items that are of short-term, volatile or one-off nature. We believe that operating profit after tax can provide a clearer and more objective representation of the Company’s business performance and trend. These items include:

- Short-term investment variance, which is the variance between actual investment return of the life and health insurance business and the embedded value (EV) ultimate investment return assumption, net of associated relevant impact on insurance and investment contract liability. The investment return of the life and health insurance business is locked at 5% after excluding the short-term investment variance;
- The impact of discount rate<sup>(1)</sup> change is the effect on insurance contract liability of the life and health insurance business due to changes in the discount rate;
- Impacts of one-off non-operating items are material items that management considered to be non-operating income and expenses, which in the first nine months of 2019 refer to the one-off impact of the decrease in income tax for 2018 factored into the income tax for 2019 as a result of the Company’s insurance subsidiaries implementing the *Circular on Pre-tax Deduction of Fee and Commission Expense for Insurers* issued by the Ministry of Finance and the State Administration of Taxation on May 29, 2019.

*Note:* (1) Refer to “Summary of Significant Accounting Policies” in the Notes to Consolidated Financial Statements in the Company’s 2018 Annual Report for information about the discount rate.

In the first nine months of 2019, the Group’s operating profit attributable to shareholders of the parent company grew by 21.5% year on year to RMB104,061 million. The basic operating earnings per share was RMB5.85, up 21.9% year on year. The life and health insurance business’s operating profit attributable to shareholders of the parent company rose by 31.2% year on year to RMB68,394 million.

For the nine months ended September 30 (in RMB million)	Life and health insurance business	Property and casualty insurance business	Banking business	Trust business	Securities business	Other asset management business	Technology business	Other businesses and elimination	The Group
Net profit attributable to shareholders of the parent company	92,054	16,031	13,700	2,424	1,700	4,240	4,110	(4,692)	129,567
Net profit attributable to non-controlling interests	968	79	9,921	3	72	584	703	(149)	12,181
<b>Net profit (A)</b>	<b>93,022</b>	<b>16,110</b>	<b>23,621</b>	<b>2,427</b>	<b>1,772</b>	<b>4,824</b>	<b>4,813</b>	<b>(4,841)</b>	<b>141,748</b>
<b>Excluding:</b>									
Short-term investment variance <sup>(1)</sup> (B)	13,114	-	-	-	-	-	-	-	13,114
Impact of discount rate change (C)	2,206	-	-	-	-	-	-	-	2,206
Impact of one-off material non-operating items (D)	8,597	1,856	-	-	-	-	-	-	10,453
<b>Operating profit (E=A-B-C-D)</b>	<b>69,104</b>	<b>14,254</b>	<b>23,621</b>	<b>2,427</b>	<b>1,772</b>	<b>4,824</b>	<b>4,813</b>	<b>(4,841)</b>	<b>115,975</b>
Operating profit attributable to shareholders of the parent company	68,394	14,184	13,700	2,424	1,700	4,240	4,110	(4,692)	104,061
Operating profit attributable to non-controlling interests	710	70	9,921	3	72	584	703	(149)	11,914

2018

For the nine months ended September 30 (in RMB million)	Life and health insurance business	Property and casualty insurance business	Banking business	Trust business	Securities business	Other asset management business	Technology business	Other businesses and elimination	The Group
<b>Net profit attributable to shareholders of the parent company</b>	45,895	8,081	11,864	2,532	1,270	7,025	5,403	(2,673)	79,397
Net profit attributable to non-controlling interests	709	40	8,592	3	66	225	581	(124)	10,092
<b>Net profit (A)</b>	<b>46,604</b>	<b>8,121</b>	<b>20,456</b>	<b>2,535</b>	<b>1,336</b>	<b>7,250</b>	<b>5,984</b>	<b>(2,797)</b>	<b>89,489</b>
<b>Excluding:</b>									
Short-term investment variance <sup>(1)</sup> (B)	(6,548)	-	-	-	-	-	-	-	(6,548)
Impact of discount rate change (C)	208	-	-	-	-	-	-	-	208
Impact of one-off material non-operating items (D)	-	-	-	-	-	-	-	-	-
<b>Operating profit (E=A-B-C-D)</b>	<b>52,945</b>	<b>8,121</b>	<b>20,456</b>	<b>2,535</b>	<b>1,336</b>	<b>7,250</b>	<b>5,984</b>	<b>(2,797)</b>	<b>95,829</b>
<b>Operating profit attributable to shareholders of the parent company</b>	52,136	8,081	11,864	2,532	1,270	7,025	5,403	(2,673)	85,637
Operating profit attributable to non-controlling interests	809	40	8,592	3	66	225	581	(124)	10,192

Notes: (1) Short-term investment variance is the variance between the actual investment return and the EV ultimate investment return assumption (5%), net of the associated impact on insurance and investment contract liability.

(2) The life and health insurance business represents results of Ping An Life, Ping An Annuity, and Ping An Health. The property and casualty insurance business represents results of Ping An Property & Casualty. The banking business represents results of Ping An Bank. The trust business represents results of Ping An Trust and Ping An New Capital. The securities business represents results of Ping An Securities. The other asset management business represents results of companies that engage in asset management business including Ping An Asset Management, Ping An Financial Leasing, and Ping An Overseas Holdings. The technology business represents results of companies that engage in technology business including Lufax Holding, OneConnect, Ping An Good Doctor, Ping An HealthKconnect, and Autohome. Eliminations include offsets against cross-shareholding among business lines. In late 2018, the Company reviewed the presentation of cross-shareholding within the Company based on the operations of various business lines to provide clearer and more concise information. The data for 2018 were restated for comparison purposes.

(3) Figures may not match totals due to rounding.

## 2.2 Customer Development

**Ping An's retail customers rose steadily.** As of September 30, 2019, the Group had 201 million retail customers<sup>(1)</sup>, up 9.5% from the beginning of 2019; 36.1% of them held multiple contracts with different subsidiaries. In the first nine months of 2019, the Group acquired 29.72 million new customers, of whom 11.58 million or 39.0% were sourced from internet users within the Group's five ecosystems. As of September 30, 2019, the Group's internet users increased by 10.4% from the beginning of 2019 to 594 million. The number of yearly active users<sup>(2)</sup> reached 276 million.

(in million)	September 30, 2019	December 31, 2018	Change (%)
<b>Retail customers</b>	<b>201.39</b>	183.96	9.5
Including: Number of customers holding multiple contracts with different subsidiaries	<b>72.78</b>	63.64	14.4
<b>Internet users</b>	<b>594.39</b>	538.43	10.4
Including: App users	<b>525.07</b>	473.88	10.8

Notes: (1) Retail customers refer to retail customers holding valid financial products with core financial members of the Group (excluding duplicates).

(2) The number of yearly active users refers to the number of active users in the 12 months to the end of the Reporting Period.

## 2.3 Life and Health Insurance Business

**NBV of the life and health insurance business strengthened.** In the first nine months of 2019, we proactively adjusted the product portfolio and promoted the sales of high-value, high-protection products under the belief that "insurance should be protection-oriented." NBV of the life and health insurance business was RMB58,805 million, up 4.5% year on year, mainly due to the improved NBV margin. The NBV margin rose by 5.3 pps year on year to 48.1%.

**Based on value creation strategy, Ping An Life achieved balanced, steady growth of business via all channels.** Based on the upgraded basic procedure for agent management, the agent channel focused on talent selection, outperformer coaching and team development. Meanwhile, Ping An Life strictly followed the agent performance appraisal and dismissal policies to strengthen the sales force. As of September 30, 2019, Ping An Life had 1.245 million sales agents, down 12.1% and 3.2% respectively from the beginning of 2019 and the end of June 2019. In the first nine months of 2019, the number of new individual life insurance policies per agent per month was 1.39, up 9.4% year on year. Ping An Life will adhere to a high-quality talent development strategy and transform and upgrade the agent channel with technologies. Other channels also yielded strong results.

**Ping An Life developed a smart operations system that focuses on customer development, and entered an era of data-driven management.** Focusing on high-value business, Ping An Life upgraded its flagship products “Ping An Fu” and series “Man Fen,” and developed the new product “Fu Xing” to cater for different needs for critical illness insurance products. The multi-layered product portfolio resulted in steady business growth and presence in the potential market. Ping An Life will further develop protection-oriented insurance products, and proactively tap the nursing, education and pension markets. By improving the “product +” service system, Ping An Life will provide customers with differentiated value-added services to increase the intrinsic value and additional value of products. Ping An Life will also proactively apply technologies to smart operations, sales and services. The “Jin Guan Jia” app, AI interview robot and smart chatbot AskBob have been fully integrated into business processes, with improving application results. AskBob has serviced sales agents 270 million times with over 100 service items including smart processing, task view, and inquiry answering. In September 2019, AskBob was accessed 1.5 million times per day. Ping An Life will further technological applications to achieve data-driven management, and improve operational efficiency and customer services to boost business.

**For the nine months ended September 30**

<b>(in RMB million)</b>	<b>2019</b>	2018	Change (%)
<b>Life and health insurance business</b>			
Operating profit	<u>69,104</u>	<u>52,945</u>	<u>30.5</u>
First-year premium used to calculate NBV	<b>122,273</b>	131,541	(7.0)
NBV <sup>(1)</sup>	<b>58,805</b>	56,267	4.5
NBV margin (%)	<u>48.1</u>	<u>42.8</u>	<u>5.3 pps</u>

*Note:* (1) The computation of Life & Health NBV is based on the 11.0% risk discount rate. The assumptions and methodology used to calculate the NBV for the first nine months of 2018 are consistent with those used at the end of 2018. Under the valuation assumptions and methodology previously used for the first nine months of 2018, the NBV for the first nine months of 2018 was RMB55,425 million.

<b>Ping An Life</b>	<b>September 30, 2019</b>	December 31, 2018	Change (%)
<b>Number of individual life insurance sales agents (in million)</b>	<u>1.245</u>	<u>1.417</u>	<u>(12.1)</u>

## 2.4 Property and Casualty Insurance Business

**Ping An Property & Casualty maintained stable business growth and excellent business quality.** In the first nine months of 2019, Ping An Property & Casualty recorded premium income of RMB196,875 million, up 8.7% year on year. Through corporate governance and risk screening, Ping An Property & Casualty maintained excellent business quality, with a better-than-industry combined ratio of 96.2% in the first nine months of 2019. Operating profit of Ping An Property & Casualty reached RMB14,254 million, up 75.5% year on year, due to a year-on-year increase in total investment income driven by a capital markets recovery and a year-on-year decrease in income tax expense attributable to declining commission rates.

Ping An Property & Casualty provided one-stop auto use services and diverse auto aftermarket services via the “Ping An Auto Owner” app. As of September 30, 2019, the app had over 80 million registered users, of whom about 45 million were auto insurance customers of Ping An Property & Casualty. In September 2019, the app had over 20 million monthly active users, topping the list of auto service apps in China. Ping An Property & Casualty upgraded its online claims service by introducing an accurate claims decision making engine, which recommends the most suitable claim service based on customer profiling and scenarios. Through the innovative “Ping An Motor Insurance Trust Claim” service, customers can complete claims all by themselves within a line of credit. Moreover, we embedded the AI-powered image-based loss assessment in the “Ping An Auto Owner” app. Users can conduct a self-assessment of external damage for free, with a success rate of 95%.

### For the nine months ended September 30

(in RMB million)	2019	2018	Change (%)
<b>Profit before tax</b>	<b>18,433</b>	14,303	28.9
<b>Net profit</b>	<b>16,110</b>	8,121	98.4
<b>Operating profit<sup>(1)</sup></b>	<b>14,254</b>	8,121	75.5
<b>Premium income</b>	<b>196,875</b>	181,147	8.7
Including: Auto insurance	<b>138,683</b>	130,485	6.3
Non-auto insurance	<b>48,636</b>	43,731	11.2
Accident and health insurance	<b>9,556</b>	6,931	37.9
<b>Combined ratio (%)</b>	<b>96.2</b>	96.0	0.2 pps

Note: (1) Ping An Property & Casualty’s operating profit is the net profit net of the one-off impact of the decrease of RMB1,856 million in income tax for 2018 factored into the income tax for 2019 as a result of implementing the *Circular on Pre-tax Deduction of Fee and Commission Expense for Insurers* issued by the Ministry of Finance and the State Administration of Taxation on May 29, 2019.



## 2.5 Investment Portfolio of Insurance Funds

**The Company continued to optimize asset allocation of insurance funds and asset-liability matching, with risks under control.** As of September 30, 2019, the Company's investment portfolio of insurance funds grew by 8.6% from the beginning of 2019 to RMB3.03 trillion. In the first nine months of 2019, the investment portfolio of insurance funds achieved an annualized net investment yield<sup>(1)</sup> of 4.9%. The annualized total investment yield<sup>(1)</sup> was 6.0%, due to a year-on-year increase in the investment income driven by a capital market recovery.

In the first nine months of 2019, the world's major economies saw slackening growth and falling risk-free interest rates. Facing downward pressure, the Chinese government reinforced countercyclical adjustments through macro economic policies to lower interest rates. Amid the ongoing financial opening-up, the Chinese bond rates fluctuated at low levels due to international and domestic factors. The Company strengthened management of assets and liabilities and market analysis, and seized opportunities in interest rate adjustments. The Company increased its allocation to tax-exempt bonds including central and local government bonds as well as long-duration low-risk bonds including financial bonds issued by policy banks. The Company further narrowed the duration gap between assets and liabilities to optimize asset/liability matching. Meanwhile, the Company dynamically adjusted its equity asset allocation ratios and increased long-term equity stakes to reduce the impact of equity market volatility.

China saw growing default risks during the transition from old to new macroeconomic growth drivers. The Company strengthened credit risk management, improved risk assessment and management before, during and after investment, and enhanced the effectiveness of risk management with fintech solutions. As of September 30, 2019, corporate bonds as a percentage of the Company's investable assets dropped from 5.8% at the beginning of 2019 to 4.1%, while debt schemes and debt wealth management products decreased from 15.8% to 15.0%. Credit quality of corporate bonds, debt schemes, and debt wealth management products in our investment portfolio of insurance funds remained sound, while credit ratings of these instruments had improved since the beginning of 2019. In terms of credit default losses, overall risks in corporate bonds were small, while no default occurred on debt schemes and debt wealth management products, indicating risks were controllable.

*Note:* (1) In computing annualized investment yields, only interest revenue from deposits and debt financial assets as well as operating lease income from investment properties were annualized, while interest revenue from financial assets purchased under reverse repurchase agreements, interest expenses on assets sold under agreements to repurchase and placements from banks and other financial institutions, dividend income, capital gains from investments and fair value gains and losses were not annualized.

## 2.6 Banking Business

Ping An Bank aims to build “China’s most outstanding, world-leading smart retail bank” under the strategy of “technology-driven breakthroughs in retail banking and enhancement of corporate banking.” Based on the transformation outcome, Ping An Bank established the “3+2+1” strategies for retail, corporate, and interbank businesses to achieve balanced business development and retail transformation.

**Ping An Bank maintained stable, healthy business growth, and furthered the retail transformation.** In the first nine months of 2019, Ping An Bank’s revenues rose 18.8% year on year to RMB102,958 million; its net profit rose 15.5% year on year to RMB23,621 million. Ping An Bank continued its retail transformation by leveraging the Group’s integrated finance advantages and technological innovations. As of September 30, 2019, Ping An Bank’s retail assets under management (AUM) rose 32.1% year to date to RMB1,872,178 million. The number of retail customers rose 11.6% year to date to 93,663.3 thousand. As of September 30, 2019, the balance of retail deposits increased by 21.2% year to date. Ping An Bank continued to increase the deposits derived from AUM expansion, and retained more customer deposits through the accounts bundled with credit cards or other lending products for repayments. In addition, Ping An Bank raised settlement deposits by developing payroll and acquiring services, which increased the balance of demand deposits and optimized the growth structure of retail deposits. As of September 30, 2019, the balance of retail loans increased by 10.3% from the beginning of the year as Ping An Bank optimized its lending portfolio and customer mix while ensuring stable asset quality.

**Ping An Bank takes a customer-centric approach to corporate banking, continuously enhancing the business to support the real economy.** As of September 30, 2019, Ping An Bank provided 935 platform enterprises with internet-based payment and settlement services. In the first nine months of 2019, the trading volume of such services rose 44.2% year on year to RMB2.75 trillion. As of September 30, 2019, Ping An Bank served 26,974 customers through “Know Your Business (KYB) for Small Enterprises.” Ping An Bank granted KYB loans of RMB15,310 million in the first nine months of 2019. Furthermore, Ping An Bank upgraded its interbank business. In the first nine months of 2019, the bond trading volume rose 273.3% year on year to RMB2.47 trillion; the interest rate swap volume increased by 313.8% year on year to RMB2.37 trillion.

Ping An Bank issued RMB26 billion worth of A share convertible corporate bonds in January 2019. As of September 30, 2019, all these bonds were converted into shares to replenish core tier 1 capital. As of September 30, 2019, Ping An Bank’s core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio, and capital adequacy ratio rose 1.21 pps, 1.15 pps and 1.86 pps from the beginning of 2019 to 9.75%, 10.54% and 13.36% respectively.

**Ping An Bank's asset quality improved gradually.** Ping An Bank adjusted its business portfolio to tackle external risks, and granted more loans to retail segments with good asset quality. Ping An Bank continued to enhance its corporate business, and selectively granted new loans to key industries, key regions, and key customers. As of September 30, 2019, both the non-performing loan ratio and the percentage of special mention loans of Ping An Bank dropped by 0.07 pps and 0.34 pps from the beginning of 2019 respectively. The percentage of loans more than 90 days overdue declined by 0.24 pps to 1.46% from the beginning of 2019. Provision coverage ratios of non-performing loans and loans more than 90 days overdue grew by 30.94 pps and 54.38 pps from the beginning of 2019 to 186.18% and 213.83% respectively, indicating strengthened risk compensation. Ping An Bank's deviation of non-performing loans was 87%, down 10 pps from the beginning of 2019.

**For the nine months ended September 30**

<b>(in RMB million)</b>	<b>2019</b>	2018	Change (%)
<b>Net profit</b>	<b>23,621</b>	20,456	15.5
<b>Revenue</b>	<b>102,958</b>	86,664	18.8
Net interest revenue	<b>66,269</b>	54,529	21.5
Net non-interest revenue	<b>36,689</b>	32,135	14.2
<b>Credit and asset impairment losses</b>	<b>40,996</b>	33,622	21.9
<b>Operational efficiency and profitability</b>			
Cost-to-income ratio (%)	<b>29.43</b>	29.52	-0.09 pps
Net interest margin (annualized, %)	<b>2.62</b>	2.29	0.33 pps
	<b>September</b>	December	
<b>(in RMB million)</b>	<b>30, 2019</b>	31, 2018	Change (%)
<b>Deposits and loans<sup>(1)</sup></b>			
Total loans and advances	<b>2,151,167</b>	1,997,529	7.7
Including: Retail loans	<b>1,273,315</b>	1,154,013	10.3
Corporate loans	<b>877,852</b>	843,516	4.1
Deposits	<b>2,291,172</b>	2,128,557	7.6
Including: Retail deposits	<b>559,568</b>	461,591	21.2
Corporate deposits	<b>1,731,604</b>	1,666,966	3.9

Note: (1) Total loans and advances, deposits, and their components are exclusive of interest receivable and payable.

<b>(in RMB million)</b>	<b>September 30, 2019</b>	December 31, 2018	Change (%)
<b>Asset quality</b>			
Percentage of special mention loans (%)	<b>2.39</b>	2.73	-0.34 pps
Percentage of loans more than 90 days overdue (%)	<b>1.46</b>	1.70	-0.24 pps
Non-performing loan ratio (%)	<b>1.68</b>	1.75	-0.07 pps
Deviation of non-performing loans <sup>(1)</sup> (%)	<b>87</b>	97	-10 pps
Provision coverage ratio (%)	<b>186.18</b>	155.24	30.94 pps
Provision coverage ratio of loans more than 90 days overdue (%)	<b>213.83</b>	159.45	54.38 pps

*Note:* (1) Deviation of non-performing loans = balance of loans more than 90 days overdue / balance of non-performing loans.

	<b>September 30, 2019</b>	December 31, 2018	Change (%)
<b>Capital adequacy ratio</b>			
Total risk weighted assets (in RMB million)	<b>2,544,826</b>	2,340,236	8.7
Core tier 1 capital adequacy ratio (%)	<b>9.75</b>	8.54	1.21 pps
Tier 1 capital adequacy ratio (%)	<b>10.54</b>	9.39	1.15 pps
Capital adequacy ratio (%)	<b>13.36</b>	11.50	1.86 pps

*Note:* The regulatory minimum requirements for the core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio, and capital adequacy ratio are 7.5%, 8.5%, and 10.5% respectively.

## 2.7 Asset Management Business

In the first nine months of 2019, the Company's asset management business recorded a net profit of RMB9,023 million, down 18.9% year on year. The decrease was mainly attributable to profit fluctuations of the other asset management business caused by inconsistency between withdrawal plans and periods of investment projects and the provisions set aside for impairment losses on some investment assets.

**The trust business managed risks strictly and furthered its transformation.** As of September 30, 2019, against a backdrop of falling trust industry AUM, Ping An Trust's AUM decreased by 12.1% year to date to RMB469,747 million. In the first nine months of 2019, net profit of the trust business dropped by 4.3% year on year to RMB2,427 million. Going forward, Ping An Trust will strive to "achieve stable growth, adjust portfolios, mitigate risks, and improve people's livelihood." Ping An Trust will focus on four core business areas of "special asset investment, infrastructure investment, financing services, and private equity investment." Ping An Trust will continue its best practices and seek innovations to promote high-quality development of the real economy.

**Ping An Securities is committed to developing a smart securities services platform under the Group's integrated financial business strategy.** In the first nine months of 2019, net profit of Ping An Securities increased by 32.6% year on year. In respect of brokerage business, the market share by brokerage trading volume grew by 0.14 pps year on year to 3.13%. In respect of investment banking business, Ping An Securities is one of the top-tier securities firms by number of bonds underwritten as the lead underwriter. In respect of asset management business, the AUM of Ping An Securities continued to grow despite the market downturn.

## 2.8 Technology Business

Ping An furthered its technology strategies and developed various businesses rapidly. In the first nine months of 2019, total revenue of the technology business<sup>(1)</sup> increased by 33.1% year on year to RMB60,040 million.

**Lufax Holding** is a world-leading online wealth management and retail lending technology platform. Lufax Holding also provides comprehensive financial solutions to financial institutions and local governments. In the first nine months of 2019, Lufax Holding's revenue and profit continued to rise steadily. In respect of online wealth management, as of September 30, 2019, customer assets declined by 5.0% from the beginning of 2019 to RMB350,857 million due to restrictions on sales of online lending products. Facing the challenges, Lufax Holding has rapidly restructured its product portfolio, and leveraged technological capabilities to increase asset supply from institutions in cooperation with traditional financial institutions. In respect of retail lending, Lufax Holding ensures the consistent quality of credit assets. As of September 30, 2019, the balance of loans under management rose 17.7% steadily from the beginning of 2019 to RMB441,213 million. In respect of government financial services, Lufax Holding continued to promote the application of fintech to fiscal management. Lufax Holding has implemented smart fiscal management projects in multiple provinces and cities across China.

**OneConnect** is China's leading technology-as-a-service cloud platform for financial institutions. With cloud-based solutions, OneConnect provides financial institutions with end-to-end technological applications and business services by integrating extensive financial service experience with cutting-edge technologies. In this way, OneConnect empowers financial institutions to increase revenues, manage risks, boost efficiency, improve services, cut costs, and pursue digital transformations. OneConnect ranked first in terms of the number of financial institutions using its technological service platform<sup>(2)</sup> in China. As of September 30, 2019, OneConnect had 618 bank clients and 84 insurer clients, including all the major banks, 99% of the city commercial banks, and 46% of the insurers in China. Through these institutions, OneConnect reached out to hundreds of millions of end customers. Since December 2015, OneConnect has facilitated RMB1.8 trillion worth of business transactions<sup>(3)</sup> for financial institutions with their retail and small and medium-sized enterprise (SME) customers.

*Notes:* (1) Total revenue of the technology business is the sum of revenues of technology companies in the Company's technology segment, without considering the shareholding proportions.

(2) The ranking is a result of Oliver Wyman's survey.

(3) These transactions include retail and SME loans, wealth management products, payment transactions, and treasury transactions facilitated by OneConnect's financial institution clients.

**Ping An Good Doctor** (Stock Code: 01833.HK), a critical part of the Group's health care ecosystem, provides users with comprehensive family doctor services mainly through its AI-aided in-house medical teams. Moreover, Ping An Good Doctor provides users with online-merge-offline services by integrating offline health care networks. In August 2019, the National Healthcare Security Administration issued the *Guidelines on Improving Pricing and Social Health Insurance Payment Policies for "Internet +" Health Care Services*. For the first time, internet-based consultation and treatment services are covered by Social Health Insurance (SHI) under law. As an industry leader, Ping An Good Doctor will directly benefit from more positive and open policies and maintain its market-leading position.

**Ping An HealthKconnect** is committed to becoming a smart technology company fully empowering the health care ecosystem. Ping An HealthKconnect leverages its industry-leading experience in SHI, medical, health and disease management to fully empower the health care ecosystem. Ping An HealthKconnect develops an integrated smart SHI platform based on a smart SHI system to empower the National Healthcare Security Administration. Ping An HealthKconnect also offers services including product design, risk management, and health management to empower commercial health insurance companies. Moreover, Ping An HealthKconnect builds a closed-loop solution for health care providers to empower hospitals, doctors, pharmacies, and pharmaceutical companies. As of September 30, 2019, Ping An HealthKconnect had provided SHI management services for SHI fund managers in over 200 cities, covering over 800 million insured members. Ping An HealthKconnect also won the bids for the macro-decision making big data application subsystem and the operation monitoring subsystem of the National Healthcare Security Administration's health care security information platform.

**Autohome** (Stock Code: ATHM), a leading internet-based auto service platform in China, is committed to developing an auto services ecosystem centering on data and technology. Autohome provides consumers with diverse products and services throughout the vehicle's life cycle. Keeping up with the times, Autohome constantly upgrades the apps for customers and users, and consolidates its core competitive advantages in terms of contents, data and teams to offer better services.

**Ping An Smart City Business** is committed to supporting government services, promoting economic development, and improving people's livelihood. To empower urban development with technology, Ping An builds integrated platforms in 21 areas including health care, government administration, transportation, environmental protection, law, education, and agriculture. Such platforms now cover more than 100 Chinese cities as well as countries and regions involved in the Belt and Road Initiative. In this way, Ping An practices its philosophy of serving the country, society, and public.

## 2.9 Technology-powered Business Transformation

**Ping An leverages cutting-edge technologies to upgrade end-to-end services of its core financial businesses.** In respect of sales, we have applied AI to recruitment interviews of life insurance sales agents as well as training and sales support for them. The Company has applied an expert-level AI interview robot to 100% of agent recruitment interviews. Since it went live in May 2018, the robot has completed over 5.01 million interviews, saving us over 490 thousand hours of face-to-face interviews. Through the AI-based profiling of life insurance sales agents, Ping An analyzes the agents' life cycles and provides customized sales support and career development plans on training, activity management and other dimensions. In respect of operations, Ping An leverages technologies to optimize financial business processes, boost operational efficiency, and improve customer experiences. Ping An Property & Casualty leverages technologies including robots and optical character recognition (OCR) to gradually pursue robotic process automation of quotation, policy data entry, endorsement, printing, and delivery across China. Such technologies saved Ping An Property & Casualty about RMB50 million in the third quarter of 2019. For Ping An Property & Casualty's main product lines, 94.1% of transactions are processed online and 95.4% of transactions are paperless. In respect of services, our self-developed speech robots have been widely used in banking, insurance, and other businesses. So far, the speech robots have provided services over 300 million times and saved us about RMB150 million. Since the beginning of 2019, the speech robots have increased customer service efficiency by 24% and boosted the net promoter score (NPS) by 4 pps.

**Ping An attaches great importance to the research and development of core technologies as well as the control of proprietary intellectual property rights.** As of September 30, 2019, Ping An's technology patent applications increased by 7,977 from the beginning of the year to 20,248, more than most international financial institutions. The applications include 4,396 filed under the Patent Cooperation Treaty (PCT) and abroad. Recently, Ping An has been recognized by domestic and foreign authorities for its cutting-edge technologies. Ping An is the only financial institution to have obtained approval from the Ministry of Science and Technology to build China's new-generation AI open innovation platform for inclusive finance. Jointly with Shanghai Jiao Tong University, Ping An was ranked the world's No.1 by total score in the contest of Commonsense Inference in Natural Language Processing 2019 (COIN 2019) at the Conference on Empirical Methods in Natural Language Processing (EMNLP). Ping An won two championships in machine reading understanding and deep learning inference contests held by Stanford University. Ping An Cloud has been named a "Leader" in IDC's *Chinese Financial Industry Cloud and Service Provider Assessment Report for 2018*. Ping An's AI interview system HR-X and OneConnect's FiMAX Trade Finance Blockchain Network won the "Human Capital Innovation Award" and the "Best Application of Advanced Technology in a Product or Service Award" of the BAI Global Innovation Awards respectively.

## 2.10 Prospects of Future Development

Currently, China continues to seek economic growth while ensuring stability amid complicated international economic situations. Ping An closely follows national policies and continues to develop five ecosystems under the "finance + technology" and "finance + ecosystem" strategies. Ping An constantly increases R&D investment and develops data-driven smart management to provide customers with diverse products and services. Moreover, Ping An leverages its advantages to conduct targeted poverty alleviation through the Ping An Rural Communities Support. This is designed to support industrial upgrade, strengthen health care, and improve education in rural areas. Remaining true to our original aspiration and mission, Ping An will continue to seek innovations, promote business growth, create value for customers and shareholders, and contribute to the country and society. By doing so, Ping An will strive to become a world-leading technology-powered retail financial services group.



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

As of September 30, 2019, the share capital of the Company was 18,280,241,410 shares, of which 10,832,664,498 were A shares and 7,447,576,912 were H shares.

Total number of shareholders as at the end of the Reporting Period		Total number of shareholders was 547,729, of which 543,196 were holders of A shares and 4,533 were holders of H shares.				
Shareholdings of top ten shareholders						
Name of shareholder	Nature of shareholder <sup>(1)</sup>	Shareholding percentage (%)	Total number of shares held (Shares) <sup>(2)</sup>	Type of shares	Number of shares subject to selling restrictions (Shares)	Number of pledged or frozen shares (Shares)
Hong Kong Securities Clearing Company Nominees Limited <sup>(3)</sup>	Overseas legal person	33.47	6,118,901,560 <sup>(4)</sup>	H Share	–	Unknown
Shenzhen Investment Holdings Co., Ltd.	State	5.27	962,719,102	A Share	–	341,740,000 pledged shares
Hong Kong Securities Clearing Company Limited <sup>(5)</sup>	Others	4.16	760,893,683	A Share	–	–
New Orient Ventures Limited	Overseas legal person	3.91	714,663,997	H Share	–	714,663,997 pledged shares
Business Fortune Holdings Limited	Overseas legal person	3.23	590,660,621	H Share	–	445,940,908 pledged shares
China Securities Finance Corporation Limited	Others	2.99	547,459,336	A Share	–	–
Central Huijin Asset Management Ltd.	State-owned legal person	2.65	483,801,600	A Share	–	–
Shum Yip Group Limited	State-owned legal person	1.41	257,728,008	A Share	–	–
Dacheng Fund-Agricultural Bank of China-Dacheng Zhongzheng Financial Asset Management Plan	Others	1.10	201,948,582	A Share	–	–
Huaxia Fund-Agricultural Bank of China-Huaxia Zhongzheng Financial Asset Management Plan	Others	1.09	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 with the Shanghai Branch of China Securities Depository and Clearing Corporation Limited.
- (2) As the shares of the Company could be used as underlying securities for margin financing and securities lending, the shareholdings of the shareholders are the aggregate of all the shares and interests held in ordinary securities accounts and credit securities accounts.
- (3) 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.
- (4) New Orient Ventures Limited and Business Fortune Holdings Limited are indirect wholly-owned subsidiaries of Charoen Pokphand Group Company Limited (“CP Group Ltd.”), and the shares owned by these two companies have been registered under the name of HKSCC Nominees Limited. In order to avoid double counting, the shares owned by the above two companies have been deducted from the shares held by HKSCC Nominees Limited.
- (5) The shares held by Hong Kong Securities Clearing Company Limited refer to the shares held by non-registered shareholders under the Northbound Trading of the Shanghai-Hong Kong Stock Connect Program.

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

New Orient Ventures Limited and Business Fortune Holdings Limited are indirect wholly-owned subsidiaries of CP Group Ltd., and they are presumed to be acting in concert with each other since they are under the common control of CP Group Ltd. As of September 30, 2019, CP Group Ltd., through the above two companies and other subsidiaries, indirectly held 1,646,777,842 H shares of the Company, representing approximately 9.01% of the total share capital of the Company.

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

#### 4. SIGNIFICANT EVENTS

##### **Implementation of Employee Share Purchase Plans of the Company**

###### ***Key employee share purchase plan***

As deliberated at the 16th Meeting of the 9th Board of Directors held on October 28, 2014 and approved at the 1st Extraordinary General Meeting for 2015 held on February 5, 2015, the Key Employee Share Purchase Plan (the “Plan”) of the Company has been officially implemented.

As at the end of the Reporting Period, five phases of the Plan had been implemented.

###### ***Implementation of the key employee share purchase plan in 2015***

The lock-up period in respect of all the shares under the Plan for 2015 had expired as at the end of 2018. For employees who did not qualify for the vesting, shares were forfeited in accordance with the Plan.

###### ***Implementation of the key employee share purchase plan in 2016***

The participants were 773 key employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The sources of funding were salaries and performance bonuses of the employees.

From March 17, 2016 to March 21, 2016, 14,803,850 A shares of the Company in total were purchased in the secondary market for a total amount of RMB481,733,046.11 (expenses inclusive) and an average price of RMB32.53 per share, accounting for approximately 0.081% of the total share capital of the Company at that time. These shares were subject to a lock-up period from March 23, 2016 to March 22, 2017. For details of the share purchase, please refer to the Announcement regarding the Completion of Share Purchase under the 2016 Key Employee Share Purchase Plan published by the Company on the websites of The Stock Exchange of Hong Kong Limited (“HKEX”) and the Shanghai Stock Exchange (“SSE”) on March 22, 2016 and March 23, 2016 respectively.

During the Reporting Period, the lock-up period in respect of one third of the shares under the Plan for this phase expired and all such shares were vested in batches to 640 employees. As to the remaining 40 employees who did not qualify for the vesting, 202,022 shares were forfeited. And shares under the Plan for this phrase were unlocked.

### *Implementation of the key employee share purchase plan in 2017*

The participants were 1,157 key employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The sources of funding were legitimate incomes and performance bonuses of the employees.

From March 23, 2017 to March 27, 2017, 16,419,990 A shares of the Company in total were purchased in the secondary market for a total amount of RMB603,498,822.25 (expenses inclusive) and an average price of RMB36.74 per share, accounting for approximately 0.090% of the total share capital of the Company at that time. These shares were subject to a lock-up period from March 29, 2017 to March 28, 2018. For details of the share purchase, please refer to the Announcement regarding the Completion of Share Purchase under the 2017 Key Employee Share Purchase Plan published by the Company on the websites of the HKEX and the SSE on March 28, 2017 and March 29, 2017 respectively.

During the Reporting Period, the lock-up period in respect of one third of the shares under the Plan for this phase expired and all such shares were vested in batches to 1,049 employees. As to the remaining 55 employees who did not qualify for the vesting, 280,906 shares were forfeited.

### *Implementation of the key employee share purchase plan in 2018*

The participants were 1,296 key employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The sources of funding were legitimate incomes and performance bonuses of the employees.

As of April 27, 2018, 9,666,900 A shares of the Company in total were purchased in the secondary market for a total amount of RMB592,698,901.19 (expenses inclusive) and an average price of RMB61.29 per share, accounting for approximately 0.053% of the total share capital of the Company at that time. These shares were subject to a lock-up period from May 2, 2018 to May 1, 2019. For details of the share purchase, please refer to the Announcement regarding the Completion of Share Purchase under the 2018 Key Employee Share Purchase Plan published by the Company on the websites of the HKEX and the SSE on May 1, 2018 and May 2, 2018 respectively.

During the Reporting Period, the lock-up period in respect of one third of the shares under the Plan for this phase expired and all such shares were vested in batches to 1,231 employees. As to the remaining 65 employees who did not qualify for the vesting, 299,511 shares were forfeited.

### *Implementation of the key employee share purchase plan in 2019*

The participants were 1,267 key employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The sources of funding were legitimate incomes and performance bonuses of the employees.

From March 25, 2019 to March 27, 2019, 8,078,395 A shares of the Company in total were purchased in the secondary market for a total amount of RMB588,197,823.00 (expenses inclusive) and an average price of RMB72.79 per share, accounting for approximately 0.044% of the total share capital of the Company at that time. These shares are subject to a lock-up period from March 29, 2019 to March 28, 2020. For details of the share purchase, please refer to the Announcement regarding the Completion of Share Purchase under the 2019 Key Employee Share Purchase Plan published by the Company on the websites of HKEX and SSE on March 28, 2019 and March 29, 2019 respectively. During the Reporting Period, there was no change in equity due to the disposition of the rights of the holders of the Plan.

The manager of the Plan was not changed during the Reporting Period.

### ***The long-term service plan***

As deliberated at the 3rd Meeting of the 11th Board of Directors held on October 29, 2018 and approved at the 2nd Extraordinary General Meeting for 2018 held on December 14, 2018, the Long-term Service Plan of the Company has been officially implemented.

As at the end of the Reporting Period, one phase of the Long-term Service Plan had been implemented.

### *Implementation of the long-term service plan in 2019*

The participants were 31,026 outstanding employees of the Company and its subsidiaries including the directors, employee representative supervisors, and senior management. The source of funding was the payroll payable.

From May 7, 2019 to May 14, 2019, 54,294,720 A shares of the Company in total were purchased in the secondary market for a total amount of RMB4,296,112,202.60 (expenses inclusive) and an average price of RMB79.10 per share, accounting for approximately 0.297% of the total share capital of the Company at that time. For details of the share purchase, please refer to the Announcement regarding the Completion of Share Purchase under the 2019 Long-term Service Plan published by the Company on the websites of HKEX and SSE on May 15, 2019 and May 16, 2019 respectively. During the Reporting Period, 1,115 employees did not qualify for the vesting under the Long-term Service Plan and 1,737,409 shares were forfeited.

The manager of the Long-term Service Plan was not changed during the Reporting Period.

Since the implementation of the Key Employee Share Purchase Plan and the Long-term Service Plan, the Company has had stable, healthy operations. The shareholders, the Company, and the employees have shared benefits and risks, providing a strong foundation for further improving the Company's governance structure as well as establishing and improving the long-term incentive and restraint mechanisms to facilitate long-term sustainable, healthy development of the Company.

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

The 2018 annual general meeting, the 2019 first A shareholders' class meeting and the 2019 first H shareholders' class meeting held by the Company on April 29, 2019 deliberated and approved the Resolution Regarding the A Share Repurchase Plan by Means of Centralized Bidding Transactions. As of September 30, 2019, a total of 57,594,607 A shares of the Company were purchased by the Company by means of centralized bidding transaction via the system of the SSE, representing approximately 0.31506% of the total share capital of the Company. The total amount of funds paid was RMB5,000,000,171.09 (excluding transaction fees)/RMB5,000,850,193.53 (transaction fees included). The lowest transaction price was RMB79.85 per share and the highest transaction price was RMB91.43 per share. The repurchased A Shares of the Company will be reserved exclusively for the employee stock ownership plan of the Company, including but not limited to the Long-term Service Plan which has been deliberated and approved at the general meeting of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the nine months from January 1, 2019 to September 30, 2019.

## 5. GUARANTEE

(in RMB million)

<b>External guarantee of the Company and its subsidiaries (excluding the guarantee in favor of its subsidiaries)</b>	
Total external guarantee incurred during the Reporting Period	–
Total external guarantee balance as at the end of the Reporting Period	–
<b>Guarantee of the Company and its subsidiaries in favor of its subsidiaries</b>	
Total guarantee in favor of its subsidiaries incurred during the Reporting Period <sup>(2)</sup>	3,204
Total guarantee balance in favor of its subsidiaries as at the end of the Reporting Period	47,344
<b>Total guarantee of the Company (including the guarantee in favor of its subsidiaries)</b>	
Total guarantee	47,344
Total guarantee as a percentage of the Company's net assets (%)	7.4
Including: Direct or indirect guarantee for the companies with a total liabilities to total assets ratio over 70% (as at September 30, 2019)	43,986
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 Ping An Bank (the controlled subsidiary) and other subsidiaries of the Company in strict compliance with the scope of business approved by regulatory authorities.

(2) During the Reporting Period, the total guarantee incurred was the guarantee withdrawal of RMB24,245 million less the guarantee repayment of RMB21,041 million.

## 6. SOLVENCY MARGIN OF SUBSIDIARIES

<b>As at September 30, 2019</b>	<b>Ping An Life</b>	<b>Ping An Property &amp; Casualty</b>
Core capital (in RMB million)	893,503	89,469
Actual capital (in RMB million)	908,503	107,969
Minimum capital (in RMB million)	397,240	41,226
Core solvency margin ratio (%) (regulatory requirement $\geq 50\%$ )	224.9	217.0
Comprehensive solvency margin ratio (%) (regulatory requirement $\geq 100\%$ )	228.7	261.9

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

(2) For details of the subsidiaries' solvency margin, please refer to the Company's website ([www.pingan.cn](http://www.pingan.cn)).

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

The Group has adopted the *International Financial Reporting Standards 16-Leases* (the "New Standards for Leases") since January 1, 2019. In accordance with the transition rules, the Group adjusted relevant figures in the financial statements to reflect the impact of the New Standards for Leases, but did not adjust figures for comparable periods. The New Standards for Leases has had no material impact on the Group's financial statements.



## 7.1 Consolidated Income Statement

For the nine months ended September 30, 2019

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Gross written premiums	168,586	153,641	615,067	561,835
Less: Premiums ceded to reinsurers	(4,742)	(4,236)	(16,365)	(14,727)
Net written premiums	163,844	149,405	598,702	547,108
Change in unearned premium reserves	(4,610)	(5,426)	(18,036)	(16,843)
Net earned premiums	159,234	143,979	580,666	530,265
Reinsurance commission revenue	1,581	1,662	5,248	5,472
Interest revenue from banking operations	44,495	39,276	131,078	120,700
Interest revenue from non-banking operations	24,503	22,027	73,905	66,876
Fees and commission revenue from non-insurance operations	14,115	9,333	40,976	34,183
Investment income	15,255	10,879	76,914	26,559
Share of profits and losses of associates and jointly controlled entities	5,124	2,904	17,288	11,702
Other revenues and other gains	15,929	12,646	44,407	35,850
<b>Total revenue</b>	<b>280,236</b>	<b>242,706</b>	<b>970,482</b>	<b>831,607</b>
Gross claims and policyholders' benefits	(113,498)	(84,620)	(444,443)	(362,988)
Less: Reinsurers' share and policyholders' benefits	3,052	2,577	8,261	7,017
Claims and policyholders' benefits	(110,446)	(82,043)	(436,182)	(355,971)
Commission expenses on insurance operations	(26,846)	(32,608)	(88,503)	(102,931)
Interest expenses on banking operations	(21,837)	(22,084)	(64,664)	(66,282)
Fees and commission expenses on non-insurance operations	(2,906)	(2,334)	(7,756)	(5,971)
Net impairment losses on financial assets	(14,420)	(12,885)	(44,423)	(35,809)
Net impairment losses on other assets	(429)	(263)	(1,408)	(872)
Foreign exchange (losses)/gains	(216)	(366)	241	(1,135)
General and administrative expenses	(43,569)	(40,204)	(126,623)	(106,373)
Interest expenses on non-banking operations	(4,940)	(4,842)	(14,696)	(13,438)
Other expenses	(9,965)	(9,429)	(25,567)	(20,414)
<b>Total expenses</b>	<b>(235,574)</b>	<b>(207,058)</b>	<b>(809,581)</b>	<b>(709,196)</b>

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
Profit before tax	<b>44,662</b>	35,648	<b>160,901</b>	122,411
Income tax	<b>(8,652)</b>	(10,929)	<b>(19,153)</b>	(32,922)
<b>Profit for the period</b>	<b><u>36,010</u></b>	<u>24,719</u>	<b><u>141,748</u></b>	<u>89,489</u>
<b>Attributable to:</b>				
– Owners of the parent	<b>31,891</b>	21,302	<b>129,567</b>	79,397
– Non-controlling interests	<b>4,119</b>	3,417	<b>12,181</b>	10,092
	<b><u>36,010</u></b>	<u>24,719</u>	<b><u>141,748</u></b>	<u>89,489</u>
	<b>RMB</b>	RMB	<b>RMB</b>	RMB
<b>Earnings per share attributable to ordinary equity holders of the parent</b>				
– Basic	<b>1.80</b>	1.19	<b>7.29</b>	4.45
– Diluted	<b>1.79</b>	1.19	<b>7.26</b>	4.44

## 7.2 Consolidated Statement of Comprehensive Income

For the nine months ended September 30, 2019

(in RMB million)	For the three months ended September 30		For the nine months ended September 30	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
<b>Profit for the period</b>	<b>36,010</b>	24,719	<b>141,748</b>	89,489
<b>Other comprehensive income</b>				
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	<b>940</b>	(446)	<b>710</b>	3,961
Credit risks provision of debt instruments at fair value through other comprehensive income	<b>565</b>	226	<b>1,226</b>	221
Shadow accounting adjustments	<b>(473)</b>	60	<b>(248)</b>	(1,970)
Exchange differences on translation of foreign operations	<b>1,001</b>	1,039	<b>871</b>	1,442
Share of other comprehensive income of associates and jointly controlled entities	<b>(98)</b>	(7)	<b>39</b>	(4)
Items that will not be reclassified to profit or loss:				
Changes in the fair value of equity investments at fair value through other comprehensive income	<b>(5,987)</b>	481	<b>(6,571)</b>	(6,427)
Shadow accounting adjustments	<b>3,250</b>	120	<b>2,357</b>	4,380
<b>Other comprehensive income for the period, net of tax</b>	<b>(802)</b>	1,473	<b>(1,616)</b>	1,603
<b>Total comprehensive income for the period</b>	<b>35,208</b>	26,192	<b>140,132</b>	91,092
<b>Attributable to:</b>				
– Owners of the parent	<b>30,930</b>	22,748	<b>127,399</b>	80,622
– Non-controlling interests	<b>4,278</b>	3,444	<b>12,733</b>	10,470
	<b>35,208</b>	26,192	<b>140,132</b>	91,092

**7.3 Consolidated Statement of Financial Position**  
*As at September 30, 2019*

<b>(in RMB million)</b>	<b>September 30, 2019 (Unaudited)</b>	December 31, 2018 (Audited)
<b>ASSETS</b>		
Cash and amounts due from banks and other financial institutions	<b>520,984</b>	457,524
Balances with the Central Bank	<b>234,541</b>	273,513
Financial assets purchased under reverse repurchase agreements	<b>60,797</b>	92,951
Premium receivables	<b>78,654</b>	67,150
Accounts receivable	<b>29,638</b>	22,011
Derivative financial assets	<b>24,027</b>	21,911
Reinsurers' share of insurance liabilities	<b>18,318</b>	16,671
Policy loans	<b>132,379</b>	111,219
Finance lease receivables	<b>178,314</b>	165,214
Loans and advances to customers	<b>2,072,031</b>	1,929,842
Financial assets at fair value through profit or loss	<b>910,739</b>	824,939
Financial assets at amortized cost	<b>2,241,237</b>	2,075,151
Debt financial assets at fair value through other comprehensive income	<b>391,764</b>	310,901
Equity financial assets at fair value through other comprehensive income	<b>249,104</b>	222,639
Investments in associates and jointly controlled entities	<b>190,192</b>	154,895
Statutory deposits for insurance operations	<b>12,778</b>	12,446
Investment properties	<b>36,379</b>	38,242
Property and equipment	<b>48,050</b>	49,323
Intangible assets	<b>62,055</b>	58,450
Right-of-use assets	<b>17,477</b>	–
Deferred tax assets	<b>51,502</b>	45,187
Other assets	<b>182,239</b>	156,473
Policyholder account assets in respect of insurance contracts	<b>39,317</b>	32,344
Policyholder account assets in respect of investment contracts	<b>4,447</b>	3,964
<b>Total assets</b>	<b><u>7,786,963</u></b>	<b><u>7,142,960</u></b>

(in RMB million)	September 30, 2019 (Unaudited)	December 31, 2018 (Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	18,280	18,280
Reserves	198,294	203,719
Treasury shares	(5,001)	–
Retained profits	429,624	334,509
	<hr/>	<hr/>
Equity attributable to owners of the parent	641,197	556,508
Non-controlling interests	153,531	127,135
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<b>Total equity</b>	<b>794,728</b>	<b>683,643</b>
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<b>Liabilities</b>		
Due to banks and other financial institutions	885,920	803,154
Financial liabilities at fair value through profit or loss	47,580	16,975
Derivative financial liabilities	30,618	22,247
Assets sold under agreements to repurchase	143,016	189,028
Accounts payable	5,572	4,713
Income tax payable	15,667	31,416
Insurance payables	98,801	120,688
Policyholder dividend payable	58,216	52,591
Customer deposits and payables to brokerage customers	2,293,896	2,114,344
Bonds payable	547,213	556,875
Insurance contract liabilities	2,516,647	2,211,887
Investment contract liabilities for policyholders	55,844	52,747
Lease liabilities	17,131	–
Deferred tax liabilities	24,044	18,476
Other liabilities	252,070	264,176
	<hr/>	<hr/>
<b>Total liabilities</b>	<b>6,992,235</b>	<b>6,459,317</b>
	<hr/>	<hr/>
<b>Total equity and liabilities</b>	<b>7,786,963</b>	<b>7,142,960</b>
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## 7.4 Consolidated Statement of Cash Flows

For the nine months ended September 30, 2019

For the nine months ended September 30 (in RMB million)	2019 (Unaudited)	2018 (Unaudited)
<b>Net cash flows from operating activities</b>	<b>330,888</b>	158,761
<b>Cash flows from investing activities</b>		
Purchases of investment properties, property and equipment, and intangible assets	(6,982)	(5,074)
Proceeds from disposal of investment properties, property and equipment, and intangible assets	2,395	954
Proceeds from disposal of investments	1,121,273	1,096,063
Purchases of investments	(1,441,610)	(1,274,576)
Acquisition of non-controlling interests in subsidiaries	(24)	(5)
Acquisition of subsidiaries, net	26	(1,361)
Disposal of subsidiaries, net	1,095	–
Interest received	108,135	95,902
Dividends received	26,892	14,967
Rentals received	1,858	3,285
Increase in policy loans	(20,878)	(20,831)
<b>Net cash flows used in investing activities</b>	<b>(207,820)</b>	(90,676)
<b>Cash flows from financing activities</b>		
Capital injected into subsidiaries by non-controlling interests	6,071	1,002
Proceeds from bonds issued	367,576	653,222
Decrease in assets sold under agreements to repurchase of non-banking and non-securities operations, net	(92,247)	(35,717)
Proceeds from borrowed funds	155,923	162,592
Repayment of borrowed funds	(460,031)	(819,466)
Interest paid	(37,592)	(18,039)
Dividends paid	(30,134)	(34,335)
Payment of acquisition of treasury shares	(5,001)	–
Payment of share purchased for Long-term Service Plan	(4,296)	–
Others	(6,442)	(1,855)
<b>Net cash flows used in financing activities</b>	<b>(106,173)</b>	(92,596)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>16,895</b>	(24,511)
Net foreign exchange differences	3,008	2,400
Cash and cash equivalents at beginning of the period	308,024	308,664
<b>Cash and cash equivalents at the end of the period</b>	<b>327,927</b>	286,553

## 8. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of HKEX (www.hkexnews.hk) and the website of the Company (www.pingan.cn). This results announcement is prepared in accordance with IFRS. The full report of the Third Quarter Results for 2019 prepared in accordance with the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance of the People's Republic of China and the other relevant regulations will be published on the Company's website (www.pingan.cn) at the same time as it is published on the website of SSE (www.sse.com.cn).

By order of the Board of Directors  
**Ma Mingzhe**  
*Chairman and Chief Executive Officer*

Shenzhen, PRC, October 24, 2019

*As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Lee Yuansiong, Ren Huichuan, Yao Jason Bo and Cai Fangfang; the Non-executive Directors of the Company are Soopakij Chearavanont, Yang Xiaoping, Liu Chong and Wang Yongjian; the Independent Non-executive Directors of the Company are Ge Ming, Ouyang Hui, Ng Sing Yip, Chu Yiyun and Liu Hong.*