

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



# 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 THREE MONTHS ENDED MARCH 31, 2023

The board of directors (the “**Board**”) of Ping An Insurance (Group) Company of China, Ltd. (“**Ping An**” or the “**Company**”) announces the unaudited results (the “**First Quarter Results**”) of the Company and its subsidiaries (the “**Group**”) for the three months ended March 31, 2023 (the “**Reporting Period**”). The Board and its Audit and Risk Management Committee have reviewed the First Quarter Results.

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

## 1. KEY BUSINESS PERFORMANCE

### 1.1 Business Highlights

- Ping An achieved stable and healthy business results. The Group delivered an 18.8% annualized operating ROE, with operating profit attributable to shareholders of the parent company reaching RMB41,385 million and net profit attributable to shareholders of the parent company rising 48.9% year on year to RMB38,352 million in the first three months of 2023.
- Customer development continued to yield greater results. Retail customers approached 229 million as of March 31, 2023, and contracts per customer grew 0.3% year to date to 2.98.
- Ping An Life’s in-depth reform gradually paid off amid steady, healthy business development. New Business Value (“NBV”) of the life and health insurance business (“Life & Health”) grew 8.8% year on year in the first three months of 2023. Year-on-year growth in NBV of the agent channel turned positive, and NBV of the bancassurance channel rose sharply year on year. Like-for-like growth in Life & Health NBV reached 21.1% year on year in the first three months of 2023.

- Ping An Property and Casualty (“Ping An P&C”) maintained good business quality with stable, healthy growth in insurance revenue. Ping An P&C’s insurance revenue increased 7.1% year on year to RMB76,312 million in the first three months of 2023. Overall underwriting combined ratio remained healthy at 98.7% as Ping An P&C enhanced business management and risk screening.
- Ping An Bank maintained stable, healthy business performance and solid asset quality. Net profit grew 13.6% year on year to RMB14,602 million in the first three months of 2023. Non-performing loan ratio remained unchanged year to date at 1.05%, and provision coverage ratio was 290.40% as of March 31, 2023, indicating adequate risk provisions.
- Ping An continued to implement its healthcare ecosystem strategy, empowering its core financial businesses by offering one-stop “worry-free, time-saving, and money-saving” services covering health, chronic disease, disease and elderlycare management via its world-leading healthcare ecosystem. The ecosystem partnered with all top 100 hospitals and 3A hospitals, and consisted of nearly 4,000 in-house doctors and nearly 50,000 contracted external doctors in China as of March 31, 2023. Ping An partnered with approximately 226,000 pharmacies in China as of March 31, 2023, up by nearly 2,000 year to date. Customers entitled to “+ service” benefits accounted for a steadily increasing percentage of Ping An Life’s NBV in the first three months of 2023.
- Ping An continued to strengthen core technological capabilities. Ping An’s technology patent applications firmly led most international financial institutions, totaling 47,229 as of March 31, 2023, up by 1,152 year to date. Sales realized by AI service representatives accounted for 49% of the total sales volume of all service representatives, and customer services provided by AI service representatives represented 81% of Ping An’s total customer service volume in the first three months of 2023.
- Ping An furthered its green finance initiatives to support sustainable development. Green investment and financing, and green banking business totaled approximately RMB308,449 million and RMB174,112 million respectively as of March 31, 2023. Green insurance premium income amounted to approximately RMB6,565 million in the first three months of 2023.

## 1.2 Key Figures

| For the three months ended March 31  | <b>2023</b>           | 2022              | Change (%) |
|--|-----------------------|-------------------|------------|
| Net profit attributable to shareholders of the parent company (in RMB million)       | <b>38,352</b>         | 25,758            | 48.9       |
| Basic earnings per share (in RMB)  | <b>2.17</b>           | 1.47              | 47.6       |
| Operating profit attributable to shareholders of the parent company (in RMB million) | <b>41,385</b>         | 42,852            | (3.4)      |
| Basic operating earnings per share (in RMB)  | <b>2.34</b>           | 2.45              | (4.5)      |
| Life & Health NBV <sup>(1)</sup> (in RMB million)                                    | <b>13,702</b>         | 12,589            | 8.8        |
| Ping An P&C's underwriting combined ratio <sup>(2)</sup> (%)                         | <b>98.7</b>           | 96.7              | 2.0 pps    |
|  | <b>March 31, 2023</b> | December 31, 2022 | Change (%) |
| Number of retail customers (in million)  | <b>228.61</b>         | 226.64            | 0.9        |
| Contracts per retail customer (contract)   | <b>2.98</b>           | 2.97              | 0.3        |

Notes: (1) The computation of Life & Health NBV is based on the 11.0% risk discount rate.

(2) Underwriting combined ratio under IFRS 17 = (insurance service expenses + (allocation of reinsurance premiums paid – amount recovered from reinsurers) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + premium reserve set aside) / insurance revenue.

(3) Under IFRS 4, Ping An P&C's combined ratio for the first three months of 2023 was 99.8%, up 3.0 pps year on year.

## 2. PERFORMANCE REVIEW FOR KEY BUSINESSES

### 2.1 Overview

The domestic economy continued to recover in the first three months of 2023, with household consumption picking up steadily. Global capital markets remained volatile in a complex international environment. Facing opportunities and challenges, Ping An adhered to its core financial businesses and strived to serve the real economy. Ping An continued to implement its business policy of “focusing on core businesses, increasing cost-effectiveness, optimizing portfolios, and improving policies and procedures.” Following the technology-driven “integrated finance + healthcare” strategy, Ping An vigorously pursued high-quality development with Chinese characteristics by providing customers with “worry-free, time-saving, and money-saving” service experience. The Group’s operating profit attributable to shareholders of the parent company amounted to RMB41,385 million, and net profit attributable to shareholders of the parent company rose 48.9% year on year to RMB38,352 million in the first three months of 2023.

#### *Operating profit*

Operating profit after tax is based on net profit from financial statements, excluding items that are of a short-term, volatile or one-off nature and others. The operating profit after tax which excludes fluctuations of the following non-operating items facilitates the understanding and comparison of the Company’s business performance and trend.

- Short-term investment variance applies to Life & Health business excluding those subject to the variable fee approach<sup>(1)</sup>. This short-term investment variance is the variance between the actual investment return on the aforesaid business and the embedded value long-run investment return assumption. Net of the short-term investment variance, the investment return on the aforesaid Life & Health business is locked at 5%. Debt investments at fair value through other comprehensive income backing such business are measured at cost.
- The impact of one-off material non-operating items and others is the impact of material items that management considered to be non-operating incomes and expenses. Such impact in the first three months of 2023 and 2022 comprised the revaluation gain or loss on the convertible bonds issued by Lufax Holding to the Company.

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

|  | 2023                               |  |                      |                           |                     |                                  |                      |
|--|------------------------------------|--|----------------------|---------------------------|---------------------|----------------------------------|----------------------|
| For the three months ended March 31<br>(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            |
| <b>Net profit attributable to shareholders of the parent company</b>       | <b>24,971</b>                      | <b>4,523</b>                             | <b>8,462</b>         | <b>1,305</b>              | <b>850</b>          | <b>(1,759)</b>                   | <b>38,352</b>        |
| Net profit attributable to non-controlling interests                       | <u>505</u>                         | <u>21</u>                                | <u>6,140</u>         | <u>301</u>                | <u>240</u>          | <u>606</u>                       | <u>7,813</u>         |
| <b>Net profit (A)</b>  | <b><u>25,476</u></b>               | <b><u>4,544</u></b>                      | <b><u>14,602</u></b> | <b><u>1,606</u></b>       | <b><u>1,090</u></b> | <b><u>(1,153)</u></b>            | <b><u>46,165</u></b> |
| <b>Excluding:</b>  |                                    |  |                      |                           |                     |                                  |                      |
| Short-term investment variance (B)   | (3,208)                            | -  | -                    | -                         | -                   | -                                | (3,208)              |
| Impact of one-off material non-operating items and others (C)              | <u>-</u>                           | <u>-</u>                                 | <u>-</u>             | <u>-</u>                  | <u>157</u>          | <u>-</u>                         | <u>157</u>           |
| <b>Operating profit (D=A-B-C)</b>  | <b><u>28,683</u></b>               | <b><u>4,544</u></b>                      | <b><u>14,602</u></b> | <b><u>1,606</u></b>       | <b><u>933</u></b>   | <b><u>(1,153)</u></b>            | <b><u>49,215</u></b> |
| <b>Operating profit attributable to shareholders of the parent company</b> | <b>28,161</b>                      | <b>4,523</b>                             | <b>8,462</b>         | <b>1,305</b>              | <b>693</b>          | <b>(1,759)</b>                   | <b>41,385</b>        |
| Operating profit attributable to non-controlling interests                 | <u>523</u>                         | <u>21</u>                                | <u>6,140</u>         | <u>301</u>                | <u>240</u>          | <u>606</u>                       | <u>7,831</u>         |

2022

| For the three months ended March 31<br>(in RMB million)                            | Life and<br>health<br>insurance<br>business | Property<br>and casualty<br>insurance<br>business | Banking<br>business | Asset<br>management<br>business | Technology<br>business | Other<br>businesses<br>and<br>elimination | The Group     |
|--|---|---|---------------------|---------------------------------|------------------------|---|---------------|
| <b>Net profit attributable to<br/>shareholders of the<br/>parent company</b>       | 12,213                                      | 3,100   | 7,448               | 2,579                           | 2,194                  | (1,776)                                   | 25,758        |
| Net profit attributable to<br>non-controlling interests                            | 181   | 15  | 5,402               | 335                             | 106                    | 598                                       | 6,637         |
| <b>Net profit (A)</b>  | <u>12,394</u>                               | <u>3,115</u>                                      | <u>12,850</u>       | <u>2,914</u>                    | <u>2,300</u>           | <u>(1,178)</u>                            | <u>32,395</u> |
| <b>Excluding:</b>  |   |   |                     |                                 |                        |   |               |
| Short-term investment variance (B)   | (16,702)                                    | -   | -                   | -                               | -                      | -   | (16,702)      |
| Impact of one-off material<br>non-operating items and others (C)                   | -   | -   | -                   | -                               | (551)                  | -   | (551)         |
| <b>Operating profit (D=A-B-C)</b>  | <u>29,096</u>                               | <u>3,115</u>                                      | <u>12,850</u>       | <u>2,914</u>                    | <u>2,851</u>           | <u>(1,178)</u>                            | <u>49,648</u> |
| <b>Operating profit attributable to<br/>shareholders of the<br/>parent company</b> | 28,755                                      | 3,100   | 7,448               | 2,579                           | 2,745                  | (1,776)                                   | 42,852        |
| Operating profit attributable to<br>non-controlling interests                      | <u>340</u>                                  | <u>15</u>   | <u>5,402</u>        | <u>335</u>                      | <u>106</u>             | <u>598</u>                                | <u>6,796</u>  |

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

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

## 2.2 Integrated Finance

**Ping An’s retail customer base grew steadily.** The Group’s retail customers<sup>(1)</sup> increased 0.9% year to date to nearly 229 million as of March 31, 2023. Contracts per customer grew 0.3% year to date to 2.98. As the Group’s retail cross-selling continued to deepen, nearly 40% of retail customers held multiple contracts with different subsidiaries. Among the Group’s 354 million yearly active users, the number of retail customers who were also online users approached 211 million.

|  | March 31,<br>2023 | December 31,<br>2022 | Change (%) |
|--|-------------------|----------------------|------------|
| Number of retail customers (in million)  | 228.61            | 226.64               | 0.9        |
| Contracts per retail customer (contract) | 2.98              | 2.97                 | 0.3        |

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

**Corporate customer development yielded good results, with continued growth in business scale.** Corporate premiums achieved through cross-selling grew 4.5% year on year to RMB5,028 million, including RMB2,041 million in written premium of the corporate channel in the first three months of 2023.

## 2.3 Healthcare as a New Driver of Value Growth

Ping An launched an innovative Chinese “managed care model” by seamlessly combining differentiated healthcare services with financial businesses in which Ping An acts as a payer. In this way, Ping An empowers its core financial businesses by providing one-stop “worry-free, time-saving, and money-saving” healthcare services for retail and corporate customers. Over 64% of Ping An’s nearly 229 million retail customers had used services from the healthcare ecosystem as of March 31, 2023.

**Payers:** Ping An advanced the research and development of relevant products by effectively integrating insurance with healthcare services. Ping An Health had over 42 million paying retail customers as of March 31, 2023. Moreover, Ping An constantly improved employee health management service programs for corporate customers, covering over 10 million employees of nearly 20,000 corporate customers in the first three months of 2023. Ping An achieved RMB40 billion in health insurance premium income in the first three months of 2023, with customers entitled to “+ service” benefits accounting for a steadily increasing percentage of Ping An Life’s NBV.

**Integrator:** As an online flagship of the Group’s healthcare ecosystem, Ping An Health is committed to building a one-stop ecosystem platform and a professional bridge between doctors and patients. Ping An Health provides membership-based healthcare services via dedicated family doctors, guiding members through an end-to-end “online, in-store and home-delivered” service network covering consultation, diagnosis, treatment and services enabling 24/7 seconds-level management. Ping An had nearly 4,000 in-house doctors as of March 31, 2023, and built differential advantages by providing its retail and corporate customers with premium seamless healthcare services.

**Providers:**

- **In respect of proprietary flagship offerings:** Ping An invests in service capabilities via general hospitals, checkup centers, medical testing centers, imaging centers and so on. Hospital beds owned or managed by Ping An can meet customer needs and help optimize the allocation of scarce medical resources, bringing a differential advantage. Ping An has integrated PKU Healthcare Industry Group’s premium resources into its existing healthcare ecosystem. These resources include six 3A/tier-3 hospitals and specialty medical institutions, among which Peking University International Hospital is a flagship hospital. In addition to hospitals, Ping An had 14 health management centers as of March 31, 2023.
- **In respect of partner networks:** Ping An provides services via an “online, in-store, and home-delivered” network by integrating domestic and overseas premium resources including medical services, health services, commodities and medicines. Ping An had nearly 50,000 contracted external doctors in China as of March 31, 2023. Ping An partnered with over 10,000 hospitals (including all top 100 hospitals and 3A hospitals) and over 100,000 healthcare management institutions in China. Ping An partnered with approximately 226,000 or over 38% of all pharmacies in China as of March 31, 2023, up by nearly 2,000 year to date. Moreover, Ping An partnered with over 1,000 overseas medical institutions in 16 countries across the world as of March 31, 2023.

Ping An continuously advances its healthtech research and development. Ping An ranked first globally by the number of digital healthcare patent applications as of March 31, 2023. Ping An has one of the world’s largest healthcare databases and proactively builds a leading remote consultation and treatment platform. Ping An effectively supports the sustainable development of the healthcare ecosystem by building technological capabilities in a forward-looking manner.



## 2.4 Life and Health Insurance Business

With a gradual recovery of the external environment, Ping An Life unwaveringly implemented the “4 channels + 3 products” strategy in the first three months of 2023. Ping An Life’s reform gradually paid off amid stable operations and steady, healthy business development. Life & Health NBV grew 8.8% year on year to RMB13,702 million in the first three months of 2023. Like-for-like growth in Life & Health NBV reached 21.1% year on year in the first three months of 2023. Bancassurance, Community Grid and other channels accounted for 16.9% of Ping An Life’s NBV, up by 5.4 pps year on year in the first three months of 2023.

**In respect of channels,** Ping An Life’s comprehensive strength in channels was effectively enhanced as the agent channel was optimized and innovative channels gradually took shape. Major channels, including the agent channel and the bancassurance channel, all achieved positive NBV growth. In particular, NBV of the bancassurance channel rose sharply year on year.

**In respect of products and services,** Ping An Life upgraded its insurance product portfolio, and built differential advantages under the “insurance + service” framework by leveraging the Group’s healthcare ecosystem. Services offered by Ping An Life include “insurance + health management,” “insurance + home-based elderlycare,” and “insurance + high-end elderlycare.” Ping An’s home-based elderlycare services had covered 47 cities across China as of March 31, 2023, and its “Shanghai Yi Nian Cheng” project was unveiled in February 2023.

### *Key indicators of Life & Health*

For the three months ended March 31  
(in RMB million)

|   | <b>2023</b>          | 2022          | Change (%)      |
|---|----------------------|---------------|-----------------|
| Operating profit <sup>(1)</sup>                       | <u><b>28,161</b></u> | <u>28,755</u> | <u>(2.1)</u>    |
| First-year premium used to calculate NBV              | <b>65,514</b>        | 51,203        | 27.9            |
| NBV <sup>(2)</sup>                                    | <b>13,702</b>        | 12,589        | 8.8             |
| NBV margin calculated based on first-year premium (%) | <u><b>20.9</b></u>   | <u>24.6</u>   | <u>-3.7 pps</u> |

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

(2) The computation of Life & Health NBV is based on the 11.0% risk discount rate.

|  | <b>March 31,<br/>2023</b> | December 31,<br>2022 | Change (%)   |
|--|---------------------------|----------------------|--------------|
| Ping An Life   |                           |                      |              |
| Number of individual life insurance sales agents (in thousand) | <u><b>404</b></u>         | <u>445</u>           | <u>(9.2)</u> |

## 2.5 Property and Casualty Insurance Business

**Ping An P&C maintained good business quality with steady growth in insurance revenue.** Ping An P&C's insurance revenue increased 7.1% year on year to RMB76,312 million in the first three months of 2023. Overall underwriting combined ratio remained healthy at 98.7% as Ping An P&C enhanced business management and risk screening. Ping An P&C's overall underwriting combined ratio rose 2.0 pps year on year mainly because the claim expenses of guarantee insurance business increased due to changes in the market environment, causing the overall underwriting combined ratio to fluctuate.

For the three months ended March 31

| (in RMB million)                               | 2023               | 2022               | Change (%)            |
|--|--------------------|--------------------|-----------------------|
| Operating profit                               | <u>4,544</u>       | <u>3,115</u>       | <u>45.9</u>           |
| Insurance revenue                              | <u>76,312</u>      | <u>71,225</u>      | <u>7.1</u>            |
| Underwriting combined ratio <sup>(1)</sup> (%) | <u><u>98.7</u></u> | <u><u>96.7</u></u> | <u><u>2.0 pps</u></u> |

Notes: (1) Underwriting combined ratio under IFRS 17 = (insurance service expenses + (allocation of reinsurance premiums paid – amount recovered from reinsurers) + (net insurance finance expenses for insurance contracts issued – net reinsurance finance income for reinsurance contracts held) + premium reserve set aside) / insurance revenue.

(2) Under IFRS 4, Ping An P&C's combined ratio for the first three months of 2023 was 99.8%, up 3.0 pps year on year.

## 2.6 Insurance Funds Investment Portfolio

China's economy continued to recover in the first three months of 2023 as businesses' production and residents' lives gradually returned to normal and the government implemented forward-looking policies to stabilize the economy. Both the supply and demand improved, market confidence and expectations also picked up significantly, and capital markets generally rallied. Overseas inflation slowed, but geopolitical tensions continued and downward pressure on the economy remained unrelieved. As a result, overseas asset markets became more volatile, with a spillover effect on domestic markets. The Company's insurance funds investment portfolio achieved an annualized net investment yield of 3.1% and an annualized total investment yield of 3.3% in the first three months of 2023. The Company's insurance funds investment portfolio grew 3.1% year to date to over RMB4.49 trillion as of March 31, 2023.

The Company is committed to creating stable investment incomes across macroeconomic cycles and meeting liability needs under a liability-driven approach, taking solvency as a core metric. The Company has put in place a comprehensive and mature investment management system, including cross-cycle strategic asset allocation, disciplined tactical asset allocation, and robust risk management. The Company continued to improve the asset-liability matching of insurance funds. The Company further optimized the asset-liability duration matching of insurance funds by increasing allocation to long-duration assets including central and local government bonds.

Debt schemes and debt wealth management products accounted for 9.7% of the Company's insurance funds investment portfolio as of March 31, 2023, down by 0.6 pps year to date. Such assets have good credit ratings, with risks under control.

The balance of real estate investments was RMB204,541 million as of March 31, 2023, accounting for 4.6% of the portfolio, including RMB118,883 million in real properties (measured at cost less depreciation provided on a straight-line basis), RMB45,002 million in equity types of investments, and RMB40,656 million in fixed-income types of investments. Such investments were made mainly in rent-collecting real properties to match the duration of liabilities. Moreover, such investments provide investment returns in the forms of rents, dividends, interest, and capital gains.

Going forward, the Company will adhere to the risk appetite and continuously optimize the portfolio by factoring in policy environment and market situations.

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

(2) In the computation of investment yields, investment incomes and average investment assets exclude changes in the fair value of debt investments measured at fair value through other comprehensive income to reflect the economic nature of the Company's asset-liability management.

## 2.7 Banking Business

Ping An Bank continuously upgraded operational strategies for retail, corporate and interbank businesses, enhanced its capability of serving the real economy, optimized comprehensive risk management, strengthened comprehensive digital operations, reshaped asset-liability operations, and generally maintained stable, healthy business performance.

- **Ping An Bank maintained stable, healthy business performance.** Revenue decreased 2.4% year on year to RMB45,098 million in the first three months of 2023 mainly due to ongoing support for the real economy, a narrowing net interest margin, and volatile bond and foreign exchange markets. Revenue increased 8.3% compared with the fourth quarter of 2022 amid a sustained economic recovery. Net profit grew 13.6% year on year to RMB14,602 million, and annualized weighted average ROE rose by 0.28 pps year on year to 14.38% in the first three months of 2023.
- **Ping An Bank’s retail business entered the “Smart Bank 3.0” stage.** Ping An Bank’s retail assets under management (“AUM”) rose 5.2% year to date to RMB3,774,391 million as of March 31, 2023. Retail customers increased 1.4% year to date to approximately 124,766,500, among which wealth management customers increased 3.1% year to date to approximately 1,304,100. The balance of retail deposits increased 8.9% year to date to RMB1,126,614 million as of March 31, 2023.
- **Ping An Bank continued to enhance corporate banking.** Ping An Bank’s corporate customers increased by approximately 26,400 or 4.3% year to date to approximately 642,300 as of March 31, 2023. The balance of corporate deposits grew 2.8% year to date to RMB2,342,624 million and the balance of corporate loans grew 7.8% year to date to RMB1,381,379 million as of March 31, 2023.
- **Ping An Bank accelerated transformation in interbank business.** Market share by transaction volume of bonds reached 2.9% in the first three months of 2023. Cash bonds sold by institutions amounted to RMB527,293 million, up 45.4% year on year. The balance of third-party funds distributed under the “ET-Bank” increased 2.3% year to date to RMB113,855 million as of March 31, 2023.
- **Ping An Bank maintained solid asset quality.** Non-performing loan ratio remained unchanged year to date at 1.05%, and provision coverage ratio was 290.40% as of March 31, 2023, indicating adequate risk provisions. The deviation of loans more than 60 days overdue was 0.84.
- **Capital adequacy ratios increased.** Ping An Bank’s core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio rose 0.27 pps, 0.26 pps and 0.25 pps respectively year to date as of March 31, 2023, all satisfying regulatory requirements.

For the three months ended March 31

| (in RMB million)                    | 2023        | 2022        | Change (%)       |
|-------------------------------------|-------------|-------------|------------------|
| Net profit                          | 14,602      | 12,850      | 13.6             |
| Revenue                             | 45,098      | 46,207      | (2.4)            |
| Net interest margin (annualized, %) | <u>2.63</u> | <u>2.80</u> | <u>-0.17 pps</u> |

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

| (in RMB million)                                      | March 31,<br>2023 | December 31,<br>2022 | Change (%)      |
|---|-------------------|----------------------|-----------------|
| Deposits <sup>(1)</sup>                               | 3,469,238         | 3,312,684            | 4.7             |
| Total loans and advances <sup>(1)</sup>               | 3,439,484         | 3,329,161            | 3.3             |
| Non-performing loan ratio (%)                         | 1.05              | 1.05                 | –               |
| Provision coverage ratio (%)                          | 290.40            | 290.28               | 0.12 pps        |
| Core tier 1 capital adequacy ratio (%) <sup>(2)</sup> | <u>8.91</u>       | <u>8.64</u>          | <u>0.27 pps</u> |

*Notes:* (1) Deposits as well as total loans and advances are exclusive of interest receivable and payable.

(2) Ping An Bank and its wholly-owned subsidiary Ping An Wealth Management Co., Ltd. are included in the computation of the above capital adequacy ratios in accordance with the *Administrative Measures for the Capital of Commercial Banks (Trial)*. Moreover, according to the *Additional Regulations for Systematically Important Banks (Trial)* and the 2022 List of Systematically Important Banks in China, Ping An Bank is included in the first group on the list, and shall meet conditions including a 0.25% supplementary capital ratio effective from January 1, 2023, namely, the minimum regulatory requirement for the core tier 1 capital adequacy ratio is 7.75%.

## 2.8 Asset Management Business

Ping An is committed to building an industry-leading investment management platform. By constantly enhancing capabilities of asset allocation, achieving long-term stable returns and managing multi-asset portfolios, Ping An constantly promotes high-quality development of the industry, and serves capital markets and the real economy.

The Company conducts its asset management business through companies including Ping An Securities, Ping An Trust, Ping An Asset Management, Ping An Fund, and Ping An Overseas Holdings, providing asset management services for its insurance funds and third-party clients' funds. AUM<sup>(1)</sup> exceeded RMB6 trillion as of March 31, 2023. Net profit of the asset management business amounted to RMB1,606 million in the first three months of 2023, down year on year due to revaluations of some investments.

*Note:* (1) AUM is the sum of the AUM of Ping An Securities, Ping An Trust, Ping An Asset Management, Ping An Fund, and Ping An Overseas Holdings.

## 2.9 Technology Business

The Company continuously explores innovative fintech and digital healthcare business models to accelerate the development of its businesses and ecosystems, committed to empowering its core financial businesses, supporting industrial upgrade, and serving the real economy. The Company builds leading technological capabilities and develops ecosystems mainly through subsidiaries, associates and joint ventures including Autohome, Lufax Holding, OneConnect, and Ping An Health.

**Ping An focuses on developing core technologies and securing proprietary intellectual property rights.** Ping An's technology patent applications firmly led most international financial institutions, totaling 47,229 as of March 31, 2023, up by 1,152 year to date.

**Ping An continues to leverage cutting-edge technologies to comprehensively upgrade the end-to-end services of its core financial businesses.** Sales realized by AI service representatives accounted for 49% of the total sales volume of all service representatives in the first three months of 2023. The amount of services provided by AI service representatives remained stable and exceeded 530 million times in the first three months of 2023, representing 81% of Ping An's total customer service volume. AI collected 42% of the amount of overdue loans in the first three months of 2023.

## 2.10 Prospects of Future Development

2023 is a crucial year for the implementation of China's 14th Five-Year Plan, and the long-term positive fundamentals of the domestic economy remain solid. The domestic economic climate gradually improved, businesses' production and operations gradually recovered, and residents' consumption steadily picked up in the first three months of 2023. Facing big potential markets for financial and insurance businesses, the Company will seize opportunities brought by policies, fully support the real economy, proactively fulfill corporate social responsibilities, and continuously pursue high-quality development by leveraging resources and advantages in finance, healthcare and technology.

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

As of March 31, 2023, the total 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 of the end of the Reporting Period                             | Total number of shareholders was 1,016,584, of which 1,012,314 were holders of A shares and 4,270 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) | Type of shares | Number of shares subject to selling restrictions (shares) | Number of pledged, marked or frozen shares (shares) |
| Hong Kong Securities Clearing Company Nominees Limited <sup>(2)</sup>                          | Overseas legal person  | 36.85                       | 6,736,789,940 <sup>(3)</sup>         | H share        | –   | Unknown   |
| Shenzhen Investment Holdings Co., Ltd.   | State-owned legal person   | 5.27                        | 962,719,102                          | A share        | –   | 341,740,000 pledged shares                          |
| Hong Kong Securities Clearing Company Limited <sup>(4)</sup>                                   | Others   | 4.80                        | 877,392,839                          | A share        | –   | –   |
| China Securities Finance Corporation Limited   | Others   | 2.99                        | 547,459,258                          | A share        | –   | –   |
| Business Fortune Holdings Limited  | Overseas legal person  | 2.58                        | 471,674,832                          | H share        | –   | 365,438,909 pledged shares                          |
| Central Huijin Asset Management Ltd.   | State-owned legal person   | 2.57                        | 470,302,252                          | A share        | –   | –   |
| Long-term Service Plan of Ping An Insurance (Group) Company of China, Ltd. <sup>(5)</sup>      | Others   | 1.92                        | 351,071,948                          | A share        | –   | –   |
| Shum Yip Group Limited   | State-owned legal person   | 1.41                        | 257,728,008                          | A share        | –   | –   |
| Plenty Ace Investments (SPV) Limited   | Overseas legal person  | 1.20                        | 219,127,694                          | H share        | –   | –   |
| Dacheng Fund – Agricultural Bank of China – Dacheng Zhongzheng Financial Asset Management Plan | Others   | 1.10                        | 201,948,582                          | 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 and Plenty Ace Investments (SPV) Limited are indirect wholly-owned subsidiaries of Charoen Pokphand Group Co., Ltd. (“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.
- (4) The shares held by Hong Kong Securities Clearing Company Limited refer to the shares held by non-registered shareholders of the Northbound Trading of the Shanghai-Hong Kong Stock Connect Program.
- (5) Participants in the Long-term Service Plan of the Company are the employees of the Company and its subsidiaries. Over 140,000 employees have participated in the Long-term Service Plan cumulatively throughout the years. The source of funding is the remunerations payable to employees.

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

Business Fortune Holdings Limited and Plenty Ace Investments (SPV) 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. CP Group Ltd. indirectly held 1,191,512,764 H shares of the Company, representing approximately 6.52% of the total share capital of the Company as of March 31, 2023, through the above two companies and other subsidiaries.

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



#### 4. SIGNIFICANT EVENTS

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

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

##### ***Key Employee Share Purchase Plan***

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

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

There were 1,522 participants in the Key Employee Share Purchase Plan for 2020. A total of 7,955,730 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB638,032,305.75 (expenses inclusive), accounting for approximately 0.044% of the Company's total share capital at that time.

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.

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.

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

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

The Key Employee Share Purchase Plan held a total of 34,639,637 A shares of the Company as at the end of the Reporting Period, accounting for approximately 0.189% of the Company's total share capital.

### ***Long-term Service Plan***

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

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

There were 31,026 participants in the Long-term Service Plan for 2019. A total of 54,294,720 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,296,112,202.60 (expenses inclusive), accounting for approximately 0.297% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 234 employees were disqualified due to reasons including their resignation; and 393,757 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 32,022 participants in the Long-term Service Plan for 2020. A total of 49,759,305 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB3,988,648,517.41 (expenses inclusive), accounting for approximately 0.272% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 239 employees were disqualified due to reasons including their resignation; and 399,661 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 90,960 participants in the Long-term Service Plan for 2021. A total of 57,368,981 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,184,093,674.69 (expenses inclusive), accounting for approximately 0.314% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 1,299 employees were disqualified due to reasons including their resignation; and 714,949 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 90,960 participants in the Long-term Service Plan for 2022. A total of 93,314,482 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,438,825,366.37 (expenses inclusive), accounting for approximately 0.510% of the total share capital of the Company at that time. During the Reporting Period, in accordance with the Long-term Service Plan and applicable agreed rules, 1,901 employees were disqualified due to reasons including their resignation, and 1,537,598 shares were forfeited due to reasons including employees' resignation or failure to meet performance targets.

There were 83,651 participants in the Long-term Service Plan for 2023. A total of 96,608,364 A shares of the Company were purchased in the secondary market at market prices for a total amount of RMB4,450,946,615.20 (expenses inclusive), accounting for approximately 0.528% of the total share capital of the Company at that time. For details of the share purchase, please refer to the *Announcement Regarding the Completion of Share Purchase under the 2023 Long-term Service Plan* published by the Company on the websites of the HKEX and the SSE on March 24, 2023 and March 25, 2023 respectively.

During the Reporting Period, the manager of the Long-term Service Plan was not changed.

The Long-term Service Plan held a total of 351,071,948 A shares of the Company as at the end of the Reporting Period, accounting for approximately 1.920% of the total share capital of the Company.

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months from January 1, 2023 to March 31, 2023.

## 5. SUPPLEMENTARY INFORMATION ON PREMIUMS

### Life & Health

For the three months ended March 31

| (in RMB million)               | 2023           | 2022           | Change (%) |
|--------------------------------|----------------|----------------|------------|
| Written premium <sup>(1)</sup> | 234,333        | 203,534        | 15.1       |
| Premium income <sup>(2)</sup>  | <u>183,201</u> | <u>173,460</u> | <u>5.6</u> |

### Property and Casualty Insurance Business

For the three months ended March 31

| (in RMB million)              | 2023         | 2022         | Change (%)   |
|-------------------------------|--------------|--------------|--------------|
| Premium income <sup>(2)</sup> | 76,958       | 73,018       | 5.4          |
| Including: auto insurance     | 50,025       | 47,083       | 6.2          |
| Non-auto insurance            | 20,152       | 18,679       | 7.9          |
| Accident and health insurance | <u>6,781</u> | <u>7,256</u> | <u>(6.5)</u> |

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

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

## 6. SOLVENCY MARGIN OF SUBSIDIARIES

Below are the solvency data of the Company's insurance subsidiaries prepared and reported in accordance with the *Regulatory Rules on Solvency of Insurance Companies (II)* promulgated by the China Banking and Insurance Regulatory Commission:

| <b>As of March 31, 2023</b>             | <b>Ping An Life</b> | <b>Ping An P&amp;C</b> | <b>Ping An Annuity</b> | <b>Ping An Health Insurance</b> |
|---|---------------------|------------------------|------------------------|---------------------------------|
| Core capital (in RMB million)           | 490,329             | 104,117                | 9,677                  | 7,030                           |
| Actual capital (in RMB million)         | 866,780             | 128,419                | 14,477                 | 8,567                           |
| Minimum capital (in RMB million)        | 407,250             | 60,666                 | 6,410                  | 3,366                           |
| Core solvency margin ratio (%)          | 120.4               | 171.6                  | 151.0                  | 208.8                           |
| Comprehensive solvency margin ratio (%) | 212.8               | 211.7                  | 225.9                  | 254.5                           |

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

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

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

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

## 7. CHANGE IN ACCOUNTING POLICY

### 7.1 Overview

#### 7.1.1 Reason for the Change in Accounting Policy

The International Accounting Standards Board (the “IASB”) issued *IFRS 17 Insurance Contracts* in May 2017 and *Amendments to IFRS 17* in June 2020, specifying that IFRS 17 is effective for annual reporting periods beginning on or after January 1, 2023 and requiring the restatement of financial statements for comparable periods. Ping An shall change its accounting policy regarding insurance contracts on January 1, 2023.

#### 7.1.2 Accounting Policies Before and After the Change

Before the change in accounting policy, the Company implemented *IFRS 4 Insurance Contracts*.

After the change in accounting policy, the Company will implement *IFRS 17 Insurance Contracts* issued by the IASB. Apart from the change, the International Financial Reporting Standards (“IFRSs”) as well as relevant amendments and interpretations issued by the IASB shall still apply.

### 7.2 Impacts of the Change in Accounting Policy on the Company

The Company has disclosed the change in accounting policy arising from the implementation of the New Accounting Standards for Insurance Contracts in the note “ISSUED BUT NOT YET EFFECTIVE STANDARDS, AMENDMENTS AND INTERPRETATIONS” to financial statements in the Company’s 2022 Annual Report. The Company adjusted its financial statements retrospectively in accordance with rules on the transition to the New Accounting Standards for Insurance Contracts. Below are the main impacts of the change in accounting policy on the Company’s consolidated statement of financial position as of December 31, 2022:

| (in RMB billion)  | Before the change in accounting policy<br>December 31,<br>2022 | After the change in accounting policy<br>December 31,<br>2022 | Impact of the implementation of the New Accounting Standards for Insurance Contracts | Change (%) |
|---|--|---|--|------------|
| Total assets  | 11,137.2   | 11,009.9  | (127.3)  | (1.1)      |
| Total liabilities   | 9,961.9  | 9,823.9   | (138.0)  | (1.4)      |
| Equity  | 1,175.3  | 1,186.0   | 10.7   | 0.9        |
| Equity attributable to shareholders of the parent company | 858.7  | 869.2   | 10.5   | 1.2        |

## 8. GUARANTEE

(in RMB million)

| <b>External guarantee of the Company and its subsidiaries<br/>(excluding the guarantee in favor of its controlled subsidiaries)</b>      |        |
|--|--------|
| Total external guarantee incurred during the Reporting Period  | –      |
| Total external guarantee balance as of 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>   | (751)  |
| Total guarantee balance in favor of its subsidiaries as of the end of the Reporting Period   | 13,485 |
| <b>Total guarantee of the Company<br/>(including the guarantee in favor of its subsidiaries)</b>   |        |
| Total guarantee  | 13,485 |
| Total guarantee as a percentage of the Company's net assets (%)  | 1.5    |
| Including: Direct or indirect guarantee for the companies with a total liabilities to total assets ratio over 70% (as of March 31, 2023) | 13,027 |
| The amount by which the total guarantee balance of the Company and its subsidiaries exceeded 50% of the Company's net assets             | –      |

Notes: (1) The data set out in the table above does not include those arising from financial guarantee businesses conducted by the Company's controlled subsidiaries including Ping An Bank in strict compliance with the scope of business approved by regulatory authorities.

(2) During the Reporting Period, the total guarantee incurred was the guarantee withdrawal of RMB189 million less the guarantee repayment of RMB940 million.

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

### 9.1 Consolidated Income Statement

*For the three-month period ended 31 March 2023*

| <b>For the three-month period ended 31 March</b>                    | <b>2023</b>        | 2022                    |
|---|--------------------|-------------------------|
| <b>(in RMB million)</b>   | <b>(Unaudited)</b> | Restated<br>(Unaudited) |
| Insurance revenue   | <b>133,106</b>     | 130,338                 |
| Interest revenue from banking operations                            | <b>58,670</b>      | 56,308                  |
| Interest revenue from non-banking operations                        | <b>29,781</b>      | 28,153                  |
| Fees and commission revenue from non-insurance operations           | <b>11,919</b>      | 12,876                  |
| Investment income   | <b>29,715</b>      | (26,148)                |
| Share of profits and losses of associates and joint ventures        | <b>748</b>         | 3,115                   |
| Other revenues and other gains/(losses)                             | <b>17,661</b>      | 15,606                  |
|   | <hr/>              | <hr/>                   |
| <b>Total revenue</b>  | <b>281,600</b>     | 220,248                 |
|   | <hr/>              | <hr/>                   |
| Insurance service expenses  | <b>(105,955)</b>   | (100,024)               |
| Allocation of reinsurance premiums paid                             | <b>(3,458)</b>     | (3,514)                 |
| Less: Amount recovered from reinsurer                               | <b>2,395</b>       | 2,467                   |
| Net insurance finance expenses for insurance contracts issued       | <b>(40,271)</b>    | (7,659)                 |
| Less: Net reinsurance finance income for reinsurance contracts held | <b>99</b>          | 180                     |
| Interest expenses on banking operations                             | <b>(26,347)</b>    | (24,094)                |
| Fees and commission expenses on non-insurance operations            | <b>(1,894)</b>     | (2,470)                 |
| Net impairment losses on financial assets                           | <b>(15,526)</b>    | (17,501)                |
| Net impairment losses on other assets                               | <b>(14)</b>        | 9                       |
| Foreign exchange gains/(losses)                                     | <b>494</b>         | 443                     |
| General and administrative expenses                                 | <b>(19,932)</b>    | (20,286)                |
| Interest expenses on non-banking operations                         | <b>(5,838)</b>     | (5,727)                 |
| Other expenses  | <b>(10,091)</b>    | (6,589)                 |
|   | <hr/>              | <hr/>                   |
| <b>Total expenses</b>   | <b>(226,338)</b>   | (184,765)               |



| <b>For the three-month period ended 31 March</b>                                 | <b>2023</b>          | 2022                    |
|--|----------------------|-------------------------|
| <b>(in RMB million)</b>  | <b>(Unaudited)</b>   | Restated<br>(Unaudited) |
| Profit before tax  | <b>55,262</b>        | 35,483                  |
| Income tax   | <b>(9,097)</b>       | (3,088)                 |
| <b>Profit for the period</b>   | <b><u>46,165</u></b> | <u>32,395</u>           |
| <b>Attributable to:</b>  |                      |                         |
| – Owners of the parent   | <b>38,352</b>        | 25,758                  |
| – Non-controlling interests  | <b>7,813</b>         | 6,637                   |
|  | <b><u>46,165</u></b> | <u>32,395</u>           |
|  | <b>RMB</b>           | RMB                     |
| <b>Earnings per share attributable to ordinary equity holders of the parent:</b> |                      |                         |
| – Basic  | <b>2.17</b>          | 1.47                    |
| – Diluted  | <b><u>2.13</u></b>   | <u>1.45</u>             |

## 9.2 Consolidated Statement of Comprehensive Income

For the three-month period ended 31 March 2023

| For the three-month period ended 31 March<br>(in RMB million)                                    | 2023<br>(Unaudited) | 2022<br>Restated<br>(Unaudited) |
|--|---------------------|---------------------------------|
| <b>Profit for the period</b>   | <b>46,165</b>       | 32,395                          |
| <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   | 7,809               | (6,396)                         |
| Credit risks provision of debt instruments at fair value through other comprehensive income      | 21                  | 778                             |
| Insurance finance (expenses)/income for insurance contracts issued                               | (7,796)             | 2,548                           |
| Reinsurance finance income/(expenses) for reinsurance contracts held                             | 1                   | (120)                           |
| Reserve from cash flow hedging instruments   | 118                 | (10)                            |
| Exchange differences on translation of foreign operations  | (965)               | (300)                           |
| Share of other comprehensive income of associates and joint ventures                             | 109                 | (23)                            |
| 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 | 5,960               | 14,369                          |
| Insurance finance expenses for insurance contracts issued  | (3,826)             | (9,552)                         |
| Share of other comprehensive income of associates and joint ventures                             | 400                 | (169)                           |
| <b>Other comprehensive income for the period, net of tax</b>                                     | <b>1,831</b>        | 1,125                           |
| <b>Total comprehensive income for the period</b>   | <b>47,996</b>       | 33,520                          |
| <b>Attributable to:</b>  |                     |                                 |
| – Owners of the parent   | 40,443              | 26,883                          |
| – Non-controlling interests  | 7,553               | 6,637                           |
|  | <b>47,996</b>       | 33,520                          |

### 9.3 Consolidated Statement of Financial Position

As at 31 March 2023

| <b>(in RMB million)</b>  | <b>31 March,<br/>2023</b> | 31 December,<br>2022     |
|--|---------------------------|--------------------------|
|  | <b>(Unaudited)</b>        | Restated<br>(Unaudited)  |
| <b>ASSETS</b>  |                           |                          |
| Cash and amounts due from banks and other financial institutions         | <b>752,026</b>            | 774,841                  |
| Balances with the Central Bank   | <b>313,760</b>            | 281,115                  |
| Financial assets purchased under reverse repurchase agreements           | <b>125,005</b>            | 91,514                   |
| Accounts receivable  | <b>35,755</b>             | 36,118                   |
| Derivative financial assets  | <b>23,663</b>             | 29,278                   |
| Reinsurance contract assets  | <b>20,066</b>             | 20,615                   |
| Finance lease receivable   | <b>186,786</b>            | 186,858                  |
| Loans and advances to customers  | <b>3,345,594</b>          | 3,238,054                |
| Financial assets at fair value through profit or loss                    | <b>1,680,509</b>          | 1,640,519                |
| Financial assets at amortized cost                                       | <b>1,162,694</b>          | 1,124,035                |
| Debt financial assets at fair value through other comprehensive income   | <b>2,573,286</b>          | 2,500,790                |
| Equity financial assets at fair value through other comprehensive income | <b>257,244</b>            | 264,771                  |
| Investments in associates and joint ventures                             | <b>277,782</b>            | 280,793                  |
| Statutory deposits for insurance operations                              | <b>14,545</b>             | 14,444                   |
| Investment properties  | <b>114,730</b>            | 114,763                  |
| Property and equipment   | <b>52,312</b>             | 53,657                   |
| Intangible assets  | <b>98,939</b>             | 99,411                   |
| Right-of-use assets  | <b>11,598</b>             | 12,580                   |
| Deferred tax assets  | <b>83,686</b>             | 89,321                   |
| Other assets   | <b>157,515</b>            | 156,463                  |
| <b>Total assets</b>  | <b><u>11,287,495</u></b>  | <b><u>11,009,940</u></b> |

| <b>(in RMB million)</b>                                    | <b>31 March,<br/>2023</b> | 31 December,<br>2022    |
|--|---------------------------|-------------------------|
|  | <b>(Unaudited)</b>        | Restated<br>(Unaudited) |
| <b>EQUITY AND LIABILITIES</b>                              |                           |                         |
| <b>Equity</b>  |                           |                         |
| Share capital  | <b>18,280</b>             | 18,280                  |
| Reserves   | <b>276,309</b>            | 268,724                 |
| Treasury shares  | <b>(10,996)</b>           | (10,996)                |
| Retained profits   | <b>630,739</b>            | 593,183                 |
|  | <hr/>                     | <hr/>                   |
| Equity attributable to owners of the parent                | <b>914,332</b>            | 869,191                 |
| Non-controlling interests                                  | <b>318,948</b>            | 316,805                 |
|  | <hr/>                     | <hr/>                   |
| <b>Total equity</b>  | <b>1,233,280</b>          | 1,185,996               |
|  | <hr/> <hr/>               | <hr/> <hr/>             |
| <b>Liabilities</b>   |                           |                         |
| Due to banks and other financial institutions              | <b>889,390</b>            | 918,977                 |
| Financial liabilities at fair value through profit or loss | <b>94,512</b>             | 88,770                  |
| Derivative financial liabilities                           | <b>28,451</b>             | 39,738                  |
| Assets sold under agreements to repurchase                 | <b>284,377</b>            | 271,737                 |
| Accounts payable   | <b>10,285</b>             | 10,349                  |
| Income tax payable   | <b>18,315</b>             | 16,076                  |
| Insurance contract liabilities                             | <b>3,828,770</b>          | 3,671,177               |
| Reinsurance contract liabilities                           | <b>93</b>                 | 105                     |
| Customer deposits and payables to brokerage customers      | <b>3,600,901</b>          | 3,431,999               |
| Bonds payable  | <b>890,396</b>            | 931,098                 |
| Lease liabilities  | <b>12,100</b>             | 13,013                  |
| Deferred tax liabilities                                   | <b>14,569</b>             | 14,217                  |
| Other liabilities  | <b>382,056</b>            | 416,688                 |
|  | <hr/>                     | <hr/>                   |
| <b>Total liabilities</b>                                   | <b>10,054,215</b>         | 9,823,944               |
|  | <hr/>                     | <hr/>                   |
| <b>Total equity and liabilities</b>                        | <b>11,287,495</b>         | 11,009,940              |
|  | <hr/> <hr/>               | <hr/> <hr/>             |

#### 9.4 Consolidated Statement of Cash Flows

*For the three-month period ended 31 March 2023*

| <b>For the three-month period ended 31 March</b>  | <b>2023</b>            | <b>2022</b>                     |
|---|------------------------|---------------------------------|
| <b>(in RMB million)</b>   | <b>(Unaudited)</b>     | <b>Restated<br/>(Unaudited)</b> |
| <b>Net cash flows from operating activities</b>   | <b><u>209,986</u></b>  | <b><u>240,633</u></b>           |
| <b>Cash flows from investing activities</b>   |                        |                                 |
| Purchases of property and equipment, intangibles and other long-term assets                   | <b>(1,414)</b>         | (1,219)                         |
| Proceeds from disposal of property and equipment, intangibles and other long-term assets, net | <b>140</b>             | 102                             |
| Proceeds from disposal of investments   | <b>505,461</b>         | 446,463                         |
| Purchases of investments  | <b>(576,028)</b>       | (642,709)                       |
| Acquisition of subsidiaries, net  | <b>(16)</b>            | –                               |
| Disposal of subsidiaries, net   | <b>5</b>               | 243                             |
| Interest received   | <b>35,690</b>          | 39,215                          |
| Dividends received  | <b>7,016</b>           | 8,524                           |
| Rentals received  | <b><u>1,571</u></b>    | <u>1,553</u>                    |
| <b>Net cash flows used in investing activities</b>  | <b><u>(27,575)</u></b> | <b><u>(147,828)</u></b>         |

| <b>For the three-month period ended 31 March</b>   | <b>2023</b>        | 2022                    |
|--|--------------------|-------------------------|
| <b>(in RMB million)</b>  | <b>(Unaudited)</b> | Restated<br>(Unaudited) |
| <b>Cash flows from financing activities</b>  |                    |                         |
| Capital injected into subsidiaries by non-controlling interests                                | <b>16</b>          | 179                     |
| Proceeds from bonds issued   | <b>189,144</b>     | 246,563                 |
| (Decrease)/increase in assets sold under agreements to repurchase of insurance operations, net | <b>(19,983)</b>    | 96,565                  |
| Proceeds from borrowings   | <b>36,799</b>      | 50,409                  |
| Repayment of borrowings  | <b>(272,266)</b>   | (373,775)               |
| Interest paid  | <b>(6,173)</b>     | (6,468)                 |
| Dividends paid   | <b>(2,010)</b>     | (2,173)                 |
| Decrease in insurance placements from banks and other financial institutions, net              | <b>(6,984)</b>     | (1,575)                 |
| Payment of shares purchased for Long-term Service Plan   | <b>(4,451)</b>     | (4,439)                 |
| Repayment of lease liabilities   | <b>(1,399)</b>     | (1,475)                 |
| Payment of redemption for other equity instruments by subsidiaries                             | <b>(3,650)</b>     | (4,900)                 |
| Others   | <b>(8,133)</b>     | (4,094)                 |
| <b>Net cash flows used in financing activities</b>   | <b>(99,090)</b>    | (5,183)                 |
| <b>Net increase in cash and cash equivalents</b>   | <b>83,321</b>      | 87,622                  |
| Net foreign exchange differences   | <b>(940)</b>       | (1,031)                 |
| Cash and cash equivalents at the beginning of the period                                       | <b>444,202</b>     | 405,479                 |
| <b>Cash and cash equivalents at the end of the period</b>                                      | <b>526,583</b>     | 492,070                 |

## 10. RELEASE OF RESULTS ANNOUNCEMENT

This results announcement is simultaneously available on the website of the HKEX ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.pingan.cn](http://www.pingan.cn)). This results announcement is prepared in accordance with IFRSs. The report of the First Quarter Results for 2023 prepared in accordance with the *Accounting Standards for Business Enterprises* issued by the Ministry of Finance of the People's Republic of China and other relevant regulations will be published on the Company's website ([www.pingan.cn](http://www.pingan.cn)) at the same time as it is published on the website of the SSE ([www.sse.com.cn](http://www.sse.com.cn)).

By order of the Board  
**Ma Mingzhe**  
*Chairman*

Shenzhen, the PRC, April 26, 2023

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